



THE AFRICAN CAPACITY  
BUILDING FOUNDATION

Annual Report  
2002

# Letter of Transmittal to the Board of Governors

26 June 2003

Dear Mr. Chairman:

In accordance with Article VII, Section 5 (e) of the Constitution of the African Capacity Building Foundation (ACBF), I have the honor to present to the ACBF Board of Governors the Annual Report of the ACBF Executive Board for the period 1 January – 31 December 2002. The audited financial statements for the mentioned period, together with the report of the external audit firm thereon, are presented in Annexes B1 – B9.

**Kwesi Botchwey**

*Chairman of the Executive Board*

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## Abbreviations and Acronyms

ACBF	:	The African Capacity Building Foundation
ACBI	:	African Capacity Building Initiative
ACB Fund	:	African Capacity Building Fund
ADF	:	African Development Forum
AERC-CMAP, Kenya (Regional)	:	African Economic Research Consortium's Collaborative Master's Program in Economics
AfDB	:	African Development Bank
AFRITAC	:	African Regional Technical Assistance Centre
AIPA, South Africa	:	Africa Institute for Policy Analysis and Economic Integration
APIF	:	African Policy Institutes Forum
APUs	:	African Partner Universities
AU/OAU	:	African Union/Organization of African Unity
AVU	:	African Virtual University
BCEAO	:	Banque Centrale des Etats de l'Afrique de l'Ouest
BEAC	:	Banque des Etats de l'Afrique Centrale
BIDPA, Botswana	:	Botswana Institute for Development Policy Analysis
BOAD	:	Banque Ouest Africaine de Développement
CAEM	:	Centre Africain d'Etudes Monétaires
CAFPD, Mali	:	Centre d'Analyse et de Formulation de Politiques de Développement
CAMERCAP, Cameroon	:	Projet de Renforcement des Capacités en Gestion Economique de la République du Cameroun
CAPAN, Benin	:	Cellule d'Analyse des Politiques de Développement de l'Assemblée Nationale
CAPE, Benin	:	Cellule d'Analyse de Politique Economique
CAPED, Niger	:	Cellule d'Analyse et de Prospective en Développement
CAPES, Burkina Faso	:	Centre d'Analyse des Politiques Economiques et Sociales
CDF	:	Comprehensive Development Framework
CEMAC	:	Communauté Economique des Etats de l'Afrique Centrale
CEPA, Ghana	:	Centre for Policy Analysis
CEPEC, Guinea-Conakry	:	Cellule d'Etudes de Politique Economique
CEPOD, Senegal	:	Centre d'Etudes de Politiques pour le Développement
CERDI, France	:	Centre d'Etudes et de Recherches sur le Développement International
CESAG, Senegal (Dakar)	:	Centre Africain d'Etudes Supérieures en Gestion (régional)
CIDA	:	Canadian International Development Agency
CILSS	:	Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel
CIRES-CAPEC, Côte d'Ivoire	:	Centre Ivoirien de Recherches Economiques et Sociales
CLKNET	:	Country-level Knowledge Network
COMESA	:	Common Market for Eastern and Southern Africa
CNPG-CEPEC, Guinea	:	Centre National de Perfectionnement à la Gestion - Cellule d'Etudes de Politique Economique

CREAM, Madagascar	:	Centre de Recherches, d'Etudes et d'Appui à l'Analyse Economique de Madagascar
CSD-PSF, Tanzania	:	Civil Service Department – Private Sector Facilitation Project
CS-DRMS	:	Commonwealth Secretariat Debt Recording and Management System
DAC	:	Development Assistance Committee
DFID, United Kingdom	:	Department for International Development
DGF	:	Development Grant Facility
DMPA, Zambia	:	Directorate of Macroeconomic Policy Analysis
DPC, Nigeria	:	Development Policy Centre
DRC	:	Democratic Republic of Congo
DRI	:	Debt Relief International
ECOWAS	:	Economic Community of West African States
EDRI	:	Ethiopian Development Research Institute
EEA, Ethiopia	:	Ethiopian Economic Association
E-HIPC	:	Enhanced Facility for Highly Indebted Poor Countries
EMPAC, Ethiopia	:	Ethiopian Macroeconomic Policy Analysis Capacity Building Project
EPM	:	Economic Policy Management
EPM/McGill, Canada (Regional)	:	Economic Policy Management/McGill University Project
EPRC, Uganda	:	Economic Policy Research Centre
ESAIDARM, (Regional)	:	Eastern and Southern African Initiative in Debt and Reserves Management
ESRF, Tanzania	:	Economic and Social Research Foundation
EU	:	European Union
FSJE	:	Faculté des Sciences Juridiques et Economiques
GICAP	:	Gambia Interface Capacity Building Project
GDN	:	Global Development Network
GMAP	:	Groupe Ministériel d'Actions et de Propositions
GoR	:	Government of Rwanda
GOVNET	:	Network on Good Governance and Capacity Building
HIPCs	:	Heavily Indebted Poor Countries
ICP	:	International Comparison Program
IDEC, Burundi	:	Institut de Développement Economique
IDEG-CAP, Ghana	:	Institute for Democratic Governance Interface Capacity Building Project
IDF	:	Institutional Development Fund
IDRC	:	International Development Research Centre
IEF, Gabon (Regional)	:	Institut d'Economie et de Finances, Gabon
ILO	:	International Labour Organization
IMF	:	International Monetary Fund
IOM	:	International Organization for Migration
IT	:	Information Technology
IPAR, Kenya	:	Institute of Policy Analysis and Research

KIPPRA, Kenya	:	Kenya Institute for Public Policy Research and Analysis
LIMPAC, Liberia	:	Liberian Macroeconomic Policy Analysis Capacity Building Project
LMMP, Lesotho	:	Lesotho Macroeconomic Management Project
MIDA	:	Migration for Development in Africa
MDP	:	Municipal Development Programme
MEFMI, Zimbabwe (Regional)	:	Macroeconomic and Financial Management Institute
MOU	:	Memorandum of Understanding
MTEF	:	Mid-Term Expenditure Framework
MSCBP	:	Multi-Sector Capacity Building Program
NCEMA, Nigeria	:	National Centre for Economic Management and Administration
NEC, Malawi	:	National Economic Council
NECF, Zimbabwe	:	National Economic Consultative Forum
NEPAD	:	New Partnership for Africa's Development
NEPRU, Namibia	:	Namibian Economic Policy Research Unit
NFP	:	National Focal Point
NGO	:	Non-governmental Organization
NGOCC, Zambia	:	Non-governmental Organization Coordinating Committee
NIEP, South Africa	:	National Institute for Economic Policy
NLTPS	:	National Long-Term Perspectives Studies
ODA	:	Official Development Assistance
OECD	:	Organization for Economic Co-operation and Development
OMT	:	Operations Monitoring Team
PACT	:	Partnership for Capacity Building in Africa
PARP, Nigeria	:	Policy Analysis and Research Project
PASU, (OAU), Ethiopia	:	Policy Analysis Support Unit
PDTPE, Zimbabwe	:	Professional Development and Training Programme in Economics
PHRD Fund	:	Policy and Human Resources Development Fund
PIC	:	Partnership for International Cooperation
PNRC – CAF, Guinea Bissau	:	Programme National de Renforcement des Capacités- Cellule d'Appui à la Formation
PNRC – CMAP, Mauritania	:	Programme National de Renforcement des Capacités- Centre Mauritanien d'Analyse de Politiques
PRC	:	Project Review Committee
PRECAGEF, Gabon	:	Projet de Renforcement des Capacités en Gestion Economique et Financière
PRECASP, Sao Tomé and Principe	:	Projet de Renforcement des Capacités de Lutte contre la Pauvreté
PRIECA/AO, Senegal (Regional)	:	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'Etat et le Secteur Privé
PRIME	:	Poverty Reduction Programming, Implementation, Monitoring and Evaluation Initiative
PRSP	:	Poverty Reduction Strategy Paper
PSCGT, Kenya	:	Private Sector Corporate Governance Trust

PTCI, Burkina Faso, (Regional)	:	Programme de Troisième Cycle Interuniversitaire
	:	Regional Economic Communities
SADC	:	Southern African Development Community
SAFEWIND	:	Secretariat Approved Funding Window
SANGOCO, South Africa	:	South African Non-governmental Organization Coalition
SAP	:	Staff Advisory Panel
SARIPS, Zimbabwe (Regional)	:	Southern African Regional Institute for Policy Studies
SCMFG	:	Staff Change Management Focus Group
SENAREC	:	Secrétariat National pour le Renforcement des Capacités
SIWP	:	Strategy and Indicative Work Program
SMG	:	Senior Management Group
SMTF	:	Strategic Medium -Term Plan, 2002 – 2006
SOE	:	Statement of Expenses
SPRP	:	Staff Performance Review Panel
TAP-NET	:	Technical Advisory Panel and Network
UDEAC	:	Union Douanière et Economique des Etats de l'Afrique Centrale
UEMOA	:	Union Economique et Monétaire de l'Afrique de l'Ouest
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
WAIFEM, Nigeria (Regional)	:	West African Institute for Financial and Economic Management
WBI	:	The World Bank Institute
WTO	:	World Trade Organization
ZEPARU, Zimbabwe	:	Zimbabwe Economic Policy Analysis and Research Unit



*Participants at the ACBF/PACT Pledging Conference held on 29 - 30 April 2002 at Lancaster House, London, United Kingdom.  
Mr. Barrie Ireton, Chair of the ACBF Board of Governors (second from left on the front row), presided over the meeting.*

## Message from the Chairman of the Executive Board

*ACBF's capacity-building agenda advanced significantly over the past year. This was due mainly to the promising start the Foundation recorded in its resource-mobilization efforts, the visible results generated by the change management process, and the achievements of the projects and programs in its ever broadening and deepening portfolio. These accomplishments strengthened the Foundation's claim to becoming the premier capacity-building institution in Africa, and provided the basis for its continuous maturation.*



*The ACBF-PACT Pledging Conference held in April 2002 at Lancaster House in London enabled the Foundation to eventually mobilize US\$ 159.240 million to kick off the implementation of the Strategic Medium-Term Plan (SMTP), 2002 – 2006. These resources were not adequate to fully finance the SMTP. However, given the relevance of the Foundation's mandate, the growing impact of its operations and those of its projects and programs, and the strong ownership and support demonstrated by its stakeholders – from its sponsoring agencies and other multilateral institutions to African and non-African Governments – it is hoped that the Foundation will raise enough resources to fill the existing funding gap.*

*I am very optimistic about the Foundation's long-term prospects because of the results on the ground. For instance, the change management process proceeded apace and with encouraging results that demonstrated the Foundation's capacity to reach inwards and reinvent itself. The challenge ahead is to maintain the spirit and the momentum without losing grip of the central mission of the Foundation.*

*In addition, the Foundation emerged with a clear knowledge management strategy that offered focus and direction to its cutting-edge efforts to play an active role in the generation and sharing of knowledge on capacity building through, and in collaboration with, actual and virtual networks such as TAP-NETS and CLKNETS. In many a forum, participants now look up to the Foundation as a crucible for new ideas and approaches in capacity building. Also, the Foundation stands in some partner countries at the front rank of innovative programmatic approaches characterized by strategic dialogue, lesson learning and information exchange.*

*Lastly, with respect to operations, the burgeoning quality, variety and impact of the Foundation's interventions were again evident in 2002. For example, the Executive Board approved eleven new projects and programs. The national operations comprised a policy unit in Burundi that benefited from a second round of funding, an interface project in Ghana, and a retrofitted intervention in Senegal. The regional operations included a project to strengthen trade negotiation capacity and trade policy development in COMESA; a regional*

collaborative doctoral program in economics; and the second phase of a Macroeconomic and Financial Management Institute in Eastern and Southern Africa. The third category of operations were the second phases of the economic policy management (EPM) programs in Cameroon, Côte d'Ivoire, Ghana and Uganda, which welcome participants from the respective sub-regions in which the programs are based. The Foundation sought to consolidate its support either by providing a booster shot of additional funding to improve the prospects of sustainability of ongoing operations or by lending its support to innovative initiatives that stood a real chance of making a difference. The resources granted to the four EPM programs were aimed at strengthening relevant capacities in the countries and sub-regions concerned in order to help revive their institutional environments or upgrade their policy-making potential. In addition, in order to bolster the Foundation's flexibility and responsiveness to the needs of its stakeholders, the Executive Board approved the SAFEWIND Initiative that delegated authority to the Executive Secretary to provide catalytic resources, within given financial limits and subject to clear reporting guidelines, to innovative, targeted and results-oriented activities that fall within the Foundation's remit and competencies.

Meanwhile, the Foundation continued to introduce and implement initiatives geared at improving the quality of its portfolio of operations. One such measure was the organization by the Foundation of two workshops in Abidjan and Harare for the finance staff of ACBF-funded institutions to acquaint them further with the Foundation's legal, procurement and financial management procedures. The direct result was the immediate and sharp increase in disbursements from the Foundation to these projects and programs. In addition, as a result of the quality of the Foundation's supervision efforts, the outputs and other achievements of these operations topped the previous year's level significantly. For example, ACBF-funded operations continued to generate highly relevant policy studies either within the framework of their respective work programs or commissioned by government, the private sector, civil society, donors and other partners. In addition, as a result of the Foundation's support, numerous policy analysts and managers participated in conferences, seminars and workshops convened by ACBF-funded institutions or partner organizations. The cumulative total of fellowships for master's-level and doctoral programs also rose sharply as compared to 2001. Again, there was much evidence that the studies generated by policy units and interface operations in the Foundation's portfolio either stimulated useful policy-informing debates regarding poverty reduction strategies and development goals in many countries or simply led to noteworthy policy changes in these environments. In short, I am convinced that the Foundation's future role and reputation will be predicated not only on the results of its knowledge management efforts but also on the quality and relevance of the outputs of the operations it supports.

Still, progress in 2002 was not always automatic or predictable. The results of the resource mobilization exercise showed that the Secretariat, the Executive Board and the Board of Governors needed to redouble their efforts in order to raise the requisite funds to implement the SMTP, 2002-2006. The conclusions of the Monterrey Conference on the financing of development were eloquent testimony to the fact that the challenges ahead for the Foundation

*in the area of resource mobilization remain enormous. Therefore, progress in the years ahead will not always be guaranteed especially as capacity building itself often involves a slow build-up of human and institutional enhancement that is not always demonstrable within a limited time horizon. This is why the Foundation's family of stakeholders must pursue its efforts in order to kindle sustainable change in the quantity and quality of human and institutional capacities on the Continent – in particular as their expectations have been heightened in the aftermath of the global consensus on Millennium Development Goals as well as the advent of NEPAD and associated emerging reforms relating to poverty, debt reduction and good governance.*

*Once again, I will not close this Message without extending words of gratitude to the Board of Governors for its strong support of the Foundation, commending my colleagues on the Executive Board for their determination to help brighten prospects of capacity building on the Continent, and acknowledging the Secretariat for its contributions to the successes the Foundation recorded in 2002. It is my earnest hope that their respective sacrifices will enable the Foundation to flourish and have a decisive impact in the years ahead. Ultimately, whether we talk of the contributions of empowered women to policy-making in Kenya and Zambia, or of the fresh perspectives advanced by policy units in Benin and Ghana, or of effective public sector-private sector partnerships in Mali and Mauritania, or of the training and institutional support given by national and regional training programs in Anglophone and Francophone Africa, or of the institutional framework provided by local communities tackling HIV/AIDS in Swaziland, these achievements offer striking examples of the Foundation's sometimes silent but undoubtedly solid successes that deserve to be recorded, relayed and replicated everywhere.*

**Kwesi Botchwey**

*Chairman of the Executive Board*

## Statement from the Executive Secretary

ACBF was once again on the move in 2002. The Foundation sustained the vigorous pace that characterized its performance over the previous first two years of integration and implementation of the Partnership for Capacity Building in Africa (PACT). First, the Foundation launched a major resource mobilization exercise for the funding of the Strategic Medium-Term Plan (SMTP), 2002 – 2006. Second, it embraced the change management process, which recorded significant advances in terms of internal culture and processes. Third, the Foundation embarked actively on the design and implementation of its knowledge management strategy. Fourth, it imparted fresh energy into its project development and implementation processes, which culminated in the improvement of the overall quality of the operations in its portfolio - as evidenced by the outputs generated as well as the remarkable increase in the level of disbursements to beneficiaries. Lastly, the Foundation continued to intensify its outreach and networking activities, which witnessed enhanced co-operation and collaboration with many institutions and initiatives, including the New Partnership for Africa's Development (NEPAD). These achievements gave renewed credence to the conviction shared by many stakeholders – including the Executive Board and the Board of Governors – that the Foundation is poised to make remarkable strides in the years ahead as Africa's pre-eminent capacity building institution.



Following the Lancaster House Pledging Conference of 29 – 30 April 2002, which witnessed the massive participation of African governments as well as bilateral and multilateral stakeholders, the Memorandum of Understanding relating to the ACBF-PACT Trust Fund was signed by Benin, Burkina Faso, Cameroon, Canada, Finland, Ireland, the Netherlands, Norway, Rwanda, Senegal, Sweden and the United Kingdom following the 11<sup>th</sup> Annual Meeting of the Board of Governors that was held on 11-12 November 2002 in Libreville, Gabon. The Foundation also received a contribution of US\$ 4 million from the International Monetary Fund (IMF), which formally joined the Board of Governors as a full-fledged member of the Foundation in April 2002. In total, the resource mobilization effort yielded US\$ 159.240 million to finance the SMTP – which was about US\$ 180 million short of the planned target of US\$ 340 million. The Foundation has pledged to pursue its extensive consultations with current and prospective donors in order to raise the outstanding balance of resources required to fully fund the Strategic Plan.

The SMTP set the tone for activities that were geared towards the emergence of the Foundation as a knowledge-based organization. Accordingly, beginning with the reorganization of the Secretariat and establishment of a Knowledge Management and Program Support Department in January 2002, the Foundation developed a knowledge management strategy premised on the recognition that a substantial amount of knowledge accumulated so far by the Foundation and other actors needed to be synthesized and

disseminated in a systematic and thorough way. Besides the regular publication of the **ACBF Newsletter**, the Foundation has already produced significant results – including an Occasional Paper on the capacity-building dimensions of Africa's development challenges; the design of an ACBF intranet; the upgrading and updating of the Foundation's website; the sensitization of ACBF-funded institutions to knowledge generation; the creation of core competency and knowledge management teams within the Secretariat; the establishment of technical advisory panels and networks; the creation of country-level knowledge networks; and participation in global knowledge networks linked to the Foundation's core competencies. In particular, the launch of the specialized Technical Advisory Panels and Networks (TAP-NETS) in November 2002 effectively heralded a major step towards the achievement of the Foundation's goal of becoming a leading knowledge-based organization in capacity building in Africa. The TAP-NETS comprise African as well as non-African development practitioners, researchers, policymakers, civic leaders, captains of industry and commerce, among others. For openers, the TAP-NETS will contribute to the operationalization of four of the Foundation's six core competency areas – Economic Policy Analysis and Management; Public Administration and Management; Financial Management and Accountability; and Professionalization of the Private Sector and Civil Society. TAP-NETS for the monitoring of national statistics and enhancement of the policy analysis capacity of national parliaments will be established in 2003.

Apart from its shift to establish a knowledge base, the Foundation also accorded special attention to the change management process occurring within its precincts. Following the completion of the diagnostic report by the change management consultants, the Foundation focused on five key areas with detailed work plans approved by ACBF Management in order to generate change: corporate culture, internal processes, knowledge management, action tracking, and Boards/Secretariat interface issues. The intense and proactive involvement of all members of ACBF Management and Staff in the change process reflected their ownership of the exercise and commitment to the implementation of its results. By the end of the year, the process had generated notable results whose impact is likely to be felt many years down the road. For example, job descriptions for managers were redesigned with an enhanced focus on people management responsibilities and competencies as well as knowledge generation and sharing duties. In addition, process improvement teams reflected on internal processes and generated values statements for discrete functions within the Foundation. The Secretariat conducted benchmarking study missions to the World Bank, the IMF, CIDA and other institutions in order to harvest best practices in the design of knowledge management systems.

With respect to operations, the Foundation awarded grants to eleven projects and programs endowed with the potential to make a difference in their respective areas of focus. For example, the Executive Board approved resources to support the second phases of the IDEC project in Burundi; the expanded version of the UPE project in Senegal as well as the EPM programs in Cameroon, Côte d'Ivoire, Ghana and Uganda. It also awarded grants to the Collaborative Ph.D. Program in Economics being implemented by the African Economic Research Consortium (AERC), and to COMESA aimed at strengthening trade negotiation

and trade policy development capacity within its Secretariat and individual member states. Lastly, it provided financial resources to the IDEG-CAP operation in Ghana to support its innovative and inclusive approach to the development of a sound and responsive governance framework in the country. Despite the amount of time invested in the change management process, the Foundation was able to maintain a steady pace of operational activity. For example, the Secretariat fielded 8 capacity needs assessment missions, undertook 154 supervision and appraisal missions, conducted 7 mid-term review missions, followed up on ongoing project completion exercises, and fostered the improvement of internal project governance structures – all of which translated into a remarkable increase in the level of disbursements to projects and programs (80% of the projected figure). The quantity and quality of the outputs of the various projects and programs also went up significantly. Indeed, whether directly or through the operations in its portfolio, the Foundation continued to take forward more visibly and vigorously its intervention in capacity needs exercises and the preparation of poverty reduction strategies and programs. Clearly, the increasingly effective work being undertaken by ACBF-sponsored institutions in support of the PRSP, HIPC and other reform efforts contributed to the growing recognition of the Foundation as a leading capacity-building institution in Africa. The SAFEWIND approach adopted in 2002, and within the framework of which the Foundation granted catalytic financial support to seven initiatives, will enable the Foundation to position itself even more relevantly and flexibly in relation to addressing the needs, priorities and perspectives of its stakeholders.

ACBF also devoted considerable time to its outreach and networking activities. A new challenge that faced the Foundation was that of playing a visible and consequential role in implementing NEPAD. The Foundation is currently preparing the basis for the conclusion of a Memorandum of Understanding between ACBF and the NEPAD Secretariat under the terms of which the Foundation will play a leading role in implementing the capacity-building components of the Initiative, within the ambit of its Constitution. The proclamation in July 2002 in Durban, South Africa, of a decade of capacity building in Africa (2002 – 2011) by the newly born African Union echoed the spirit among African leaders at the Bamako Forum and their determination to address the Continent's development challenges in order to ensure that it is firmly connected to the global economy. In adopting the Durban Declaration on a Capacity-Building Decade, African leaders took the opportunity to once again pay tribute to the Foundation, the United Nations Economic Commission for Africa (UNECA) and other multilateral institutions for the encouraging results already achieved in building capacity in the areas of socio-economic policy analysis and development management on the Continent. The importance of the Durban Declaration rests on the need for the Continent to demonstrate a much stronger commitment to the mobilization of additional resources aimed at building capacity in vital sectors.

The Foundation concluded co-operation agreements and participated in forums that reflected its firm intention to work with its partners and other stakeholders to advance capacity building on the Continent. In this connection, it signed a Memorandum of Understanding with the IMF regarding the implementation of the AFRITACS initiative; concluded a Memorandum of Understanding with the International Organization for Migration in relation to collaborative

activities of mutual interest; and attended conferences, seminars and workshops touching on technical assistance and donor coordination, trade policy development, debt management, governance and institutional reform, poverty reduction strategies, and public-private sector partnerships.

To sum up, the Foundation's performance in 2002 confirmed its promise. In my encounters with Heads of State, Heads of Government, ministers, policymakers, experts, practitioners and ordinary people all over the Continent, I was heartened and humbled by their commitment to capacity building and development, and their acceptance of the fact that ownership and leadership of the capacity-building process go with responsibility and accountability for results. Ultimately, measurable and visible impact is the name of the game, and with the steadfast guidance of the Executive Board, the unrelenting support of the Board of Governors, and the commitment of the African people (including government institutions and those in the private sector and civil society) for whom ACBF was established, there is no doubt that the Foundation will continue to gain traction as it confronts the enormous challenges that still lie ahead.

This **Annual Report** comprises eleven chapters. Chapter One presents the Foundation – summarizing its evolution, membership, funding status, mandate, operational modalities, governance, and staffing structure. Chapter Two provides a summary of the report, highlighting the main benchmarks that characterized the Foundation's operations during the year. Chapter Three provides an overview of the key developments in capacity building that engaged the Continent and the Foundation during the year. Chapter Four examines the principal aspects of the Foundation's internal operations. Chapter Five distils the main tenets of the change management exercise that began in 2001 and gained steam in 2002 as the Foundation sought to revamp its institutional platform and culture. Chapter Six discusses the status of the Foundation's portfolio, focusing on issues such as portfolio size and distribution, project development activities, project implementation matters, project achievements and project constraints. Chapter Seven assesses the Foundation's knowledge management framework, strategy and achievements so far. Chapter Eight discusses policy and institutional development issues relating to sustainability and the refinancing of promising operations; leadership, ownership and partnership in capacity building; and gender, capacity building and development. Chapter Nine considers the Foundation's ongoing efforts to bolster its outreach, networking activities and partnership initiatives. Chapter Ten provides a snapshot of the Foundation's finances. Chapter Eleven caps the Annual Report by looking ahead as the Foundation faces a time of challenge. The **Annual Report** also contains a number of boxes, charts, tables and annexes (including the Audited Financial Statements for 2002) to support the overall narrative.

**Soumana Sako**  
Executive Secretary

# Chapter One

## The African Capacity Building Foundation

- Evolution and Membership
- Mandate and Operational Modalities
- Core Competencies and Funding Status
- Knowledge-based Orientation
- Governance Structure

## The African Capacity Building Foundation

### A. Evolution and Membership

The African Capacity Building Foundation (ACBF), which is based in Harare, Zimbabwe, is an independent development funding institution established on 9 February 1991 through the collaborative efforts of three multilateral institutions (the World Bank, the African Development Bank and the United Nations Development Programme), African Governments and bilateral donors. Its current membership comprises these three sponsoring agencies, the International Monetary Fund, 21 African countries (Benin, Botswana, Burkina Faso, Cameroon, Chad, Democratic Republic of Congo, Côte d'Ivoire, Gabon, Ghana, Kenya, Malawi, Mali, Mauritania, Mauritius, Nigeria, Rwanda, Senegal, Tanzania, Uganda, Zambia and Zimbabwe) and 10 non-African bilateral donors (namely, Canada, Denmark, Finland, France, Ireland, the Netherlands, Norway, Sweden, the United Kingdom and the United States). In addition, Japan has contributed resources to the Foundation through the Policy and Human Resources Development (PHRD) Fund at the World Bank. The establishment of ACBF was a response to the severity of Africa's capacity problem and the challenge to invest in indigenous human capital and institutions in sub-Saharan Africa. The Foundation commenced operations in 1992.

### B. Mandate and Operational Modalities

The Foundation's principal objectives are to: (i) build and strengthen sustainable indigenous capacity for macroeconomic policy analysis and development throughout sub-Saharan Africa; (ii) improve, through co-financing and other networking arrangements, the channeling and coordination of donor support for capacity building in the areas of the Foundation's mandate; (iii) contribute to programs for the reversal of brain drain from the Continent and encourage retention as well as effective utilization of existing capacity; (iv) build capacity in key areas of the public

sector with emphasis on the interface between the public sector, on the one hand, and the private sector and civil society on the other; and (v) provide support for regional institutions and initiatives.

ACBF focused initially on addressing capacity needs in the areas of macroeconomic policy analysis and development management. The Foundation has developed a niche in addressing the paucity of expertise in these areas by providing direct support for capacity-building operations through trust funds managed on its behalf by the World Bank.

In 1996, the Foundation underwent an external evaluation of its performance during its initial phase. This led to a renewed commitment in 1997 by donors to the Foundation, which resulted in pledges of about US\$70 million. The second five-year phase commenced in 1998 and will run up to the year 2002.

In 1999, the Boards of the Foundation approved the expansion of its role in capacity building to include the Partnership for Capacity Building in Africa (PACT) Initiative. The integration of PACT into ACBF constituted the subject of a feasibility study the main thrust of which was subsequently endorsed by the Executive Board and the Board of Governors. The Foundation began implementing PACT in 2000.

Prior to the integration of PACT, the Foundation's portfolio comprised policy units, national and regional projects with a significant emphasis on training to build capacity for policy analysis, and a number of projects to rehabilitate national institutions. Most of the national projects had training components and many of them earmarked resources to support fellowships, in-service training, attachment programs, study visits, networking, information exchange and outreach.

Following the integration of PACT, the Foundation broadened its role to include the following key categories: (i) enhancement of public sector

performance and effectiveness; (ii) strengthening of interface among the private sector, the public sector and civil society; and (iii) strengthening of regional institutions and initiatives.

Efforts are being made to encourage countries to set up national focal points for country-level coordination of capacity-building activities. In addition, the Secretariat will utilize technical review panels and networks as well as country-level knowledge networks in order to enhance the scope, quality and potential impact of its interventions.

The Foundation's approach to capacity building is largely demand-oriented with a focus on needs assessments, project ownership and sustainability as well as complementarity of interventions across projects and programs. Greater emphasis is currently being placed on the promotion of equity in the gender profile of beneficiaries of the Foundation's funding support. Operations at the Foundation are planned by means of medium-term work programs, which are implemented through annual business plans. Performance is rigorously monitored and evaluated through supervision, mid-term and project completion reviews as well as external evaluation exercises.

### C. Core Competencies and Funding Status

In 2001, the Board of Governors approved the Foundation's Strategic Medium-Term Plan (SMTP) for the period 2002 - 2006. The Plan set out the Foundation's vision, mission, objectives and priority areas of intervention. It is expected that the Foundation will focus on the following six core areas: (i) economic policy analysis and management; (ii) financial management and accountability; (iii) strengthening and monitoring of national statistics; (iv) public administration and management; (v) strengthening of the policy analysis capacity of national parliaments; and (vi) professionalization of the voices of the private sector and civil society. Within the framework of these six areas of core competencies, the Foundation will concentrate on the following five areas of intervention: (i) strengthening of effectiveness of the core public sector; (ii) strengthening of public sector, private sector

and civil society interface; (iii) strengthening of training and research institutions; (iv) strengthening of regional organizations; and (v) establishment/strengthening of country-level frameworks for coordination of capacity building and participatory development. In 2002, the Foundation's donors announced new pledges amounting to US\$159.240 million to finance the SMTP.

### D. Knowledge-based Orientation

In keeping with ACBF's strategic shift into a knowledge-based institution, the Foundation is poised to play a leading role in fostering lesson-learning approaches to capacity building through the harnessing and dissemination of its experiences and those of its partners in capacity building. To this end, the Foundation aims to engage vigorously in knowledge generation and dissemination activities (through thematic networks, programs for experience sharing, commissioning and production of research, and the sharing of cutting-edge findings from research) as well as program support activities (such as workshops and forums, program-related publications, technical and advisory services as well as institutional and database enhancement) in order to share information and promote dialogue among development partners.

### E. Governance Structure

The Foundation has a three-tier governance structure consisting of a Board of Governors, an Executive Board and a Secretariat. The Board of Governors, the highest policy-making body, consists of one Governor for each member country or multilateral donor. Its main responsibility is to set the broad policies for the operation of the Foundation as well as the appointment of the members of the Executive Board. The Executive Board is made up of eleven voting members. Eight of the members of the Executive Board (at least four of whom are Africans from four different countries) are appointed in their personal professional capacities for a maximum of two three-year terms. The other three are designated by the Foundation's three sponsoring agencies (AfDB, IBRD and UNDP). The Executive Secretary is a non-voting member. The Executive

Figure 1. ACBF Strategic Medium-Term Plan, 2002 - 2006: Vision, Mission, Objectives and Strategy

 <b>Vision</b>	 <b>Mission</b>	 <b>Objectives</b>	 <b>Strategy</b>
<ul style="list-style-type: none"> <li>ACBF aims to become the leading African Institution in partnership with other stakeholders to build sustainable capacity for good governance and poverty reduction in Africa.</li> </ul>	<ul style="list-style-type: none"> <li>To build sustainable human and institutional capacity for poverty reduction in Africa.</li> </ul>	<ul style="list-style-type: none"> <li>To build and strengthen sustainable human and institutional capacity in the core public sector, in the latter's interface with the private sector and civil society, in training and research institutions as well as within regional organizations in order to spur economic growth, promote poverty reduction, foster good governance and facilitate effective participation by Africa in the global economy.</li> </ul>	<ul style="list-style-type: none"> <li>To mobilize and provide funding, intellectual, information and research support toward capacity building in Africa in the Foundation's core competency areas as well as foster the emergence of ACBF as a knowledge-based institution.</li> <li>To build partnership for, and stakeholders' ownership of, an inclusive and participatory approach to capacity building and development management, effective coordination of intervention and a holistic approach to the capacity-building process.</li> </ul>

Table 1. ACBF Strategic Medium-Term Plan, 2002 - 2006: Core Components

CORE COMPETENCIES	AREAS OF FOCUS	PRIMARY PARTNERS/ IMPLEMENTING AGENCIES	INTERVENTION INSTRUMENTS/ ACTIVITIES	NATURE OF INTERVENTION INPUTS
<b>Capacity Building for:</b> <ul style="list-style-type: none"> <li>Economic Policy Analysis and Management</li> <li>Financial Management and Accountability</li> <li>Strengthening and Monitoring of National Statistics</li> <li>Public Administration and Management</li> <li>Strengthening of the Policy Analysis Capacity of National Parliament</li> <li>Professionalization of the Voices of the Private Sector and Civil Society</li> </ul>	<ul style="list-style-type: none"> <li>Core Public Sector</li> </ul>	<ul style="list-style-type: none"> <li>Core Economic Ministries and Agencies Bureau/Office of Statistics</li> <li>Public Enterprise Reform and Regulatory Commissions</li> <li>Public Sector Reform Commissions</li> <li>Parliament and Parliamentary Institutions</li> </ul>	<ul style="list-style-type: none"> <li>Policy Units</li> <li>Training Programs</li> <li>Policy Implementation Programs</li> <li>Institution Building and Skills Development Programs</li> <li>Financial Management and Accountability Programs</li> <li>Performance Evaluation and Monitoring Programs</li> <li>Knowledge Networking</li> </ul>	<b>Country Programs</b> Full Intervention <ul style="list-style-type: none"> <li>Core Public Sector Support</li> <li>Public-Private Sector - Civil Society Interface</li> <li>Strengthening of Training Institutions</li> <li>Establishment/Strengthening of National Focal Points</li> <li>Dialogue and Advocacy</li> <li>Targeted Intervention</li> <li>One or two activities in the Full Intervention</li> <li>National Focal Point</li> </ul> <b>Regional Programs</b> Each of the following activities to be supported in five sub-regions (West, Central, the Horn, East and Southern Africa): <ul style="list-style-type: none"> <li>Policy Units</li> <li>Training Programs</li> <li>Regional Networks (incl. Knowledge Networking)</li> </ul> <b>Knowledge Networking and Framework for Coordination of Capacity Building Activities</b> Knowledge networking in all 48 sub-Saharan African Countries <ul style="list-style-type: none"> <li>Convening of Thematic Networks</li> <li>Sharing of Experiences in Capacity Building Operations</li> <li>Commissioning and Production of Research</li> <li>Sharing of Findings from Cutting-edge Research</li> </ul> National Focal Points and Proxy Institutions
	<ul style="list-style-type: none"> <li>Public Sector - Private Interface</li> </ul>	<ul style="list-style-type: none"> <li>Economic Consultative Councils</li> <li>Professional and Business Associations</li> <li>Autonomous Policy/Think Tanks</li> <li>Networks of Civil Society Organizations</li> <li>Organizations for Tripartite Negotiation</li> </ul>	<ul style="list-style-type: none"> <li>Policy Units</li> <li>Training Programs</li> <li>Institution Building and Skills Development Programs</li> <li>Institutional Networking and Exchange Programs</li> <li>Knowledge Networking</li> </ul>	
	<ul style="list-style-type: none"> <li>Training Institutions</li> </ul>	<ul style="list-style-type: none"> <li>Specialized Training Institutions</li> <li>Institutions for Collaborative Master's and Ph.D. Programs in Economics</li> <li>University-based Master's degree Programs in Economic Policy Management, Public Administration and Financial Sector Management</li> </ul>	<ul style="list-style-type: none"> <li>Institution Building and Strengthening</li> <li>Training Programs</li> <li>Knowledge Networking</li> </ul>	
	<ul style="list-style-type: none"> <li>Regional Institutions</li> </ul>	<ul style="list-style-type: none"> <li>Regional Economic Communities</li> <li>Continent-wide Organizations</li> <li>Regional Networks of Civil Society</li> </ul>	<ul style="list-style-type: none"> <li>Policy Units</li> <li>Training Programs</li> <li>Knowledge Networking</li> </ul>	
	<ul style="list-style-type: none"> <li>National Focal Points for Capacity Building and Participatory Development</li> </ul>	<ul style="list-style-type: none"> <li>National Focal Points</li> <li>Proxy Institutions</li> </ul>	<ul style="list-style-type: none"> <li>Institution Building</li> <li>Dialogue and Advocacy</li> <li>Knowledge Networking</li> </ul>	

Board is charged with responsibility for operational policies, guidelines and strategies as well as with appointment of the Executive Secretary. The Secretariat carries out the day-to-day activities of the

Foundation in accordance with the policies and guidelines set out by the Boards. As at 31 December 2002, the Secretariat was comprised of a staff of 42 from 15 African countries.

## Chapter Two

### Executive Summary: Highlights of 2002

- Mobilization of Resources to Implement the SMTP, 2002 – 2006
- Execution of the Strategic Medium-Term Plan (SMTP), 2002 – 2006
- Implementation of the Change Management Process
- Appointment of New Members to the Executive Board
- Approval of New Operations
- Improved Management of the Expanded Portfolio
- Design and Commencement of Implementation of the Foundation's Knowledge Management Strategy
- Expansion of Outreach, Networking, Partnership and Program Support Activities
- Internal Reorganization and Enhancement of the Staff Complement
- Upgrading of ACBF Management Information Systems

## Executive Summary: Highlights of 2002

In 2002, ACBF pursued its mission in a context of high expectations. The highlights of the year comprised the following: (a) mobilization of fresh resources to implement the SMTP, 2002 – 2006; (b) execution of the SMTP, 2002 – 2006; (c) implementation of the change management process; (d) appointment of new members to the Executive Board; (e) identification, development and financing of promising new operations; (f) improved management of

the expanded portfolio comprising maturing operations; (g) design of a coherent knowledge management strategy and commencement of its implementation; (h) expansion and deepening of outreach, networking, partnership and program support functions; (i) internal reorganization and enhancement of the staff complement; and (j) upgrading of ACBF management information systems. Table 2 provides the key statistics in the area of operations.

<b>Table 2. Operations, 2002</b>		
<b>Item</b>	<b>2002</b>	<b>2001</b>
Cumulative number of grants approved	99	88
Cumulative grants to national focal points (NFP)	26	26
Cumulative number of active projects	71	67
Number of refinanced projects and programs	7	3
New grants to projects (including NFPs)	11	16
Cumulative number of countries covered	36	36
Cumulative number of ongoing operations		
• Public sector	58	55
• Interface	12	11
• Strategic interventions	1	1
Mid-term reviews	7	6
Supervision and appraisal missions	154	201
Capacity needs assessment missions	8	22
	<b>US\$ Millions</b>	<b>US\$ Millions</b>
Cumulative total cost of projects	498.55	448.76
Cumulative commitments	183.22	162.23
New commitments	21.00	15.26
Cumulative disbursements	89.82	71.79
Cumulative co-financing commitments	246.48	229.42
Paid-in contributions (Phase I)	0	67.07
Paid-in contributions (Phase II)	11.05	27.74
Paid-in contributions (ACBF-PACT Phase)	7.57	-
Cumulative investment income	14.88	10.47

### A. Mobilization of Resources to Implement the SMTP, 2002 – 2006

After many rounds of consultation with potential donors, the Foundation organized a Pledging

Conference on 29 – 30 April 2002 at Lancaster House in London, United Kingdom. At the Pledging Conference and thereafter, many governments and multilateral organizations announced new contributions to enable the Foundation to finance its Strategic Medium-Term Plan (SMTP), 2002 – 2006.

As of 31 December 2002, the following countries had pledged resources to the Foundation amounting to US\$159.240 million, which is about US\$180 million short of the target of US\$340 million set for the full implementation of the SMTP: AfDB (US\$12 million); Benin (US\$500,000); Burkina Faso (US\$250,000); Cameroon (US\$750,000); Canada (C\$28 million); Denmark (US\$5 million); European Union (€2 million); Finland (€2 million); France (€5 million); Gabon (US\$800,000); the IMF (US\$4 million); Ireland (€4 million); Mali (US\$750,000); Mauritania (US\$250,000); the Netherlands (€15 million); Nigeria (US\$500,000); Norway (Nkr 75 million); Rwanda (US\$200,000); Senegal (US\$500,000); Sweden (SEK 60 million); UNDP (US\$1 million); United Kingdom (£9 million); U.S.A (US\$500,000); the World Bank (US\$55 million); and Zambia (US\$250,000).

In March 2002, the Government of Rwanda signed an MOU with the Foundation under the terms of which it pledged to contribute US\$250,000 to the African Capacity Building Fund (Phase II) to help finance the Foundation's Strategy and Indicative Work Program for the period 1998 – 2002. In total, therefore, Rwanda pledged US\$450,000 to the Foundation in 2002.

The Foundation will pursue efforts to mobilize the remainder of the resources needed to finance the SMTP, 2002 – 2006. Already, it has received signals from countries such as Congo-Brazzaville, Djibouti, Equatorial Guinea, Ethiopia, Guinea (Conakry), Sudan and Swaziland that they would be inclined to join the Foundation and contribute resources to the ACBF/PACT Trust Fund.

### **B. Execution of the Strategic Medium-Term Plan (SMTP), 2002 - 2006**

The Foundation's Strategic Medium-Term Plan, 2002 – 2006, identified six core competency areas on which the Foundation would focus its interventions: (a) economic policy analysis and management; (b) financial management and accountability; (c) strengthening and monitoring of national statistics; (d) public administration and management; (e) strengthening of the policy analysis capacity of national parliaments; and (f) professionalization of the voices of the private sector and civil society. In 2002, the Foundation awarded grants to operations that

touched on some of these areas – particularly those relating to economic policy analysis and management as well as professionalization of the voices of the private sector and civil society. Also, the Foundation developed its own knowledge management strategy and expanded its range of program support and outreach activities.

### **C. Implementation of the Change Management Process**

Following the release in the last quarter of 2001 of the diagnostic report prepared by the consultants hired to review internal processes and the corporate culture, the Foundation delved deeper into the change management process in 2002. The Staff Change Management Focus Group (SCMFG) played a key role in supporting ACBF Management throughout the change management process. All ACBF staff participated actively in the process through their membership in at least one of five working groups: internal communications and culture; systems and processes; knowledge management; issues-and-action tracking mechanisms; and interface between the Boards and the Secretariat. The change management process realized a number of notable achievements – including improved communication among staff, leadership training for managers, the re-design of job descriptions for managers, contributions to reflections on knowledge management and upstream operational strategies, rethinking of internal processes, preparation of value statements, brainstorming on Boards/Secretariat interface, organization of a team-building retreat for ACBF Management, and installation of an action tracking system to facilitate and enhance quality management. The change management process thus gave added impetus to the continuous streamlining and upgrading of the Foundation's institutional platform, internal culture and corporate branding.

### **D. Appointment of New Members to the Executive Board**

On 12 November 2002, the Board of Governors appointed Mrs. Elisabeth Tankeu and Mr. Kerfalla Yansane to a three-year term on the Executive Board. Mrs. Tankeu is a former Minister of Planning in Cameroon while Mr. Yansane is a former Governor of the Central Bank of Guinea-Conakry.

### E. Approval of New Operations

In 2002, the Executive Board approved grants to the following eleven full-fledged operations: (a) the Collaborative Ph.D. Program in Economics being implemented by the African Economic Research Consortium (AERC) (US\$2,000,000); (b) Strengthening Capacity for Trade Negotiations and Trade Policy Development in the Community of East and Southern Africa (COMESA) (US\$1,500,000); (c) the *Institut de Développement Economique* (IDEC) project (Phase II) in Burundi (US\$2,000,000); (d) the Lesotho Macroeconomic Management Project (LMMP) (US\$1,396,000); (e) the Macroeconomic and Financial Management Institute (MEFMI), Phase II (US\$2,500,000); (f) the Institute for Democratic Governance Interface Capacity Building Project (IDEG-CAP) in Ghana (US\$1,500,000); (g) the *Centre d'Etudes de Politiques pour le Développement* (CEPOD) project - an expanded second phase of the UPE project - in Senegal (US\$1,800,000); and the second phases of the Economic Policy Management

(EPM) training programs in Cameroon, Côte d'Ivoire, Ghana and Uganda (US\$2,000,000 each).

The Executive Secretary granted funding support to seven proposals under the Secretariat Approved Funding Window (SAFEWIND) grant facility endorsed by the Executive Board in 2002. The proposals were as follows: (a) Regional Network for Parliaments and Parliamentary Institutions in Africa; (b) Strengthening of the Southern African Development Community (SADC) Regional Information Centre on Local Government Administration; (c) Development of Networking Strategies in Support of the Programs of the Institute of Peace, Leadership and Governance at Africa University in Mutare, Zimbabwe; (d) Pre-feasibility Study to Guide the Design of Public Sector Reform Programs in Congo (DRC); (e) Enhancement of the Institutional Capacity of the West African Economic Association; (f) Enhancement of the Institutional Capacity of the *Faculté des Sciences Juridiques et Economiques* (FSJE) at the University of Bamako; and (g) Study Tour to Bolivia of Ministers/

**Table 3.**

#### Full-fledged Operations Approved in 2002

Category	Total Cost (US\$)	ACBF Grant (US\$)
<b>New Operations</b>		
1. AERC Collaborative Ph.D. Program in Economics	9,054,686	2,000,000
2. Strengthening Capacity for Trade Negotiations and Trade Policy Development in COMESA	1,616,000	1,500,000
3. Lesotho Macroeconomic Management Project (LMMP)	1,550,000	1,396,000
4. Institute for Democratic Governance Interface Capacity Building Project (IDEG-CAP)	2,548,959	1,500,000
<b>Re-financed Operations</b>		
5. MEFMI (Phase II)	26,636,000	2,500,000
6. EPM – Cameroon (Phase II)	3,152,717	2,000,000
7. EPM – Côte d'Ivoire (Phase II)	2,961,882	2,000,000
8. EPM – Ghana (Phase II)	2,580,167	2,000,000
9. EMP – Uganda (Phase II)	2,762,451	2,000,000
10. Institut de Développement Economique (IDEC), Burundi, (Phase II)	3,662,800	2,000,000
11. Centre d'Etudes de Politiques pour le Développement (CEPOD) Project (UPE Phase II), Senegal	4,198,562	1,800,000
<b>TOTAL COMMITMENTS</b>	<b><u>60.724.224</u></b>	<b><u>20.696.00</u></b>

Permanent Secretaries of MEFMI member states. As a result of the foregoing approvals, cumulative commitments with respect to projects and programs rose in 2002 from US\$162.23 million to US\$ 183.22 million - which represented an increase of 12.94% over 2001.

#### **F Improved Management of the Expanded Portfolio**

In 2002, the Foundation pursued its efforts to enhance the management of the operations in its portfolio in order to boost the quantity, quality and relevance of their respective outputs. The Secretariat sought to advance and consolidate the gains made in 2001 by focusing keenly on the following: (a) fast-tracking of the process culminating in the kick-off of the activities of new projects and programs through more rigorous and efficient appraisal and post-approval mechanisms. In this connection, despite the considerable amount of time invested in the change management process, the Foundation was able to conclude the number of Grant Agreements (20) projected in the Business Plan for 2002; (b) proactive monitoring of operations in order to anticipate or prevent problems relating to the implementation of their activities; (c) organization of targeted supervision missions to ACBF-funded operations. Accordingly, in 2002, the Foundation fielded 154 appraisal/supervision missions to the operations in its portfolio; (d) sharing of information and knowledge with other stakeholders in order to foster consensus-building on the orientation of given operations; (e) conduct of seven (7) mid-term reviews of existing operations; and (f) organization of workshops for the finance personnel of Foundation-funded operations to expose them further to ACBF operational, financial and legal procedures as they relate to grantees. As a result of these measures, cumulative disbursements to projects and programs rose steeply in 2002 from US\$71.79 million to US\$ 89.82 million - representing a significant increase of 25.12% over the previous year. This reflected not only an accelerated pace of activation of new projects and programs, but also an improved internalization by beneficiaries of the operational, financial and legal procedures relating to the disbursement of ACBF grants.

#### **G Design and Commencement of Implementation of the Foundation's**

#### **Knowledge Management Strategy**

Following the reorganization of the Secretariat and the establishment of a Knowledge Management and Program Support Department (KMPSD) in January 2002, the Foundation developed a strategy for its transition into a learning and knowledge-based organization. The main strands of the Foundation's knowledge management functions were first delineated in the SMTP (2002 – 2006), and elaborated later in a knowledge management strategy document released in October 2002. Together, both documents defined knowledge management through the ACBF lens; discussed the focus and components of the knowledge management system at the Foundation; identified the knowledge sources, participants and users, dissemination channels and mechanisms, and the modalities for accessing ACBF knowledge sites; examined options for managing knowledge resources; and set out benchmarks for monitoring and evaluating the emerging knowledge management system. Already, the Foundation has recorded some significant achievements in the implementation of its knowledge management strategy. These include the following: (a) establishment and strengthening of KMPSD; (b) sensitization of ACBF-funded operations to knowledge generation and sharing; (c) establishment of core competency and knowledge management teams within the Secretariat; (d) establishment of technical advisory panels and networks (TAP-NETS) and country-level knowledge networks (CLKNETS); (e) development of guidelines for the activities of TAP-NETS and CLKNETS; (f) publication of the first ACBF Occasional Paper Series; (g) launch of the process to publish the maiden issue of the *ACBF Capacity Building Review*; (h) launch of operational and thematic studies on the performance of national focal points, capacity building in post-conflict countries in Africa, the market for skilled development management professionals in Africa, and the impact of HIV/AIDS on the Public Sector in Africa; (i) completion of the design of the Foundation's Intranet; (j) sustained publication of the *ACBF Newsletter* in English and French; (k) joint publication with the Institute of Social Studies in the Netherlands of a book of readings entitled *Better Governance and Public Policy: Capacity Building and Democratic Renewal in Africa*; (l) training of African officials in DMFAS software; and (m) computerization of ACBF library holdings.

## H. Expansion of Outreach, Networking, Partnership and Program Support Activities

During the year, the Foundation pressed forward with efforts to enhance its stature, visibility and networking activities in order to support its maturation into a center of excellence in knowledge generation, sharing and exchange. Given the Foundation's goal of becoming the premier capacity building institution on the Continent, it sought to promote its achievements through publication of the *ACBF Annual Report*; *ACBF Newsletter*; the Occasional Paper entitled *Africa: Major Development Challenges and their Capacity Building Dimensions*; the handbook entitled *Knowledge Management System: Elements of an Emerging Strategic Framework*; as well as flyers, handouts and reports of workshops and other events. In addition, members of the Foundation attended meetings, seminars and workshops on issues directly related to its remit and operations. The Foundation also enhanced its collaborative bonds with a number of partner institutions through memoranda of understanding (IMF and IOM) and participation in joint initiatives and field missions involving the AfDB, African Futures, DFID, NEPAD, UNDP, the World Bank and other institutions.

## I. Internal Reorganization and Enhancement of the Staff Complement

As part of his ongoing drive to prepare the Foundation for present and future challenges arising from its broadened role in capacity building, the Executive Secretary reorganized the Secretariat in January 2002. The reorganization resulted in the establishment of the following key departments: Administration and Human Resources Department (AHRD); Finance and Accounts Department (FAD); Knowledge Management and Program Support Department (KMPSD); Legal Services Department (LSD); and three Operations Zones (each headed by a Program Team Leader)

covering East and Southern Africa (Zone I), Central and the Horn of Africa (Zone II), and West and North Africa (Zone III). Within the Office of the Executive Secretary, the post of Operations Adviser was created. Additional responsibilities were devolved to managers, and the Foundation continued to streamline its internal procedures in order to enhance administrative effectiveness (for example, through more rigorous staff operational travel expense reports and tighter procurement and budget commitment rules), participatory management (for instance, through the appointment of staff recruitment and office procurement panels, and enhancement of the role of existing committees and panels such as the SMG, SAP, SPRP, PRC and OMT), and internal financial controls (for example, through improved processing of disbursement requests).

In addition, the Foundation sought to attract and retain a core team for the future through rigorous recruitment processes and adoption of a competitive compensation and benefits regime. Specifically, seven new staff members joined the Foundation, and the compensation review, which began in 2000, was completed in 2002.

## J. Upgrading of ACBF Management Information Systems

The Foundation continued to upgrade its existing information technology (IT) platform in 2002 through the acquisition of more leading-edge software and further development of the ACBF website into a veritable gateway to the world with respect to capacity building in Africa. It is expected that the upgrading initiative will facilitate information generation, processing and exchange. In particular, the acquisition and utilization of Tetra CS3 software for accounting and fixed assets management, the development of an Intranet, the introduction of on-line library management, and the initiation of steps to reassess and computerize records management constitute significant advances that will help to take forward the Foundation's goal of emerging as a center of excellence in knowledge management.

## Chapter Three

# Overview of the Capacity Building Environment

- New Directions in Development Co-operation and Capacity Building
- MDGs, Globalization and Capacity Building
- NEPAD and Capacity Building in Africa
- Civil Service Reform
- Country Program and Upstream Intervention Strategy
- The Threat of HIV/AIDS to Capacity Building
- Governance and Other Development Challenges

## Overview of the Capacity Building Environment

### A. New Directions in Development Co-operation and Capacity Building

The central role of capacity building in the drive to alleviate poverty in Africa justifies the need to highlight developments in this area on the Continent. A major new orientation over the past decade has been the paradigm shift from technical assistance to the building of indigenous human and institutional capacity to meet the development challenges facing the Continent. ACBF symbolizes this shift. The donor community has, more vigorously than ever, been revisiting and reforming the use of technical assistance programs. One of the most recent reviews of the relation between technical cooperation and capacity building is found in the UNDP publication entitled *Capacity for Development: New Solutions to Old Problems* that was published in 2002.

Thus, as the appeal of technical assistance as an effective instrument for supporting sustainable development fizzles out, the main actors on the development scene are now placing emphasis on home-grown and beneficiary-led capacity building to foster accelerated growth and development. Multilateral and bilateral institutions, regional organizations and African governments are making concerted efforts to address capacity building – a weak link that remains fundamental to fast tracking development on the Continent. Indeed, the success or failure of Africa to achieve the UN Millennium Development Goals (MDG) by 2015 will depend largely on the Continent's ability to address its capacity requirements in order to stimulate sustainable development.

Technical assistance has clearly played a positive role in promoting growth in Africa, but not nearly as much as anticipated. Indeed, in some areas, its impact has been negative. For instance, much technical assistance on the Continent has failed to transfer appropriate and relevant skills and technology. In more extreme cases, technical assistance only succeeded in destroying indigenous skills and knowledge. The current emphasis by all stakeholders on the building of indigenous

capacity would help to overcome the shortcomings of the technical assistance approach to development. For example, the shift towards human and institutional development, if well blended into knowledge sharing, learning and targeted technical assistance, may generate more positive outcomes by mainstreaming technical cooperation into capacity building and reform processes. This strategy would also help to reduce skills drain caused by stand-alone donor-funded operations and contribute to the institutionalization of the process of skills acquisition and learning. Grafting capacity building into institutional reforms through improvement of human capacity, processes and incentive systems will therefore remain a challenge for many African countries in the decade ahead. The AU Declaration proclaiming 2002-2011 a decade for capacity building in Africa could not have come at a better time to highlight the importance of this challenge in the development of the Continent.

### B. MDGs, Globalization and Capacity Building

The resolve by the global community to half poverty by 2015 underscores the need for Africa to engage in significant capacity-building efforts in order to reverse the adverse trends it is facing on the development front. Thus, for Africa to achieve the MDGs, there is need to build and strengthen capacity to address issues such as sustainable growth; human development and poverty reduction; economic and political governance; regional integration; human capital flight; conflict prevention, resolution and management; private sector development; the external debt burden; and the decline in resource flows to Africa.

Globalization, which has brought about a new economic and social order in the world, is increasingly posing a formidable threat to development efforts in sub-Sahara Africa. The Continent therefore needs to fill the knowledge and investment gaps affecting its involvement in new international trade arrangements. At the center of globalization are some supranational structures whose activities shape trends in global finance, trade, investment flows and communications.

**Box 1.****ACBF and NEPAD: Update on an Emerging Partnership**

In 2002, the Foundation recognized the need to participate actively in efforts aimed at reviving growth and development in Africa through NEPAD. In this connection, the ACBF and NEPAD Secretariats worked together in many activities, which included the following:

- Conference of ECOWAS Heads of State and Government of NEPAD, Houphouët-Boigny Foundation, Yamoussoukro, Côte d'Ivoire, 16-17 May 2002.
- NEPAD Awareness Program, Abuja, Nigeria, June 2002.
- Provision of inputs for the preparation of NEPAD's Priority Capacity Building Agenda in the areas of *Peace and Security, Economic and Political Governance, and Regional Integration*.
- Meeting between the ACBF Executive Secretary and a representative of the NEPAD Secretariat on the sidelines of the African Regional Technical Assistance Centers (AFRITACs) meeting in July 2002. The broad principles of ACBF-NEPAD collaboration were outlined during this occasion.
- NEPAD's Steering Committee Workshop to set priority programs, 2-4 August 2002, Addis Ababa, Ethiopia.
- Presentation on NEPAD's Capacity Building Agenda (Economic and Corporate Governance) to Finance Ministers of MEFMI member states, September 2002, London, United Kingdom.
- Experts' Workshop on Indicators, Benchmarks and Processes for the African Peer Review Mechanism, 7-8 October, 2002, Cape Town, South Africa.
- Regional Workshop on "e-Africa: Building e-governance Capacity in African Countries", 28-31 October 2001, Johannesburg, South Africa.
- High-Level Seminar on NEPAD organized by the IMF and the Joint Africa Institute, December 2002, Dakar, Senegal.
- Collaboration in the planning of the delivery of the 4<sup>th</sup> Pan African Conference on Public Service and Administration, scheduled for 4-7 May 2002.

To advance the relationship between ACBF and NEPAD, both Secretariats agreed to meet and discuss elements of a Memorandum of Understanding (MOU) that they would sign in order to formalize their working relationship. The MOU would clearly define roles and responsibilities in the formulation and implementation of NEPAD's capacity-building programs.

In preparation for more concrete discussions, the Foundation transmitted a Concept Note to NEPAD in September 2002 on issues relating to the emerging working relationship and partnership. The core elements of the Concept Note will form the basis of discussions and understandings on the proposed working relationship. Guided by the Concept Note, the Secretariat presented elements that could serve as building blocks of the partnership between ACBF and NEPAD. These consisted of the following: (i) the need for a clearly defined role for ACBF in NEPAD's capacity-building program; (ii) appropriate representation of the Foundation in NEPAD's governing organs; (iii) an operational framework for implementation of NEPAD's capacity-building programs; (iv) fiduciary arrangements for NEPAD's capacity-building programs; (v) responsibility for mobilization of resources to implement the capacity-building program; (vi) direct and joint responsibility for the implementation of specific operations; and (vii) responsibility for the monitoring and reporting of activities.

The case of the World Trade Organization (WTO), the body responsible for protecting the integrity of global trade and investment systems, is an illuminating one. Indeed, the challenge for African countries is to find and apply ways of participating effectively in the international trading system by mastering WTO rules. This would require adequate capacity for negotiation and for compliance with agreements at both the domestic and international

levels. However, the shortage of capacity to fully grasp the workings of the international structures that govern the global monetary, financial and trading system has tended to limit the participation of most African countries. Therefore, for African countries to maximize the benefits of these global systems and possibly minimize the attendant costs, they must upgrade their capacity to analyze the implications of relevant issues and negotiate favorable outcomes.

### C. NEPAD and Capacity Building in Africa

Another challenge facing the Continent is the need to implement the New Partnership for Africa's Development (NEPAD). This Initiative aims to reduce poverty through a new co-operation arrangement between Africa and the international community based on mutual respect. NEPAD offers a framework for an African-led development strategy founded on the promotion of an African Peer Review Mechanism in order to strengthen good governance for economic growth and socio-political stability. Crucial to the evolution and prospects of NEPAD in 2002 were developments associated with three summits – the Finance and Development Conference that was held in Monterrey, Mexico, in March 2002; the Meeting of the G8 countries that took place in Kananaskis, Alberta, Canada, in June 2002; and the World Summit for Sustainable Development that was hosted by the Republic of South Africa in Johannesburg in September 2002. All three summits highlighted the dire need for resources to enhance the prospects of sustainable growth and poverty reduction in Africa. NEPAD rests on the following elements: (i) peace, security, democracy and political governance; (ii) economic and corporate governance; and (iii) sub-regional and regional approaches to development as conditions for sustainable development. Sector-wide priorities include infrastructure, human resources development, agriculture, the environment, culture, and technology. Unfortunately, progress in these sectors will require a critical mass of skilled capacity, which is in deficit on the Continent.

There is a growing consensus among development practitioners and analysts that capacity building should be the corner stone of sustainable development through the strengthening of local capacity to ensure the successful transformation of institutions and ownership of the development process. The prominent role of capacity building as a strategy to achieve sustainable development has gained broad acceptance in recent years. However, the mechanisms for designing effective capacity-building interventions that would yield a maximum and lasting impact on institutional transformation and development remain elusive. The ECDPM has undertaken a study seeking to explore further the question of what makes capacity

building interventions more successful. The study, entitled *Factors underpinning the Success of Capacity Development and Performance*, is focused on how the process of capacity development works by looking at both organizational and inter-organizational processes. Other concrete efforts to provide practical tools to support ongoing development initiatives are also under way. The World Bank, ECA, PARIS 21 as well as a number of bilateral donors and other initiatives are making important contributions to the development of governance indicators. These efforts are significant and relevant in supporting the NEPAD Initiative as well as in feeding the debate on best or desirable ways of ensuring that development co-operation generates maximum impact.

### D. Civil Service Reform

The ACBF strategy of strengthening core capacities in the public sector is vindicated by the renewed recognition of the importance of public service reform in supporting a successful transformation of the state as a key player in efforts to improve the quantity and quality of services for the poor. Senior African policymakers, experts and development practitioners met in April 2002 to learn from each other about the best ways to design and implement endogenously driven civil service reforms. They concluded that public service reform remained crucial for the achievement of poverty reduction and a systematic exchange of experience among developing countries would leverage new opportunities for applying tested approaches and attracting broader support among stakeholders and change agents interested in the transformation of state machineries. It should be noted that strengthening the state through effective civil service reform is part of the NEPAD agenda for capacity building.

### E. Country Program and Upstream Intervention Strategy

Another development in capacity building in Africa in 2002 was the emerging strategy for the Foundation to move upstream in its interventions by adopting a strategic approach through engagement in policy dialogue and strategies on capacity building and institutional reforms. This shift may result in a greater focus on policy and program-based interventions to

**Box 2.**

**Mainstreaming Capacity Building in Development: The Declaration  
by the African Union of a Capacity Building Decade in Africa**

The Resolution of the African Union, which proclaims 2002 – 2011 the Capacity Building Decade in Africa, calls on African governments and the international community to support ongoing efforts to build capacity in various sectors on the Continent. An offspring of the ACBF-sponsored First Pan-African Capacity Building Forum held on 22 - 24 October 2001 in Bamako, Republic of Mali, the Resolution is premised on the recognition by all member states of the African Union that capacity building is of paramount importance and has cross cutting implications as regards the economic, social and cultural development and integration of the Continent. It notes the existence of enormous capacity needs in the public sector, private sector and civil society, which is a serious obstacle to participatory development. It also acknowledges that capacity building constitutes a vital missing link in the implementation of effective development strategies in Africa.

The Resolution delineated the following five areas of commitment by African Leaders:

- Determination to ensure that endogenous capacity building features prominently in the development policies of each member country of the African Union;
- Affirmation of greater willingness to boost capacity building on the Continent by pooling resources and national capacities and enhancing national ownership of the development process;
- Extension of support to

promote multilateral organizations, particularly African institutions such as ACBF, which are mandated to spearhead capacity building on the Continent;

- Renewed partnership with the international community for the mobilization of additional resources to support ongoing capacity-building efforts; and
- Monitoring of progress made in the implementation of the Declaration, through the Council of Ministers, in order to ensure the success of the Capacity Building Decade in Africa.

The Resolution was placed on the Agenda of the Summit of Heads of State of the African Union that was held on 9 – 10 July 2002 in Durban, Republic of South Africa. President El Hadj Omar Bongo of Gabon sponsored the Resolution. The Heads of State adopted the Resolution ultimately entitled: *Declaration of the Proclamation by the African Union of a Capacity Building Decade in Africa*.

The Declaration, which represented a validation of the Foundation's mandate by African Heads of State, has a number of implications for ACBF and for capacity building on the Continent. They include the following:

First, the Declaration reflects the breadth and depth of the discussions at the Bamako Forum, which demonstrates that such mechanisms for dialogue and consultation among stakeholders are critical vehicles for crystallizing and disseminating lessons, perspectives and visions. In particular, as evidenced by the

Resolution, the Forum afforded an opportunity for learning on where to direct future attention to address capacity-building priorities and reduce the knowledge gap in the area – especially in Africa.

Second, the Declaration reflects the keen sense of ownership, commitment and leadership demonstrated at the highest level by African governments in the area of capacity building.

Third, the Declaration signals that the challenges ahead are enormous, and that more intensive and concerted efforts need to be invested urgently by African Governments and their partners in addressing these challenges over the next ten years and beyond.

Fourth, the Declaration identifies ACBF as one of the key institutions that will take forward its implementation (whose progress will be monitored every year by the Council of Ministers of the African Union). This implies that the Foundation will be expected to play a leading role in capacity-building activities on the Continent through its Strategic Medium-Term Plan (SMTP), 2002 – 2006, and through its synergies with the New Partnership for Africa's Development (NEPAD). The Resolution has therefore helped to transform the Foundation into a vital vector for corralling multi-faceted forces for poverty reduction, good governance and sustainable development in Africa. It is hoped that, in partnership with stakeholders both within the Continent and outside it, the Foundation will help to spearhead the effort in taking forward the Continent's capacity-building agenda in the decades ahead.

complement the Foundation's traditional support to stand-alone projects. Echoes from donors and African stakeholders are lending more credence to the need to develop a coordinated approach to institutional and economic reforms in order to ensure the sustainability of capacity-building efforts. In April 2002, the Board of Governors convened a Pledging Conference to finance the SMTP, 2002-2006. In discussion of the SMTP, the Board of Governors recommended that the Foundation should explore ways of building on its project-based interventions by

issues relating to the implementation of a comprehensive and strategic approach to capacity building. In the case of Rwanda, the initiative was an attempt to develop a multi-sector capacity building framework that would include an action plan for addressing critical capacity gaps identified as well as the streamlining of existing reform programs into an integrated framework for capacity and institutional development in the country. The visit to Rwanda provided valuable insights into the potential role of ACBF in donor coordination and country policy

### Box 3.

#### The Impact of HIV/AIDS on Life Expectancy and Capacity in Sub-Saharan Africa

Sub-Saharan Africa is the region in the world worst hit by HIV/AIDS. UNAIDS estimated in 1999 a prevalence rate of 8% among adults in the region - which is the highest in the world. This prevalence rate is about 8 times the world's average. Forty million people are affected worldwide, about 28 million of whom are in sub-Saharan Africa. Half of all new HIV/AIDS infections occur in the youth age bracket of 15-24 years, which has serious implications for Africa's future development. In 1999, there were about 5.6 million newly-infected persons worldwide. Of these more than 3 million were in sub-Saharan Africa. Cumulatively, HIV/AIDS has already claimed more than 17 million lives in Africa. In sub-Saharan Africa, only Uganda has made a significant recovery

from the pandemic; the prevalence rate declined from 14% in 1990 to 8% in 2000. In fact, it is the only country in sub-Saharan Africa to report a decline in the prevalence rate. In Botswana, Namibia and Zimbabwe, between 20 and 26% of persons in the reproductive age bracket are living with the AIDS virus.

Twenty-nine countries in sub-Saharan Africa are hard hit by HIV/AIDS, relative to only 3 in Asia and 2 in Latin America and the Caribbean. Life expectancy in the 29 countries is presently estimated at 47 years - 7 years less than what would have been the case in the absence of the scourge. The average life expectancy at birth in 9 countries - Botswana, Kenya, Malawi, Mozambique, Namibia, Rwanda, South Africa, Zambia

and Zimbabwe - with an adult HIV/AIDS prevalence rate of 10% or more is estimated at 48 years. This would have been 58 years in the absence of HIV/AIDS - a loss of 10 years.

In the face of such devastating statistics, Africa needs to invest far more vigorous efforts to address the enormous challenge posed by HIV/AIDS to the Continent's development. The pandemic now constitutes the single most severe threat to the development gains made by the Continent over the years under trying circumstances. There is no doubt that the decimation as a result of AIDS of the small supply of capacity still present on the Continent will only exacerbate its capacity deficit.

moving upstream and engaging in country-led initiatives on strategies and policies geared at buttressing capacity-building and institutional reforms.

In its preliminary exploration of this emerging operational framework, the Secretariat, in partnership with DFID, UNDP and the World Bank, undertook a visit to Rwanda in September 2002 to explore practical

dialogue. The Executive Board is still reviewing the operational implications of the move to upstream activities and support to program-based interventions. It is expected that additional such missions to other countries will help to clarify the Foundation's ultimate approach to these emerging trends.

## **F The Threat of HIV/AIDS to Capacity Building in Africa**

Notwithstanding the positive developments outlined above, capacity building in Africa continued to face enormous challenges in 2002. Key among such challenges is HIV/AIDS, which is eroding the capacity gains achieved over the past few decades (see Box 3). Policymakers and development partners therefore need to intensify efforts to address this scourge.

## **G. Governance and Other Development Challenges**

Despite the significant progress made over the past 25 years, governance remains an enduring challenge that African countries will need to address in order to move forward decisively in the 21<sup>st</sup> Century. The Continent will also need to strengthen the participation of all stakeholders in the development process, transparency and accountability in the use of resources in all sectors as well as in the management of public policies and programs, and the culture and institutions by which authority is exercised for the common good of the people. Fundamentally, the reform of governance institutions and practices must address the process by which governments and leaders in all sectors are selected and replaced, the capacity of governments to formulate and implement policies and programs, and

the question of respect for institutions that spearhead or oversee economic and social interactions.

Economic and political governance constitutes a cornerstone of NEPAD. Accordingly, about 12 countries on the Continent have embraced the African Peer Review Mechanism that lies at the core of the initiative. No doubt there is need for more significant progress in this regard in order to set the scene for tackling other development challenges more responsively. Such other challenges include: the reduction of brain drain from the Continent, a challenge to which donors could make substantial contributions; conflict prevention and management; reduction of capital flight; strengthening of private sector development; revitalization of tertiary education and research institutions; enhancement of regional cooperation and integration; effective integration of Africa into the global economy; enhancement of resource flows to Africa; effective management of the external debt burden; leveraging of the use of information and communications technology and digital opportunities; and enhancement of the benefits of globalization, while minimizing its adverse effects. These challenges are certainly formidable, but not insurmountable. They, however, have to be addressed and measurable results need to be obtained so that the Continent can record meaningful progress in its pursuit of the Millennium Development Goals by 2015.



# Chapter Four

## ACBF Operations

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Activities of the Boards

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Mobilization of Financial Resources

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Enhancement of the Institutional Platform

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Corporate Management

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Financial Management

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Co-financing

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Publications and Information Dissemination

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## ACBF Operations

### A. Activities of the Boards

ACBF is governed by two Boards – the Board of Governors, consisting of 35 members representing 31 countries, the International Monetary Fund and the Sponsoring Agencies (AfDB, UNDP and the World Bank); and the Executive Board, consisting of eleven voting members (of whom 8 are independent members and 3 are designated by the Sponsoring Agencies) and one non-voting member (the Executive Secretary). The Board of Governors is the principal policymaking body of the Foundation. It met in special session in April 2002 within the framework of the ACBF/PACT Pledging Conference, and held its 11<sup>th</sup> Annual Meeting in November 2002. The Executive Board is responsible for the conduct of the general operations of the Foundation. It met twice in regular session in May and December 2002.

#### The Board of Governors

The Board of Governors held two meetings in 2002 – a special meeting devoted to resource mobilization on 29 – 30 April at Lancaster House in London, United Kingdom, and its 11<sup>th</sup> Annual Meeting on 11 – 12 November in Libreville, Gabon.

At the Special Meeting, the Board of Governors considered the following items: Report on Developments at the Foundation since the 10<sup>th</sup> Annual Meeting; the Draft IMF/ACBF Memorandum of Understanding; resource mobilization; and Executive Board vacancies.

With respect to the report on developments at the Foundation since the 10<sup>th</sup> Annual Meeting, the Governors addressed in particular the following issues: the admission of new members to the Foundation; highlights of the implementation of the Business Plan for 2001; the evaluation of ACBF by DFID-commissioned consultants; organization of the First Pan-African Capacity Building Forum; strengthening of the Secretariat for strategic interventions and the change management process; the Foundation's change management functions; and the development of synergies between ACBF and NEPAD.

The Governors noted the Report on New Membership on the ACBF Board of Governors presented by the Secretariat, and welcomed Chad, Ireland and Rwanda as new members. They complimented the Secretariat for its strong efforts to approach potential new members to contribute resources to the Foundation and join the Board of Governors. The Board also decided to address the issue of honorary membership of the African Union at its forthcoming Annual Meeting.

The Board noted the Report presented by the Secretariat on the implementation of the Business Plan for FY 2001, commended the Secretariat for its performance in both direct operations and project support activities, and noted the efforts being made by the Secretariat to enhance its skills mix and institutional platform in order to achieve the objectives set out in the SMTP, 2002 – 2006. The Governors also encouraged the Secretariat to pursue its efforts in the area and requested the latter to develop a coherent strategy for implementing the Foundation's upstream efforts. Lastly, they noted that the Foundation would conduct a field study aimed at assessing the role and performance of NFPs.

On the issue of the performance evaluation of the Foundation by DFID-commissioned consultants, the Board agreed that the exercise generated a good, well-balanced document that provided the basis for taking stock of the Foundation's achievements, identifying its challenges, and clarifying its strategic orientation for the future. It requested the Foundation to consider the salient issues raised in the Report within the framework of both the change management process and the implementation of the SMTP.

The Governors commended the Foundation for organizing the First Pan-African Capacity Building Forum - which strongly enhanced ACBF's visibility, provided a structured platform for dialogue on capacity building, and placed capacity building firmly on the map. In addition, they recommended that, for the future, in order to enhance opportunities for learning at the technical level and contain costs, while preserving the spirit of participation by a broad array of ACBF stakeholders, the Foundation should consider organizing smaller-scale events.

The Board noted the progress recorded thus far by the Foundation in taking the change management process forward within its precincts, and noted the strong commitment made by the Secretariat to advance the process. The Board agreed that change is one of the most challenging undertakings of any institution, and acknowledged the need for the Foundation to continue to invest substantial energy, focus and leadership in the process. The Governors recognized the need for the Foundation to have a stable financial platform in order to achieve optimal results in the transformation process, and urged the Executive Board and Secretariat to continue to own and pursue the change process.

With respect to knowledge management functions, the Board encouraged the Foundation to deepen its efforts in this direction, taking into account existing institutional structures and practices especially by partner institutions. It recommended that consideration should be given to supporting new knowledge mechanisms such as communities of practice in order to foster effective balance among the instruments through which knowledge is generated and shared. Also, the Governors noted that the process of developing knowledge management functions was a long-term and involving task. In this connection, they cautioned the Secretariat to be mindful of the need to strengthen appropriate institutional structures for the knowledge management system. They requested the Foundation to explore the possibility of drawing inspiration from existing practices and, where possible, avoid developing new structures. However, it was understood that such an approach should not preclude the charting of fresh perspectives. While recognizing the Foundation's efforts, as illustrated by the emerging knowledge management strategy, the Board recommended that the Secretariat should prioritize the list of knowledge management activities it planned to undertake. Such prioritization should place premium on internal systems of knowledge sharing and ensure that the change management process helps to strengthen institutional systems, processes and information sharing within the Foundation. Lastly, the Board requested the Foundation to monitor the impact of the knowledge management system and ensure that this is documented and disseminated in a systematic manner. The Board recognized that NEPAD is significant to Africa's development and represents a unique

opportunity for the Foundation and the Continent. It noted with satisfaction that the ACBF Secretariat was already in close contact with NEPAD and urged it to pursue its efforts accordingly. In addition, it noted that efforts were already under way to articulate areas where the Foundation could be active in NEPAD, but urged that a proposal be presented to the Annual Meeting on how the Foundation plans to meet NEPAD's capacity-building needs. The Board also noted the statements by the representative of the European Union and the ACBF Governor for the Netherlands that they had set up committees to work on issues relating to NEPAD. Lastly, it noted that NEPAD involves considerable risks worth taking, if the millennium development goals are to be achieved in Africa.

As regards the Draft IMF/ACBF Memorandum of Understanding, the Governors noted the new type of funding framework governing the membership of the IMF on the Board of Governors, and agreed that the Foundation should clarify it subsequently. They endorsed the membership of the IMF on the Board of Governors, and decided that the issue of IMF membership on the Executive Board could be taken up again at the 11<sup>th</sup> Annual Meeting.

The Board considered the Note explaining the resource mobilization process, and conducted a *tour de table* before the announcement of pledges. The Governors noted the principle and rules that would govern the Memorandum of Understanding to be prepared formalizing their respective pledges to the ACBF/PACT Capacity Building Fund. Thereafter, the following countries and organizations announced pledges to the Foundation to enable it to finance its SMTP, 2002 – 2006: AfDB, Benin, Burkina Faso, Cameroon, Canada, Denmark, European Union, Finland, France, Gabon, the IMF, Ireland, Mali, the Netherlands, Nigeria, Norway, Rwanda, Senegal, Sweden, UNDP, UNDP, United Kingdom, U.S.A, the World Bank and Zambia. The final tally of contributions is provided in *Section B* of this Chapter. In addition, the Governors noted the statements by the representatives from Côte d'Ivoire, Djibouti, Equatorial Guinea, Guinea-Conakry, Kenya, Malawi, Mauritania, Uganda and Zimbabwe that their Governments would announce pledges to the ACBF/PACT Trust Fund later in the year. The

representative of the European Union stated that, following the funding of pilot-phase activities relating to NEPAD using the resources pledged, the European Union would likely pledge additional resources if the Foundation became the implementing agency of the capacity-building components of NEPAD. The Board noted that, based on the pledges announced by the various governments and organizations, the Foundation had generated about US\$140 million to finance the implementation of the SMTP, 2002 – 2006. Lastly, it noted the Executive Secretary's word of appreciation to all the donors that had pledged resources to the Foundation as well as his comment that the Pledging Conference had revealed a number of gaps that needed to be bridged through a relentless drive to mobilize the requisite resources from present and prospective donors (including non-traditional ones) in order to finance the SMTP: (i) the gap between the compliments extended to the Foundation for its good performance and the hesitation of donors to commit significant additional resources to enable it to achieve its core objectives; (ii) the gap between the strong endorsement of the SMTP by donors and the inadequate funds sourced thus far to implement the SMTP, especially as the financial target had been set by the Board based on its own assessment of the Foundation's market value; (iii) the gap between the strong commitment of the African stakeholders as exemplified by their massive and high-level participation and the relatively modest financial response of the donor community, especially in a context of high expectations regarding the Foundation's role in NEPAD; and (iv) the gap between the expected level of pledges signaled to the Secretariat before the Conference and the much lower level of contributions actually mobilized at the Conference.

Lastly, the Board considered vacancies on the Executive Board. It noted that the pool of nominees was too small to be considered and decided to defer the appointment of new members of Executive Board until the Annual Meeting, pending the nomination of additional candidates for vetting by the Search Committee. The Governors were urged to nominate more candidates in order to broaden and deepen the skills base, gender dimension and geo-linguistic profile of the pool of candidates.

At the 11<sup>th</sup> Annual Meeting held on 11-12 November, the Governors considered the following main agenda items: the progress report on the change management process; the implementation of the Foundation's emerging knowledge management strategy; the relationship between ACBF and NEPAD as well as the status of other emerging networking arrangements; the development of strategies for intervention in post-conflict environments and weak states; the emerging framework for development of country program and upstream/strategic interventions; the report on the outcome of the Bamako Forum; the report of the mobilization of contributions to finance the SMTP, 2002 – 2006; the Annual Report and audited financial statements for 2001; honorary membership of the African Union on the Board of Governors; vacancies on the Executive Board; and the election of the Bureau of the Board of Governors.

The Board considered the progress report on the change management process and commended the Secretariat for the progress made in advancing the exercise in an interactive and participatory manner. It also recognized the difficulties involved in such a process and encouraged the Foundation to continue its work, while focusing on results. The Governors requested to examine the vision statements and values charters that had been generated by the change management process before they were finalized. They underscored the importance of developing indicators to track and measure the Foundation's performance, and urged the Foundation to be transparent in determining non-monetary and monetary rewards. In addition, they encouraged the Foundation to tap on the ideas and experience of other organizations in the introduction and utilization of information communication technology, recommended that the Foundation should explore ways of enriching career development within its precincts, and encouraged the Foundation to develop a plan of action to implement change management recommendations in order to render the changes sustainable.

With respect to the progress report on the implementation of the Foundation's emerging knowledge management strategy, the Board noted the additional information and clarifications provided by the Secretariat regarding the following: quality control

issues and processes concerning the forthcoming *ACBF Capacity Building Review*; the objectives, structure and role of TAP-NETS, CLKNETS and other emerging Foundation-wide or country-based virtual networks as well as their relation to envisaged communities of practice; and performance measurement criteria. The Board commended the efforts being made by the Foundation to develop a knowledge management system, and encouraged it to pursue efforts to deepen its activities and achievements in this area.

The Board expressed satisfaction with the efforts being undertaken by the Foundation to build synergies with NEPAD, which is an evolving framework. It requested the Foundation to proceed cautiously given that NEPAD is still clarifying its own framework and role. Accordingly, the Foundation should take into account the following concerns: the potential tension between the priorities and goals set out in the SMTP and those that may arise from collaboration with NEPAD; and the need to maintain the Foundation's integrity and focus so that it does not depart from its core mission. The Governors noted the Secretariat's commitment to ensuring that its collaboration with NEPAD is consistent with the Foundation's Constitution, which provides for a broader definition of areas of intervention than the SMTP. They requested the Foundation to reflect on ways of building capacity within the NEPAD Secretariat itself.

As regards other working arrangements, the Board noted the status of collaboration between the Foundation and the IMF, and noted the request made by the IMF that consideration of its possible membership on the Executive Board should be deferred.

The Board noted the update on the Foundation's ongoing efforts in relation to interventions in post-conflict environments and weak states. It also noted the progress report on the Foundation's fledgling country program and upstream intervention strategy. It endorsed the focus on linkages to poverty reduction efforts, and requested that the millennium development goals should also constitute a framework within which the country program and upstream intervention strategy should be conceived and fine-tuned. Lastly, it requested the Foundation to exercise some flexibility in selecting

countries in which it would intervene using the emerging programmatic approach.

As regards the outcome of the Bamako Forum, the Board noted the update provided by the Secretariat on the Declaration by the African Union of the Capacity Building Decade in Africa (2002–2011), and noted the Resolution as well as its implications - in particular the potential to help transform ACBF into a vital vector for spearheading the Continent's capacity-building agenda.

As regards the mobilization of contributions to finance the SMTP (2002–2006), the Board noted the announcement by Canada that it had increased its pledge from C\$10 million to C\$28 million, by Ireland that it had increased its pledge from US\$2.2 million to •4 million, and by Mauritania that it was pledging US\$250,000. The Board recognized the fact that the resource mobilization campaign would result in commitments totaling less than US\$200 million, and requested the Foundation to adjust its programming to take into account the financing gap - and thus to revisit the SMTP and review its financing framework over the five-year period to match the available resources. The new scenario would be presented to the Board of Governors at the next meeting. The Board agreed that there was need for the Foundation to find a more predictable and stable source of funding for the long term. The following countries subsequently signed the Memorandum of Understanding relating to the ACBF-PACT Trust Fund on the margins of the 11<sup>th</sup> Annual Meeting: Benin, Burkina Faso, Cameroon, Canada, Finland, Ireland, the Netherlands, Norway, Rwanda, Senegal and the United Kingdom.

The Board noted the Annual Report and audited financial statements for 2001. It commended the Foundation for the good work performed in 2001 and for the quality of the Annual Report - noting that it took into account the recommendations and suggestions made at the 10<sup>th</sup> Annual Meeting. The Board requested the Foundation to reflect further on issues such as: 'double dipping' within the context of the co-financing of capacity-building operations; HIV-AIDS intervention, particularly in conjunction with other institutions working in the field; performance indicators; ACBF's value-added or niche (comparative advantage) in capacity building; and ownership issues in capacity building.

In considering the issue of the honorary membership of the African Union on the Board of Governors, the Board noted the recommendation made by the Secretariat that the African Union should, with immediate effect, become an observer in its meetings. Also, it agreed that the Secretariat should draft an amendment to the ACBF Constitution setting out the definition, scope and duration of the status of “observer” and “honorary member” of the Board of Governors and agreed that the draft amendment would be presented to the Board of Governors at the next Annual Meeting for consideration and adoption.

The Board endorsed the recommendation by the Search Committee that Mrs. Elisabeth Tankeu and Mr. Kerfalla Yansane should be appointed to a term of three years on the Executive Board. Further, it requested the Search Committee to pursue its work in identifying suitable candidates to fill anticipated vacancies on the Executive Board, including that of the Chair of the Executive Board.

The Governors agreed that individual members could be elected to the Bureau of the Board in their personal capacities as long as they remained Governors. The Board then re-elected Mr. Barrie Ireton (United Kingdom) as Chair and Messrs. Dan Frederiksen (Denmark) and Senturel Madoungou (Gabon) as Vice Chairs. In addition, the Board elected Mr. Felix Mutati (Zambia) as Vice Chair in replacement of Mr. Simba Makoni (Zimbabwe). Lastly, the Board, in accordance with its decision reached at the 10<sup>th</sup> Annual Meeting to appoint a representative of one of the Sponsoring Agencies on the Bureau each year on a rotary basis, appointed the Governor representing the World Bank to sit on the Bureau of the Board of Governors.

#### The Executive Board

The Executive Board met twice in regular session in 2002 – on 9 – 10 May and on 4 - 5 December. In keeping with its constitutional functions, the Executive Board played a major role in providing guidance in the design of policies and strategies, approving the Foundation’s Business Plan and Budget for 2003, monitoring the performance of the portfolio of operations as well as approving new projects, programs

and other initiatives – including the change management process. In these respects, the Executive Board made significant contributions to the Foundation’s operations.

As regards guidelines and strategies, the Executive Board played a major role in shaping the Foundation’s approaches or policies in the following areas: capacity building in the public sector in weak states; country selection criteria, strategies and procedures in the development of country programs; assessment of the role, effectiveness and potentials of national focal points for capacity building or their equivalents; the elements of the Foundation’s knowledge management strategy; the impact of HIV/AIDS on public sector capacity in sub-Saharan Africa; the market for skilled development management professionals on the Continent; and the review of staff compensation and benefits.

As regards the paper on *Capacity Building in the Public Sector in Weak States*, the Executive Board noted that the paper focused on conceptual issues rather on the distillation of experiences. It therefore recommended that a consultant should be hired to pursue the study, concentrating on lessons learnt and experiences garnered in order to suggest policy orientations for the future.

With respect to the paper on *Country Selection Criteria, Strategies and Procedures in the Development of Country Programs*, the Executive Board endorsed the following points of guidance provided by the Operations Committee. The Foundation could: (i) intervene upstream as a driver and provide valuable inputs to ongoing efforts; (ii) intervene downstream by selecting a few critical niches germane to its mandate (for example, support to Parliament or civil society) and where it can make a difference; (iii) intervene in stages – for example, through needs assessments and NFP-like support; (iv) apply a discrete set of core criteria for intervention; (v) consider its interventions in terms of nationally-driven capacity-building efforts as long as such an approach is coherent, well-integrated and consistent with the Foundation’s core competencies; (vi) consider granting budgetary support, provided that it complements the Foundation’s knowledge-based and

networking orientation, which should be further strengthened; and (vii) adopt a more flexible co-financing policy. In addition, the Executive Board agreed that, since the new approach would have implications for the Foundation's corporate processes and strategies, the role of national focal points and other partners, the Foundation should proceed cautiously on a learning-by-doing basis – for example, through pilot interventions.

As concerns the progress report on the *Study on the Performance and Potentials of National Focal Points or their Equivalents*, the Executive Board requested the Secretariat to proceed with the study and be more explicit in determining its scope by including, for example: (i) a review of the function of coordination of public sector capacity building; (ii) a refinement of the relevant questionnaires in order to capture the degree of effectiveness of the coordination function; (iii) the culling of stakeholder perspectives; (iv) assessment of the Foundation's re-positioning upstream, using an integrated and strategic approach geared at sourcing and distilling knowledge in the area of capacity building; and (v) selection of a set of countries for case-study purposes.

The Executive Board commended the Secretariat for the quality of the *Paper on ACBF Knowledge Management Strategy*, which set out a roadmap for the Foundation in the area of knowledge management. The Executive Board directed that the Foundation should focus on key activities (for example, thematic networks) and cast them more concretely within the framework of the Foundation's work program over the next year or two and assess the financial implications. The Executive Board also requested the Secretariat to add the following aspects to the emerging knowledge management strategy: (i) the archiving function; and (ii) the role of tertiary institutions in the area of knowledge creation and dissemination.

The Executive Board also noted the progress reports on the following additional studies commissioned by the Foundation: the *Study on the Impact of HIV/AIDS on the Public Sector in sub-Saharan Africa*; and the *Study on the Market for Skilled Professionals in Africa*. It is expected that the studies will be completed during 2003.

The Executive Board recognized the need to attract and retain the requisite skilled professionals to enable the Foundation to accomplish its ambitious agenda. Accordingly, it invested a considerable amount of time in 2002 in the comprehensive compensation review exercise it had launched in 2000. The review encompassed all staff levels in the Foundation and examined both salary and benefits elements. The Executive Board adopted a new regime for all ACBF staff in December 2002.

After reviewing the Foundation's financial status (including cash position and commitment authority), the Executive Board approved the Business Plan and Budget for 2003, subject to adjustments recommended by both its Operations and Finance Committees – in particular as regards operational priorities, staff expenses (including the filling of vacancies), administration expenses, capital expenditure, operations-related expenditure as well as costs relating to knowledge networking and program support. The Executive Board also considered the state of the Foundation's portfolio of existing operations. It commended the Secretariat for the considerable improvement in the quality and contents of the *Status Report on Existing Operations* – in particular as related to the directness and forward-looking nature of the discussions as well as the delineation of activities by operations zone. It endorsed the recommendation that a paper drawing on the contents of the *Status Report on Existing Operations* could be circulated to a wider audience of stakeholders and commended the Secretariat's proactive approach in resolving problems encountered in the implementation of ACBF-funded operations. Also, the Executive Board agreed that the Foundation should network with other partners in the area of support to Parliament, a technical advisory panel/network (TAP-NET) should be established in the core competency area of support to Parliaments, and the Foundation should prepare a thematic research paper on the status of interventions in Parliaments in order to help form new capacity-building strategies for the future. The Executive Board endorsed the Secretariat's intention to disseminate some of the lessons of experience garnered in the development and implementation of projects and programs (for instance, interventions in Parliament), and agreed that future Status Reports should carry more information on the

following issues: (i) disbursements data as well as the problems encountered in reaching disbursement targets; and (ii) the Foundation's experience in the area of collaboration and synergies with other partners as regards project formulation and implementation, particularly given the Foundation's emerging upstream orientation.

Guided by the Foundation's commitment authority position, the Executive Board approved eleven new operations principally in the economic policy analysis and management category, and covering a wide geographical space. The projects and programs covered countries such as Burundi (IDEC II), Ghana (IDEG-CAP), Lesotho (LMMP) and Senegal (CEPOD). The regional projects included the AERC Collaborative Ph.D. Program, the COMESA project to strengthen capacity for trade negotiations and trade policy development, and the second phase of MEFMI. Finally, the Executive Board approved grants in support of the second phases of the economic policy management (EPM) training programs in Cameroon, Côte d'Ivoire, Ghana and Uganda. In total, in 2002 the Executive Board approved grants amounting to US\$21.00 million. The complete list of full-fledged operations approved in 2002 is presented in Annex A.1 to this *Annual Report*.

The Executive Board monitored progress made by the Foundation in mobilizing resources to finance the SMTP, 2002 – 2006. It noted the considerable increase in the number of African countries that had announced pledges to the Foundation as well as the considerable increase in contributions by some of them. It commended the Secretariat for its active contributions towards the mobilization of the resources pledged at Lancaster House, but recognized the need for the Foundation to intensify its efforts to mobilize the remainder of the resources required to finance the SMTP, 2002 – 2006.

Lastly, the Executive Board played an active role in guiding the change management process. Following completion of the second phase of the process, it commended the Secretariat for the significant accomplishments recorded, which were very visible. The Executive Board also commended the consultants

for the effort invested in the change process and for the results obtained thus far, and recommended that gender concerns should be mainstreamed in the change management process. Executive Board members agreed that the work effort required for implementation of the change management process should be adequately factored into the Annual Business Plan, agreed that the Foundation needed to reflect further on how it can interact more effectively with its partners, and requested the consultants to help develop a plan of action in order to take forward the measures envisaged.

## B. Mobilization of Financial Resources

In 2002, the Foundation invested considerable efforts in mobilizing resources to finance the SMTP (2002 – 2006) that the Board of Governors and Executive Board had endorsed the year before. At the ACBF/PACT Pledging Conference held on 29 – 30 April 2002 Lancaster House in London, United Kingdom, the representatives of various governments and organizations announced pledges to contribute resources to the ACBF-PACT Trust Fund – a consolidated trust fund managed by the World Bank.

Based on pledges announced by various donors (subject in a few cases to certain conditions) and on revisions made subsequently by some donors to their initial pledges, the following countries and organizations announced contributions to the Foundation to enable it to finance its SMTP, 2002 - 2006:

1. AfDB	:	US\$ 12 million
2. Benin	:	US\$ 500,000
3. Burkina Faso	:	US\$ 250,000
4. Cameroon	:	US\$ 750,000
5. Canada <sup>1</sup>	:	C\$ 28 million
6. Denmark	:	US\$ 5 million
7. Ethiopia	:	US\$200,000
8. European Union	:	• 2 million
9. Finland	:	• 2 million
10. France <sup>2</sup>	:	• 5 million
11. Gabon	:	US\$ 800,000
12. IMF	:	US\$ 4 million
13. Ireland	:	• 4 million
14. Mali	:	US\$ 750,000
15. Mauritania	:	US\$ 250,000

**Box 4.****Brief on Membership in ACBF**

Since its establishment on 9 February 1991, ACBF has received substantial financial support from African countries, non-African countries, the International Monetary Fund, and its three Sponsoring Agencies – the African Development Bank, the United Nations Development Programme and the World Bank. The ACBF Board of Governors is the principal policy-making organ in the Foundation. It is composed of all countries and organizations that have pledged to contribute resources to the Foundation to enable it to achieve its constitutionally mandated objectives. The ACBF Constitution stipulates that, in addition to the three Sponsoring Agencies, African Donors to the Foundation need to contribute a minimum of US\$ 250,000 in order to be entitled to appoint a Governor and an alternate who acts in the absence of the substantive Governor. All other Donors contribute a minimum of US\$ 1,000,000 to join the Board of Governors.

Between 1991 and 1999, the following countries and organizations that pledged resources that were within the band set by the ACBF Constitution were members of the Board of Governors. They are founding members of the Foundation:

African Development Bank  
Botswana  
Cameroon  
Canada  
Congo (DRC)  
Côte d'Ivoire  
Denmark  
Finland  
France  
Ghana  
Kenya  
Malawi  
Mali

Mauritius  
The Netherlands  
Nigeria  
Norway  
Senegal  
Sweden  
Tanzania  
Uganda  
U.K.  
UNDP  
U.S.A.  
The World Bank  
Zimbabwe

Also, the Government of Japan has contributed resources to the Foundation through the Policy and Human Resources Development (PHRD) Fund at the World Bank. However, it has opted not to join the Board of Governors. The Government of Austria has also contributed resources to the Foundation, but the amount was below the constitutional threshold required for membership on the Board of Governors.

Since the advent of PACT and its integration into ACBF, and the intensification of efforts to attract new members into the Foundation, the following countries and organizations have pledged resources to the Foundation, and joined the ACBF Board of Governors.

- Gabon (25 January 2001);
- Ireland (21 June 2001);
- Chad (17 October 2001)
- Rwanda (3 March 2002)
- IMF (30 April 2002)
- Benin (12 November 2002)
- Burkina Faso (12 November 2002)

- Mauritania (pending signature of MOU)
- Zambia (pending signature of MOU)

In addition, a number of countries (e.g. Brazil, Italy and South Africa) have attended meetings of the Board of Governors as observers. The Foundation will pursue its efforts to attract many other potential full-fledged members of the Foundation. The following countries have expressed a strong interest in becoming members of the Foundation in the near future: Congo-Brazzaville, Djibouti, Equatorial Guinea, Ethiopia, Guinea (Conakry), Sudan and Swaziland. In addition, the European Union has indicated its intention to contribute parallel resources to the Foundation to enable it to help implement the relevant capacity-building components of NEPAD.

The Foundation is pursuing vigorous efforts not only to reach out to additional potential donors to its Trust Fund, but also to explore more systematic and institutionalized mechanisms for raising funds involving the incorporation of automatic triggers to its resource mobilization strategies and processes. It is difficult to emphasize too strongly the need for the Foundation to develop strategies for ensuring its financial sustainability, or at the very least mechanisms that would make the financing of its operations more predictable and sustainable. This has implications for boosting the morale of existing staff as well as the ability of the Foundation to attract and retain the best possible expertise.

16. The Netherlands	:	• 15 million
17. Nigeria	:	US\$ 500,000
18. Norway	:	NKr 75 million
19. Rwanda <sup>3</sup>	:	US\$ 200,000
20. Senegal	:	US\$ 500,000
21. Sweden	:	SEK 60 million
22. UNDP	:	US\$ 1 million
23. United Kingdom	:	£ 9 million
24. U.S.A.	:	US\$ 500,000
25. The World Bank	:	US\$ 55 million
26. Zambia	:	US\$ 250,000

predictable involving the organization of replenishment campaigns that incorporate automatic triggers in the resource mobilization process.

The Foundation prepared a Memorandum of Understanding relating to the ACBF-PACT Trust Fund to provide the legal basis for disbursing pledged resources to the Foundation. The draft instrument was circulated for comments to all those Governments and Organizations that announced pledges. It encompasses the following overarching provisions:

The above pledges generated about US\$ 160 million, which was about US\$ 180 million short of the target of US\$ 340 million set for the full implementation of the SMTP.

Meanwhile, the Foundation made notable progress in its discussions with the NEPAD Secretariat regarding the signing of a Memorandum of Understanding under the terms of which the Foundation would be the implementing agency for the relevant capacity-building dimensions of the Initiative. The European Union stated that, following the funding of pilot-phase activities relating to NEPAD using the resources it had pledged to the Foundation, it would likely pledge additional resources if ACBF was indeed designated as the implementing agency of the capacity-building components of the Initiative.

The Foundation remained in close contact with all those donors that indicated that they would consider making additional pledges toward the financing of the SMTP either immediately or following a mid-term review of the Foundation's activities.

Lastly, the Foundation exchanged ideas with a number of Governments about the possibility of making fund raising in the Foundation more systematic and

- The ACBF-PACT Trust Fund consists of one consolidated account to be used to finance capacity-building activities in accordance with the objectives of Article III of the ACBF Constitution, and to meet the administrative costs of the Foundation.
- Donors will make all contributions to this consolidated Account, but resources will be allocated by the ACBF Executive Board to capacity-building activities and to administration, based on broad policy guidance from the ACBF Board of Governors.
- The Memorandum of Understanding builds on the Memoranda of Understanding of 7 December 1990 and 28 November 1997 among the Donors to the African Capacity Building Fund (the ACB Fund) that set out the framework for disbursement of funds made available for implementing the Foundation's objectives.
- The provisions of the Memorandum of Understanding of 28 November 1997 remain applicable until the Fund established thereunder is closed following the draw down of pledged resources.
- Contributions to the ACBF-PACT Trust Fund are governed by pay-as-you-go, burden-sharing principles as well as clear draw-down rules binding all signatories to the MOU (see Box 5).

<sup>1</sup> Canada pledged C\$10 million to the ACBF-PACT Trust Fund at the Lancaster House Pledging Conference. Subsequently, Canada pledged an additional C\$28 million to the Foundation within the framework of the *Canada Fund for Africa Initiative* - which brought Canada's funding support to C\$38 million. However, Canada decided for the time being to announce a contribution of C\$28 million to the Foundation under the terms of the MOU relating to the ACBF/PACT Trust Fund.

<sup>2</sup> The contribution by France is expected to be over a two-year period.

<sup>3</sup> Earlier in 2002, Rwanda signed an MOU with the Foundation under the terms of which it pledged to contribute US\$250,000 to the African Capacity Building Fund that financed the implementation of the Foundation's Strategy and Indicative Work Program (SIWP) for the period 1998 - 2002. In total, Rwanda pledged US\$450,000 to the Foundation in 2002.

**Box 5.**

**The ACBF-PACT Trust Fund:  
Contribution Principles and Draw-down Rules**

- The Fund established under the Memorandum of Understanding of 7 December 1990 (ACB Fund, Phase 1) has been terminated. Donors that are still in the process of fulfilling their relevant pledges may however disburse any outstanding amounts into the ACBF-PACT Trust Fund, with explicit references to that effect.
- Payments by Donors to the ACBF-PACT Trust Fund will be made on a pay-as-you-go basis in order to ensure that only cash that is immediately needed is made available to the Foundation.
- The draw down of cash pledged by Donors to the ACBF-PACT Trust Fund will be effected on a pro-rata basis as required, according to the rule set out below.
- Individual Donors, if they so wish, can make cash available to the ACBF-PACT Trust Fund earlier than required under the pro-rata draw down rule.
- Such earlier contributions will not reduce the amounts drawn down from other contributors under the pro-rata arrangements.
- The consequent increases in the cash balances of the ACBF-PACT Trust Fund will enable higher investment income to accrue; such additional income and its uses will be governed by the arrangements and procedures agreed upon in ACBF for all investment income.
- Based on the foregoing principles, the Executive Board will, in November of each year, submit to the Donors via the manager of the ACBF-PACT Trust Fund at the World Bank, a detailed budget statement setting out actual disbursement to date, balance in hand and an estimate of expenditure for the following calendar year. Donors will replenish the ACBF-PACT Trust Fund on the basis that it will hold during the year an average of the total anticipated expenditure, and at no point should the funds held fall below half of this figure. Replenishment at the beginning of each financial year should therefore bring the total amount held in the ACBF-PACT Trust Fund up to 1.5 times the anticipated expenditure for the year ahead. For purposes of these calculations, funds placed in the ACBF-PACT Trust Fund by any Donor ahead of its pro-rata amount will not count.

The duly authorized representatives of eleven Donors (Benin, Burkina Faso, Cameroon, Canada, Finland, Ireland, The Netherlands, Norway, Rwanda, Senegal and the United Kingdom) signed the MOU on 12 November 2002 on the margins of the 11<sup>th</sup> Annual Meeting of the Board of Governors held in Libreville, Gabon. A twelfth Donor, the Kingdom of Sweden, signed the MOU on 19 December 2002. It is expected that enough countries and organizations will sign the instrument in the first quarter of 2003 so that it can become effective immediately thereafter. This will pave the way for the issuance by the World Bank of confirmation letters for countersignature by the relevant Donors. Such Donors will then receive call letters from the World Bank regarding disbursements to the ACBF-PACT Trust Fund.

Despite the achievements recorded so far by the

Foundation in raising resources to finance the SMTP, there is a consensus that substantial work remains to be done to achieve the goal of mobilizing the requisite quantum (US\$ 340 million). Accordingly, it is expected that the Board of Governors, the Executive Board and the Secretariat will intensify their efforts in the years ahead in order to mobilize the balance of resources needed for the Foundation to meet its objectives under the SMTP.

### **C. Enhancement of the Institutional Platform**

Throughout 2002, the Foundation strengthened its institutional platform by making appropriate use of the information technology (IT) infrastructure, central registry and document management systems as well as the enhanced financial processing and internal controls mechanisms introduced in recent years. With respect to the IT platform, which has become more robust in

response to the increasing complexity of internal operations and the growth of the staff size, the Foundation continued to upgrade its website as part of its knowledge management strategy aimed at disseminating core information on the Foundation's activities and achievements to the general public. The enhanced web site has thus far attracted more than 30,000 visitors who regularly send comments on the website. The website is achieving its objective of boosting connectivity and disseminating the work of ACBF by providing information on its mandate, grant application procedures, the composition of the portfolio of operations and the profile of partner institutions. The website has also become a useful resource center on the Foundation's capacity-building activities as it features all publications (including annual reports, briefs, newsletters as well as strategy and vision documents) generated and events (such as workshops, seminars and forums) organized by the Foundation.

The Foundation also improved the security of the IT platform by continuously incorporating the relevant software in order to improve computer backup capabilities and update the built-in protections from external assaults on the network. This also helped to reduce the frequency of breakdowns due to network overload. In addition, the Foundation began managing its fixed assets register using the new accounting software (Tetra CS3) in order to improve the financial reporting of expenditure and the tracking of internal transactions undertaken by the Foundation. The Finance and Accounts Department also applied IT solutions to improve the tracking and reporting of expenditure by beneficiaries. Lastly, the Foundation designed databases that will be used for the development of the intranet. The intranet, which will be officially launched in early 2003, will be a valuable tool for capturing operations and financial data on the Foundation's activities. It will also offer an information base for reporting and supporting research and other knowledge networking activities.

#### **D. Corporate Management**

During the year, the Foundation continued to carry out and improve the institutional initiatives and reforms introduced in 2001 to strengthen its administrative and

human resources management functions. These initiatives complemented the ongoing review of three key institutional processes: organizational structure, human resource management and administrative systems.

#### **Organizational Structure**

The Executive Secretary reorganised the Secretariat in January 2002 in order to gear it up for the enormous challenges ahead. The reorganization resulted in the establishment of the following main departments: Administration and Human Resources Department (AHRD); Finance and Accounts Department (FAD); Knowledge Management and Program Support Department (KMPSD); Legal Services Department (LSD); and three Operations Zones (each headed by a Program Team Leader) covering East and Southern Africa (Zone I), Central and the Horn of Africa (Zone II), and West and North Africa (Zone III). Within the Office of the Executive Secretary, the post of Operations Advisor was created. Overall, additional responsibilities were devolved to managers, who therefore become more accountable for the results achieved by their respective departments.

AHRD helps to ensure that the Foundation's internal operations run smoothly in order that it can achieve its core objectives. AHRD also contributes to ensuring that ACBF has an appropriate mix of staff skills, experience and diversity to meet its evolving needs, and that human resources are managed and utilized such that their effectiveness is maximized in a cost-effective way. Besides managing contractual commitments and providing general administrative services (office management solutions, travel management, conference planning support, procurement services, and security etc.), AHRD develops policies and procedures that enable ACBF to achieve its work objectives, manages compensation and benefits, follows up on recruitment and administers career programs. AHRD also assists other departments in meeting their human resources management goals.

The principal role of FAD is to ensure that a robust, visible, accountable, transparent, efficient and effective financial and accounting framework prevails within the

Foundation's internal administrative systems as well as those of its beneficiaries. To achieve this objective, FAD provides financial planning as well as timely and accurate financial information on the implementation of annual plans and budgets. It also facilitates budgetary control, and ensures that the Foundation achieves value for money in all its activities.

KMPSD generates, collates, synthesizes and disseminates knowledge and information on capacity building and development management in order to strengthen the quality of the Foundation's operations and enhance interventions in capacity building and the management of the development process on the Continent. To this end, it undertakes programs that seek to: foster the development and sharing of best practices in capacity building and related fields dealing with policy design and implementation enhance the quality and efficiency of internal project and program operations based on best-practice methodologies, strategies and instruments; contribute to the extraction and sharing of tacit knowledge for the benefit of ACBF stakeholders; and improve the efficiency and productivity of, and returns to, investments in capacity building.

LSD advises ACBF Management, the Executive Board and Board of Governors, and the staff on applicable rules and regulations affecting all aspects of the Foundation's operations -including its relationship with beneficiaries, partners and the host government. It prepares or clears most of the legal instruments necessary for ACBF activities. LSD thus acts as counsel to the Foundation in all legal matters.

The three Operations Zone together constitute the principal vehicle for developing and monitoring the implementation of projects and programs in the Foundation's portfolio. They contribute to efforts aimed at ensuring that the Foundation aligns its actions with national or regional priorities and coordinates its initiatives with those of other partners on the ground. They also play a critical role in distilling best practices and mainstreaming them into Foundation-supported capacity-building interventions to ensure maximum impact on development efforts and reform processes initiated by countries on regional organizations.

## Human Resources Management

Much emphasis was placed on taking forward the plan to strengthen staff competencies and the skills mix through recruitments and on-the-job training. In terms of recruitment, the Foundation welcomed onboard a senior human resources officer, two program officers, 1 bilingual secretary, 1 secretary, 1 accounts clerk and 1 driver.

The Staff Advisory Panel (SAP) organized activities aimed at improving communications among staff. For example, it played a leading role in the publication of an internal staff news bulletin designed to make available information of a more general and personal nature to ACBF staff.

The Executive Board capped the compensation review process that began in 2000 by approving a new salary and benefits package for the entire staff in December 2002.

During the year, staff training was stepped up significantly. A number of professional and support staff members benefited from external courses. The Foundation continued to place emphasis on skills inventory and development planning in order to determine future training needs and upgrade the range of professional skills through staff training and recruitment strategies. Training courses that benefited staff included the following:

- *Project Appraisal, Monitoring and Evaluation.* The program sought to expand the knowledge and skills of participants in the design and preparation of quality projects and in results-based monitoring and evaluation of projects.
- *Records Management and Modern Technology Applications.* The course sought to equip staff members with the requisite skills to manage the Foundation's registry and records functions more efficiently and to start the process of records computerization and management.
- *Stores Management.* Staff members were equipped with the latest professional knowledge and skills necessary for effective performance of their duties in terms of stock control and materials management.

- *Desktop Publishing.* Specialized secretaries in the areas of desktop publishing were equipped with cutting-edge digital design skills and attained the full spectrum of computer skills (including exposure to QuarkXpress) required for the design, formatting, editing and production of publications in-house.
- *Competent Secretary Symposium.* The symposium re-tooled relevant staff members with all-around secretarial skills and knowledge for the benefit of the organization.
- *Performance Management Workshop.* All ACBF staff members pursued short-term training in performance management in order to bolster their effectiveness. The modules addressed issues such as time management, work planning and prioritization, and conflict resolution.

During the year, IT staff benefited from training programs to enhance skills and retrofit competencies in order to boost productivity and performance. The training programs were both internal and external. Internal training was provided in the areas of Business Process Improvement, Team Building and Problem Solving, and Leadership for Skills Enhancement for Managers. The external training was geared towards strengthening skills in web site design, web publishing as well as desktop publishing and advanced graphics.

In addition, selected staff members in the Finance and Accounts Department benefited from skills development in the application of new accounting software packages, including Tetra CS3.

#### Administrative Systems

Significant efforts were made to strengthen the responsiveness of the Foundation's administrative system and its resources management capability through a number of actions. For example, the Administration and Human Resources Department and the Finance and Accounts Department worked together to monitor the implementation of the budget. Such monitoring, together with tighter approval processes, contributed significantly to a more efficient and effective tracking of expenditure by the Foundation. In addition, the Foundation continued to streamline its

procurement procedures. The objective was to ensure that all procurement actions are beneficial to the Foundation.

Lastly, with respect to central registry and document management systems, the Foundation recorded some notable strides. A Central Registry Officer was appointed to follow up closely on the records management function. A workshop was organized for all secretarial staff to enhance core records and office management skills. Within the framework of the change management exercise, a process improvement team (PIT), with representation from management, professional staff and support staff, was established to help put in place a procedure for more sustainable records management. Plans are under way to acquire additional space for the custody of both active and inactive files.

## E. Financial Management

### Financial Resources

In 2002, the Foundation witnessed a major improvement in its financial position as it continued to raise funds to finance the SMTP, 2002-2006. When the year started, the available commitment authority stood at US\$25.52 million against a financing requirement of US\$340 million for the Strategic Plan. The substantial financing gap spurred on the Foundation to intensify its resource mobilization efforts that culminated in the Pledging Conference held at Lancaster House in London in April. The ACBF/PACT Pledging Conference succeeded in raising pledges amounting to US\$155.240 million. In addition to the resources pledged at Lancaster House, the IMF signed a Memorandum of Understanding with ACBF under the terms of which the Fund would make available US\$4 million over five years to the Foundation. The IMF contribution brought the amount of new pledges to US\$159.240 million. The pledges received however remained far short of the requirement.

Contributions to Phase I of the African Capacity Building Fund closed officially in 2002. Donors with outstanding payments were encouraged to continue honoring their pledges by redirecting these to the ACBF/PACT Phase. Resources in respect of Phase II pledges

continued to flow in, pursuant to the draw-down schedule agreed upon by the Board of Governors in 1997. Contributions in respect of Phase II pledges amounted to US\$ 11.050 million, bringing the cumulative draw-down figure for the phase to US\$ 38.782 million, against a target of US\$ 57.480 million. This meant that as Phase II came to a close, there remained US\$ 18.698 million in unfulfilled pledges. Additional investment income from Trust Fund investments amounted to US\$4.41 million. In sum, the level of available cash resources was lower than that of the preceding year due to the steep rise in the rate of disbursements to operations in the Foundation's portfolio.

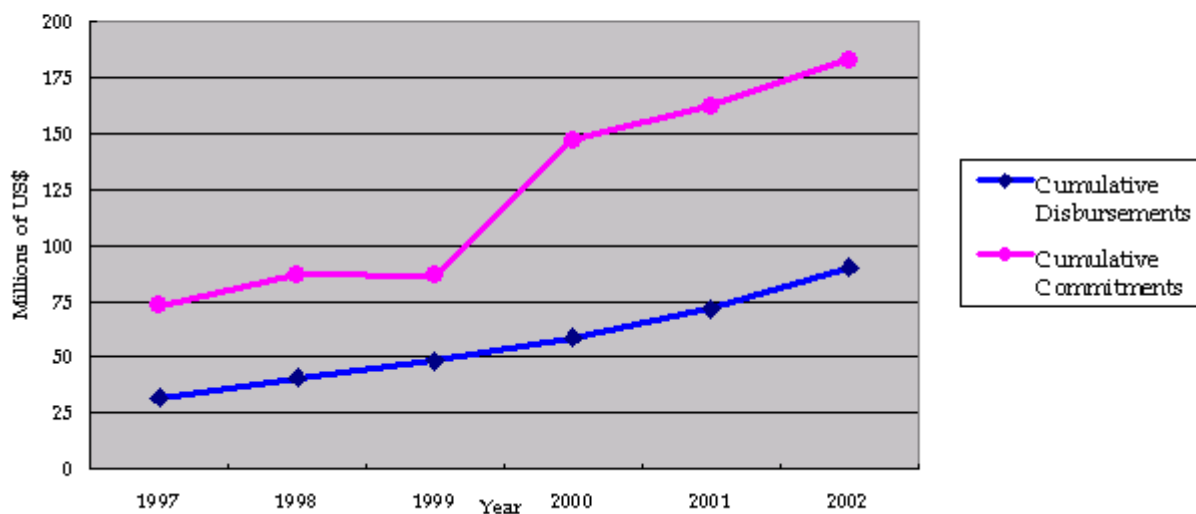
#### Budgeting and Internal Controls

The overriding theme for financial management in 2002 was high operational performance, efficiency and cost effectiveness. The economic environment in the host country brought huge challenges in terms of cost control. The official inflation rate ran above 144.2%. This rate was considerably out of line with those of its neighbors such as Botswana (7.6%), South Africa (7.4%) and Zambia (17%). The drought that affected Southern Africa resulted in reduced agricultural output.

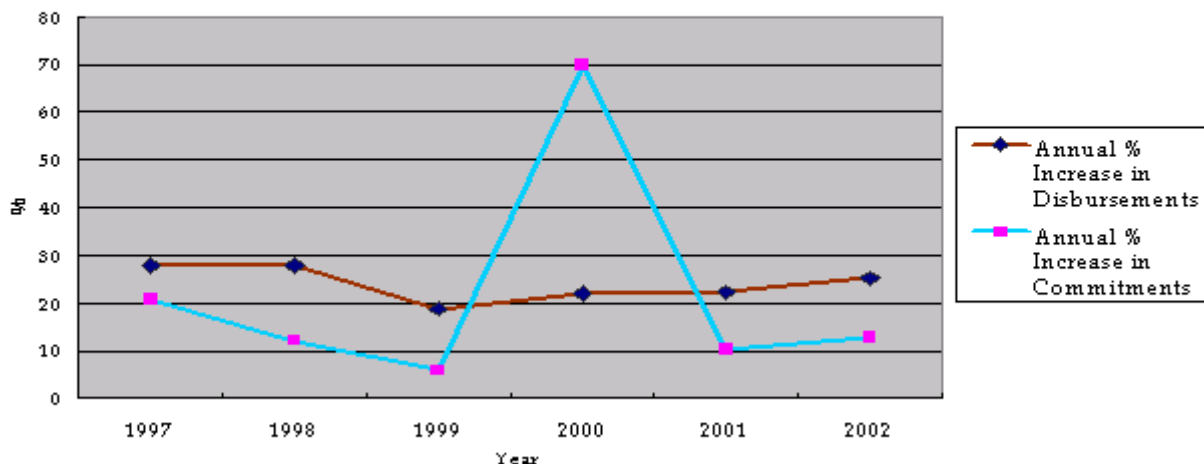
In consequence, there were serious food shortages, persistent foreign currency shortages, high inflation and a sharp depreciation of the local currency. The latter remained pegged administratively at ZW\$55 to the United States dollar, resulting in a thriving parallel foreign exchange market. Businesses influenced by the trends in the parallel exchange rate market adopted speculative pricing strategies - which worsened the inflation spiral.

Thus, in light of the adverse economic environment prevailing in the host country, effective budgetary control became most critical in managing the Foundation's financial resources. The existence of a dual exchange rate (the official rate and the negotiated rate) complicated the budget management process especially when the Government pegged the official rate at a level designed to make the local currency much stronger than the prevailing economic fundamentals dictated. The sustainability of the negotiated exchange rates was clearly not assured. This implied that the risk of a ten-fold increase in the operating budget remained real as the official exchange rate continued to be at variance with the prevailing inflation rate.

**Figure 2a: Cumulative Commitments and Disbursements (1997-2002)**



**Figure 2b: Trend in Cumulative Commitments and Disbursements  
(1997 - 2002)**



The budget for FY2002 was therefore drawn up taking into account the prevailing economic factors. The budget format and nomenclature remained unchanged. The focus was on creating clear linkages with the Business Plan for 2002 and allocating responsibility center to departmental heads ahead of the introduction of cost center budgeting in the future. The budgeting process itself remained participatory with inputs coming from the various departments, which reinforced ownership of the responsibility centers. The budgetary control measures instituted included the introduction of a commitment register, prior authorization of support staff overtime, and strict adherence to procurement procedures that ensured adequate comparison of prices in a transparent manner.

The Foundation's accounting software was upgraded to keep up with the increased volume of transactions. The accounting staff received additional training in the use of the software, which expedited its application in the maintenance of the fixed assets register and the cashbook. This resulted in considerable progress towards an integrated accounting system and shorter turnaround time for the tracking and processing of transactions. Budget control was simplified and expedited as expenditure and budget comparisons became automated.

After a pilot phase of testing, the Fixed Assets Register was fully computerized. All newly acquired assets were thus captured instantaneously, and existing assets were easily tracked. Old and obsolete assets were isolated for disposal in accordance with the Foundation's assets disposal procedures. The risks of asset loss or damage were covered by local insurance. Such cover is reviewed annually to reflect the most current replacement costs of the assets.

#### Administration of Grants

With the coming on stream of more ACBF-funded operations, the Secretariat honed its grant administration procedures to ensure compliance with the relevant Grant Agreements. All relevant departments were represented at Grant Agreement negotiations, and rigorous scrutiny was applied to grant withdrawals. Financial supervision missions undertaken by the Foundation that verified compliance on the ground with Grant Agreement provisions reinforced the review of grant withdrawal applications as well.

#### External Audits

The Foundation's finances are audited by Deloitte & Touche. The Foundation has consistently received

clean reports over the years. As regards ACBF grantees, in addition to the in-house controls, the Foundation requires that each grantee be externally audited every year and the audit reports forwarded to the Foundation within six months of the end of the fiscal year. The Foundation approves the selection of external auditors by the grantees.

#### Commitments and Disbursements

Commitments during 2002 increased by US\$21.00 million. This brought cumulative commitments in respect of projects and programs to US\$183.22 million. Disbursements for the year totaled US\$18.06 million. This compared favorably against last year's total disbursement of US\$13.05 million, representing a 38.39% increase.

Performance with regard to disbursements improved remarkably in 2002. Among the factors contributing to the marked improvement was the fact that most first-generation ACBF/PACT-funded operations were fully functional during 2002 - resulting in higher grant draw-downs to finance projects and programs. Combined with closer supervision and monitoring of operations by the Secretariat, this trend ensured that annual work programs were implemented as planned. Lastly, improved internal processing of transactions as a result of enhanced accounting systems also played an important role in facilitating disbursements to ACBF-funded operations.

#### Administrative Expenditure

Core administrative expenditure, excluding knowledge management, networking and program support expenses, increased by 15.77% over 2001. This was attributable to a number of factors: First, the increase in the staff complement as the Foundation prepared itself to grapple with an expanded portfolio of projects and programs arising from its broadened role necessarily implied additional outlays in administrative expenditure. Second, the cost of the change management exercise contributed to the increase in core administrative expenditure. Third, the cost of the new compensation and benefits package applicable to Secretariat staff translated into increased administrative

expenditure. Fourth, and most importantly, it is necessary to note that, following a change in budgetary classification and nomenclature by the Executive Board with effect from 2002, workshops and program support expenditure, which used to be categorized under disbursements to operations, were included under the administration budget. This change in budgetary nomenclature is reflected in the structure of the presentation of administrative expenditure in relation to 2001. In addition, in 2002, the Foundation embarked on a process of transforming itself into a knowledge-based institution. The result was that additional activities and costs relating to research, knowledge networks, workshops and forums became part of the consolidated administrative budget. Consequently, a comparison of the total administrative costs for the two years cannot be meaningful without adjustments for the impact of the policy change in the classification of program support expenditure.

Still, when all the relevant adjustments are made, the ratios of program and administrative expenditure to total expenditure at 80.02% and 19.98% respectively for 2002 compared favorably to 77.39% and 22.61% for 2001.

#### Enhancing Financial Management in ACBF-funded Operations

Following the incorporation of PACT into ACBF, the Foundation witnessed a sudden increase in the number of operations in its portfolio. The expansion in the portfolio presented a challenge to the Foundation's capacity to ensure that projects and programs maintained a high standard of financial management and accountability. As part of the Foundation's normal supervision and monitoring of the operations in its portfolio, 16 financial supervision missions were conducted during the year, of which 2 were special audit missions by external consultants. The routine supervision missions consisted mainly of compliance checks intended to ensure that beneficiaries were using grant funds in accordance with the provisions of Grant Agreements and were operating sound accounting and administrative systems in compliance with ACBF disbursement and procurement procedures. The special audit missions were targeted at specific financial

implementation issues raised by the routine monitoring missions and/or the desk disbursement reviews carried out by the Foundation.

An integral element of the Foundation's risk management and accountability systems is the requirement for annual external audits of grant beneficiaries by professional firms of auditors. ACBF Grant Agreements stipulate that beneficiaries should appoint, subject to the Foundation's non-objection, external auditors who will undertake annual audits of their financial records. Such audit reports are required by ACBF within 6 months of the end of the beneficiary's fiscal year. Issues raised in audit reports in the previous year are followed up with the relevant beneficiaries and brought to successful resolution in order to enhance financial management capacity within the operations in the Foundation's portfolio.

To cope with the increased number of ACBF-funded operations requiring financial supervision and monitoring during the year while enhancing the quality of financial management at the beneficiary level, the Foundation organized two training workshops for Finance Officers of funded projects and programs. The first workshop for Francophone countries was held on 8 – 10 April 2002 in Abidjan, Côte d'Ivoire, while the second workshop for Anglophone countries followed on 22 – 24 April 2002 in Harare, Zimbabwe. The two workshops were

the first of their kind. Their main objectives were to enhance the financial and administrative skills of the Finance Officers of ACBF-funded operations in order to facilitate project accountability and contribute to the improvement in the rate of disbursements. The workshop also sought to familiarize Finance Officers with the Foundation's project cycle as well as the programming aspects of project management and its relation to financial functions.

The topics covered in the workshops included the following: the ACBF project cycle; the legal aspects of project management as extracted from Grant Agreement provisions; work planning and budgeting; budgetary control; best practices in financial management; project administration; grant disbursement procedures; procurement procedures; and external audit processes. There were 19 participants from projects and programs in Francophone Africa and 34 from operations in Anglophone Africa.

The two workshops were deemed to be successful given that they generated the following outcomes.

- Finance Officers from ACBF-funded operations became more familiar with the Foundation's procedures and requirements.
- Finance Officers acquired project financial management skills in areas such as project financial management, budgetary control and

**Table 4. Trend in the Co-financing Status of ACBF-funded Operations**

	2000		2001		2002	
	\$	%	\$	%	\$	%
Total Cost	402,773,175	100.00	448,230,220	100.00	498,546,443	100.00
ACBF Share	146,970,929	36.49	162,227,543	36.19	183,223,543	36.75
Gov't/ Self-generated Funding	64,493,125	16.01	64,124,884	14.31	75,348,050	15.10
Pledged Co-financing	129,278,924	32.10	160,839,996	35.88	171,251,593	34.35
Financing Deficit (Surplus)	62,030,197	15.40	61,037,797	13.62	68,859,257	13.80

- management of cash flows.
- The Foundation received feedback on its disbursement and procurement procedures, which improved communication with recipients of its support.
- Communication among the beneficiaries themselves was made possible. This was not the case before the holding of the workshops.
- The quality of disbursement documentation from many of the beneficiaries improved substantially after the workshop, which contributed to the much higher rate of disbursements achieved in 2003.

The training workshops concept was appreciated by all those who participated and was recommended for extension to Directors of ACBF-funded operations in the coming year.

### G. Co-financing

Co-financing is central to the Foundation's funding policy because it is premised on the principles of partnership and ownership that underpin its relations with stakeholders. The Foundation's co-financing policy is aimed at creating partnerships of assistance between donors and beneficiaries. Where governments and local institutions provide co-financing, the policy engenders both commitment and ownership by the beneficiary governments or local institutions. The policy has slowly but steadily taken root over the years with an average co-financing deficit of 14% during the past three years. The total cost of ACBF-funded projects and programs as of 31 December 2002 was US\$ 498.546 million - an increase of 11.23% over 2001. The portion of the cost funded by ACBF of US\$183,223 million represents 36.75% of the total cost of operations in the Foundation's portfolio. The co-financed portion of the total cost, which is the contribution by beneficiaries and their governments as well as pledged co-financing, amounted to US\$246.599 million - leaving a financing deficit of US\$68.859 million. The percentage of the co-financing deficit to total project costs for 2002 showed an increase from 13.60% in 2001 to 13.80% in 2002. This was mainly due to the fact that a large number of projects and programs were still in the early stages of their respective implementation cycles. Co-financing gaps are usually significant for projects or

programs in the early stages of their life cycle and shrink as the projects mature, become more visible and are able to mobilize additional co-financing.

Co-financing is not solely in the form of direct contributions to projects and programs. The co-financing figures shown in Annex A.9 represent only the financial flows to projects and programs from other donors. The figures do not include the value of the in-kind contributions made by governments. If included, such contributions would increase significantly both the costs of given operations and co-financing levels. In addition to the direct financial flows and in-kind contributions to projects and programs, there are other forms of co-financing by donors, which involve direct contributions to the Foundation for specific operations. In 2002, the IMF undertook to contribute directly to the activities implemented by the Foundation jointly with the Africa Regional Technical Assistance Centers (AFRITACS). Negotiations with CIDA to clarify modalities relating to its co-financing of ACBF-related activities are also in progress. The PHRD Trust Fund at the World Bank, a source of co-financing provided by the Government of Japan, contributed ACBF's share of the costs in respect of the second phase of the Economic Policy Management (EPM) programs.

In 2002, the issue of co-financing remained a major challenge to the Foundation and its beneficiaries, in particular following the broadening of the Foundation's role. The Foundation and its beneficiaries will however pursue their efforts to raise more resources for co-financing.

### H. Publications and Information Dissemination

The ACBF Library serves as an outlet for information dissemination on policy-related and development issues. It provides access to books, periodicals, reports, videotapes, newspapers and information downloaded from the Internet. The year 2002 saw a marked improvement in the overall functioning of the Library, which has become a valuable asset of the organization and a useful tool for researchers in the field of capacity building, particularly in relation to the Foundation's core competency areas. The Library has become more

user-friendly by introducing an electronic database, which allows comprehensive indexing and cataloguing of its entire book stock.

By December 2002, the Library had made 3000 books, periodicals and seminar papers accessible to users. About 800 new books had also been purchased. The materials covered the following subjects germane to the Foundation's areas of intervention: brain drain; capacity building in general; civil society issues; communications; conflict resolution; economic analysis and policy; exchange rate analysis; globalization; governance; knowledge management; finance and management; national parliaments; poverty reduction; the public sector; the private sector; governance and public policy etc. The Foundation also received about 850 publications generated by ACBF-funded operations. These included annual reports, policy papers as well as research and working papers. In addition, the Foundation maintained its subscriptions to relevant periodicals, including the on-line version of *Economist Intelligence Unit Country Profiles*.

The Library was open for reference, computerized searches and reading of various periodicals and daily newspapers. Accordingly, it received and processed requests from stakeholders in need of information on ACBF, literature on capacity building, and publications from partner institutions. Over 1000 information packages were disseminated to various institutions and individuals that requested information on the Foundation. Lastly, the Library introduced the following features in order to address the needs of ACBF stakeholders:

*Online Catalogue.* The Library introduced an online catalogue during the year. Using the *Spectrum Online* software, it made available the following online services: an automated book-lending system; a web catalogue; the Internet public access catalog (IPAC); and simultaneous searches of the library and information catalogues. The goal of the online

initiative was to design and implement a digital library system capable of creating, disseminating, sharing and managing information in an interactive manner. In addition, the Library added a number of electronic journal collections and direct Internet links to hundreds of web publications and to over 200 library-selected Internet sites.

*Internet Public Online Access Catalogue (IPAC).* With the support of outsourced expertise, the Library processed, catalogued and indexed more than 3500 items of the Foundation's book collection using the UN Thesauri indexing system. The library has been launched on the World Wide Web, and the Foundation's stakeholders can now access it at the following address: <http://www.acbf-pact.org/winnebago>.  
<http://>

*Electronic Journals.* A high priority serials project in 2002 was the creation of linked holdings records for the over 10 electronic journals that were added to the collection. The Foundation thus continued to identify suitable journals from the existing database.

*In-house Publications.* All in-house publications such as the *ACBF Annual Report*, *Staff Manual*, *Code of Conduct*, *Disbursement Manual*, *ACBF Newsletter*, *Administrative and Financial Procedures Manual*, *Procurement Manual for Grant Recipients*, as well as policy and workshop papers were catalogued and indexed. Over 350 publications by ACBF-funded operations were also processed and entered in the database. The Library has established an archive that will serve as a depository of all ACBF publications. At least five copies of each ACBF publication were thus reserved for archival purposes.

*Weeding out of Selected Collections.* The Foundation continued to weed out certain collections from its stock. The criteria used in doing so included the following: multiple copies, superseded editions, physical condition, low circulation, and out-dated materials. This policy enabled the Foundation to maintain a streamlined emerging library collection of good quality.

## Chapter Five

# Improving Performance through Change Management

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Context

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Objectives and Activity Components

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Methodology

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Interim Outputs

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## Improving Performance Through Change Management

### A. Context

For two consecutive years, 2000 and 2001, the Foundation experienced remarkable changes in its growth path. The Partnership for Capacity Building in Africa (PACT) was successfully integrated into its fold. This resulted in an expansion of the scope and scale of the Foundation's operations. By the end of 2001, the Foundation had delineated, within the framework of its Strategic Medium-Term Plan (SMTP), 2002-2006, its six core competency areas. With the approval of the SMTP in June 2001, the Foundation was also mandated to begin to play a more visible role in knowledge generation and dissemination in order to improve continuously the quality of its operations and to share best practices in capacity building and development management.

In response to these developments, the Executive Board in June 2001 commissioned a change management exercise, the first phase of which was a diagnostic study of systems, processes and procedures. This study identified a number of change opportunities in project and program operations, in the development of a knowledge management system as well as in administration and human resources management. Led by a team of international consultants, which worked with a Staff Change Management Focus Group (SCMFG) that was constituted by the Executive Secretary on 31 May 2002, the Foundation effectively embarked on the second phase of the exercise in June 2002. It involved a vigorous implementation of activities that were designed to realize the change opportunities identified by the consultants. The SCMFG represented all levels of the Secretariat staff and interfaced with the team of consultants, Management, and all staff to ensure their full participation. By the end of 2002, the exercise had spanned six months of intense activity that remained strongly on track. There were therefore strong prospects that all the activities outlined in the overall work plan would be delivered by the end of 2003 with visible results.

### B. Objectives and Activity Components

The main objectives of the second phase of the change management exercise were to: (i) improve organizational culture; (ii) enhance operational, administrative and human resource management systems, processes and procedures; and (iii) assist the Secretariat in designing and installing a knowledge management system. The components of the overall work plan for the achievement of these objectives was delineated into five areas covered by the improvement opportunities identified during the first phase: Management Leadership and Support; Operating Processes; Knowledge Management Function; Boards-Secretariat Interface; and Total Improvement Management.

### C. Methodology

To realize the improvement opportunities embedded in the five component areas, the SCMFG served as the interface among Management, the consultants who were guiding the change management process and the entire Secretariat staff, with a view to ensuring full participation in, and ownership of, the exercise by all staff. The SCMFG effectively commenced its task on 4 June 2002.

In order to ensure the active participation of all staff, the SCMFG formed five working groups corresponding to the five components of the improvement opportunities identified in the consultants' diagnostic report. Each staff member was assigned to at least two of the five working groups in line with expressed preferences. Within each group, sub-committees or process improvement teams were formed to examine specific issues in greater depth. Each working group was guided by a detailed work plan that was developed jointly with the consultants, cleared by the SCMFG and approved for implementation by Management.

The SCMFG met at least twice a week, prepared weekly reports for Management, briefed the entire staff every fortnight and provided inputs for monthly

progress reports that were prepared by the consultants and presented to the Executive Board. The first briefing session was held on 18 June 2002. The essence of the staff briefing sessions was to ensure that the SCMFG was fully responsive to staff, effectively facilitated the sharing of information on progress in the change management process, and received collectively-shared and timely feedback on the change management process. To supplement the fortnightly briefings, the SCMFG created information folders on every aspect of the change management process in one of the Foundation's shared electronic drives of its computer network to facilitate access by staff to the entire range of information relating to the exercise.

Processes, procedures and tools for implementing identified improvement opportunities were presented and discussed at the level of the working groups before they were referred to the SCMFG for review and refinement. After review, the SCMFG presented these instruments to the entire staff for comments. After incorporating all opinions considered and reaching a common understanding of the relevant issues, the SCMFG then presented the entire range of instruments to Management for consideration and approval.

In addition to regular and intensive meetings, the change management exercise also involved retreats, brainstorming sessions, training programs, workshops and seminars organized by the consultants and the various working groups as well as benchmarking missions and study visits for the identification of best practices in specific systems, processes, procedures and activities.

#### D. Interim Outputs

The staff, consultants and Management carried out the change management exercise with considerable rigor and dedication. By the end of 2002, their collective efforts had generated the following outputs:

- Baseline data against which changes in staff morale will be measured over time as the exercise progresses. On 12 June 2002, the consultants conducted a staff opinion survey to generate baseline indices for morale, people management, communication and trust, and performance appraisal. The survey generated Secretariat-wide indices and the results were decomposed into departments and operations zones so that improvement opportunities at these levels could be captured as well.
- Growing improvement in communication among staff and interpersonal relationships.
- Redesigned job descriptions for managers with enhanced focus on people management responsibilities.
- Redesigned job descriptions for all professionals with knowledge generation and sharing responsibilities.
- Preliminary guidelines for upstream and strategic interventions by ACBF in capacity building.
- A clearer understanding of the communications needs of the Foundation.
- Improvement in the emerging elements of the Foundation's knowledge management strategy, following benchmarking missions to institutions in the United States and Canada.
- Progress in the reform of the records management system, including reorganization of the filing system, creation of the electronic central registry and development of a records archiving system.
- Installation of a Speak Up-and-Suggestion System to provide staff additional avenues of expression on issues of concern and suggestions for improvement of operating systems, processes and procedures
- Development of vision statements for the following processes:
  - Management Support and Leadership
  - Organizational Culture
  - Operating Processes
  - Knowledge Management
  - Education and Training
  - Performance Measurements
  - Boards-Secretariat Interface
- Preparation of Values Statements
- Production of operating procedures for the following issues and processes:
  - Guidelines for establishing Operating Procedures
  - Career Planning and Development
  - Rewards and Recognition
  - Education and Training
  - Speak Up-and-Suggestion System

- Enhancement of training for all staff to strengthen skills, develop new competencies and foster better understanding of issues in organizational growth. By the end of 2002, staff had benefited from the following training programs:
  - Business Process Improvement
  - Application of Microsoft Project Software
  - Team Building and Problem Solving
  - Leadership Training for Managers
- Organization of retreats and brainstorming sessions to deepen understanding of organizational and operational issues and to strengthen interaction and communication among staff. So far, the following have been held:
  - Brainstorming session on the concept and strategies in upstream and strategic interventions in capacity building
  - Brainstorming session/staff retreat on communications
  - Brainstorming session on Boards-Secretariat interface
  - Management Team Building Retreat
  - Installation of Action Tracking System to facilitate quality management.

The implementation of activities relating to the second phase of the change management exercise progressed satisfactorily during the year. There was a high level of commitment to the exercise by the Executive Board, Management and Staff. By the end of the year, the exercise had generated valuable outputs, and the prospects were high that the improvement opportunities identified during the first phase of the exercise, and thus the objectives of the second phase of the exercise, would be realized.

## Chapter Six

# Portfolio Performance

- Institutional Context
- Portfolio Composition
- Overview of Performance of Projects and Programs
- Portfolio Achievements and Utility of Outputs
- Assessment of Performance and Lessons of Experience in the Implementation of Projects and Programs

## Portfolio Performance

### A. Institutional Context

In 2002, the institutional context in which the Foundation operated was influenced greatly by a change management exercise that was launched in June 2001 to strengthen operational systems, processes and procedures as well as enhance organizational culture. Notable progress was registered in efforts to improve systems, processes and procedures that will provide a strong institutional framework for operations in 2003.

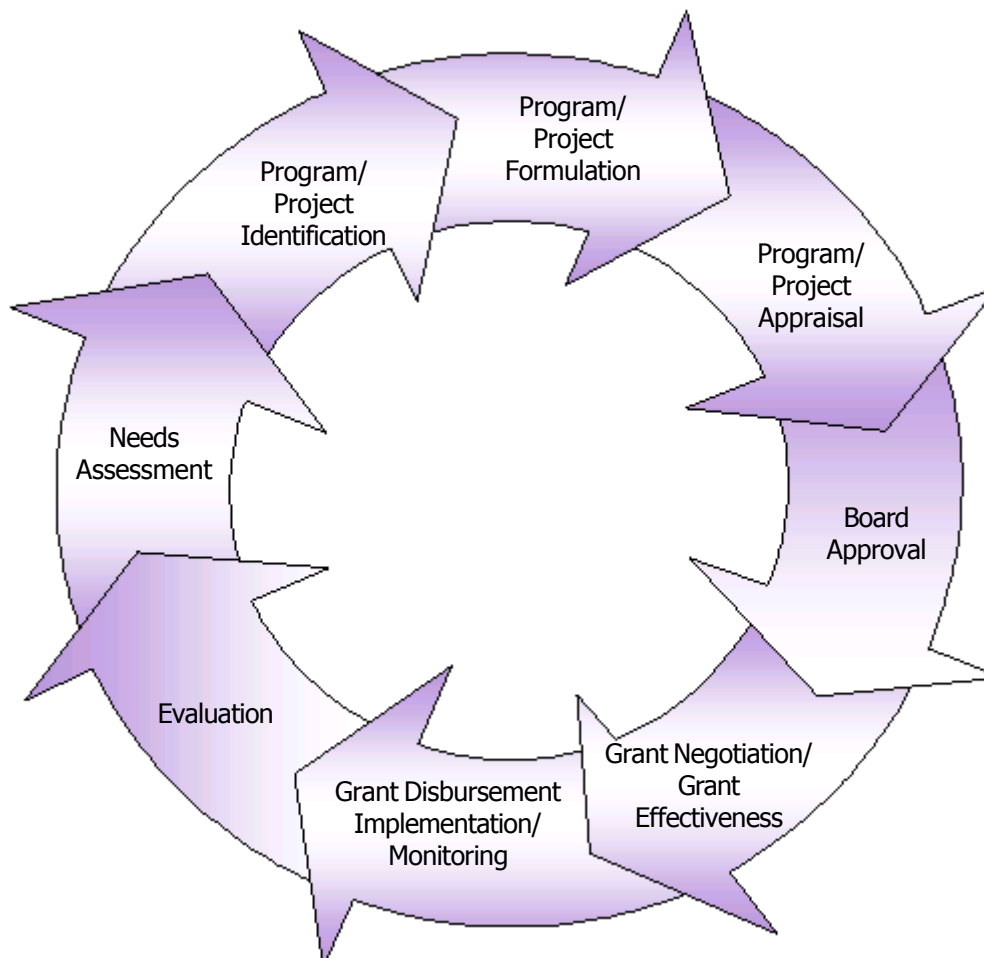
Other areas where significant institutional enhancement and growth were experienced included the following: (i) strengthening of the base for knowledge generation and sharing as a result of the

establishment of a Knowledge Management and Program Support Department; (ii) review of the Foundation's compensation system to enhance competitiveness and raise staff morale; and (iii) strengthening of operational capacity within the Secretariat through the recruitment of additional professional and support staff in the areas of programs and general management.

### B. Portfolio Composition

In 2002, the Foundation approved 11 new full-fledged interventions, 7 of which were re-financed operations. In addition, it awarded grants to 7 SAFEWIND initiatives. As of 31 December 2002, the Foundation, in addition to the 7 SAFEWIND interventions, had

**Figure 3. Project/Program Development and Implementation Flow Chart**



approved a cumulative number of 99 grants, and awarded grants to support the operations of national focal points in a cumulative number of 26 countries. The total number of active full-fledged operations in the Foundation's portfolio stood at 71, as opposed to 67 in 2001.

The full-fledged projects and programs are classified into Core Public Sector Interventions, Interface Operations, Support for Regional Institutions, and a Special Intervention. The core public sector projects and programs consisted of interventions in economic policy analysis and management, economic and financial management training, financial management and accountability, public administration and management, and strengthening of the policy analysis capacity of national parliaments.

At the regional level, the portfolio comprised 12 operations in support of regional organizations. These were made up of 10 interventions in core public sector areas and 2 interface interventions. The public sector operations support capacity-building activities largely through training, policy analysis and research, exchange programs, internships, in areas such as economic and financial management, trade and international negotiations as well as issues in regional integration.

The portfolio comprised one special intervention to strengthen capacity for the management and administration of AIDS programs at the community level in order to raise awareness and share lessons of experience and best practices.

### C. Overview of Performance of Projects and Programs

The Foundation maintained the strong pace that characterized its performance over the previous two years of implementation of PACT. Targets set for activities both at the level of direct operations and program support activities were adequately met. In some cases, they were exceeded significantly.

A summary of performance against targets for 2002 is presented in Table 5.

#### Direct Operations

*Needs Assessment/Project Identification Missions.* In 2002, the Secretariat fielded 8 capacity needs assessment/project identification missions to countries, sub-regional organizations and development partner institutions on the Continent as against 7 targeted in the Business Plan. As part of the needs assessment process, the Secretariat also held a consultative meeting with stakeholders of the Economic Policy Management (EPM) training programs. These various efforts resulted in the development of 11 proposals and the preparation of 11 appraisal reports, all of which were submitted to the Executive Board between May and December 2002. In addition, 7 operations were approved by the Executive Secretary within the SAFEWIND framework. Five projects – AERC Collaborative Ph.D. Program in Economics, COMESA Trade Negotiations and Trade Policy Development Project, IDEC Phase II, Lesotho Macroeconomic Management Project (LMMP) and MEFMI Phase II – were approved in May 2002. Following the subsequent approval of 6 other operations in December 2002 (that is, the 4 EPM training programs in Cameroon, Côte d'Ivoire, Ghana and Uganda as well as the CEPD and IDEG-CAP operations), the total existing portfolio in 2002 consisted of 71 active projects and programs, 26 national focal points and 7 SAFEWIND operations.

*Project Supervision Missions.* As of 31 December 2002, the Secretariat had undertaken 154 project supervision and appraisal missions to operations. The target for the year was 200, based on the needs of the project/program portfolio for the year. The missions, which comprised field visits to all active projects and programs in the portfolio as well as financial supervision assignments, constituted vital inputs in the project management process and contributed toward the enhancement of project and program implementation. Given the high rate of effectiveness of newly approved operations in the Foundation's portfolio

in 2002, the evidence is strong that much of the good performance is explained by the utility of the Foundation's missions.

*Mid-term Reviews.* Seven (7) mid-term reviews of project performance were planned and conducted during the year. The institutions whose performance reviews were conducted included BEAC/BCEAO (Debt); two of the EPM training programs (EPM – Ghana and EPM–Uganda); NCEMA, Nigeria; EPRC, Uganda; KIPRA, Kenya; and SARIPS, Zimbabwe.

*Project Completion Reports.* In 2002, 10 operations were due for refinancing, 8 of which were to submit project completion reports. These projects were as follows: CAFPD, CAPE, EPM-Cameroon, EPM-Cote d'Ivoire, EPM-Ghana, EPM-Uganda, MEFMI Phase I, DMPA, Zambia, EMPAC, and UPE. PTCI submitted its project completion report. The others are expected by the first quarter of 2003. During its meeting in July 2002, the Secretariat's Project Review Committee recommended the deferment of the submission of the remaining Project Completion Reports to the first quarter of 2003 to give the institutions ample time to produce detailed reports.

*Grant Agreements Negotiated and Signed.* By the end of 2002, twenty (20) Grant Agreements had, as planned, been successfully negotiated and signed. This was a strong indication that project promoters and stakeholders had demonstrated a high sense of commitment to the fulfillment of relevant grant conditions for project implementation.

#### Program Support Activities

With respect to program support activities, the Foundation recorded notable strides. The *ACBF Newsletter* was published and disseminated consistently throughout the year. Its quality, content and presentation have continued to improve. Thus far, particularly since its resuscitation in 2000, the *ACBF Newsletter* has become a valued instrument for pushing the frontiers of the Foundation's visibility and stature.

During the year, as a follow-up to the First Pan-African Capacity Building Forum that was organized by the Foundation in October 2001 in Bamako, Mali, 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. In collaboration with the African Development Bank, the Foundation organized a workshop on capacity needs assessments and the design of the Economic and Financial Management Institute for Lusophone African countries. It also organized jointly with UNDP Central and Eastern Africa Sub-Regional Resource Facility and the UN Conference on Trade and Development a Debt Management Workshop for countries not covered by the Foundation's macroeconomic and financial management programs that are hosted by BCEAO/BEAC, MEFMI and WAIFEM. Participants at the workshop included senior officials from ministries of finance and central banks of Burundi, the Central African Republic, Chad, the Democratic Republic of Congo, the Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Kenya, Rwanda and Sao Tome and Principe. Other participants were drawn from Algeria, Guinea-Bissau, Guinea-Conakry, Madagascar and Sudan.

Other areas in which significant achievements were recorded included the following:

- A briefing session on NEPAD to enhance staff understanding of the objectives, priority programs, challenges and ACBF's role in its implementation, February 2002.
- Sensitization missions to African and major bilateral and multilateral donors by the Foundation ahead of the Pledging Session for the mobilization of resources to implement the SMTP, March-April 2002.
- Recruitment of seven additional staff to strengthen the Secretariat
- Signing of a Memorandum of Understanding with the International

**Table 5.****Summary of Performance in 2002**

<b>ACTIVITY</b>		<b>TARGET</b>	<b>ACHIEVEMENT</b>
(A)	DIRECT OPERATIONS		
	• Implementation of Change Management Process (person day inputs as of October)	200	1005
	• Capacity Needs Assessment/ Project Identification	7	8
	• Country Capacity Profiles	3	3
	• Project and Program Operations		
	○ Refinanced Projects & Programs	8	7 (incl. 4 EPMs)
	○ Country Programs		
	▪ Full Interventions	2	-
	▪ Targeted Interventions	3	2
	○ Regional Interventions	2	2
	○ SAFEWIND Interventions		7
	○ National Focal Points	3	1
	○ National Knowledge Networks	8	ongoing
	○ Project Supervision Missions (incl. financial supervision missions)	200	154
	○ Technical and Advisory Assistance to project and program stakeholders, Countries and Regions	3	Lusophone African Countries
	○ Impact Assessment of ACBF Supported Institutions	3	-
	○ Mid-Term Reviews	7	7
	○ Project Completion Reports	8*	1 (others ongoing)
	○ Grant Agreements	20	20
	• Research and Knowledge-Based Programs		
	○ Development of Knowledge Management Strategy & Implementation Plan	1	1
	○ Operations Research	2	4 ongoing
	○ Thematic Research	2	-
	○ Completion of Work on Performance Indicators	1 (set)	ongoing
	○ Thematic Networks(TAP-NETS)	2	4
	○ Regional Exchange and Information Dissemination Programs	2	2

\* In July 2002, the Secretariat's Project Review Committee recommended the deferment of submission of reports to the first quarter of 2003 to give the institutions ample time to prepare comprehensive reports.

## Summary of Performance in 2002 (continued)

ACTIVITY	TARGET	ACHIEVEMENT
<ul style="list-style-type: none"> <li>Electronic Database Development</li> <li>Synthesized Research Findings</li> <li>Networking with Partner Institutions</li> </ul>	2 4 10	2 - 8
(B) PROGRAM SUPPORT ACTIVITIES		
<ul style="list-style-type: none"> <li>Regional Workshops</li> <li>Program-Related Publications               <ul style="list-style-type: none"> <li>ACBF Workshop Series</li> <li>ACBF Capacity Building Review</li> <li>ACBF Occasional Paper Series</li> </ul> </li> <li><b>Public and Media Relations</b> <ul style="list-style-type: none"> <li>ACBF Newsletter</li> <li>Production and dissemination of Information materials</li> <li>Public relations meetings</li> <li>Press conferences</li> <li>Documentary on ACBF</li> </ul> </li> <li><b>Technical and Advisory Support</b> <ul style="list-style-type: none"> <li>Staff training (in-house)</li> <li>Staff training (external)</li> <li>Financial planning and Management Course for ACBF Project Staff</li> </ul> </li> <li><b>Institutional Enhancement</b> <ul style="list-style-type: none"> <li>Refinement of operating systems,</li> <li>Processes and procedures</li> <li>Intranet development</li> <li>Automation of financial system</li> <li>Web site development</li> <li>Database development</li> <li>Strengthening of outreach &amp; Communications</li> <li>On-line Library development &amp; Enhancement of utility of Library</li> </ul> </li> </ul>	2   2 1  1  4 6 2 2 1  6 6  1  Ongoing Ongoing Structure completed and databases being developed Ongoing in progress  significant progress  computerization & digitization in progress	2   3 1 (to be published in December) 1  4 7 2 7 ** Ongoing 56 9  2          

\*\* In addition, a number of informal press conferences were held during the year

Monetary Fund that provided a legal framework for IMF membership in the Foundation and partnership with ACBF on the ground, September 2002.

- Broadening of the resource and membership base of the Foundation with the arrival on the Board of Governors of Benin, Burkina Faso, Mauritania, Rwanda and Zambia. The

Foundation also made efforts to encourage Congo-Brazzaville, Djibouti, Equatorial Guinea, Ethiopia, Sudan and Swaziland to become members of the Board of Governors following the strong interest expressed by the countries.

- The Foundation mobilized US\$159.240 million for the implementation of the SMTP 2002-

### Box 6.

#### NCEMA: Making a Difference in Capacity Building in the Public Sector in Nigeria

The National Centre for Economic Management and Administration (NCEMA) is a Nigerian Federal Government Parastatal set up in 1986 to address the capacity problem of managing the Nigerian economy. Its core mandates include the training of senior public officers at all levels of government and conduct of in-depth research and consultancy in public policy analysis.

The first phase of ACBF's support, which started in 1994, was successfully completed in 1999. It was followed with the second phase (NCEMA II), which became operational in July 1999 and is expected to be completed in December 2003.

Since 1994, NCEMA has generated outputs in both training and policy-oriented research. In the area of training, the 30 courses mounted trained 1476 participants from various central government institutions. A formal survey has revealed that the training programs have had a substantial positive impact on the participants. They have not only updated the participants' knowledge of the Nigerian economy but have also equipped them with analytical skills in policy making. Courses in macroeconomic policy analysis and modeling, applied econometrics, quantitative analysis, and poverty alleviation policies and strategies were particularly cited as significant in enhancing the skills of NCEMA trainees.

With respect to policy-oriented research, a four-theme collaborative research project was designed and commissioned to stakeholder

institutions; and the *NCEMA Policy Analysis Series (NPAS)* and *Journal of Economic Management (JEM)* was published regularly. NCEMA's research output have been useful in: (i) preparing authoritative official position papers and making seminar or conference presentations; (ii) creating an enabling environment for research more generally, as officers are now more research-minded and supportive of research initiatives; and (iii) developing the capacity of indigenous professionals by giving them opportunities to participate as consultants/resource persons in research or training programs. This is significant for sustainability of acquired indigenous professional skills

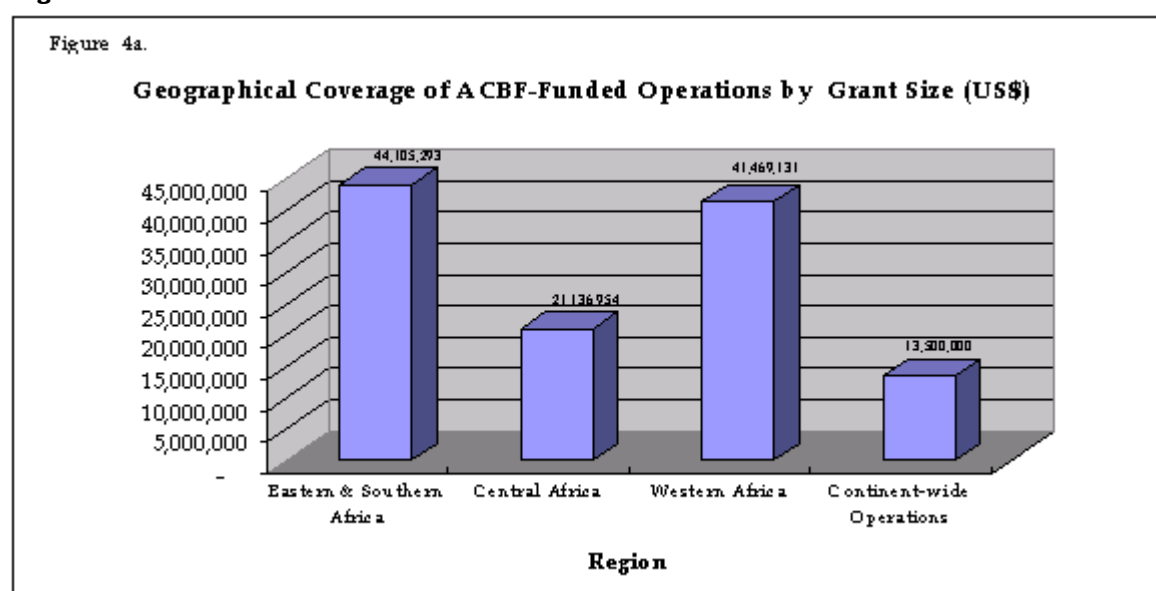
The synergy built from NCEMA's training, research and consulting activities has enabled it to play an increasingly significant role in the public policy arena. More specifically, the major impact of NCEMA includes: enhancement of the performance and efficiency of public officers; and re-tooling of their skills and knowledge in macro and sectoral economic issues, applied econometrics and computer applications. The impact on the institutions reflected the acknowledgement that the training had improved the efficiency and effectiveness of their organizations and set internal training benchmarks. The research has enhanced the quality of inputs into public policy making. NCEMA's potential impact resides therefore in its future ability to emerge as a center of excellence in public policy analysis and advanced training for public sector officials.

2006. Although the amount falls far short of the required resources for effective implementation of the Plan, it was a significant improvement on resources raised during the first (US\$89 million) and second (US\$65million) phases of the Foundation's operations.

The Secretariat participated and, in a number of cases, played a significant role in the following workshops, seminars and conferences:

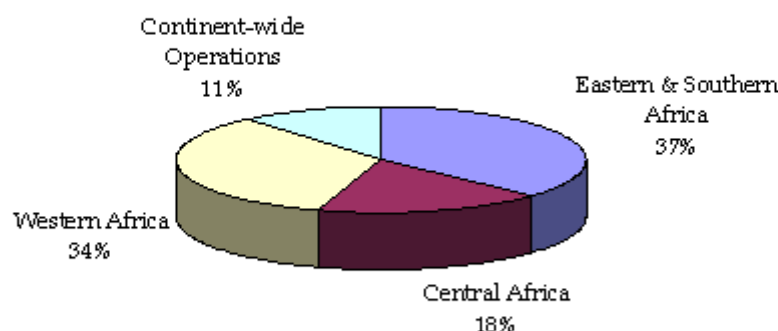
- Third Roundtable on Reforming Technical Cooperation for Capacity Development, Accra, Ghana, February 2002.
- Third African Development Forum, Addis Ababa, Ethiopia, March 2002.
- Governance, Institutional Reforms and Policy Outcomes in Africa, Windhoek, Namibia, February 2002.
- NEPAD Roundtable on Capacity Building, Pretoria, South Africa, March 2002.
- Second Meeting of the Development Assistance Committee's Network on Good Governance and Capacity Development, Paris, France, February 2002.
- University of Zimbabwe-Chamber of Commerce and Industry Liaison Meeting, Harare, Zimbabwe, January 2002.
- Consumers International First Regional Members Strategic Planning Meeting, Harare, Zimbabwe, January-February 2002.
- Launch of the International Lawyers and Economists Against Poverty (ILEAP) Project, Nairobi, Kenya, May 2002.
- Training for Financial Staff of ACBF-Supported Institutions on Financial Management, Abidjan, Côte d'Ivoire; and Harare, Zimbabwe
- Commonwealth-Africa Investment Forum, Abuja, Nigeria, April 2002.
- Fifth African Governance Forum, Maputo, Mozambique, May 2002.
- Civil Service Department – Public Sector Reform Program, Inaugural Meeting of Tanzania National Business Council to Strengthen Public-Private Sectors Partnership, Dar-es-Salaam, Tanzania, September 2002. *(The Meeting was chaired by the President of Tanzania)*
- MEFMI Finance and Planning Ministers' Forum, London, United Kingdom, September 2002.
- Conference on the African Regional Technical Assistance Centers (AFRITACS), Paris, France, July 2002.
- Meeting of the African Group Working Party

**Figure 4. Portfolio Distribution\***



\* Continent-wide operations include both continental and regional projects and programs.

Figure 4b.

**Portfolio Distribution by Grant Size**

on the African Governors' Memorandum to the President of the World Bank and the Managing Director of the International Monetary Fund on the occasion of the Annual Meetings of the World Bank and the IMF, Kampala, Uganda, July-August 2002.

#### **D. Portfolio Achievements and Utility of Outputs**

The work being undertaken by ACBF-sponsored institutions in support of the formulation of PRSPs, HIPC documentation and other reform initiatives or efforts has contributed to the growing recognition of the Foundation as a leading capacity-building institution in Africa.

*Policy Units.* The policy institutes have consolidated their policy-supporting role by taking a lead in providing technical support to government task forces responsible for formulating medium-term development plans, PRSPs and the evaluation of policy reform programs and regional integration.

The policy institutes have also continued to carry out policy studies in support of reform programs through commissioned research by governments and donor organizations. The areas of research covered by the

institutes include the real sector, poverty reduction, macroeconomic policies, fiscal decentralization and infrastructure for service delivery. The real sector covered factors affecting productivity and growth in agriculture, manufacturing and international trade. A brief summary of achievements by policy institutes is focusing on the work of institutions that have had most influence on the policy process in their respective countries.

Almost all ACBF-funded policy units have provided significant support to the PRSP process and the HIPC initiatives. In West Africa, UPE in Senegal has extended its influential role on the policy formulation process by providing strategic advice to government on key development initiatives including the PRSP, HIPC and NEPAD. In Central Africa, IDEC-Burundi has provided support to the formulation of the PRSP in the country. The BEAC-BCEAO Training Program in Debt Management has assisted countries in preparing for conditions required for acceding HIPC resources. In Eastern and Southern Africa, DMPA-Zambia, BIDPA-Botswana, ESRF-Tanzania, EPRC-Uganda and KIPPRA-Kenya have become key players in advising governments and donors on major development issues, including PRSPs and other macroeconomic and sector-related policy matters.

**Box 7.****ESRF, Tanzania: Profile of a Maturing Operation**

The mission of the Economic and Social Research Foundation (ESRF) in Tanzania is to build and utilize capacity in the country as it transits from a controlled to a liberalized economy. The first phase of ESRF spanned the period 1994 – 1997, during which it focused on four principal areas: (i) institutional development; (ii) core research; (iii) commissioned studies; and (iv) policy dialogue and dissemination. The second phase necessarily entailed consolidation of success stories and the development of the vision of what ESRF II would deliver to its expectant, diverse and motivated stakeholders in the country and beyond.

ESRF has managed to build and utilize local capacities, promoted networking and collaboration and successfully embarked on capacity-building programs for policy analysis and development management. Also, its policy dialogue activities have had a visible impact. For instance, in 2002, 30 workshops and 16 policy dialogue seminars were organized. Most of the publications emanated from research as Working Papers and Discussion Papers. Other publications included *Annual Reports*, *Tanzania Political Economy Series* and the *Quarterly Economic Review*. In addition, the establishment of *Tanzania Online* has enhanced networking activities.

ESRF has made a significant impact in Tanzania for a number of reasons: First, it is a research body that

is organized as a public sector enterprise. Second, it has contributed inputs to virtually all government policy documents and public enterprise reviews, and worked closely with several ministries in both the mainland and the isles. Third, it has assisted government institutions to interpret international documents with a view to implementing them in the Tanzanian context.

The ESRF Board of management appointed a new Executive Director on 27 April 2002. Since one of the critical tests of sustainability is the process through which an institution can manage a smooth transition from one leadership to another, the example shown by ESRF should be replicated in similar organizations.

In sum, during ESRF's two phases, the institution has established itself as the leading center for independent policy analysis in Tanzania, and the favored location for policy dialogue among the government, donors and civil society. ESRF now has a strong profile nationally and internationally. It has enhanced national capacity in policy analysis. Indeed, by building an effective network of policy analysts, it has increased the national ownership of the policy-making process. Lastly, ESRF has a well-deserved reputation as a solid performer that is likely to continue playing a key role in development policymaking in Tanzania for many years.

The influence of these projects on the policy process has gone beyond the mere provision of advice through policy studies. In many instances, the units have acted as technical extensions of key government task forces responsible for designing or monitoring the implementation of PRSPs and Mid-Term Expenditure Frameworks (MTEFs). They have also made significant contributions to the facilitation of participation of non-state actors in the debates on development policies through dissemination workshops on PRSPs and to training targeting members of budget committees of Parliaments. Despite the achievements of ACBF-funded operations in supporting the implementation of PRSPs

and other economic reform initiatives, the capacity gap for implementing the PRSPs remains quite large. The Foundation, in partnership with other donors, will expand its support to capacity building in other critical areas of the PRSPs, including the strengthening of financial management and accountability.

*Training Programs.* The Foundation continued to provide support to initiatives aimed at increasing the pool of qualified economic analysts and managers. AERC, PTCL, and the EPM programs have continued to produce high-quality graduates. The impact of these training programs on the capacity of training

Figure 4c  
Regional and Country Coverage by number of ACBF-funded Operations

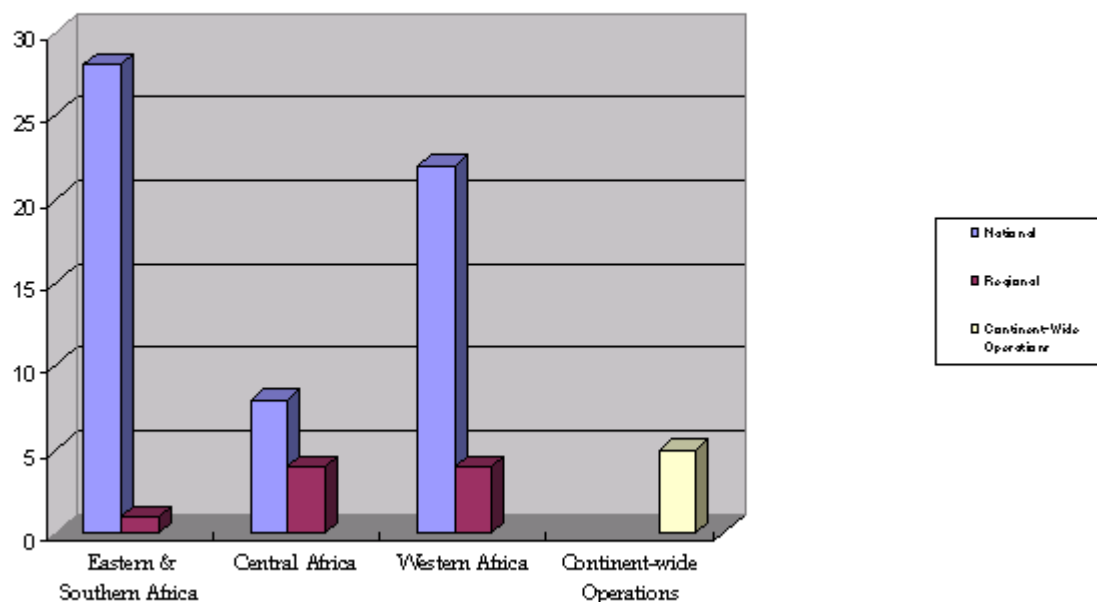
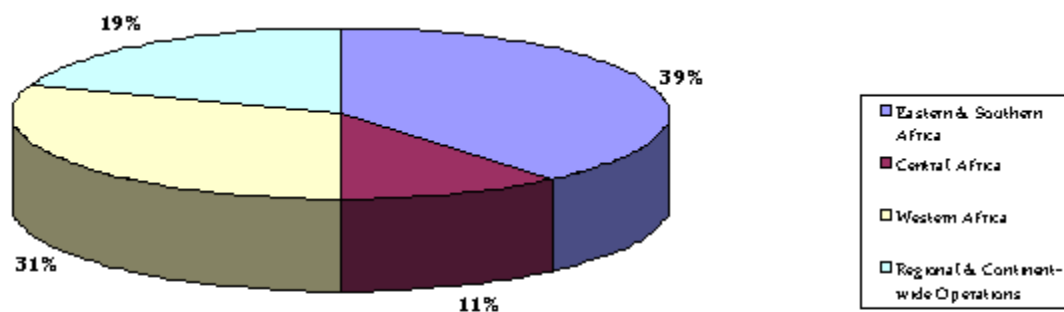


Figure 4d

Portfolio Distribution by Number of ACBF-funded Operations

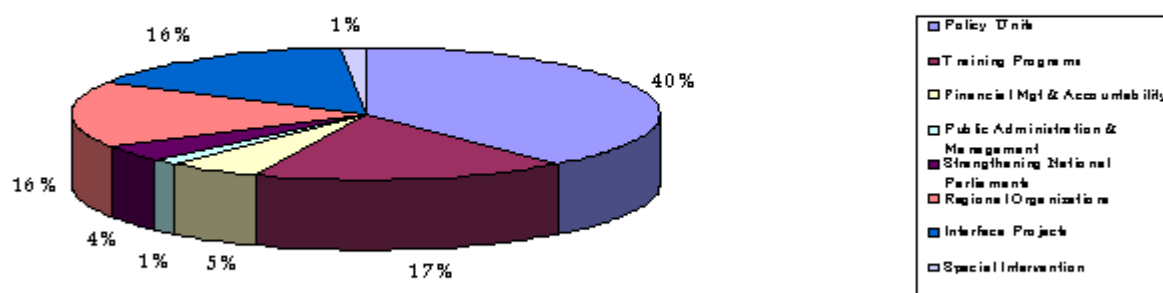


institutions is likely to grow both in the short- and long-term. Besides improvements brought about by the institutional support provided to participating institutions, the training programs are contributing to the upgrading of university education. For example, the PTCL program is poised to boost the research and

likely to be difficult to sustain if no significant progress is made to retain the skilled personnel trained as a result. These concerns are already being raised by senior debt management officials who are looking at various ways of improving the incentive system for highly skilled debt management personnel.

Figure 4e.

#### Portfolio Distribution by Competency Area



training capabilities of universities in West Africa given that these universities hired 63 % of its graduates. As regards the EPM and AERC programs, although the relevant impact assessment studies have not yet been completed, there is evidence that a large number of their graduates are occupying senior management positions in government and financial management institutions.

The in-service training activities carried out by NCEMA, the BCEAO/BEAC macroeconomic management program, the BEAC/BCEAO debt management program, MEFMI and WAIFEM have also contributed to the improvement of the implementation capacity of recipient institutions. The sponsoring institutions have commended the high quality of training courses offered by these programs. In the case of debt management training, the additional support provided through technical and advisory missions has contributed to the enhancement of the performance of beneficiary institutions. The impact of the training programs on the efficiency and effectiveness of beneficiary institutions is

*Financial Management and Accountability.* The CCDB-Djibouti operation represents the first experience of the Foundation in providing support to interventions aimed at enhancing accountability in the use of public funds. Indeed, public financial management in Djibouti was characterized by uncontrolled expenditure management practices that were undermining the budget system as reflected in soaring budget deficits and payment arrears. The CCDB project became operational in August 2001. Consequently, it might be too early to make a judgment on its medium- and long-term impact on the management of public resources. However, it has successfully launched the first professional audits of several public institutions after a lapse in controls that spanned over twenty years. The audits are already causing other institutions involved in the public expenditure controls chain to reflect on ways of exercising their constitutional role of enforcing discipline and transparency in the use of public funds. The launching of the reviews is already having an impact on the work culture of public institutions in Djibouti.

**Box: 8.****Building the Capacity of National Parliaments: First Lessons**

Drawing on its intimate involvement in the identification and development of the operations designed to enhance the policy analysis capacity of national parliaments, ACBF has garnered some lessons of experience that will not only be useful in guiding the scope of its future interventions but also in clarifying the strategies and modalities of such interventions. One of the first lessons is that the design of capacity-building operations in the parliamentary context is far more arduous than in the Executive Branch. Since Parliament represents a constellation sometimes of competing or conflicting interests, more time needs to be invested in building consensus among the assorted actors involved in development policy design and implementation.

The fast-track or proactive approach adopted by the Foundation in 2000 enabled it to accomplish significant results on the ground. However, the fast pace at which the projects were developed, capitalizing on the Foundation's well-honed experience in the identification and formulation of operations in the broader public sector, did not always allow adequate time to clarify upstream some project design and implementation issues. This tended to lengthen the time it took to resolve issues and fulfill conditions precedent to the negotiation and signing of Grant Agreements.

A second lesson is that the projects that took the shortest time to materialize were those that were developed by building on existing institutions rather than by creating new structures with unfamiliar governance frameworks. This trend was even more perceptible in cases where the composition of

project governance bodies comprised members drawn from outside the parliamentary structure. This generated much resistance among members of parliament and the parliamentary bureaucracy.

A third lesson is the greater risk of politicization of the process of recruitment of project staff. The involvement of high-level parliamentary officers in the selection of project managers and other senior staff sometimes led to slippages in the take-off of some operations because the Foundation stood its ground over long months in order to protect the integrity and credibility of the recruitment process. It bears noting that such politicization is not necessarily only linked to the greater inclination by parliamentary leaders to pursue the interests of their constituencies when selecting project personnel, but also to their lesser exposure to transparent and competitive recruitment and procurement norms or standards – an element that underscores the urgent need for them to develop their own capacities.

Fourthly, given the complex nature of parliaments, the process for fulfilling grant conditions by parliamentary stakeholders has tended to be laborious as such process is buffeted by parliamentary formalities and procedures driven more by political rather than prudential factors.

A fifth lesson is that, while the existence of a champion is often a commendable factor in the development of a capacity-building operation (as it epitomizes ownership and leadership), this is not always a positive aspect in the case of parliamentary projects. This is because cleavages arising from intra-party or intra-parliamentary tensions could derail or erase the progress of a promising project that is identified with a specific person or party. The more judicious approach has been to seek

consensus within the framework of established parliamentary committees and other relevant standing organs.

A sixth lesson is that, given the considerable number of donors and other stakeholders currently involved in efforts aimed at building capacity in parliaments in Africa, much consultative dialogue and information exchange on experiences and strategies is often necessary in order to prevent duplication and disarray at both the conceptual and implementation stages. Very often, beneficiaries in dire need of resources often comply with the preferences and prerequisites of donors that are misaligned with their real needs. The result is that such beneficiaries focus more on fulfilling the supply-driven purposes dictated by the donors than on meeting the core needs they initially identified.

The underlying fact is that capacity building in Parliament is a priority in Africa not only because it enables members of parliament to play a more active and beneficial role in influencing the direction of public policy and the allocation of public resources, but also because it contributes substantially to better governance and accountability by the legislative branch of government. CAPAN, PSU and PARP thus constitute ground-breaking initiatives in this regard.

The Foundation continues to learn lessons from its interventions in Parliament, and will use such lessons in designing future capacity-building operations in this arm of the state. As the Foundation reflects more deeply on its knowledge management and upstream country intervention strategies, it will need to intensify its work with other partners in order to extract lessons learned as well as form more holistic and participatory approaches to its support for parliaments on the Continent.

*National Parliaments.* In 2000, the Foundation approved three grants aimed at strengthening the policy analysis capacity of national parliaments in Benin (CAPAN), Nigeria (PARP) and South Africa (PSU). The CAPAN project in Benin became operational in July 2002 after a long transitional period involving the hiring of project staff. The PARP Grant Agreement was signed in December 2002, and is expected to become operational in 2003. However, the PSU project was slow to take off as a result of institutional bottlenecks. The Foundation has maintained dialogue with the

relevant project promoters in order to take forward the process that will culminate in commencement of its implementation in 2003. Intensive efforts have been made to sensitize the leadership of the Parliament of South Africa to the need to move forward on the project. In the process, the ownership of the capacity-building programs has increased beyond a few individual champions. The Secretariat has received concrete signals that the grant agreement would be signed in the first half of 2003.

*Interface Operations.* In recognition of the need to

Figure 5a

## Beneficiaries of Fellowships

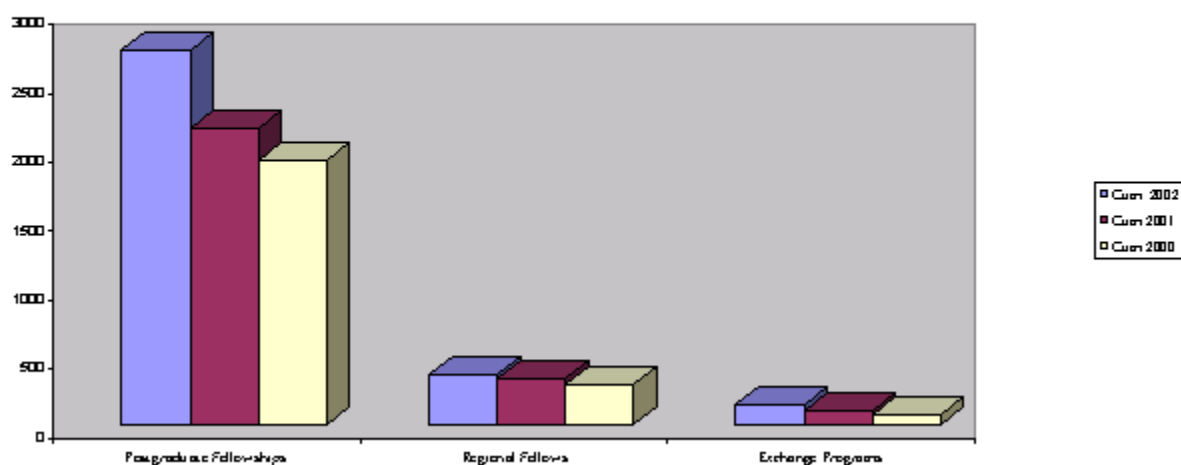
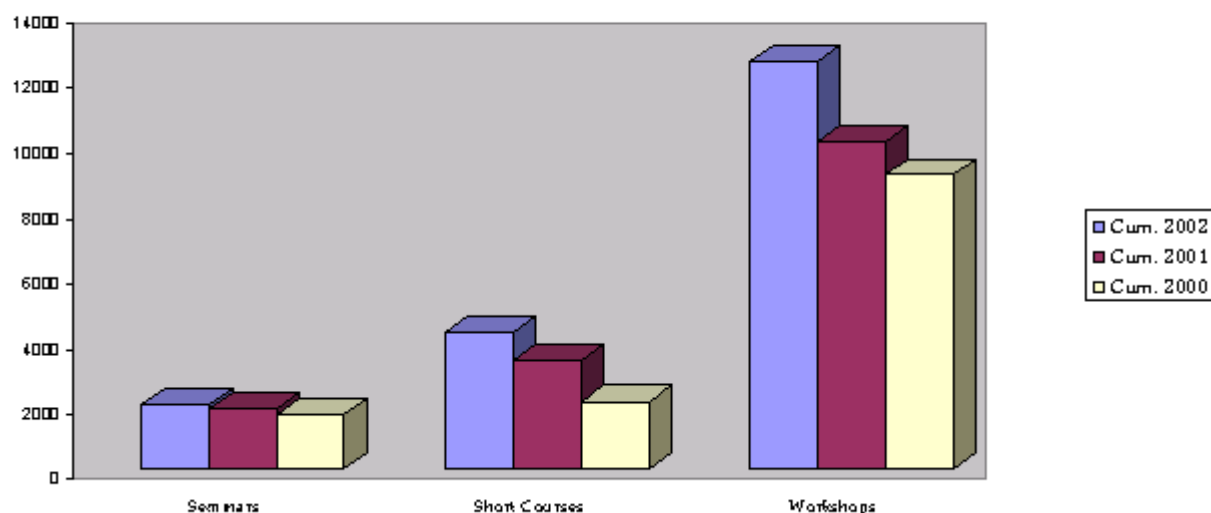
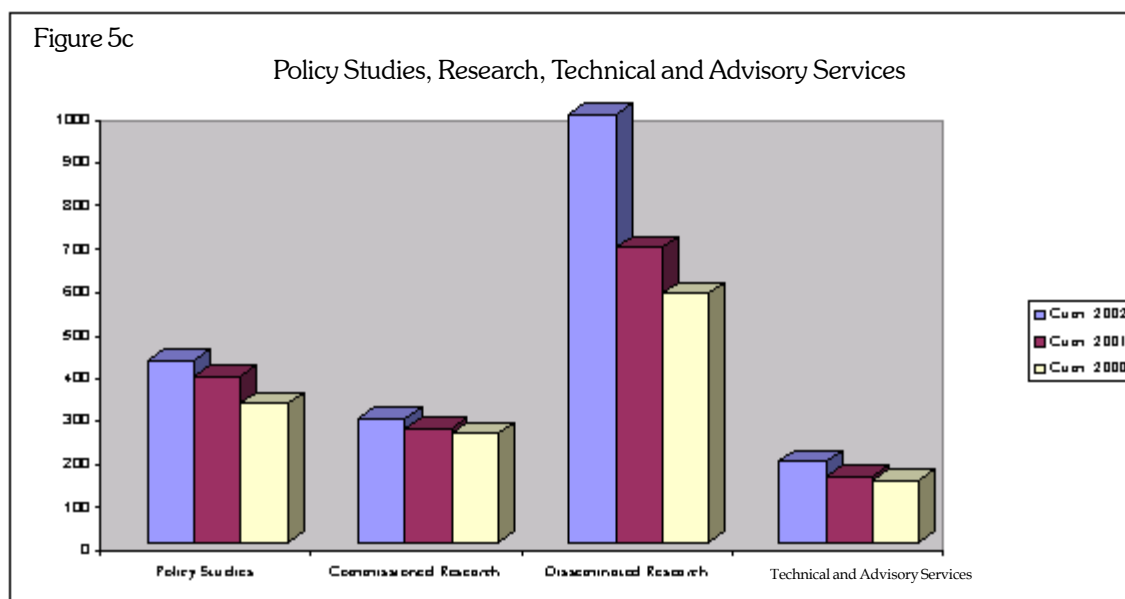


Figure 5b

## Beneficiaries of Training





**Policy Studies:** studies commissioned by governments

**Commissioned Research:** research commissioned by the private sector, the donor community and NGOs

**Disseminated Research:** research completed and disseminated through publications, memoranda etc.

**Technical and Advisory Services:** technical support provided to government by ACBF-funded projects and programs

**Exchange Programs:** these include study visits

**Regional Fellows:** fellows trained in specific skills and capable of offering support to project activities and governments

**Postgraduate Fellowships:** these comprise fellowships for master's and doctoral programs

foster the participation of non-state actors in the development process and in good governance, the Foundation has extended support to interface projects. All the interface projects are operational and have begun to make a difference at both the national and regional levels. In West Africa, CMAP-Mauritania organized a national forum on the PRSP program that enhanced awareness of poverty reduction challenges at various levels, including community-based organizations. The forum also identified the research issues that needed to be investigated as inputs to the formulation of investment and decentralization strategies in support of the implementation of PRSP initiatives. At the regional level, the PRIECA/AO operation has successfully established an effective forum for business leaders, governments and donors to discuss agricultural policies. PRIECA/AO is serving the region as the technical hub responsible for formulating agricultural sector development strategies for ECOWAS and NEPAD. It enhanced its visibility by convening a major conference of ECOWAS ministers of agriculture, business leaders and farmers associations. The conference issued a declaration on the negative effects on agricultural exports from Africa of subsidies

provided by the governments of developed countries to the farming industries.

In Eastern and Southern Africa, the interface operations have supported institutional structures responsible for coordination of, and dialogue on, development issues among the public sector, the private sector and civil society in Malawi and Zimbabwe. The NEC project in Malawi has contributed to the enhancement of the quality of dialogue on development policy issues as its major policy recommendations were informed by rigorous studies it had produced. In Zimbabwe, the NECF project is still at an early stage of its implementation cycle. However, the project has succeeded in bringing together government, business leaders and labor unions to discuss the opportunities offered by NEPAD, address problems of corruption, and organize training on conflict resolution.

Among the interventions aimed at strengthening the capacity of civil society organizations, the SANGOCO project in South Africa is well positioned to relay the voice of civil society in advocating policies for social

**Box 9.****Capacity Building for Trade and Development in Africa: The Role of ACBF**

In today's integrated world, trade matters more than ever before. There is evidence that links openness to trade to growth and development. For African countries, the global environment has evolved significantly over the years and now offers at once new opportunities and novel challenges. Prior to the Uruguay Round, most African countries enjoyed some form of trade preferences with the European Union, the United States and other industrialized countries. However, following the advent of the World Trade Organization (WTO), these special arrangements have been set aside, and substantial trade has been diverted from Africa to other regions that are deemed to be more competitive. Due to the lack of adequate and sufficient capacity, African countries have been struggling to meet WTO obligations on member countries in terms of enabling domestic legislation and other administrative adjustments and to face a flurry of trade negotiations at the regional and global levels. These complex and broad negotiations embrace areas such as market access, intellectual property, standards and technical barriers to trade, investment, sanitary and phyto-sanitary regulations, subsidies, government procurement, competition policy, dispute settlement, rules of origin, customs procedures and services etc.

Given the small size of most African economies, the relevant governments have recognized the need to be adequately equipped to fully participate in world trade and foster intra-regional transactions in order to achieve growth and development. Indeed, African countries face numerous challenges ranging from debt management to the more recent HIV/AIDS pandemic, which threatens to decimate their already scarce human capacity. Their vulnerabilities and particularly the special structural difficulties they face in the global economy were recognized at the Fourth WTO Ministerial Conference held in Doha, Qatar, in November 2001. The Doha Declaration committed WTO member states to address the challenges faced by developing countries and to improve their participation in the multilateral trading system. The Fifth Ministerial Conference, which will be held in September 2003 in Cancun, Mexico, will provide an opportunity to take stock of the progress made in the WTO negotiations and other decisions derived from the Doha Development Agenda. ACBF, in line with its expanded mandate, supports the efforts of sub-Saharan African countries to build their capacity for trade negotiations. Since 2000, the

Foundation has committed US\$4.5 million and provided technical support to the process of upgrading institutional and human capacity in trade-related issues in the member states of the *Economic Community of West African States (ECOWAS)*; the *Communauté Economique de l'Afrique Centrale (CEMAC)* and the *Common Market for Eastern and Southern Africa (COMESA)*. At the ECOWAS Secretariat, the Foundation supports the *ECOWAS Trade Negotiation Capacity Building (ECOWAS-TNCB)* project; at CEMAC, it provides support to the *Capacity Building for Greater Involvement in Multilateral Trade (RE-CEMAC)* project; and at COMESA, ACBF supports the *Common Market for Eastern and Southern Africa (COMESA)* project on strengthening capacity for trade negotiations and trade policy development.

The Foundation expects, through these operations, to contribute toward enhancement of the capacity of African countries to claim a larger share of international trade and reap its benefits for long-term growth, development and poverty reduction.

justice and participatory governance. SANGOCO has undergone a change management process that led to a redefinition of its priorities to ensure a more robust contribution by its membership toward the definition of its national agenda. Through its budget and poverty campaigns, SANGOCO has, in partnership with other

civic organizations, succeeded in influencing government policies on poverty and other social security issues. It has successfully engaged the state and the business sector on issues relating to poverty alleviation, economic empowerment and the allocation of resources to disadvantaged communities. The

project has extended its influence in the SADC region and has hosted the World Sustainable Development Forum for NGOs. The private sector is also benefiting significantly from the Foundation's support to interface operations. In Tanzania, the CSD project has made positive strides in transforming the public sector into a good facilitator of private sector development. The state is now more accountable for the quality of its services to users.

The PSGT project in Kenya has also achieved noteworthy results by enhancing awareness on the importance of corporate responsibility in Kenya and the region as an important step towards improving the general environment for attracting direct foreign investment and stimulating the development of capital markets in the region. In partnership with the Eastern, Central and Southern African Federation of Accountants, PSGT is playing a strong advocacy role in promoting the highest standards of public service management and adherence by the public sector to good governance principles and practices. PSGT has continued to disseminate the *Principles of Good Corporate Governance* and the *Sample Code of Best Practices* by targeting corporations, training institutions, cooperatives and charitable organizations in Kenya. Also, it has collaborated with other agencies on issues relating to international corporate governance standards and facilitated the delivery of training courses and workshops on corporate governance for corporate directors of major publicly listed companies in Kenya and the region.

#### **E. Assessment of Performance and Lessons of Experience in the Implementation of Projects and Programs**

##### **Assessment of Performance**

Despite the wide range of activities undertaken by the Foundation outside direct operations, it achieved a strong performance level in 2002. In particular, the change management exercise extracted a considerable quantity of person-months of activities from both professional and support staff. A number of factors explain the encouraging performance that was recorded during the year. First, the Foundation's performance in 2001 remained a benchmark, which influenced the

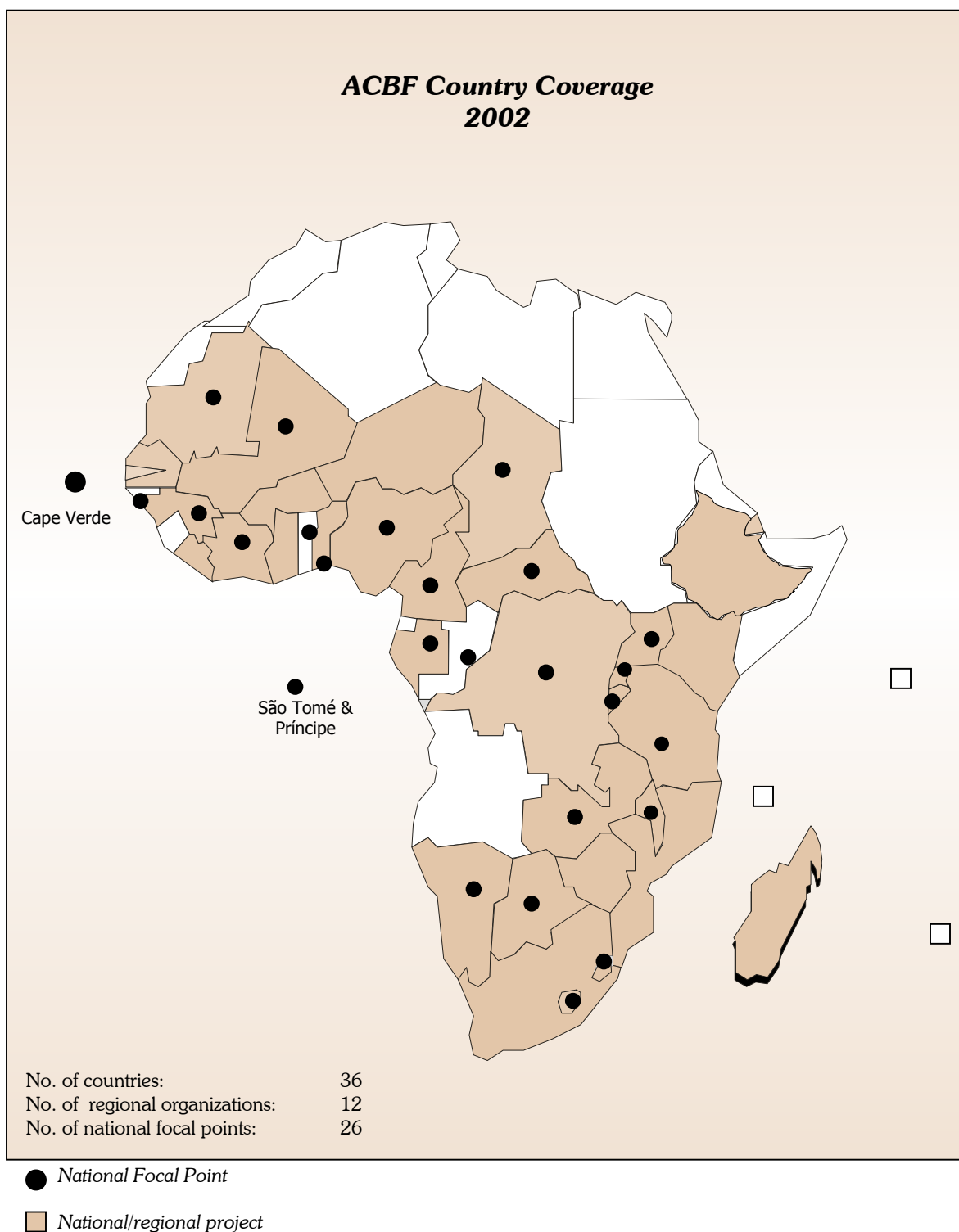
level of achievement in 2002. Second, the hands-on experience accumulated by existing staff helped to improve the Foundation's productivity. Third, the staffing level in the Secretariat rose significantly during the year as a result of an ongoing recruitment drive. In total, 3 professional and 4 support staff positions were filled during the year. It is expected that the impact of the new appointments will be greater still in 2003 when the new staff members internalize the Foundation's processes and gain additional experience. Fourth, effective supervision and monitoring of projects and programs as well as stakeholders' commitment also played a significant role in raising the overall performance level. An area where performance during the year was remarkable was in the activation of operations that were approved in 2002. Indeed, the five operations approved in May 2002 had their Grant Agreements negotiated and signed during the year; four of them became effective during the year. This level of performance was much influenced by targeted project/program supervision and monitoring efforts. It is also a reflection of strong commitment by project/program stakeholders, as this is an indication of their sustained determination to fulfill grant conditions and kick off project implementation activities in good time.

In summary, the performance of operations in the Foundation's portfolio remained high during 2002 in particular as they maintained a strong momentum in the implementation of their respective annual work programs. Such momentum was an indication that the Foundation has significantly shortened the lapse time between approval of operations and the effectiveness of the relevant Grant Agreements. The Secretariat is closely monitoring this performance index for lessons for the future. While full-fledged projects and programs performed well, the NFPs did not keep up with this momentum. In 2002, the Secretariat commissioned a study on the performance of the NFPs, which when completed would provide a guide to the development of strategies to bolster their effectiveness.

##### **Constraints and Lessons**

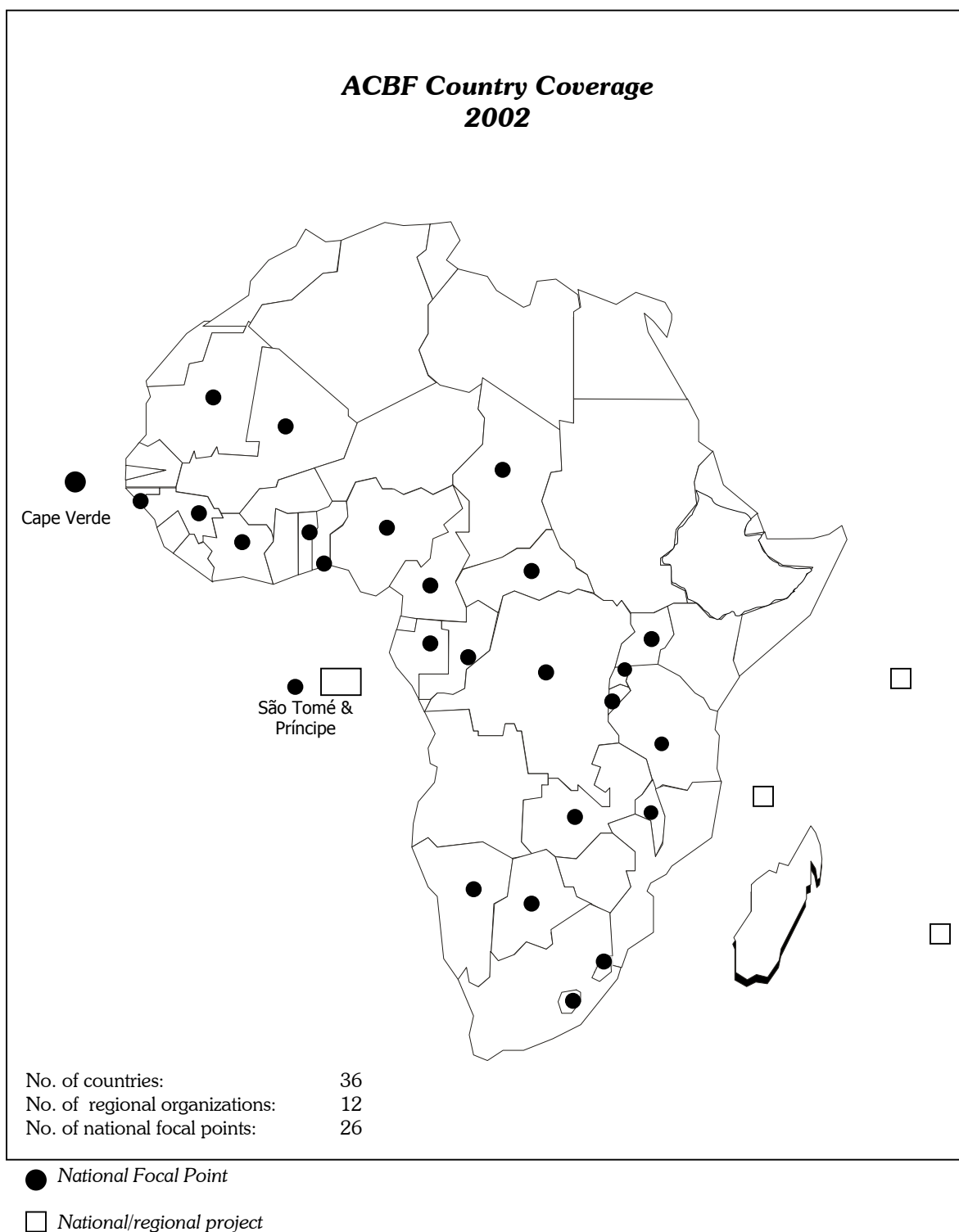
While overall performance was strong during 2002, the Foundation had to contend with a number of ongoing constraints to the development and implementation of

## Map



*This map does not represent an official map of Africa.*

## Map



*This map does not represent an official map of Africa.*

**Box 10.****SAFEWIND and the Rapid-Response Approach to Capacity Building**

Flexibility and timeliness of response to capacity needs are vital prerequisites for effective intervention in capacity building. Over the past 10 years, ACBF has sought to respond as quickly and effectively as possible to both the short- and long-term capacity needs of beneficiary countries, regions and institutions. This approach has however proven to be inflexible in addressing immediate requests from stakeholders in need of focused support.

To meet this shortcoming, the Executive Board approved a Secretariat Authorized Funding Window (SAFEWIND) Facility in May 2001, which delegated authority to the Executive Secretary to approve funding of capacity building activities within specified limits of commitment authority. The Facility supports activities such as the enhancement of national knowledge networking activities; the development and upgrading of information and communication technology, including the development of electronic databases on capacity-building issues; short-term training and re-training programs; short-term, focused capacity building advisory services designed to provide specific time-bound technical expertise to stakeholders; networking activities among African and non-African institutions; and initiatives to track, collate, synthesize and disseminate findings from major research works, etc.

*The Facility.* The SAFEWIND Facility brings some flexibility to

ACBF's funding procedures, while ensuring transparency and accountability, and enables the Foundation to respond in a timely way to small-grant requests, which can constitute the harbinger of future capacity-building programs. The maximum grant size to be financed under the Facility will be US\$50,000, with a cumulative total of US\$750,000 per year.

*Beneficiaries.* It is expected that beneficiaries will be a group of representative stakeholders or an institutional/legal entity as opposed to an individual.

*Duration of Activities.* Activities under the Facility have a project life cycle of one year.

*Nature of Proposals.* Proposals seeking to access the Facility follow the format of the Foundation's Project Identification Note with clearly specified objectives, activities, outputs, beneficiaries of outputs, and utility of output/expected impact. Each proposal is expected to demonstrate relevance to one or more of the six core competency areas.

*Use of Resources.* Grants from the Facility will be used specifically for capacity-building activities. Items such as vehicles and the supplementation of salaries will not be eligible by SAFEWIND support.

*Reporting.* Projects or programs financed by the Facility submit progress and final reports. The final report, which will consist of

narrative and financial components, will be due for submission to the Foundation within three months of the completion of the activities of the project.

*Management of Grant:* The Foundation's disbursement procedures guide the disbursement and management of grant proceeds. The Foundation ensures that projects put in place a sound, transparent and accountable financial management system. Depending on grant size, a final audit report is to be submitted to the Foundation on the utilization of the proceeds of the grant. Each grant is formalized through a Grant Agreement negotiated and signed between the stakeholders and the Foundation. All approved grants are disbursed through appropriate grant accounts in the Foundation. Stakeholders are not required to open United States Dollar-denominated Special Accounts, as is the case with full-fledged projects and programs.

In 2002, the Foundation awarded SAFEWIND grants to 7 national and regional initiatives covering a regional parliamentary network, a regional information centre, a governance enhancement operation, a pre-feasibility study to guide the design of public sector reforms, an effort to strengthen the institutional capacity of a sub-regional economic association, an activity to strengthen the institutional capacity of a university faculty, and a study tour.

operations on the ground. Conflict in some countries made it difficult for the Foundation to commence project development activities, explore additional potential interventions for pipeline development or effectively monitor project implementation. For example, there was an insurgency in Cote d'Ivoire, which plunged the country into a crisis. Also, as at the end of October 2002, thousands of civilians continued to flee from the town of Uvira in eastern Democratic Republic of Congo after a militant group recaptured it from pro-government Mayi-Mayi forces. Tension remained high in the Central African Republic while separatist tendencies in Cameroon as well as ethnic and religious tensions in Nigeria continued during the year. Although the eight-year civil war in Burundi ended, the environment was still characterized by uneasy calm and tension. War resumed in Liberia. Sierra Leone, Liberia, Angola, Mozambique, and Eritrea were, however, relatively calm during the year. As concerns Angola, the United Nations Security Council decided to lift its travel ban on UNITA with effect from 14 November 2002 with a view to a possible lifting of sanctions against the former rebel movement.

Management issues hampered the performance of operations such as PRECAGEF (Gabon), EPM-Ghana, and EPM-Cameroon. In addition, frequent changes of the Permanent Secretary under whom the DMPA project operates led to the provision of inadequate attention, guidance and direction to the project. This slowed down considerably the design of its second phase. DMPA had played an important role in the coordination of the PRSP process in Zambia, but was faced with co-financing constraints due to a change in the assistance strategy of UNDP-Zambia. The Foundation also noted the need to broaden policy dialogue at the country level by projects so as to strengthen support for participatory development, benefit from collaborative arrangements with existing institutions, source adequate funding, and nurture strong political commitment to the establishment or promotion of NFPs as this would help to transform them into effective institutional mechanisms for realizing upstream project/program development efforts. Also, there was an increasing need to track the impact of projects and programs in order to capture the factors that explain their successes or failures.

## Chapter Seven

# Knowledge Management

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Origins of Knowledge Management at ACBF

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Achievements in 2002

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Challenges Ahead

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## Knowledge Management

### A. Origins of Knowledge Management at ACBF

Efforts by ACBF to generate and share knowledge systematically in order to strengthen capacity building and development management in sub-Saharan Africa began in 2000 with the establishment of a Research, Training and Information Systems Department (RETIS). In 2002, the Knowledge Management and Program Support Department (KMPSD) was established to take over the responsibilities of the RETIS Department and spearhead the transition of the Foundation into a learning and knowledge-based organization. The main strands of the Foundation's knowledge management functions were first delineated in its Strategic Medium Term Plan (SMTP), 2002-2006, and later elaborated in the knowledge management strategic framework document of October 2002 that laid out components of the knowledge management system. A common feature of both documents (the SMTP and the Knowledge Management Strategy) is the positioning of ACBF to emerge as a knowledge-based organization by the end of the SMTP. This orientation is vital for the Foundation so that it can improve the quality of its operations, share replicable practices in capacity building and contribute to the emergence of knowledge-based economies in Africa.

Guided by the SMTP 2002-2006, ACBF in 2002 kicked off a decisive effort, with some impetus from activities ear-marked under its change management exercise for the year, to develop and launch its knowledge management system. By the end of the year, some measurable progress had been made, which included the development of a knowledge management framework that would provide the operational scaffolding to enable the Foundation to attain its objective of emerging as a knowledge-based organization. In taking its first major steps guided by benchmarking missions to two of the most notable knowledge organizations (the World Bank and British Petroleum) and a number of other successful knowledge-based organizations such as the IMF, CIDA,

DFID, Ernst & Young and Systems Corps, the Foundation had to come to grips with the issue of a clear definition of the type of knowledge it sought to share and the fundamentals for the development of an effective knowledge management system.

Drawing on its experience in the area of capacity building, the Foundation is building its knowledge management system on the generation, collation and sharing of both explicit and tacit knowledge. The emerging knowledge management system will enable capacity building institutions and interventions to generate value from intellectual and knowledge-based assets (skills, competencies and experiences). To generate maximum value from knowledge-based assets, such assets need to be shared among development stakeholders and other institutions with a view to developing best practices and communities of learning.

The Foundation's knowledge management strategy focuses on the generation, storage, dissemination and utilization of both explicit and tacit knowledge in capacity building and substantive development management issues. The strategy is designed to achieve the following objectives:

- Foster the development and sharing of best practices in capacity building in the design and implementation of successful development policies and programs as well as in reform programs that are geared towards strengthening the effectiveness of the development process.
- Enhance the quality and efficiency of internal project and program operations based on best-practice methodologies, strategies and instruments.
- Contribute to programs and mechanisms for extracting and sharing tacit knowledge for the benefit of national and regional development.
- Improve efficiency, boost productivity and increase returns to investments in capacity building.

The development of the ACBF knowledge management system follows a learning-by-doing approach and is guided by the vision of the Foundation to emerge,

within the period of the SMTP, as an internationally recognized knowledge management centre in its core competency areas.

## B. Achievements in 2002

During 2002, the Foundation recorded the following achievements in the establishment of its knowledge management system and the implementation of the underlying strategy. They provide a strong signal of the prospects of transforming the Foundation into a knowledge-based organization in the coming years:

*Establishment and Strengthening of a Knowledge Management and Program Support Department.* The Department was set up in January 2002 to guide the development and implementation of the knowledge management system and strategy. It is being strengthened through the recruitment of additional professional staff and the retraining of existing staff in areas that are relevant to the knowledge management process.

*Development of a Knowledge Management Strategy.* A strategic framework document has been developed and is being refined. The document has benefited from inputs from the Foundation's Boards, knowledge management benchmarking missions undertaken in July, August and September 2002 to the World Bank, IMF, IFC, Ernst & Young and Systems Corps in the United States and CIDA in Canada, and DFID, IDS and British Petroleum in institutions in the United Kingdom.. The framework document will continue to benefit from refinement, especially through feedback from the implementation of the knowledge management system.

*Sensitization of ACBF-Supported Institutions to Knowledge Generation and Sharing.* In September 2002, the Foundation invited all ACBF-supported institutions to take advantage of digital opportunities and participate effectively in the Foundation's drive to generate, collate and share knowledge for capacity building and development management.

*Core Competence and Knowledge Management Teams.* As a key component of the knowledge management system, the Foundation has set up, from among its

professional staff, Core Competence and Knowledge Management Teams in the six areas of its core competencies. Each team will interface with, and participate in the activities of, the Technical Advisory Panels and Networks that are being established in the core competence areas.

*Technical Advisory Panels and Networks.* Four Technical Advisory Panels and Networks were formally launched on 21-22 November 2002. The TAP-NETS will provide the Secretariat with a pool of experts that will supplement the Secretariat's skills in each of the core competency areas. They will form the technical arms of the communities of practice that the TAP-NETS will support.

*Country-Level Knowledge Networks.* The Secretariat has launched a Country-Level Knowledge Networks (CLKNETS) program designed to encourage policy institutes, professionals, development practitioners, academics, researchers and other stakeholders in national development to generate, systematically collate and share knowledge for development management. Each CLKNET will be hosted by an existing well-established national policy institute or specialized training institution, a number of which have been set up or are being supported by the Foundation.

*Guidelines for the establishment and operation of TAP-NETS and CLKNETS.* During the year, the Secretariat developed guidelines for the management of the two types of networks. The guidelines spell out the objectives, roles, responsibilities, activities, performance monitoring instruments and expected impact of each type of network. The Foundation will follow a pragmatic, heuristic and learning-by-doing approach in the application of the guidelines.

*Publication of the first ACBF Occasional Paper Series.* Published in October 2002, the Foundation's first Occasional Paper examined Africa's development challenges and the implications for capacity building on the Continent, and thus of the effective implementation of the New Partnership for Africa's Development (NEPAD). A second Occasional Paper on the role of institutions and institution building in economic and social development will be published in 2003.

*Launch of the process to publish the maiden issue of the ACBF Capacity Building Review.* The maiden issue of the *ACBF Capacity Building Review* examines aspects of the capacity needs of the Millennium Development Goals in the African context. This first issue of the Review will be published in 2003.

Launch of the following studies:

- Review of Country Experiences in the Coordination of Public Sector Capacity Building in sub-Saharan Africa: An Assessment of the Effectiveness of National Focal Points and other Existing Institutional Frameworks
- Capacity Building in Post-Conflict Countries in Africa
- Market for Skilled Development Management Professionals in Africa
- Impact of HIV/AIDS on Public Sector Capacity in Africa

*Completion of the framework of the Foundation's Intranet.* Drawing on inputs from all departments within the Foundation, KMPSPD finalized the framework of the ACBF Intranet. The next step in 2003 will be to organize the mass of data into discrete usable information.

*Development of EPM online.* Efforts are under way to develop a website on the activities of the Economic Policy Management (EPM) training program that is hosted by four African Universities – University of Yaounde II, Cameroon; University of Cocody, Côte d'Ivoire; University of Legon, Ghana; and Makerere University, Uganda.

*Sustained publication of the ACBF Newsletter in English and French.* The Foundation's quarterly news bulletin has continued to improve the quality of its format and content in response to its growing readership.

*Joint publication with the Institute of Social Studies, The Netherlands, of a Book of Readings on Better Governance and Public Policy: Capacity Building and Democratic Renewal in Africa.* The Book is in press and is expected to be in circulation in the first quarter of 2003.

*Publications in the pipeline.* The Secretariat processed three publications in the ACBF Workshop Series, which will be released in the first quarter of 2003. These publications relate to the following: (i) the First Pan African Capacity Building Forum that was held in October 2001, (ii) deliberations of the African Policy Institutes Forum of June 2001; and (iii) issues that emanated from a Workshop that was organized in June 2001 on Capacity Building for African Civil Society.

*Organization of Knowledge Sharing Workshop.* A workshop was held jointly with the African Development Bank in September 2002 to learn and share valuable experiences in the implementation of the Economic Policy Management Training programs that the Foundation relocated from Canada and France to Africa.

*Training of African Officials in DMFAS Software.* On 25-29 November 2002, the Foundation, UNDP Central and Eastern Africa Sub-Regional Resource Facility and UNCTAD organized an intensive training program for Burundi, Djibouti, Equatorial Guinea, Ethiopia, Eritrea, Guinea Bissau, Guinea Conakry, Kenya, Rwanda, São Tome and Príncipe, and Sudan on the use of UNCTAD Debt Management and Financial Analysis System (DMFAS) software for debt sustainability analysis. Knowledge of the functionalities of the software was shared by Directors of Debt Management Programs in three ACBF-supported regional institutions – BCEAO/BEAC, MEFMI and WAIFEM.

*Computerization of ACBF Library Holdings.* In September 2002, the Foundation launched the computerization of its Library holdings and the development of an ACBF On-line and Digitized Library and Information Centre. It is expected that the computerization effort will be completed in the first quarter of 2003.

### C. Challenges Ahead

The development of the knowledge management system is still at an inception stage. The system faces a number of challenges. Two of these are fundamental: first, there is the need to build a strong organizational culture and incentives system within the Foundation that will effectively encourage staff participation in

knowledge generation and sharing; and second is the need for adequate funding of the knowledge management system itself. Other challenges relate to the human resource requirements for the delivery of the system; a learning-by-doing approach, which may not follow a smooth and steeply rising growth path at the onset; and the difficulty of assessing the impact of the

knowledge management system. In spite of these challenges, and judging from the experiences of other institutions, the progress achieved so far by the Foundation in the development of the knowledge management system has been encouraging, and points to a future filled with high expectations.

### Box 11.

#### **TAPNETS, CLKNETS and the Sharing of Knowledge for Capacity Building and Sustainable Development in Africa**

ACBF has introduced, as part of its efforts to strengthen the generation and sharing of knowledge for managing development in Africa, a program to establish Technical Advisory Panels and Networks (TAP-NETS) as well as Country-Level Knowledge Networks (CLKNETS). This program will help the Foundation and African countries to participate more actively in sharing capacity building and development management knowledge and information. The program is geared towards encouraging the emergence of communities of practice among development stakeholders in the Foundation's core competency areas in order to facilitate knowledge sharing for good governance, sustainable growth and poverty reduction. The TAP-NETS and CLKNETS are therefore expected to constitute some of the major instruments for generating and sharing knowledge. The TAP-NETS will be established in each of the six core competency areas of the Foundation, while the CLKNETS will operate in one or more core competency areas. By the end of 2002, the Foundation had launched four TAP-NETS in the following areas: Economic Policy Analysis and Management (EPANET), Public Administration and Management (PAMNET), Financial Management and Accountability (FIMANET), and Professionalization of the Voices of

Private Sector and Civil Society (VOICENET). It also sensitized countries to the concept, objectives, activities and expected impact of the CLKNETS.

The fundamental objective of a TAP-NET is to provide a pool of technical and professional expertise that will supplement existing skills in the Foundation in order to raise the quality of its operations. Thus, a TAP-NET is established and maintained to support the activities of the Secretariat in each core competency area and, where possible, provide an idea management tool through which the Secretariat can broaden consultation and review on specific issues and questions relating to capacity building. A TAP-NET is also expected to serve as: (i) an institutional support for reviewing aspects of the Foundation's activities and adding value to its operations; (ii) an idea management tool for the Secretariat to seek professional opinion on issues and discuss ideas in greater depth; and (iii) a professional arm of the relevant thematic network or community of practice that will be set up by the Foundation in the relevant core competency area.

CLKNETS to be established by the Foundation will support and strengthen the emergence and growth of country-specific communities of practice in the management of development policies and programs.

These communities will offer policymakers, policy analysts and development practitioners tools for harvesting ideas, seeking responses to development policy issues and accessing information on best practices and lessons of experience in the management of specific economic policies and programs. Thus, essentially, the CLKNETS will serve as tools for generating, scanning, sharing and promoting effective utilization of knowledge for managing development at the country level. It is also envisaged that the CLKNETS will provide portals through which countries' development experiences and policy studies, among others, will be easily accessed.

For the establishment of a CLKNET, the Foundation will provide resource support depending on the scope and scale of the Network's activities. Network promoters will be encouraged by the Foundation to seek co-financing support from other donors to enhance their operations. The Networks are expected to be set up and managed by existing well-established policy centers and specialized training institutions with internal capacity to support their operations and management. In 2002, the Foundation embarked on the process of establishing CLKNETS in 8 sub-Saharan African countries. The results of this effort are expected in 2003.



# Chapter Eight

## Policy and Institutional Development Issues

- Sustainability and the Refinancing of ACBF-funded Operations
- Leadership, Ownership and Partnership in Capacity Building:  
The Role of ACBF
- Gender, Capacity Building and Development

## Policy and Institutional Development Issues

### A. Sustainability and the Refinancing of ACBF-funded Operations

The issue of sustainability and refinancing of ACBF-funded projects and programs has gained prominence in recent years in light of the maturation of these operations and the need to consider more closely the Foundation's policy with respect to their refinancing. Indeed, many of them have already attracted renewed financing from the Foundation. In one case, a program has benefited from a third round of such financing. It is expected that at least a dozen more will reach decision point over the next three years for third-phase financing by the Foundation. It has therefore become critical for the Foundation to reflect more deeply on its overarching re-financing policy not only because of the implications of such policy for the quality and sustainability of the operations in its portfolio but also because of the relation of such policy to the Foundation's own sustainability.

A number of important factors appear to be critical in determining the long-term sustainability of ACBF-funded projects and programs. First, there must be a considerable degree of political and economic stability, a low risk of violent social conflict, and an atmosphere of support for the capacity-building effort from political and economic elites as well as interest groups. Local ownership is also vital for the sustainability of any operation. Beneficiaries should consider themselves as the owners and demonstrate the willingness to utilize the capacity built or strengthened by the projects and

programs concerned. In addition, the quality of leadership and the ability to manage the relationship with the Government are critical for sustaining capacity-building efforts. Indeed, retaining high-quality management and staff is a central issue. Where government-based operations are involved, important factors become professionalism, morale and remuneration levels in the civil service. The overriding factor, however, is securing a stable and adequate long-term funding stream.

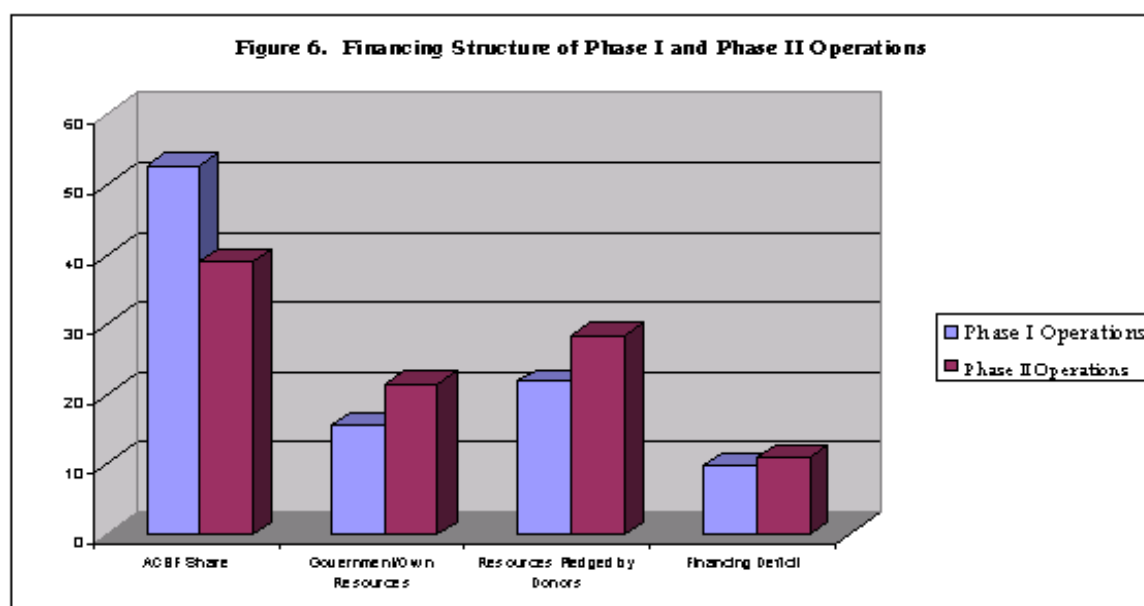
From the inception of its operations in 1991, ACBF has required that most of the operations it supports commit counterpart financing as a condition of grant approval. Indeed, ACBF-supported projects and programs have generated US\$ 2.5 of such financing – most of it from other donors provided directly to grantees, with lesser amounts provided by African governments, non-governmental organizations and other institutions - for every US\$ 1.00 that the Foundation has provided.

As clearly shown in Table 6 below, on average the share of ACBF funding has been reduced from 52.7% to 39.1%, while the share of government/self-generated resources and co-financing from donors has increased to 21.5% and 28.5% from 15.7% and 21.8% respectively during Phase II. This reflects the Foundation's catalytic role in fostering the sustainability of the operations it supports.

Still, while securing co-financing and mobilizing additional resources from local sources improves the prospects of sustainability of projects and programs,

**Table 6. Financing Structure of Phase I and Phase II Operations**

Share of Project/Program Budget	Phase I Operations	Phase II Operations
ACBF Funding	52.7	39.1
Government /Self-generated Resources	15.7	21.5
Co-financing by Donors	21.8	28.5
Financing Deficit	9.8	10.9



experience shows that many of them continue to face tremendous difficulties in mobilizing the requisite co-financing. Moreover, few governments appear to be able and willing to provide the needed core funding, while the possibility of establishing endowment funding has been contemplated in only a handful of cases.

The Secretariat is currently reflecting on more sustainable approaches to the refinancing of the operations in its portfolio, which it will present to the Executive Board for deliberation and guidance. What is already evident is that, as many of the promising programs and projects mature, improve the quality of their outputs and intensify their influence on the

**Table 7. Key Benchmarks of Phase II Operations\***

Name of Project or Program	Approval Date	Effectiveness Date	Closing Date	Amount of Grant \$'000
1. CIRES-CAPEC II	05/2000	11/2001	06/2002	1,500
2. EPRC II	05/1998	05/1998	05/2003	2,000
3. ESRF II	05/1998	06/1999	06/2003	2,000
4. NCEMA II	11/1998	07/1999	12/2003	997
5. BCEAO/BEAC (MACRO) II	12/2000	08/2001	11/2004	1,740
6. CEPEC II	11/1999	5/2001	03/2005	1,500
7. PASU II	12/2000	12/2000	06/2005	3,000
8. DPC II	12/2000	8/2001	11/2005	1,442
9. NEPRU II	12/2000	05/2001	11/2005	2,000
10. BIDPA II	05/2001	01/2002	05/2006	3,000
11. IPAR II	12/2000	3/2002	08/2006	1,500
12. CEPA II	04/2001	8/2001	12/2006	1,700
13. PTCI II	12/2000	12/2001	06/2007	4,000

\* As the table indicates, most of these operations were approved following the integration of PACT into ACBF in January 2000.

shaping of policy frameworks in many countries, the Foundation will be under considerable pressure to strike a delicate balance between weaning them from perpetual support (which breeds a moral hazard problem) and assisting them to an optimal level that would enable them to consolidate and sustain their operations over the long haul. This balance is even more critical in light of the enormous challenges facing the Foundation in terms of developing a systematic and predictable framework for mobilizing its own resources.

### **B. Leadership, Ownership and Partnership in Capacity Building: The Role of ACBF**

Leadership, ownership and partnership are concepts and practices that are central to capacity building in Africa today. As concepts, they ascribe attributes to the capacity building process, while as practices they make possible the evaluation of performance against stated benchmarks. Leadership can be identified and measured at both the individual and institutional levels. For instance, at the country and regional levels, the capacity-building process very often needs a driver or a motivator with a strong sense of commitment to the cause of capacity building. This is equally true at the organizational level. Institutional leadership in capacity building is needed to give focus to the process, guide the implementation of a strategy as well as provide a platform for experience sharing and the collation and dissemination of best practices. To effectively serve as a lead institution in the capacity-building process, an institution must meet a number of prerequisites. It must have the resources to command leadership. Two types of resources in this context are particularly important – financial resources and professional skills. Other elements that provide leadership with a discernible identity are a strong track record of performance, which inspires confidence; institutional stability, viability and credibility; capacity to serve as a repository of data, information and best practices in the capacity-building process; and a strong professional reputation.

Like leadership, ownership has both conceptual and practical dimensions. To own is to lay a legitimate claim to a process or a product. For long-run

sustainability, a country or a region must own a capacity-building process and its outputs. Policies and programs fail despite the quality of their designs because of a weak sense of ownership. Most economic reform programs of the 1980s in sub-Saharan Africa failed to generate growth and reduce poverty because the intended beneficiaries of such reform programs did not own them. In the field of capacity building, the level of ownership can be measured in practice, and this is often a necessary requirement when countries mobilize resources, both internally and externally, to build indigenous capacity. Ownership is crucial for the long-run sustainability of capacity-building interventions. For instance, a country or region must take responsibility for identifying its own capacity needs, articulating its capacity-building strategy and implementing its programs. Consultation among stakeholders is a key instrument in the building of ownership

It is therefore evident that a common strand runs between leadership and ownership. If a country or region leads a capacity-building process, it is likely that it will own both the process and the products of the intervention. The resultant policies and programs are likely to be implemented without considerable difficulty, and are likely to be sustainable since they are designed using indigenous capacity. Thus, leadership and ownership could be mutually reinforcing in capacity building.

Partnership is a concept and practice that has gained widespread acceptance in capacity building in recent years due to efforts to promote national leadership and ownership of the capacity-building process. Partnering fosters a sense of mutual respect and trust between or among institutions or individuals and supports the pooling of resources to promote leadership based on core competencies and comparative advantages. Thus, it is logical for donors to partner with an institution in Africa to implement capacity-building projects and programs rather than intervene directly or through traditional technical assistance initiatives. Partnership is driven by mutual respect and a sense of interdependence among willing partner institutions. Partnering allows resources to be pooled and used more effectively and efficiently. Because partnership is based on a recognition and an appreciation of potentials and

**Box 12.****What is Unique about ACBF?**

- ACBF is an African institution led, managed and staffed by African professionals with skills and knowledge in core areas relevant to many of the challenges facing capacity building for poverty reduction, good governance and sustainable development management in Africa.
- ACBF has a rigorous administrative, organizational and financial controls system that has enabled it to operate as a lean, transparent and accountable organization.
- The Foundation is supported by African Governments as well as non-African Governments and multilateral organizations that ensure the independence of its policies and operations.
- ACBF's approach is a marked deviation from the traditional technical assistance approach. It focuses on local knowledge harnessing, indigenous ownership, leadership, broad-based partnership, accountability and the pursuit of quality in outputs and results.
- The Foundation's approach fosters the creation of an enabling environment for national institutions and other actors that possess a potential to be empowered to address existing capacity gaps.
- ACBF achieves economies of scale in the delivery of its capacity-building support, which enables it to achieve maximum impact in a cost-effective way.
- The Foundation adopts a process-based approach to capacity building reflecting flexibility in program or project implementation and commitment to long-term support while ensuring adequate monitoring of progress towards self-sustainability of operations.
- ACBF's emerging knowledge-based orientation sets it apart from most capacity-building institutions on the Continent. This approach provides an opportunity to add value to the capacity-building process by enabling the Foundation to be responsive to the needs of its stakeholders, supporting indigenous policy-oriented applied research and applying innovative solutions to development problems.
- The Foundation's neutrality and focus on quality as well as the flexibility of its operational and funding modalities facilitate the attraction of co-financing and the involvement of a broad array of stakeholders.
- ACBF programs contribute to enhancing the nexus linking research, policy formulation and policy implementation through its focus on capacity-building projects and programs for the executive and legislative branches of government.
- ACBF enjoys the trust of its partners as evidenced by its capacity to leverage co-financing for the operations it supports and by its ability to interface fruitfully with stakeholders with at times asymmetric objectives.
- The results of some ACBF-funded operations are beginning to emerge as African Governments are increasingly able to not only digest and ponder alternative policy options but to also absorb policy analysts from ACBF-supported institutions. Such use contributes to the reversal of brain drain.

comparative advantages, mutual respect is fundamental for its sustainability. Effective partnering eliminates unhealthy competition among institutions and encourages effective and efficient utilization of scarce resources.

On the whole, therefore, there is an obvious and strong link among leadership, ownership and partnership in capacity building. If well developed, this link could make the difference between sustainable development and continued dependence and poor growth in Africa.

ACBF's claim to a leadership role on the Continent in its core competencies is informed by the following factors:

- The Foundation is the only African institution that is funded by African governments, multilateral institutions and bilateral organizations with a mandate devoted exclusively to the building of indigenous capacity to promote development policies and programs for sustainable growth and poverty reduction on the Continent.
- The Foundation has a clear strategy for capacity building and serves as a repository of information and data on capacity issues in Africa.
- ACBF has a recognizable track record of performance and a professional reputation that is gaining global attention.
- The Foundation has demonstrated institutional viability and has won the confidence of its stakeholders and major partner institutions such as the World Bank, the IMF, CIDA, NEPAD, among numerous others.
- The Foundation offers advice to countries and organizations on strategies, methodologies and instruments for capacity building and is invited to many forums to present perspectives and share experiences in capacity building.
- In seeking to lead Africa's capacity-building efforts, the Foundation ensures that countries and institutions in the region also take leadership responsibility for the capacity-building process in their respective spheres.

ACBF has also made considerable strides in its efforts to promote ownership of the capacity-building process

in Africa. Its leadership role and intervention strategy have had the most significant impact on ownership. To promote African ownership, the Foundation's efforts consist of the following, among others:

- Encouragement of countries and regional organizations to identify and articulate their capacity needs.
- Assignment of project development and implementation responsibilities to project promoters.
- Joint monitoring and assessment of project and program performance with beneficiaries.
- Encouragement of countries to provide co-financing for their projects and programs
- Promotion of consultation among stakeholders through the establishment of national focal points in capacity building.
- Continuous mainstreaming of beneficiary expectations in project/program design to improve the responsiveness of the latter to changing capacity needs.

The promotion of a partnership approach to capacity building has also been a hallmark of the Foundation's intervention strategy. ACBF represents an emerging model of fruitful partnership among its sponsoring agencies: the African Development Bank, the United Nations Development Programme and the World Bank. At another level, ACBF is the product of a partnership between Africa and its development partners, given the significant role played by bilateral and multilateral donors in the funding of the Foundation's operations and their participation in its activities. At the operational level, the Foundation's intervention strategy and capacity-building instruments reflect a commitment to partnership. Considerable emphasis is placed on consultation among stakeholders. Some of the instruments and activities that illustrate its role in the building of partnership include:

- Joint project identification and development missions with stakeholders and partner institutions such as the AfDB, the World Bank and UNDP.
- Promotion of co-financing as an instrument

- for partnering and coordination of capacity-building support to countries and regions.
- Joint project performance review missions with beneficiaries and partner institutions.
- Establishment of national focal points to promote partnership among stakeholders in the articulation of their capacity needs.
- Sharing of information and knowledge relating to capacity-building issues with countries and partner institutions.
- Support for interface projects to promote partnership and greater understanding among development stakeholders at the country level.

ACBF's role in the promotion of leadership, ownership and partnership in the capacity-building process has generated positive results. This has benefited from the impetus generated by the sense of commitment by its sponsoring agencies and the strong conviction by a number of bilateral and multilateral organizations that it was time Africa's development problems were addressed through effective partnerships that gave the Continent leadership and ownership of its development policies and programs. In order to position itself more effectively in the process of promoting leadership, ownership and partnership in capacity building, the Foundation will make a greater effort to align the needs on the ground with its vision and strategies, mobilize additional resources in a systematic and predictable manner in order to confront existing and long-term needs, and

muster the requisite energy and tact to bring its multiple partners together around issues of better and more sustainable aid delivery mechanisms for capacity building.

### C. Gender, Capacity Building and Development

There is a consensus in Africa today that the nexus linking gender equality, development and public policy needs to be enhanced to enable the Continent to address more seriously the development challenges it is facing. There is strong empirical evidence that gender relations such as gender-based division of labour, disparities between males and females in power and resources, and gender biases in rights and entitlements undermine economic growth and reduce the well-being of children, men and women. Not only does gender affect growth but recent studies also show that gender relations affect all aspects of poverty – including income, opportunity, security and empowerment. The standard neoclassical economic theory argues that households share a single utility function and an equitable distribution of resources and well-being. However, this is often not true due to the existence of unequal gender relations. Empirical evidence reveals that:

- A woman's education improves not only her children's health but also her own health and those of other adults in the family.

#### Box 13.

##### Gender Consciousness at ACBF: The Scorecard So Far

Within ACBF, explicit efforts have been made to include women in various programs such as education, training and participation in workshops. Various policy units in the Foundation's portfolio have focused on the gender dimensions of development and poverty alleviation. The gender analysis of the distribution of staffing in ACBF projects and programs is an ongoing exercise. Gender

consciousness at the Foundation also targets training, participation in workshops and ad-hoc panels.

During the past few years, a significant effort was made to address the gender distribution within the Foundation. For instance, as of 31 December 2002, out of the entire Secretariat staff of 42, 20 (or 48%) were women. Among the support staff, out of a total of 16, 10 (or

63%) were women. At the professional level, out of a total of 25, 10 (or 40%) were women. This is a significant change in the gender composition of the staff since the end of 1999. At the level of the Executive Board, out of a total of 11 voting members, 3 (or 27%) are women. The Foundation is currently reflecting on more systematic and sustainable strategies for mainstreaming gender in its entire capacity-building effort.

- HIV infection rates are lower where gender gaps in education are smaller.
- In the agricultural sector, it is possible to increase productivity and development effectiveness by improving women's access to productive resources.
- Greater involvement of women in the labor market, business and politics is associated with lower levels of corruption.
- Data on the determinants of growth in developing countries show that measures of gender equality have significant, positive effects on growth and poverty reduction.

Discussions on gender and growth point to the fact that Africa has enormous unexploited potentials. The hidden growth reserves are its people - especially women who provide more than half the region's labor yet lack equal access to education and the factors of production. Gender equality could therefore play a powerful role in accelerating poverty reduction on the Continent. From an efficiency and equity perspective, the policy formulation process would generate better results if it addressed the specificity of women's contributions and the constraints they face in the economy. By the same token, developing countries would likely achieve faster and better growth if they identified gender-related barriers to growth and poverty reduction and act to reduce these barriers.

Accordingly, due to the cross cutting nature of gender issues, there are various ways in which gender relations can influence poverty reduction and economic growth. A strategy for gender mainstreaming has to take into consideration differences among and within countries.

In short, men and women experience poverty differently. In addition, there are different aspects of poverty – for example, deprivation, powerlessness and vulnerability – that have gender dimensions. Thus, household-level issues (in particular, intra-household resource allocation) are key in grasping the status and dynamics of poverty and its differentiated impact on men and women.

Capacity building is the cornerstone of Africa's development and has been identified as the missing link

in Africa's development or the key to Africa's accelerated development. Gender is a missed potential; if it is not addressed, it could hinder capacity-building efforts. Over the past two decades, there have been limited achievements in creating the essential capacity for development. Most African countries still face various capacity challenges which include: sustainable growth, human development and poverty reduction, the HIV/AIDS pandemic, governance, public and private sector development, conflict prevention and management, trade liberalization etc. Despite the recognition of the development challenges facing African economies, gender concerns have not been given high priority. Yet, capacity building in Africa can contribute to development and economic growth only if it is viewed within the wider socio-economic and political context - including the public sector, the private sector and civil society. Thus, capacity building in Africa is not likely to advance significantly unless the gender dynamics and inter linkages in all sectors are taken into consideration. In this connection, a holistic approach to capacity building encompasses sector-based inter and intra linkages as well as gender concerns.

Development in Africa urgently requires the full participation of both men and women. The gendered nature of economic structures and processes lies in the biases or failure to take into account existing gender inequalities. Gender is an important social relation that impinges on all aspects of economic life and may shape the outcomes of development strategies. Imbalances in the division of labour between men and women and in access to education and productive resources have important implications not only for equity but also for economic output. Since women remain an untapped source of capacity there is need to understand gender issues in capacity building.

Marginal programs for women are necessary but not sufficient to bring about changes in resource allocation. Sufficiency can only be realized if gender equality were recognized as a strategic objective of development. The key element of this process is the increased involvement of women in decision-making processes about social values, development directions and resource allocation. Thus, the perspectives of both

men and women have to be reflected in the development agenda and its implementation through the disaggregation of data by gender and the delineation of the benefits and costs of discrete policy changes.

Gender mainstreaming now characterizes most approaches to the promotion of equality between men and women. For instance, gender sensitive budgets involve a review of government policies that influence budgetary decision –making. Gender mainstreaming

in capacity building would involve a keen consideration of gender equality concerns in all aspects of the project cycle - including needs assessments, identification, design, implementation, evaluation, monitoring and impact. In the last analysis, gender mainstreaming transcends numbers and includes the extent to which men and women influence the capacity-building agenda, which is aimed at improving the efficiency, effectiveness and sustainability of policies, projects and programs.



## Chapter Nine

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# Outreach, Networking and Partnerships

- Promotion of Awareness of the Foundation's Support to Capacity Building
- Organization of Conferences, Seminars and Workshops
- Participation in Knowledge Sharing Forums and Networks
- Promotion of Collaboration and Partnership Arrangements

## Outreach, Networking and Partnerships

Outreach, networking and partnering are key components of the Foundation's operations. They serve principally as instruments to generate greater understanding and increased awareness of the Foundation – thereby contributing to the enhancement of its stature as a significant player on the African development scene. In 2002, the Foundation's outreach, networking and partnership activities increased in magnitude and scope – a reflection of its expanded role arising from the integration of PACT into its fold. The activities were multi-faceted in nature, covering the following: (i) generation and dissemination of publications to various stakeholders, utilizing both print and online channels in the area of capacity building aimed at promoting awareness of the Foundation as the premier capacity-building institution in Africa; (ii) organization of conferences, seminars and workshops; (iii) participation in knowledge sharing forums and networks; and (iv) establishment of collaborative frameworks for capacity-building efforts with other stakeholders engaged in Africa's development.

### A. Promotion of Awareness of the Foundation's Support to Capacity Building

In 2002, the Foundation sustained a constant flow of information to its numerous stakeholders to keep them abreast of its activities. These comprised both print and electronic publications on its operations-related and program support activities as well as experiences gleaned from its capacity-building interventions. The major print resources in 2002 comprised the following: the quarterly *ACBF Newsletter* that has become a highly-valued vector for increasing the Foundation's visibility; the inaugural issue of the ACBF Occasional Paper Series entitled *Africa: Major Development Challenges and their Capacity Building Dimensions* – which examines Africa's development hurdles and the implications for capacity building on the Continent; the *Knowledge Management System Handbook* published in October 2002 that sets out the principal elements of the Foundation's emerging knowledge management strategy; and various promotional materials (brochures, reports, flyers and information briefs). All these

contributed towards highlighting the Foundation's pivotal role in supporting the drive to build capacity on the Continent.

Also, the Foundation redesigned and updated its website on a regular basis. There was a marked increase in the number of visitors to the site compared to 2001. Indeed, since its inception, the website has proven to be a valuable resource to stakeholders regarding information and events at the Foundation. It has recorded a continuing increase of visitors. As of 31 December 2002, the total number of visitors to the site over the period January to December was 249,089.

### B. Organization of Conferences, Seminars and Workshops

The Foundation organized four major meetings in 2002. The first, held early in the year, sought to mobilize the requisite resources for financing and implementing the Foundation's Strategic Medium-Term Plan (SMTP) over five years (2002-2006). Before the Pledging Conference, the Foundation undertook several sensitization tours to African countries and to non-African bilateral and multilateral partners to drum up financial support for capacity building in Africa. Two of the meetings, which were held in mid-year, were aimed at distilling and sharing best practices that would inform capacity-building activities. The fourth meeting, held towards the end of the year, was geared at establishing a knowledge network framework that would best harness expert knowledge to help shape Africa's development goals. Second, the Foundation participated in knowledge exchange platforms established by various partners that serve to bolster coordination of expert knowledge on capacity building. This largely mirrored the Foundation's progressive transformation into a knowledge-based institution.

#### *Organization of the Pledging Conference at Lancaster House*

On 29-30 April 2002, the Foundation organized a major resource mobilization conference at Lancaster House in London attended by about 100 delegates

from African countries as well as major bilateral and multilateral donors. The Pledging Conference, hosted by the United Kingdom Department for International Development (DFID), aimed to mobilize resources to finance the SMTP. As a result of the Conference and additional efforts by the Foundation, the latter raised US\$159.240 million. The total funding requirement of the SMTP is US\$340 million over the five-year period.

Unlike previous pledging sessions, the Lancaster House Pledging Conference attracted a significant number of high-profile delegates from African countries – a total of 22 – comprising both current and prospective member countries. African countries attending for the first time included Benin, Burkina Faso, Congo-Brazzaville, Djibouti, Equatorial Guinea, Guinea-Bissau, Guinea-Conakry, Mauritania, Rwanda, Sierra Leone, Togo and Zambia. Current African member countries that attended were Cameroon, Côte d'Ivoire, Gabon, Kenya, Malawi, Mali, Nigeria, Senegal, Uganda, and Zimbabwe. This reflected a new spirit of commitment and sense of ownership among the African countries of the capacity-building process. One illustration of this renewed sense of ownership was that most of the African countries declared higher levels of pledges in contrast to previous years.

In attendance too, for the first time, were other non-African countries and multilateral partners that either expressed an interest in joining ACBF or a willingness to work closely with the Foundation. These included Italy, the European Union and the IMF. Current ACBF member countries and sponsoring agencies that attended the Conference were Canada, Denmark, France, Finland, Ireland, Italy, Japan, the Netherlands, Norway, Sweden, United Kingdom, the United States of America, AfDB, UNDP and the World Bank.

#### *Organization of a Training Workshop for Finance Personnel of ACBF-funded Operations*

The Foundation's expanded role has resulted in a robust program/project portfolio consisting of over 70 operations. The Foundation has therefore had to devise coping mechanisms to ensure that professionalism as well as high fiduciary and administrative standards are adhered to in these operations. Accordingly, a workshop on financial and administrative procedures,

comprising two training sessions, was organized for all ACBF-supported projects and programs for staff responsible for preparing applications for the withdrawal of grant proceeds. The workshop, the first of its kind, was intended to equip participants with best practices and the requisite tools in the administration of ACBF grants and to enhance the financial and administrative skills of the officers responsible for preparing and compiling applications for withdrawal of grant proceeds. It was expected that the achievement of an efficient standardized system across programs and projects would significantly streamline disbursements to these operations, and thus help to ensure timely adherence to project completion deadlines.

The first session, for representatives of projects and programs in Francophone countries, and attended by 19 participants, was held in Abidjan, Côte d'Ivoire, on 8 -10 April 2002. The second session, for officials from operations in Anglophone countries, and attended by 34 participants from 14 African countries, was held in Harare, Zimbabwe, on 22 - 24 April 2002.

#### *Organization of the Joint Restitution and Design Workshop for the Second Phases of the Economic Policy Management Programs*

On 3-5 July 2002, the Foundation, jointly with the AfDB and the World Bank Institute, organized the Joint Restitution and Design Workshop for the Second Phases of the Economic Policy Management (EPM) Programs. The workshop was held in Abidjan, Côte d'Ivoire. The EPM Programs were relocated from McGill and CERDI Universities in Canada and France respectively in September 1998 to four partner universities in Africa - Cocody, Yaounde II, Makerere and Ghana.

The main objectives of the first phases of the four EPM operations were to offer a master's-level degree program in economic policy management to civil servants and other professionals from Africa and other developing countries. Very importantly, the programs were also intended to strengthen the institutional capacity of each of the African partner universities. The EPM Programs are geared to build a critical mass of national experts in economic policy analysis and management in Africa.

The workshop sought to take stock of lessons learnt in the implementation of the initial phases that would guide the design and implementation of the second phases of the respective programs. These were derived from the Mid-Term Review Reports on the implementation of the first phases.

Participants at the workshop came from the four partner universities, the Foundation, AfDB, the World Bank, the Ministry of Economic Affairs and Finance of Côte d'Ivoire as well as the Central Bank of West African States (BCEAO) and the Central Bank of Central African States (BEAC). Deliberations at the workshop were on two key themes drawn from the mid-term review reports, namely: (i) lessons learnt and best practices garnered from the respective first phases that would inform the design of Phase II; and (ii) recommendations to strengthen and enhance the performance and implementation of the respective second phases.

#### *Organization of the Inaugural Meeting of the ACBF Technical Advisory Panels and Networks*

On 21-22 November 2002, in Harare, the Foundation held the inaugural meeting of the Technical Advisory Panels and Networks (TAP-NETS). This effectively marked the Foundation's transition into a knowledge generating and sharing institution on capacity building and development management in Africa.

The TAP-NETS will focus initially on four core areas of competency of the Foundation's interventions in capacity building, namely: (i) Economic Policy Analysis and Management; (ii) Public Administration and Management; (iii) Financial Management and Accountability; and (iv) Professionalization of the Voices of the Private Sector and Civil Society. These priority areas of intervention are derived from the Foundation's SMTP, 2002-2006.

### **C. Participation in Knowledge Sharing Forums and Networks**

In 2002, the Foundation participated actively in forums that provided opportunities to network and exchange knowledge with partner institutions and the broader development community.

#### *Consumers International Regional Office for Africa - First Strategic Meeting for Regional Members*

The Foundation participated at the first strategic meeting for twenty-six African country members of Consumers International. The meeting, hosted by the regional office of Consumers International in Harare, Zimbabwe on 28 January - 2 February 2002, afforded participants an opportunity to share perspectives, experiences and best practices. The theme of the encounter was: *Building Consumers' Capacity and Institutions for a Fair and Transparent Marketplace*.

#### *Accra Roundtable on a Capacity Development Agenda*

ACBF participated actively at the Third Roundtable on Reforming Technical Cooperation for Capacity Development, held on 11-12 February 2002 in Accra, Ghana.

The ACBF Executive Secretary presented a Discussion Note entitled: *Changing the Default Setting: Making Indigenous Capacity Matter*. The Executive Secretary is a member of the Advisory Facilitation Group that oversees the process of reforming technical cooperation. The Roundtable was convened by UNDP and the Government of Netherlands, and hosted by the Government of Ghana in conjunction with the Ghana Institute of Management and Policy Administration as well as the World Bank Institute. The Roundtable offered an unprecedented opportunity for political leaders, decision makers and practitioners in the development community to focus on the political steps needed to make international cooperation deliver on the promise to contribute toward the development of sustainable indigenous capacities. The first roundtable was held in Geneva, Switzerland, on 16-17 July 2001, while the Second Roundtable was held on 3-7 December 2001 in Turin, Italy.

#### *Workshop on Governance, Institutional Reforms and Policy Outcomes in Africa*

The Foundation participated in the three-day workshop on 'Governance, Institutional Reforms and Policy Outcomes in Africa', held on 20- 23 February 2002 in Windhoek, Namibia. The University of Namibia and the Institute of Social Studies, The Hague,

Netherlands, organized the workshop. The Foundation presented three papers entitled “Public-Private Sector Interface in Capacity Building and Development Management in sub-Saharan Africa: An ACBF Perspective”; “Building Macroeconomic Management Capacity: Some Fundamentals for Effective Intervention”; and ‘Towards A Best Practice Model in Capacity Building: The ACBF-PACT Model’. These papers, including others presented at the workshop, will be published in an ACBF-ISS Book entitled “*Governance, Institutional Reforms and Policy Outcomes in Africa.*”

### *Third African Development Forum*

The Foundation attended the Third African Development Forum (ADF III), held on 3-8 March 2002 in Addis Ababa, Ethiopia. The theme of the Forum was “Defining Priorities for Regional Integration”. The Foundation made a presentation in which it emphasized that African regional integration required a strong affirmation of political will, vision and leadership by African Governments, focusing on: (i) an active involvement of, and ownership by, the private sector and civil society; (ii) the building of the requisite human and institutional capacity of the private sector and civil society as well as of the regional organizations responsible for steering and implementing the process of regional integration; and (iii) a comprehensive strategic, conceptual, policy and programmatic framework which clearly casts regional integration within the ambit of Africa’s effective and positive involvement in the process of economic and social globalization on the one hand, and of the further strengthening of nation - and state-building, on the other.

### *NEPAD Roundtable on Capacity Building*

The Foundation was invited to the NEPAD Roundtable on Capacity Building that was held on 8 March 2002 in Pretoria, South Africa. The main objectives of the roundtable were to: (i) examine capacity-building interventions that will be relevant for NEPAD’s programs; (ii) identify existing capacity building interventions in specific countries and regions that NEPAD could partner with; and (iii) propose short and medium-term capacity -building initiatives as start up activities for NEPAD.

The Foundation’s recommendations alongside other presentations and the ensuing discussions at the Roundtable formed the basis of some of the conclusions reached with respect to the way forward for NEPAD’s capacity-building programs.

### *Second Meeting of the DAC Network on Good Governance and Capacity Development*

The Foundation participated at the second meeting of the DAC Network on Good Governance and Capacity Development (GOVNET) held at the OECD headquarters on 14-15 February 2002 in Paris, France. Within the context of GOVNET, ACBF is collaborating with other development partners in providing inputs to improving service delivery through public service reform.

### *University of Zimbabwe/Chamber of Commerce and Industry Liaison Meeting*

The Foundation was represented at the University of Zimbabwe (Faculty of Commerce) and Chamber of Commerce and Industry liaison meeting held in Harare. The meeting aimed to promote dialogue and exchange between the university and the private sector to ensure that training at the University is relevant to the needs and expectations of the business sector. ACBF supports interface between the private sector and public sector, and the meeting reflected the Foundation’s keenness to take forward its objectives in this regard.

### *The Commonwealth – Africa Investment Forum*

The Foundation participated as an observer in the Africa Investment Forum held on 22-24 April 2002 in Abuja, Nigeria. The three-day conference, organized by the Commonwealth Business Council in collaboration with the government of the Federal Republic of Nigeria, brought together leaders and decision makers from across Africa with current and prospective private sector investors to discuss ways of increasing private sector capital flows to Africa.

### *Forum of Finance and Planning Ministers of MEFMI Member States*

ACBF attended the MEFMI Annual Finance and Planning Ministers' Forum held on 21-23 September 2002 in London, United Kingdom. The theme for 2002 was "Change Management: Perspective from a Minister's Desk". The Executive Secretary was among the key resource persons. He presented a paper highlighting the role of ACBF in building human and institutional capacity to address Africa's development challenges within the framework of NEPAD. He also chaired the Forum of Finance Ministers attended by the Economic Affairs and Finance Ministers of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Tanzania, Uganda and Zimbabwe.

#### *Meeting of the African Group Working Party*

The African Group Working Party met on 30 July – 2 August 2002 in Kampala, Uganda, under the Chairmanship of the Minister of Finance, Planning and Economic Development of Uganda.

Participants included African Ministers of Finance and/or Planning as well as the African Executive Directors at the World Bank and the IMF. ACBF was invited as an observer, alongside the AfDB, ECOWAS, the African Union, the Arab Bank for Economic Development, the Central Bank of West African States (BCEAO), the Central Bank of Central African States (BEAC), UNECA, CEMAC, the West African Development Bank (BOAD) and the African Center for Monetary Studies (CAEM).

The main objective of the Kampala gathering was to discuss and approve the African Governors Memorandum to the President of the World Bank and the Managing Director of the IMF ahead of the Annual Meetings of the Bretton Woods Institutions. The Memorandum underscored ACBF's role as Africa's premier institution in capacity building.

#### *Workshop on Alternative Modalities of Financing the African Union*

The Foundation participated at a three-day African Union Workshop on Alternative Modalities of Financing the African Union, held on 16-18 December in Addis Ababa, Ethiopia. The workshop, organized by an

ACBF-supported project, the Policy Analysis Support Unit (PASU) of the African Union, sought to review and discuss reports commissioned by the Interim Commission of the African Union on the Financing of the African Union. The Workshop also provided an opportunity for exchange of views on the financing experiences of other regional and sub-regional organizations within and outside Africa. It is expected that the recommendations made at the workshop would be presented to the policy organs of the African Union for consideration.

#### *Launch of the Ghana "Economic Review and Outlook, 2002"*

ACBF was among delegates at the launch of the Ghana *Economic Review and Outlook, 2002* held in Accra, Ghana, on 30 September 2002. The publication is a flagship output of the Centre for Policy Analysis (CEPA), an ACBF-supported project.

#### *Visit of World Bank Executive Director to ACBF*

Mr. Girmai Abraham, one of Africa's Executive Directors at the World Bank, visited the Foundation. 30 May 2002. During the visit, he held a brainstorming session on issues such as Africa's development challenges and World Bank policies and programs, NEPAD, and capacity building and development in Africa. In attendance were the ACBF Executive Secretary; ACBF professional staff; diplomatic representation comprising the Dean of the African Diplomatic Corps as well as the high commissioners of Namibia, Malawi and Kenya and the Head of Chancery and Economic Affairs, Nigerian High Commission.

The World Bank Executive Director also underscored the importance of the promotion of effective partnership between Africa and its development partners, based not on power relations but on equity, participation, shared aspirations and commitment. He pointed out that this was an approach that is today pursued by the World Bank to strengthen its relations with its wider constituency and clients.

## D. Promotion of Collaboration and Partnership Arrangements

In 2002, the Foundation developed many collaborative projects and programs with strategic partners aimed at maximizing the effectiveness of capacity-building efforts on the Continent.

### *IMF-ACBF Partnership and Greater Collaboration in Capacity Building*

On 28 September 2002, the IMF and ACBF signed an MOU relating to their collaborative activities in capacity building. Under the terms of the MOU, signed by the ACBF Executive Secretary on behalf of the Foundation and by the IMF Deputy Managing Director responsible for Technical Assistance, the IMF pledged to contribute US\$ 4 million ACBF over a period of five years to finance training and other capacity-building interventions in macroeconomic policy analysis and management; tax policy and administration; public expenditure management; monetary policy design and management; financial sector management; and statistics. As a result, the IMF formally became a member of the ACBF Board of Governors.

Both institutions will jointly support capacity building in core competency areas consistent with their respective mandates in order to take advantage of the synergies and complementarities of a partnership approach to capacity building. The MOU was the culmination of consultations that began on 22- 24 October 2001 in Bamako, Mali, on the margins of the First Pan-African Capacity Building Forum and continued on 21 - 22 January 2002 in Harare, Zimbabwe. ACBF and the IMF will collaborate in the implementation of the above activities through the Africa Regional Technical Assistance Centers (AFRITACs) established by the IMF.

Meanwhile, the Foundation was among delegates invited by the IMF to the international Conference on the African Regional Technical Assistance Centers (AFRITAC) convened on 15-16 July 2002 in Paris, France. Participants included Ministers of Finance and other high-level economic and financial officials, representatives of the donor community as well as the NEPAD Secretariat. The main objective was to agree on a priority agenda for the first two pilot AFRITACS.

The East African Regional Technical Assistance Center (AFRITAC East) was officially inaugurated on 24 October 2002 in Dar es Salaam, Tanzania. ACBF was represented at the inauguration. Finance ministers, central bank governors, and senior officials from participating countries and bilateral and multilateral donors attended the meeting.

The AFRITAC program is part of the IMF's new African Capacity-Building Initiative launched in 2002 in support of African governments in the context of the New Partnership for Africa (NEPAD). Through this initiative, the IMF intends to enhance its capacity-building assistance to Africa. The main objective of this initiative is to strengthen the capacity of African governments to formulate and implement their own growth-oriented, poverty-reducing policies in the context of the countries' Poverty Reduction Strategy Papers (PRSPs).

### *Visit to the Foundation of the Deputy Director-General of the International Organization for Migration*

On 4 February, 2002, Mrs. Ndioro Ndiaye, the Deputy Director-General of the International Organization for Migration (IOM) visited the ACBF Secretariat to hold preliminary discussions on potential areas of cooperation between IOM and the ACBF in the context of capacity building. One such potential area of collaboration was the Migration for Development in Africa (MIDA) program - a demand-driven initiative aimed at boosting the transfer of vital skills and resources of the African Diaspora to support the development of their countries of origin. Its objective is to assist in strengthening the institutional capacity of African governments to manage and realize their development goals through the transfer of relevant skills as well as financial and other resources of Africans in the Diaspora for development programs in Africa. Participants in the MIDA program include all African and host countries as well as Africans in the Diaspora who have the means and are willing to contribute to the development of their countries of origin.

An MOU was signed between ACBF and IOM on 10 October 2002 clarifying the framework of their co-operation. The Foundation will work within its approvals framework (project identification and

development, appraisal and presentation to the Executive Board) in discussing and taking forward the MIDA project.

#### *NEPAD Secretariat Officials Visit ACBF*

As part of ACBF's efforts to gear itself up to consolidate its partnership with NEPAD and contribute to the implementation of the capacity-building dimensions of the Initiative, the Executive Secretary received officials from the NEPAD Secretariat. The NEPAD team comprised the Deputy Director-General and Member of the NEPAD Steering Committee, and the Coordinator, Learning and Knowledge Management, Department of Public Service and Administration. The discussions centered on aspects of NEPAD's capacity development program - in particular in the areas of peace and security, governance, regional integration and public sector reform. In remarks, the Executive Secretary outlined the importance of NEPAD in Africa's development and reiterated the Foundation's readiness to contribute to the capacity-building dimensions of NEPAD programs.

#### *OECD/DAC Network on Good Governance and Capacity Development*

In February 2002, ACBF participated in the second meeting of the Development Assistance Committee organized in Paris. The meeting discussed in particular the issue of governance in the NEPAD context and the development of indicators in the monitoring process. As a follow up to the conclusions of the debate, a workshop organized by NEPAD in Cape Town focused on the identification of indicators as key elements of the methodology for the peer review mechanism.

Members of the governance network (GOVNET) concurred on the need to support improvements to the framework for enhancing better governance. Such support could be reflected in the development of mutual accountability frameworks, sharing the lessons of the peer review mechanism within the OECD and the DAC.

#### *Joint ACBF-DRI Workshop on the Design of the Economic and Financial Management Institute of Lusophone African Countries*

On 11-13 September 2002, ACBF hosted a workshop in Sao Tome et Principe for policymakers from Lusophone African Countries aimed at establishing an institutional framework to address the capacity needs of African Lusophone countries in macroeconomic management as well as debt, reserves and financial sector management. ACBF, Debt Relief International (DRI), the participating countries and other bilateral and multilateral donors will provide funding and technical support.

The workshop was held following an ACBF capacity needs assessment mission to the African Lusophone countries in July-August 2001 to determine the level of existing capacity in macroeconomic management, debt and reserves management. The findings of the capacity needs assessment report served as a conceptual framework for defining the key areas of intervention in the region.

#### *Joint ACBF and Donor Team Consider New Approaches to Capacity Building in Rwanda*

In September 2002, ACBF led a joint mission to Rwanda - the first of its kind in its orientation towards a program approach to its interventions in capacity building. The team comprised ACBF Officials; the Deputy Governance Adviser, DFID, United Kingdom; a World Bank Senior Public Sector Specialist; and a Senior Economist from the UNDP Africa Regional Office.

The main objective of the joint mission was to take stock of ongoing capacity-building interventions in Rwanda, assess how well they provide a basis for a coherent and systematic country program, and identify an effective entry point for ACBF in the context of an upstream intervention strategy aimed at strengthening capacity in the country's core public sector.

*Partnership between Canada and ACBF*

On 28 June 2002, the Foundation received notification of a contribution of C\$ 28 million made by the Canadian Government in support of its work. Such funding represented a substantial increase in resources after the ACBF Pledging Conference held in London in April 2002 in which Canada pledged to contribute Cdn\$10 million to the ACBF-PACT Trust Fund.

The additional support is to build public sector competencies in Africa as part of the C\$ 500 million Canada Fund for Africa Initiative, which supports NEPAD. It thus reinforces the collaboration between Canada and the Foundation to build human and institutional capacity in the core African public sector and will target its core competency areas set out in the Foundation's Strategic and Medium-Term Plan (SMTP) 2002-2006.

Discussions on the partnership program commenced on 21-24 October 2002, when a joint mission from the Canadian International Development Agency (CIDA) and the Partnership for International Co-operation (PIC) visited the Foundation in order to discuss the program of collaboration that is to be established with ACBF.

The sessions yielded valuable insights that resulted in a consensus on areas of collaboration.

*International Comparison Program for the Standardization of National Accounts and Statistics in Africa (ICP-AFRICA)*

The International Comparison Program (ICP) for the Standardization of National Accounts and Statistics in Africa is a joint AfDB-ECA-World Bank undertaking to

launch a comprehensive region-wide statistical capacity building initiative. In October 2002, the AfDB invited the Foundation to participate as a partner in the implementation of ICP-Africa.

The Foundation participated in the launch workshop held in Addis Ababa on 2-4 December 2002, and accepted the invitation of the ICP-Africa Executive Board to become one of its members.

*Partnership with the UNDP Central and Eastern Africa Sub-regional Resource Facility*

On 25-29 November 2002, ACBF, jointly with UNDP and UNCTAD, convened a workshop in Nairobi, Kenya, aimed at building the capacity of several African countries in debt management. The 27 participants came from Burundi, Central African Republic, Chad, Democratic Republic of Congo, Eritrea, Ethiopia, Guinea, Kenya, Madagascar, People's Republic of Congo, Rwanda, and Sao Tome & Principe. Algeria, Equatorial Guinea and Guinea Bissau. WAIFEM and MEFMI attended as observers.

The Workshop was based on UNCTAD's Debt Management and Financial Analysis System (DMFAS), which is the most widely used software for Debt Management by Heavily Indebted Poor Countries (HIPC)s, and other middle-income countries. The Workshop concentrated on building capacity in the use of a Module of the current version of the software - DMFAS 5.2 software to produce debt statistics for use as a debt management tool and also as an input into countries' Statistical Bulletins, as well as their macroeconomic and financial management systems. ACBF provided about 90% of the resources for the workshop.



# Chapter Ten

## Finance

- Overview
- Pledges
- Commitments
- Available Cash Resources

## Finance

### A. Overview

The first Pledging Conference to raise funds for the SMTP (2002-2006) was held at Lancaster House in London in April 2002. The Conference attracted pledges amounting to US\$141.450 million. In separate developments, Canada pledged an additional C\$28.00 million while Mauritania pledged US\$250,000 and Ethiopia pledged US\$200,000. The final amount pledged was a total of USD159.240 million. The pledged resources however fell far below the US\$340 million required to finance the SMTP over the five-year period.

Commitments to capacity-building operations increased marginally by US\$21.00 million as a result of a deliberate strategy by the ACBF Executive Board to consolidate the existing portfolio as against the development of more projects and programs.

The pledges towards the SMTP (2002-2006) brought the cumulative pledges for the Foundation's three phases (Phases I, Phase II and the ACBF/PACT Phase), exclusive of investment income, to US\$368.55 million while the additional commitments of US\$21.00 million increased the cumulative commitments to capacity-building operations to US\$183.22 million.

The liquidity position of the Foundation declined slightly to a budget cash cover of 2.72 years as against 3 years for the previous year. The decrease in available cash resources was attributable to the increase in the rate of disbursements to capacity-building projects and programs during 2002 not matched by a commensurate increase in contributions against pledges.

### B. Pledges

During the year under review, the first Pledging Conference to mobilize resources to finance the SMTP (2002-2006) raised pledges amounting to US\$141.450 million. Subsequently, Canada added C\$28.000 million to its initial pledge of C\$10.00 million while Mauritania pledged US\$250,000 and Ethiopia US\$200,000. This

brought the final figure to US\$159.240 million in pledged resources. The amount includes the pledge of US\$4.00 million made by the IMF.

The pledges for the year brought the Foundation's cumulative pledges to US\$368.55 million before adding cumulative investment income of US\$14.88 million.

### C. Commitments

The Executive Board maintained the policy it implemented in 2001 of focusing on the consolidation of operations approved to date in relation to the development of new projects. A modest number of projects to the tune of US\$21.00 million were approved as a result. In considering commitments, priority was accorded to operations seeking refinancing and those possessing a potential to make a clear impact. The commitment of US\$21.00 represented an increase of 37.61 percent over the level of the previous year. Cumulative commitments in respect of projects and programs increased to US\$183.22 million, up 12.94% from the cumulative total of US\$162.23 for 2001.

Cumulative commitments in respect of program support activities and administrative expenditure amounted to US\$2.42 million and US\$30.22 million respectively. The combined commitments of programs and projects, program support and administrative expenditure amounted to US\$215.86 million. When the cumulative pledges and investment income of US\$383.43 million are compared to the cumulative commitments, a balance of US\$167.57 million remains as resources available for future commitments. However, the resource requirement for the 2003 administrative budget amounted to US\$8 million. When the 2003 administrative budget is provided for, a balance of US\$159.569 million remains for commitments to projects and programs.

Compared to 2001, when the available resources for future commitments closed at US\$25.52 million, the available commitment authority for 2002 was the largest achieved so far by the Foundation. However, in spite of the considerable improvement in available

resources for future commitments, the Foundation's resources fell far short of the resource requirement for the implementation of the SMTP (2002-2006), which amounted to US\$340 million. Thus, resource mobilization remains the most pressing challenge facing the Foundation.

#### D. Available Cash Resources

The World Bank, as trustee to the Foundation, holds and administers ACBF cash resources in a Trust Fund – the ACBF-PACT Trust Fund. Donor contributions against pledges are paid directly into the Trust Fund. Box 14 summarizes the cash movement and position during 2002.

No contributions were received in respect of Phase I pledges given that the phase was closed in 2001. Donors with outstanding contributions in respect of the phase were encouraged to pay such contributions into the ACBF/PACT Trust Fund. Contributions for the year in respect of Phase II pledges amounted to US\$11.05 million, bringing the amount paid to date for the phase to US\$38.78 million. With regard to the ACBF/PACT phase, the main contributor was the World Bank with disbursements to date of US\$73.50 million. Other

contributions towards the ACBF/PACT phase amounting to USD7.568 million were received from Canada, Finland, Ireland and the United Kingdom. The Rockefeller Foundation's contribution toward the funding of the First Pan-African Capacity Building Forum held in October 2001 stood at US\$0.075 million.

As of 31 December 2002, the Foundation's gross cumulative cash resources amounted to US\$212.47 million. Cumulative outflows comprising disbursements to projects and programs, expenditure in respect of program support activities and administrative expenditure totalled US\$122.47 million - leaving a balance of US\$90.01 million in available cash resources.

The available cash resources represented a reduction of 1.47% when compared to the closing figure for 2001. Thus, the Foundation's 2002 rate of disbursement to capacity-building projects and programs exceeded the rate at which donors paid in their contributions. However, the cash cover for disbursements to prior commitments remained adequate.

**Box 14.****Financial Position of ACBF****Resources Available for Commitment to Projects and Programs**

The Foundation's commitment authority position improved in 2002 following the support it received from donors at the Lancaster House Pledging Conference held in April 2002. A total of US\$155.24 million in firm pledges in support of the SMTP (2002-2006) was realized. In addition to the pledges, the IMF signed a Memorandum of Understanding with the Foundation under the terms of which the Fund provided US\$4.0 million over 5 years to support capacity-building activities. The combination of the new resources and those pledged to PACT in 2001 yields a total of US\$233.42 million in pledges for the ACBF-PACT Phase. Phase I pledges remained at US\$67.65 million while those of Phase II remained at US\$57.48 million and the Japanese PHRD Trust Fund at US\$10.00 million. Investment income for the three phases totaled US\$14.88 million.

The additional pledged resources for the ACBF/PACT Phase brought the cumulative total pledges, including investment income, to US\$383.43 million. Against these pledges were cumulative commitments amounting to US\$183.22 million in respect of projects and programs for Phases I and II and the ACBF/PACT Phase. Added to these commitments were those in respect of program support activities and administrative expenditure of US\$2.42 million and US\$30.22 million respectively – giving a total cumulative commitment as at 31 December 2002 of US\$215.86 million. A netting of cumulative pledges and commitments as at 31 December 2002 leaves available commitment authority of US\$167.57 million. If a provision for the 2003 administrative expenditure budget of US\$8.0 million is deducted, the commitment authority for programs and projects would amount to US\$159.57 million.

**Available Cash Resources**

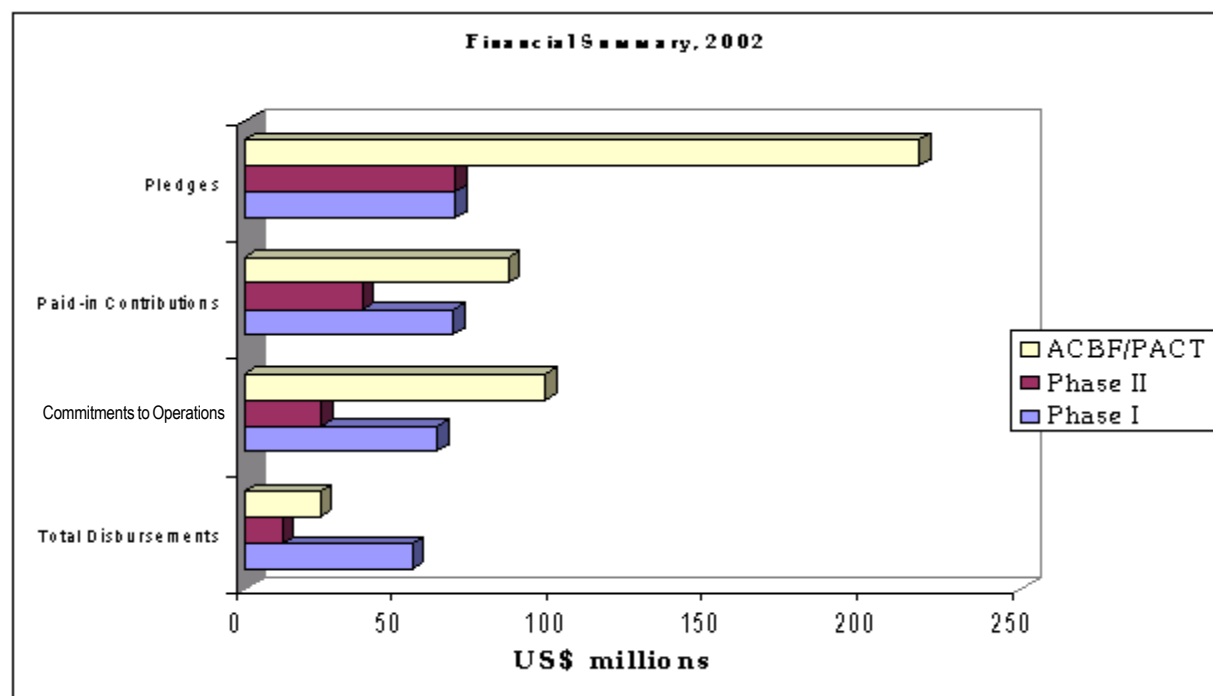
The available cash resources comprise the amounts disbursed by donors into the relevant Trust Funds in respect of Phases I and II and the ACBF/PACT Phase. The combined total cash disbursed as at 31 December 2002 amounted to US\$212.47 million. Cash outflows against these resources toward capacity-building projects, programs and administrative expenditure amounted to US\$122.47 million. The result was net available cash resources of US\$90.01 million for fulfilling prior commitments as they become due. The figure fell below that for 2001 by US\$1.34 million or 1.47% - thus requiring an increase in the rate of disbursement of resources pledged by donors.

US\$ millions)	
<b>1. Pledges</b>	81.56
Phase I	
Less Defaults	10.887
Exchange Losses	<u>3.028</u>
	13.91
Phase I (net pledges)	67.65
Phase II	57.48
Japan PHRD Trust Fund	10.00
Phase III	233.42
Investment Income	<u>14.88</u>
Total Resources	383.43
<b>2. Commitments</b>	
Phase I	61.85
Phase II	24.67
ACBF/PACT Phase	<u>96.70</u>
	183.22
Program Support Expenditure as at 31/12/02	2.42
Cumulative Admin. Expenditure as at 31/12/02	<u>30.22</u>
	215.86
Total Resources Available for Grant Commitments and 2003 Administrative Budget	167.57
Less: Approved Consolidated Budget for 2003	<u>8.0</u>
Available Commitment Authority for Projects in 2003	<u>159.57</u>
<b>3. Available Cash Resources</b>	
Paid-in Contributions	
Phase I	67.07
Phase II	38.78
Japan PHRD Fund	10.00
ACBF/PACT Phase	81.74
Investment Income	14.88
Total Cash Resources	212.47
Less: Expenditure to date	
Disbursement to projects	89.83
Program Support	2.42
Cumulative Administration and Capital Expenditure	<u>30.22</u>
	122.47
<b>Cash Available as at 31 December 2002</b>	<b>90.01</b>

**Table 7. Trust Fund 1, Phases I and II; and the ACBF/PACT Phase: Financial Status**

Total Year	Expected Pledges	Amount Draw down	Amount Paid-in	Amount Committed	Disbursed
Phase I <sup>a</sup>	67.65	41.87	67.07	61.85	53.62
Phase II					
1998	56.36	5.89	0.30	15.80	1.58
1999	0.25	11.73	9.52	4.87	2.05
2000	0.37	17.78	12.15	-	3.21
2001	0.50	13.74	5.77	-	2.78
Sub-total	57.48	49.14	27.74	20.67	9.62
Japan					
PHRD 1999	10.00	-	10.00	4.00	0.71
PHRD 2000	-	-	-	-	0.83
PHRD 2001	-	-	-	-	0.91
Total PHRD	10.00	-	10.00	4.00	2.45
Total Phase II	67.48	49.14	37.74	24.67	12.07
ACBF/PACT 2000	43.60	14.54	43.60	60.45	0.40
ACBF/PACT 2001	30.57	30.57	30.57	15.25	5.70
ACBF/PACT 2002	159.24	51.55	18.62	21.00	18.04
Total ACBF/PACT	233.41	96.66	92.79	96.70	24.14
Total	<u>368.54</u>	<u>187.67</u>	<u>197.60</u>	<u>183.22</u>	<u>89.83</u>

<sup>a</sup> The total pledges include the contribution by the Netherlands (US\$5.2 million revised down to US\$3.009 million) and excludes the contribution by Japan of US\$10 million. The investment income of US\$14.88 million is excluded from the above computation.

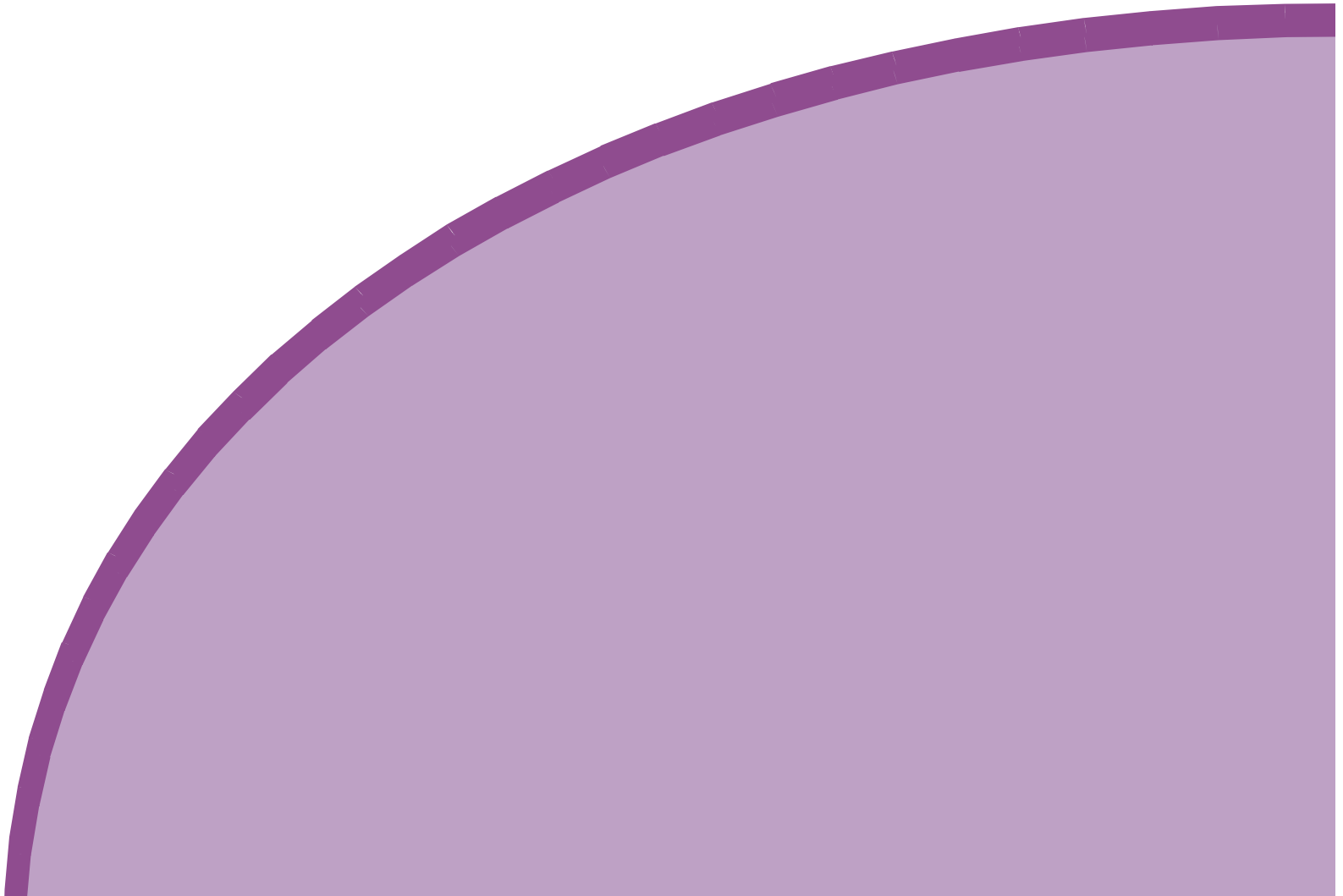




## Chapter Eleven

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### Looking Ahead



## Looking Ahead

ACBF stands in the vanguard of the shift in donor strategies in Africa from traditional technical assistance that is sometimes lodged at a considerable remove from beneficiary interests to capacity building that blends the strengthening of human skills with the enhancement of institutional structures for purposes of reducing poverty, promoting good governance and fostering sustainable development. Over the past decade, the Foundation has sought to build capacity founded on local ownership and empowerment, partnership with a broad array of stakeholders, the sustainability of beneficiary operations as well as knowledge generation and sharing. In the aftermath of the advent of PACT, its integration into ACBF and subsequent implementation, the Foundation embraced a broadened agenda as it entered the new Millennium. In 2002, the Foundation forged ahead in the accomplishment of its ambitious agenda as reflected in its SMTP (2002 – 2006), and underpinned by these core principles.

This *Annual Report* has examined the major achievements of the Foundation as well as the principal constraints it faced during 2002. The accomplishments included the following: (a) mobilization of enough initial resources to propel the Foundation even as it searched for the balance of resources to fully finance its SMTP, 2002 – 2006; (b) development of a knowledge management strategy that will transform the Foundation into a focal point for digesting and disseminating lessons and best practices, and thus into a global collaboration portal on capacity building in Africa; (c) intensification of change management activities in order to make the Foundation a paragon of consistent capacity-building success; (d) commencement of implementation of capacity-building activities encompassing a wide range of areas germane to the Foundation's core competencies; (e) re-jiggering and streamlining of the Foundation's internal organizational arrangements by introducing functions geared at rendering it more efficient and effective as a capacity-building institution; (f) pursuit of a human resources management approach aimed at attracting and

retaining premium-grade African professionals from within the Continent and without through adequate incentives; and (g) expansion of outreach and partnership activities in order to burnish the Foundation's stature, relevance and effectiveness. These achievements of 2002 paint a picture of real gains and had a galvanizing effect on the Foundation's capacity to make a difference on the ground.

However, the constraints the Foundation encountered during the year were just as significant, and proved to be flip sides of the same successes - distortions that progress brought in its wake: (a) the resource mobilization effort did not yield the expected results, and posed the risk of reducing the Foundation's capacity to accomplish its core goals; (b) the limited staff size and skills mix relative to the large targets set out in the Business Plan for 2002 meant that the staff accomplished remarkable results often under substantial pressure; (c) despite the valuable outcomes of the change management process, the Secretariat invested most of its time in the exercise to the detriment of other worthy Foundation-wide priorities, in particular in operations; and (d) the difficult economic environment in the host country tested the Foundation's capacity to operate flexibly in an uncertain context. Still, the Foundation beat no retreat on these fronts, and steeled itself to confront long-term challenges that will help shape its role as well as the future course of capacity building on the Continent.

Looking ahead, the Foundation will need to: (a) employ appropriate strategies for sustaining its projects and programs after its catalytic financing lapses. In this connection, issues relating to co-financing and the refinancing of promising operations will be addressed within the context of the Foundation's own sustainability; (b) continue to tap into the knowledge revolution in order to expand the Foundation's emerging knowledge base through information harnessing, exchange and dissemination; (c) devise innovative ways of building capacity through projects and strategic dialogue involving programmatic and flexible interventions that achieve focused objectives. Such an upstream orientation will necessarily involve a

rethinking of the Foundation's relations with other donors in terms of resource earmarking and overall coordination of interventions in specific countries or regions; (d) mainstream legal and institutional issues in project or program design and implementation; (e) develop performance indicators that will help to push the bounds of excellence in the operations in its portfolio; (f) develop alternative ways of building capacity through interface and cross-pollination among the public sector, the private sector and civil society; (g) integrate further gender concerns in the design and implementation of capacity-building operations; and (h) connect more closely with other actors in the capacity development community in order to remain relevant and effective - especially against the backdrop of current efforts to meet the millennium development goals (MDGs), ongoing initiatives to develop poverty reduction strategy papers (PRSPs) in many sub-Saharan African countries, existing policy actions

geared at trimming or restructuring debt burdens in highly indebted poor countries (HIPC), and the present drive to revitalize the Continent through the New Partnership for Africa's Development (NEPAD).

ACBF is clearly bulked up for these challenges. By drawing on and sharing the experiences and lessons garnered in the implementation of the operations in its portfolio and in its interactions with other key players on the development scene, it will stay the course in a testing time for the Continent as a whole. It will also bring innovative capacity-building approaches to the foreground characterized by a consistent commitment to poverty reduction, good governance and sustainable development. Based on this wide-angle vision and through its steadfast support to a variety of operations, the Foundation is poised to generate even more capacity dividends extending many years forward.



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## Annex A.1 Profiles of Operations Approved in 2002

### REGIONAL OPERATIONS

#### 1. The African Economic Research Consortium (AERC) Collaborative Ph. D. Program in Economics

In May 2002, the Executive Board approved a grant of US\$ 2,000,000 to support the Collaborative Ph.D Program in Economics. The program aims to develop an internationally recognized degree that enhances the Continent's capacity in economic research, development management and university teaching in a cost-effective manner that is relevant to Africa's development needs. The Program is implemented within a collaborative framework with degree-awarding institutions selected competitively, but distributed equitably along regional lines.

The objectives of the AERC Collaborative Ph.D. Program are to:

- Strengthen teaching and research capacity in sub-Saharan African countries.
- Increase the pool of researchers and policy analysts in a cost-effective way; and
- Produce internationally recognized but contextually relevant Ph.D. graduates.

The components of the project consist of one and half years of intensive course work, culminating in intensive examinations; thesis proposal preparation; fieldwork; and thesis writing and defense. There is an option of a one-year attachment at an overseas institution.

Location:	Nairobi, Kenya
Coverage:	Regional
Project type:	Training
Category of Project:	Regional
Implementing Agency:	AERC
Approval Date:	9 May 2002
Effectiveness Date:	22 October 2002
Duration:	6 years
Project Size:	US\$ 9,231,882
ACBF Share of Funding:	US\$ 2,000,000
Co-financing:	Danida, SAREC/SIDA, USAID, Rockefeller, The Netherlands
Closing Date:	30 April 2008

#### 2. Strengthening Capacity for Trade Negotiations and Trade Policy Development in COMESA.

In May 2002, the Executive Board approved a grant of US\$ 1,500,000 to strengthen capacity for trade negotiations and trade policy development within COMESA.

COMESA launched the Free Trade Area (FTA) on 31 October 2000. Its main objective is to achieve regional integration with the establishment of a Customs Union by 8 December 2004, and a full Economic Community in 2025. The strategy pursued by COMESA is integration through both internal and external co-operation. The goal of the project is to foster regional integration among its members as well as their integration into the global economy. However, the COMESA Secretariat and member countries lack institutional and human capacity in the areas of negotiations, trade policy formulation, customs union policy issues and private sector as well as civil society participation in trade policy and regional integration issues.

The project will focus on assisting COMESA and its member states to build capacity in the above areas in order to deepen regional integration among its members as well as their integration into the global economy.

Location:	Lusaka, Zambia
Coverage:	Regional
Project type:	Training
Category of Project:	Regional
Implementing Agency:	COMESA Secretariat
Approval Date:	9 May 2002
Effectiveness Date:	Awaiting effectiveness of Grant Agreement
Duration:	4 years
Project Size:	US\$ 1,616,000
ACBF's share of Funding:	US\$ 1,500,000
Co-financing:	US\$ 116,000 (COMESA's internal resources)
Closing Date:	28 February 2007

#### 3. Macroeconomic and Financial Management Institute (MEFMI), Phase II

On 10 May 2002, the Executive Board approved a grant of US\$ 2,500,000 to the Macroeconomic and Financial Management Institute (MEFMI) to help finance the second phase of its operations. In approving the grant, the Executive Board: (i) noted the large increase in member-state contributions compared to the previous phase, which signaled the potential chance of sustainability of the project; (ii) recommended that stronger linkages should be established between MEFMI and national as well as regional institutions involved in the same range of activities; and (iii) requested that MEFMI should track trainees and assess their impact on macroeconomic and financial management systems.

The principal purpose of MEFMI is to improve sustainable human and institutional capacity in critical areas of

macroeconomic and financial management and to foster best practices among member states so as to achieve: (i) the competent and efficient management of public financial systems; (ii) a sound, efficient and stable financial sector; (iii) competent, efficient and effective management of the economy as well as related issues such as poverty reduction strategies and other structural reforms. MEFMI seeks to accomplish these objectives by:

- Organizing customized, highly-applied, needs-based and demand-driven regional and national training programs;
- Conducting demand-driven missions to individual member states to address specific problem areas or on-the-job training peculiar to the client institution, needs assessment updates, situation analyses and data collection; and
- Facilitating the networking of policy makers and other senior officials involved in macroeconomic and financial management in the region.

Location:	Harare, Zimbabwe.
Coverage:	Regional
Project type:	Training
Implementing Agency:	MEFMI
Approval Date:	10 May 2002
Effectiveness Date:	29 June 2002
Duration:	5 years, 2002 - 2006
Project Size:	US\$ 18,343,132
ACBF share of Funding:	US\$ 2,500,000
Co-financing:	US\$ 11,556,000 (Member States) US\$ 4,287,132 (Other Donors)
Closing Date:	9 November 2007

## National Operations

### 4. Centre d'Etudes de Politiques pour le Développement (CEPOD)

In December 2002, the Executive Board approved a grant of US\$ 1,800,000 to the Government of Senegal to help set up the *Centre d'Etudes de Politiques pour le Développement (CEPOD)* – an expanded follow-on from the *Unité de Politique Economique (UPE)* project Secretariat. CEPOD is designed as an expanded version of UPE. It aims to consolidate the strides made by UPE in building capacity in economic policy analysis and formulation. UPE has not entirely filled the economic policy analysis formulation capacity gaps in the Government of Senegal. It has mainly served the Ministry of Economic Affairs and Finance for which it has become an advisory unit.

Location:	Dakar, Senegal
Coverage:	National
Project type:	Policy Unit
Category of Project:	Government
Implementing Agency:	Ministry of Finance
Approval Date:	4 December 2002
Effectiveness Date:	Awaiting negotiation of Grant Agreement
Duration:	4 years
Project Size:	US\$ 4,198,562
ACBF share of Funding:	US\$ 1,800,000
Co-financing:	CEPOD (US\$ 1,348,562); Government of Senegal (US\$650,000)

### 5. Economic Policy Management (EPM) Programs (Phase II)

The Africa-based version of the Economic Policy Management (EPM) Training Program was approved by the Executive Board in November 1997 with the main goal to improve the efficiency of the public sector in the four sub-regions covered by the programs through enhancement of capacity for economic policy analysis and management. In order to achieve this goal, the program will: (i) strengthen the institutional and human capacity of EPMs to offer graduate –level programs in economic policy management; and (ii) train a critical mass of African professional policy advisors and managers with the required skills and managerial training.

The four operations were designed such that, in each cohort, there would be 30 students for a total of four cohorts during the life span of each project. At the end of 14 months of coursework and 4 months of internship (at EPM – Ghana and EPM-Makerere) and 12 months and 3 months of internship (at EPM – Abidjan and EPM – Yaounde), preferably abroad, successful candidates are awarded a Master's degree in Economic Policy Management. In the selection of students, priority is given to policy practitioners who have had three to four years of experience in government, state corporations or non-government organizations (NGOs).

In December 2002, the Executive Board approved a grant of US\$ 2,000,000 to each of the EPM programs in Cameroon, Côte d'Ivoire, Ghana and Uganda.

#### 5.1. Economic Policy Management (EPM) Program – Cameroon

Location:	Yaounde, Cameroun
Coverage:	National/with a regional coverage
Project type:	Training

Category of Project: Economic Policy Management  
 Implementing Agency: University of Yaounde II  
 Approval Date: 4 December 2002  
 Effectiveness Date: Awaiting negotiation and signing of Grant Agreement  
 Duration: 4 years  
 Project Size: US\$ 2,762,451  
 ACBF share of Funding: US\$ 2,000,000  
 Co-financing: Government of Cameroon  
 Closing date: To be determined

## 5.2. Economic Policy Management (EPM) Program – Côte d'Ivoire

Location: Abidjan, Côte d'Ivoire  
 Coverage: National/with regional coverage  
 Project type: Training  
 Category of Project: Economic Policy Management  
 Implementing Agency: University of Cocody  
 Approval Date: 4 December 2002  
 Effectiveness Date: Awaiting negotiation and signing of Grant Agreement  
 Duration: 4 years  
 Project Size: US\$ 2,580,167  
 ACBF share of Funding: US\$ 2,000,000  
 Co-financing: Government of Côte d'Ivoire  
 Closing Date: To be determined

## 5.3. Economic Policy Management (EPM) Program – Ghana

Location: Legon, Ghana  
 Coverage: National/with a regional coverage  
 Project type: Training  
 Category of Project: Economic Policy Management  
 Implementing Agency: University of Ghana at Legon  
 Approval Date: 4 December 2002  
 Effectiveness Date: Awaiting negotiation and signing of Grant Agreement  
 Duration: 4 years  
 Project Size: US\$ 2,961,888  
 ACBF share of Funding: US\$ 2,000,000  
 Co-financing: Government of Ghana  
 Closing Date: To be determined

## 5.4. Economic Policy Management (EPM) Program – UGANDA

Location: Kampala, Uganda

Coverage: National/with regional coverage  
 Project type: Training  
 Category of Project: Economic Policy Management  
 Implementing Agency: Makerere University  
 Approval Date: 4 December 2002  
 Effectiveness Date: Awaiting negotiation and signing of Grant Agreement  
 Duration: 4 years  
 Project Size: US\$ 3,152,717  
 ACBF share of Funding: US\$ 2,000,000  
 Co-financing: Government of Uganda  
 Closing date: To be determined

## 6. Institut de Développement Economique (IDEC), Burundi (Phase II)

In May 2002, the Executive Board approved a grant of US\$ 2,000,000 to IDEC Burundi for a second phase. The policy unit focuses on building national capacity in economic analysis and formulation. Phase I strengthened the institutional and human capacity of IDEC and enhanced its capacity to undertake and coordinate applied research in economic policy analysis and formulation on issues related to poverty reduction in Burundi. IDEC is thus poised to continue, over the second phase, to build and strengthen Burundi's human capacity in the public sector through training in economic policy analysis, formulation and management.

Location: Burundi  
 Coverage: National  
 Project type: Policy Unit  
 Category of Project: Semi-autonomous  
 Implementing Agency: IDEC  
 Approval Date: 9 May 2002  
 Effectiveness Date: 30 August 2002  
 Duration: 4 years  
 Project Size: US\$ 3,688,089  
 ACBF share of Funding: US\$ 2,000,000  
 Co-financing: US\$ 1,300,000 (UNDP, The World Bank)  
 Government of Burundi: US\$ 362,800  
 Closing Date: 31 December 2006

## 7. Institute for Democratic Governance Interface Capacity Building Project (IDEG – CAP)

In December 2002, the Executive Board approved a grant of US\$ 1,500,000 to support the Institute for Democratic Governance (IDEG) in respect of an interface capacity-building project targeted at benefiting non-state actors (civil society and the private sector). IDEG – CAP aims principally at

strengthening the interface between the state and non-state actors in Ghana. The main objectives of the project are to: (a) strengthen the human and institutional capacity of IDEG; (b) develop processes for establishing a formal and sustainable framework within which civil society and private sector will interface effectively with the State on policy issues; (c) provide alternative policy options to inform debates and decisions on public policy choices; and (d) upgrade the skills and knowledge of non-state actors to professionalize their voices, actions and interventions in public policy processes and in their partnership with the state.

Location:	Accra, Ghana.
Coverage:	National
Project type:	Policy Unit
Category of Project:	Interface
Implementing Agency:	IDEG-CAP
Approval Date:	4 December 2002
Effectiveness Date:	Awaiting negotiation and signing of Grant Agreement
Duration:	4 years
Project Size:	US\$ 2,548,959
ACBF share of Funding:	US\$ 1,500,000
Co-financing:	To be announced
Closing Date:	To be determined

## 8. Lesotho Macroeconomic Management project (LMMP)

In May 2002, the Executive Board approved a grant of US\$ 1,396,000 to the Government of Lesotho to support the Lesotho Macroeconomic Management Project. The project addresses the following:

- The weak human and institutional capacity in the core economic management agencies, which impede their capacity to help reduce poverty in Lesotho,
- The lack of public expenditure management systems capable of tracking reduction measures and other focused development expenditure; and
- Inadequate management of information systems to efficiently collect, store, retrieve and disseminate socio-economic and other poverty-specific data and other information.

Location	:	Lesotho
Coverage	:	National
Project type	:	Training
Category of Project	:	Government
Implementing Agency:		Ministry of Finance
Approval Date	:	9 May 2002
Effectiveness Date	:	4 years
Project Size	:	US\$ 1,550,000
ACBF share of Funding:		US\$ 1,396,000
Co-financing	:	US\$ 155,375 (Government of Lesotho)
Closing Date	:	31 May 2007

## A.2 Grant Agreements Negotiated and Signed in 2002

Title of Operation	Date of Executive Board Approval	Date of Signature of Grant Agreement	ACBF Grant US\$
IPAR II, Kenya	1 December 2000	20 February 2002	1 500 000
SENAREC - CAR	1 December 2000	22 May 2002	50 000
MACROFOR, Congo (DRC)	6 December 2001	3 June 2002	1 598 164
IDEC II, Burundi	9 May 2002	4 June 2002	2 000 000
GICAP, Gambia	6 December 2001	23 June 2002	850 000
MEFMI Phase II, Regional	10 May 2002	29 June 2002	2 500 000
DRC Benin, Benin	6 December 2001	25 July 2002	50 000
SENAREC, Guinea Bissau	6 December 2001	31 July 2002	50 000
CAMERCAP, Cameroon	5 April 2001	25 July 2002	1 708 850
SENAREC, Burundi	2 December 2000	25 May 2002	50 000
NGO COUNCIL, Kenya	1 December 2001	28 August 2002	850 000
COMESA, Zambia	9 May 2002	30 August 2002	1 500 000
EDRI, Ethiopia	6 December 2001	10 September 2002	1 500 000
CAPED, Niger	1 December 2000	20 September 2002	1 500 000
AERC-CMAP, Kenya	9 May 2002	22 October 2002	2 000 000
LMMP, Lesotho	9 May 2002	19 November 2002	1 396 000
NFP, Lesotho	9 May 2002	19 November 2002	50 000
CREAM, Madagascar	24 November 1999	18 December 2002	1 721 270
PARP, Nigeria	1 December 2000	20 December 2002	2 000 000
SENAREC, Togo	6 December 2001	31 December 2002	50 000



**Annex A.3 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 Programs and Beneficiaries		Policy Studies, Research and Consultancies					Advisory Services to Gov't 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 other sectors	Research Completed	Publica. Dissem.		
1. AERC (CMAP)	Mar-93	29 Depts. of Econ	213	1013			3	1013							7
2. AIPA	Nov-94	1			16										
3. AMICALL	Sept-01	11				2	1	2				1	1	2	1
4. BCEAO/BEAC (MACRO)	Feb-96	2			141	17		622							
5. BEAC/BCEAO (DEBT)	Sept-01							212						5	
6. BIDPA	May-95	5	5	10	40	13	25	1862	104	86	46	107	106	27	10
7. CAFPD	Nov-97	1			43		178		92	14	4	16	9		
8. CAPAN	Jul-02														
9. CAPE	Feb-98	1					195	134		10	6	13	13		6
10. CAPED	Dec-02														
11. CAPES	Aug-03														
12. CCDB	Jul-01	1			6										
13. CEMAC	Jun-02							1							
14. CEPA	Jan-94	1						130	23		22	102	76		
15. CERDI	Nov-94			16		10									
16. CESAG	Aug-01														
17. CIRES-CAPEC	Nov-93	1						104		8		56	35		25
18. CEPEC	Nov-93	1					297	132	34	24	5	19	23		
19. Consumers International	Oct-01	6				6		41				13	16	4	2
20. CSD	Apr-01			1		5		6							1
21. DMPA	Feb-96	2		21		4	272	127	40			5	3		
22. DPC	Feb-94	1					300	500	378	4	4	40	17		
23. ECOWAS	Jul-02														
24. EEA	May-01							7.5	19		20	26	25		
25. EMPAC	May-97	1				92	11								
26. EPRC	Jul-93	1	2	12	58	44		876	38	25	7	84	49	5	6
27. EPM-Cameroon	Sept-99			87											
28. EPM-Côte d'Ivoire	Nov-99			87											
29. EPM-Ghana	Sept-00			80											
30. EPM-Uganda	Oct-00			96											
31. ESAIDARM/ MEFMI	Sept-94	28				94		4181	34			23	8	1	4
32. ESRF	Mar-94	1				15	2	812	16	58	112	71	64	111	3

**Annex A.3 Summary of Outputs of ACBF-funded Operations (continued)**

TITLE OF PROJECT OR PROGRAM	Effective Date of Commencement	Number of Institutions Strengthened	Beneficiaries of Training				Number of Training Programs and Beneficiaries			Policy Studies, Research and Consultancies				Advisory Services to Gov't 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 Other Sectors	Research Completed	Publica. Dissem.		
33. GICAP	Jun-02														
34. IDEC	Jun-95	13	4	2		11		272		21	18	38	125	7	4
35. IEF	July-01														
36. IPAR	May-95	1				20		221	85	3	31	33	26		
37. KIPPRA	May-98	-						30				15	34		
38. MACROFOR	Aug-02	5					123	2	1						
39. McGill	Nov-94			14		5									19
40. NCBP (PFMR)	Apr-02	2													
41. NCEMA	June-94	1				17	2213	134					43		
42. NCSGO	Aug-02														
43. NEC	Sept-01	10		2	1	4	34	10		3			5	8	5
44. NECF	June-02														
45. NEPRU	Mar-95	1	4	14		13	229	113	203	85	31	75	229	2	
46. NGOCC	Apr-01							9							
47. NIEP	Jul-00	7				3	3	72	7		2	9		2	
48. PASU	Jan-94	1					3	150	133		14	10	3	1	
49. PDTPE	May-93	4	7	24		15		507				13	4		6
50. PRECAGEF	Apr-01	4			6										16
51. PRECASP	May-01	7		2				4							4
52. PRIECA/AO	Feb-01														
53. PRIESP	Jan-01														
54. PROFESS	Jun-01	15					2								5
55. PSCGT	Oct -01						786								
56. PNRC - CAF	Nov-01														
57. PNRC - CMAP	Dec-01														
58. PTCI	Sept-94	13 Depts. of Econ		665				37	36						12
59. SANGOCO	Sept-01	3				300		25	1			2	7	2	1
60. SARIPS	June-01			27		1	327	3	430	3	10	2	96		
61. UNAM-MPPA	May-01			19											
62. UPE/CEPOD	Jul-94	1						213	327	84	15	145	12	21	
63. WAIFEM	Oct-00														
<b>Cumulative 2002</b>			<b>235</b>	<b>2171</b>	<b>311</b>	<b>357</b>	<b>4188</b>	<b>12498</b>	<b>1958</b>	<b>422</b>	<b>287</b>	<b>799</b>	<b>993</b>	<b>188</b>	<b>136</b>
<b>Cumulative 2001</b>			<b>55</b>	<b>1805</b>	<b>281</b>	<b>333</b>	<b>3239</b>	<b>10005</b>	<b>1811</b>	<b>384</b>	<b>264</b>	<b>730</b>	<b>686</b>	<b>153</b>	<b>96</b>
<b>Cumulative 2000</b>			<b>33</b>	<b>1651</b>	<b>223</b>	<b>292</b>	<b>2056</b>	<b>9017</b>	<b>1628</b>	<b>321</b>	<b>253</b>	<b>682</b>	<b>577</b>	<b>143</b>	<b>74</b>

## Annex A.4 Basic Data on ACBF-funded Projects and Programs

Classification of Projects and Programs	Approval Date	Effectiveness Date	Closing Date	Amount of Grant \$'000
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### Public Sector Operations

#### A.1 Economic Policy Analysis and Management

1.	BIDPA II	04/2001	01/2002	05/2006	1,500
2.	CAFPD	04/95	11/97	06/2003	1,600
3.	CAMERCAP	04/2001	Awaiting Effectiveness	01/2007	1,708
4.	CAPE	03/95	01/98	06/2003	1,500
5.	CAPED	12/2000	Awaiting Effectiveness	03/2007	1,500
6.	CAPE	03/97	08/2001	03/2005	1,600
7.	CEPA II	04/2001	08/2001	12/06	1,700
8.	CEPOD	12/2002	Awaiting	Negotiation	1,800
9.	CIRES-CAPEC II	05/2000	11/2001	4/2006	1,754
10.	CEPEC II	11/99	5/2001	03/2005	1,500
11.	CREAM	11/99	Awaiting Effectiveness	06/2007	1,721
12.	DMPA	05/95	02/96	12/2002	1,700
13.	DPC II	12/2000	8/2001	11/2005	1,442
14.	EEA	05/2000	5/2001	04/2006	1,030
15.	EDRI	12/2001	Awaiting Effectiveness	03/2007	1,500
16.	EPRC II	05/98	05/98	05/2003	2,000
17.	ESRF II	05/98	06/99	06/2003	2,000
18.	IDEC II	05/2002	06/2002	12/2006	2,000
19.	IPAR II	12/2000	03/2002	08/2006	1,500
20.	KIPPRA	04/95	05/98	03/2003	1,630
21.	LIMPAC	11/98	Awaiting	Negotiation	1,800
22.	NEPRU II	12/2000	05/2001	11/2005	2,000
23.	PRECASP	12/2000	05/2001	10/05	1,100
24.	NIEP	11/98	7/2000	07/2004	2,000
25.	PNRC-CAF	12/2000	11/2001	02/06	1,300
26.	PNRC-CMAP	12/2000	02/2001	03/2006	1,200
27.	UPE	04/93	07/94	04/2002	1,912
28.	ZEPARU	12/2000	Awaiting Effectiveness	4/2006	1,500

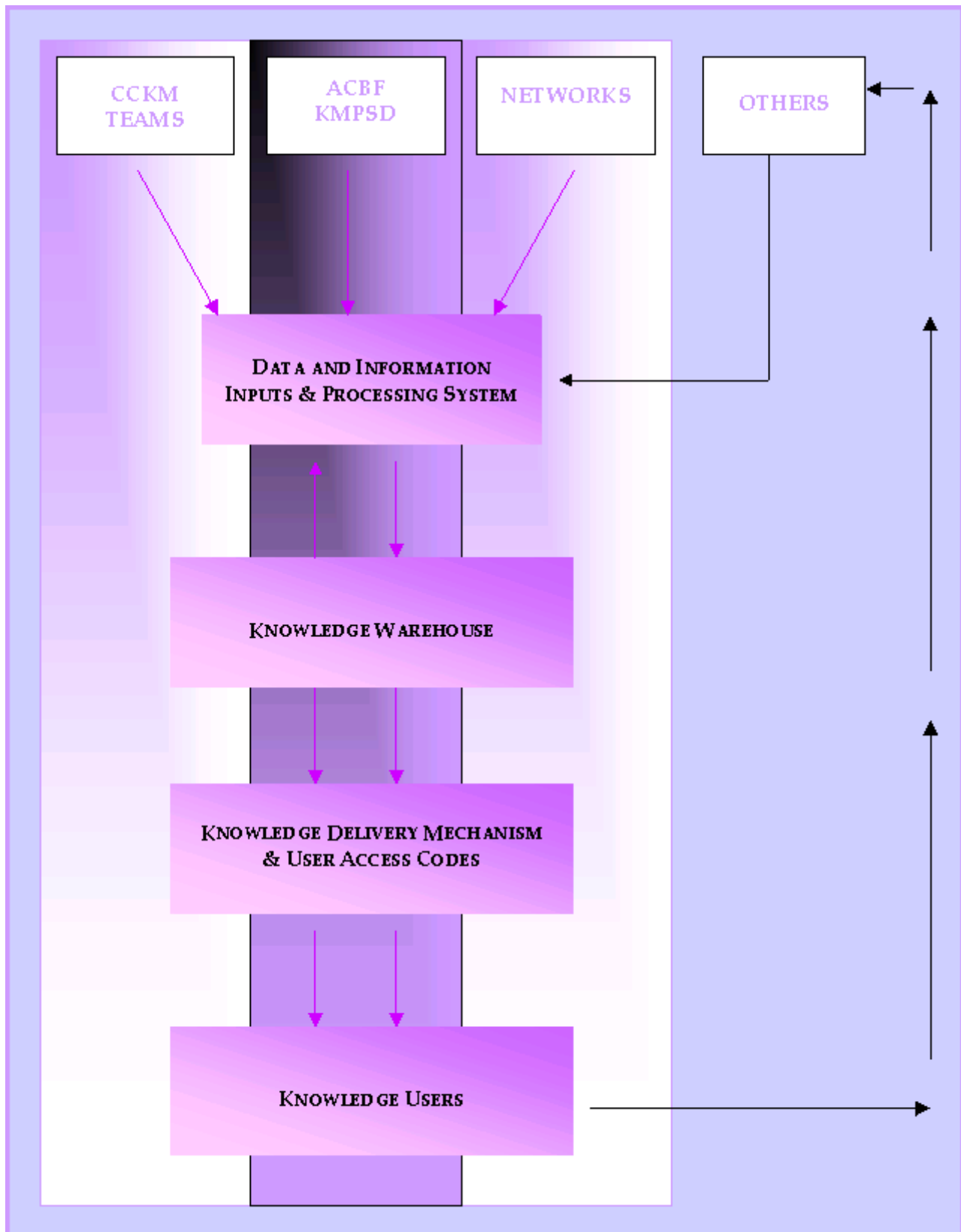
#### A.2 Public Sector Economic and Financial Management Training Programs

1.	AERC III	4/2001	6/2001	12/2005	3,000
2.	AERC-Ph.D.	05/2002	10/2002	04/2008	2,000
3.	CESAG	12/2000	8/2001	4/2006	1,500
4.	EMPAC	04/95	05/97	04/2001	1,410
5.	EPM II – CAMEROON	12/2002	Awaiting	Negotiation	2,000
6.	EPM II – COTE d'IVOIRE	12/2002	Awaiting	Negotiation	2,000
7.	EPM II– GHANA	12/2002	Awaiting	Negotiation	2,000
8.	EPM II– UGANDA	12/2002	Awaiting	Negotiation	2,000
9.	MACROFOR	12/2001	08/2002	12/2006	1,598
10.	NCEMA II	11/98	07/99	12/2003	997
11.	PTCII	12/2000	12/01	06/2007	4,000
12.	SARIPS	05/2000	06/2001	04/2004	1,500
13.	PROFESS	04/2001	06/2001	12/2005	1,157
14.	UNAM	05/2000	05/2001	04/2006	850
15.	LMMP	5/2002	Awaiting Effectiveness	5/2007	1,396

## Annex A.4 Basic Data on ACBF-funded Projects and Programs (continued)

Classification of Projects and Programs	Approval Date	Effectiveness Date	Closing Date	Amount of Grant \$'000
<b>A.3 Financial Management and Accountability</b>				
1. NCBP (PFMR)	12/2000	04/2002	12/2006	3,000
2. PRECAGEF	05/2000	4/2001	05/2005	1,422
3. CCDB	04/2001	7/2001	01/2005	1,091
<b>A.4 Strengthening Policy Analysis Capacity of National Parliament</b>				
1. CAPAN	05/2000	07/2002	8/2005	1,600
2. PARP	12/2000	Awaiting Effectiveness	06/2007	2,000
3. PSU	05/2000	Awaiting	Negotiation	2,000
<b>A.5 Regional Organizations</b>				
1. ACBF/ILO	05/2000	Awaiting	Negotiation	2,000
2. BCEAO/BEAC (MACRO) II	12/2000	08/2001	11/2004	1,740
3. BEAC/BCEAO (DEBT)	11/99	9/2001	4/2004	1,650
4. CEMAC	12/2000	06/2002	5/2006	1,000
5. ECOWAS	05/2000	05/2002	2/2006	2,000
6. IEF	12/2000	07/2002	5/2006	3,000
7. MEFMI	11/96	02/98	01/2003	2,900
8. PASU II	12/2000	12/2000	06/2005	3,000
9. WAIFEM	5/2000	9/2000	04/2005	2,519
<b>B. Public Sector - Private Sector – Civil Society Interface Operations</b>				
<b>B.1 National Institutions</b>				
1. CSD-PSF	5/2000	04/2001	4/2004	1,335
2. GICAP	12/2001	06/2002	12/2006	850
3. NEC	12/2000	09/2001	12/2004	1,500
4. NECF	12/2000	06/2002	04/2006	2,000
5. NGOCC	5/2000	04/2001	04/2004	1,384
6. NGO Council	12/2001	08/2002	02/2007	850
7. PRIESP	5/2000	01/2001	03/2005	723
8. PSCGT	5/2000	10/2001	12/2005	1,000
9. SANGOCO	5/2000	9/2001	12/2004	1,000
10. IDEG-GAP	12/2002	Awaiting	Negotiation	1,500
<b>B.2 Regional Organizations</b>				
1. PRIECA/AO	12/2000	2/2001	7/2005	1,431
2. CONSUMERS INT.	5/2000	10/2001	12/2005	1,000
<b>C. Special Interventions</b>				
1. AMICAALL	05/2000	09/2001	12/2005	1,000
<b>D. National Focal Point</b>				
20 Countries	05/2000 and 12/2000	Dates	Vary	0,050 per NFP
6 Countries	12/2001	Dates	Vary	0,050 per NFP

**A. 5 ACBF Knowledge Management System Flow Chart**



## Annex A.6 List of Key Policy and Program-related Papers Considered by the Board of Governors in 2002

ACBF/PACT PLEDGING CONFERENCE TO FINANCE THE SMTP, 2002 – 2006, 29-30 April 2002	11th ANNUAL MEETING OF THE BOARD OF GOVERNORS, 11-12 November 2002
<ol style="list-style-type: none"> <li>1. Report on New Membership on the ACBF Board of Governors</li> <li>2. Highlights of the Implementation of the Business Plan for FY 2001</li> <li>3. Report on the Organization of the First Pan-African Capacity Building Forum</li> <li>4. Note on Procedures relating to the Pledging Process</li> </ol>	<ol style="list-style-type: none"> <li>1. Minutes of the 10<sup>th</sup> Annual Meeting of 12 June 2001</li> <li>2. Report on the ACBF/PACT Pledging Conference of 29 – 30 April 2002</li> <li>3. ACBF Change Management Process: Progress Report</li> <li>4. Implementation of ACBF Emerging Knowledge Management Strategy: Progress Report</li> <li>5. ACBF-NEPAD Working Relationship: An Update</li> <li>6. Update on the Development of Strategies for Intervention in Post-Conflict Environments and Weak States</li> <li>7. ACBF Emerging Framework for Development of Country Program and Upstream/Strategic Intervention in Capacity Building</li> <li>8. Note on the Outcome of the Bamako Forum: Declaration by the African Union of the Capacity Building Decade in Africa, 2002 – 2011</li> <li>9. Report on the Mobilization of Contributions to Finance the SMTP, 2002 – 2006, including the Memorandum of Understanding relating to the ACBF-PACT Trust Fund</li> <li>10. ACBF Annual Report, 2001</li> <li>11. Paper on Honorary Membership of the African Union on the Board of Governors</li> <li>12. Note on Vacancies on the Executive Board</li> </ol>

## **Annex A.7 List of Key Policy and Program-related Papers Considered by the Executive Board in 2002**

<b>27<sup>th</sup> REGULAR MEETING OF THE EXECUTIVE BOARD 9-10 May 2002</b>	<b>28<sup>th</sup> REGULAR MEETING OF THE EXECUTIVE BOARD 4-5 December 2002</b>
<ol style="list-style-type: none"> <li>1. Minutes of the 26th Regular Meeting of the 4 – 7 December 2001</li> <li>2. Paper on Capacity Building in the Public Sector in Weak States</li> <li>3. Paper on Country Selection Criteria, Strategies and Procedures in the Development of Country Programs</li> <li>4. National Focal Points for Capacity Building: An Assessment of Effectiveness and Potentials- An Inception Report</li> <li>5. ACBF Knowledge Management System: Elements of an Emerging Strategic Framework</li> <li>6. Draft ACBF Annual Report, 2001</li> <li>7. Audited Financial Statements, 2001</li> </ol>	<ol style="list-style-type: none"> <li>1. Minutes of the 26th Regular Meeting of 9 – 10 May 2002</li> <li>2. Terms of Reference of the Operations Committee of the Executive Board</li> <li>3. Terms of Reference of the Finance Committee of the Executive Board</li> <li>4. Draft Status Report on Existing Operations</li> <li>5. Business Plan and Budget for FY 2003</li> <li>6. Report on the Implementation of the Business Plan for FY 2002</li> </ol>

## Annex A.8 Disbursements to ACBF-funded Projects and Programs as at 31 December 2002 (US\$)

Project/Program	Grant Approved	Cumulative Disbursements as at 31/12/02	Cumulative Disbursements as at 31/12/01	Actual Disbursements Jan-Dec 2002	Actual Disbursements Jan-Dec 2001
AERC-CMAP I	5,000,000	5,000,000	5,000,000	0	0
AERC-CMAP II	3,000,000	3,000,000	3,000,000	0	93,938
AERC-CMAP III	3,000,000	1,280,006	250,000	1,030,006	250,000
AERC-Ph.D.	2,000,000	250,000	0	250,000	0
AIPA I	150,000	150,000	150,000	0	0
AIPA II	1,001,730	1,001,730	1,001,730	0	0
AMICAAL	1,060,000	277,543	100,000	177,543	100,000
BCEAO/BEAC I	1,050,000	950,900	950,900	0	0
BCEAO/BEAC II	1,738,857	626,889	200,000	426,889	200,000
BEAC/BCEAO (debt)	1,650,000	872,266	296,749	575,517	296,749
BIDPA I	3,000,000	2,663,329	2,661,558	1,771	238,763
BIDPA II	1,500,000	377,016	0	377,016	0
CAFPD	1,600,000	1,169,533	865,065	304,468	264,398
CAMERCAP	1,708,850	801	0	801	0
CAPAN	1,600,000	262,616	0	262,616	0
CAPE	1,500,000	1,006,096	749,947	256,149	152,320
CAPED	1,500,000	150,000	0	150,000	0
CAPES	1,600,000	483,275	150,000	333,275	150,000
CCDB	1,091,310	405,903	189,845	216,058	189,845
CEMAC	1,000,000	160,386	0	160,386	0
CEPA I	3,500,000	2,854,137	2,854,137	0	98,919
CEPA II	1,700,000	453,582	231,458	222,124	231,458
CEPOD	1,800,000				
CERDI-AUREDI	2,364,000	2,270,456	2,270,456	0	0
CESAG	1,500,000	274,783	100,000	174,783	100,000
CIRES-CAPEC I	1,750,000	1,733,427	1,736,521	-3,094	108,868
CIRES-CAPEC II	1,754,000	240,014	150,000	90,014	150,000
CI-ROAF	1,000,000	303,458	146,140	157,318	146,140
CNPG-CEPEC	1,600,000	1,509,184	1,509,184	0	0
CNPG-CEPEC II	1,500,000	223,665	100,000	123,665	100,000
COMESA	1,500,000	0	0	0	0
CREAM	1,721,270	0	0	0	0
CSD-PSF	1,335,903	628,191	270,066	358,125	270,066
DMPA	1,785,000	1,223,048	1,059,248	163,800	305,563
DPC I	2,845,965	2,742,560	2,742,560	0	188,337
DPC II	1,442,210	222,637	100,000	122,637	100,000
ECOWAS	2,000,000	200,000	0	200,000	0
EDRI	1,500,000	150,000	0	150,000	0
EEA	1,030,000	366,013	175,631	190,382	175,631
EMPAC	1,410,000	501,171	500,071	1,100	110,012
EPM (Cameroon) I	2,000,000	1,612,180	1,140,435	471,745	432,519
EPM (Cameroon) II	2,000,000	0	0	0	
EPM (Côte d'Ivoire) I	2,000,000	1,790,140	1,138,314	651,826	470,451
EPM (Côte d'Ivoire) I	2,000,000	0	0	0	
EPM (Ghana) I	2,000,000	1,590,036	1,101,236	488,800	342,313
EPM (Ghana) II	2,000,000	0	0	0	
EPM (Uganda) I	2,000,000	1,837,890	1,316,011	521,879	440,987
EPM (Uganda) II	2,000,000	0	0	0	0
EPRC I	1,500,000	1,412,911	1,412,911	0	0
EPRC II	2,000,000	1,632,315	1,126,818	505,497	311,342
ESAIDARM	2,000,000	2,000,000	2,000,000	0	0

**Annex A.8 Disbursements to ACBF-funded Projects and Programs as at 31 December 2002 (US\$)**  
(continued)

<b>Project/Program</b>	<b>Grant Approved</b>	<b>Cumulative Disbursements as at 31/12/02</b>	<b>Cumulative Disbursements as at 31/12/01</b>	<b>Actual Disbursements Jan-Dec 2002</b>	<b>Actual Disbursements Jan-Dec 2001</b>
ESRF I	1,700,000	1,577,113	1,577,113	0	0
ESRF II	2,000,000	1,728,146	1,194,994	533,152	414,318
IDEC	2,000,000	1,741,521	1,523,576	217,945	360,347
IDEC II	2,000,000	217,326	0	217,326	
IDEG	1,500,000	0	0	0	
IEF	3,000,000	200,000	0	200,000	0
ILO	1,500,000	0	0	0	0
IPAR I	2,525,000	2,530,806	2,530,806	0	329,145
IPAR II	1,500,000	552,042	0	552,042	0
KIPPRA	1,630,000	1,457,077	978,873	478,204	477,302
LIMPAC	1,800,000	-	0	0	0
LMMP	1,396,000	-	0	0	0
MACROFOR	1,598,164	100,000	0	100,000	0
McGILL	2,136,000	1,788,135	1,788,135	0	0
MEFMI	2,900,000	2,900,000	2,900,000	0	546,898
MEFMI - II	2,500,000	503,829	-	503,829	-
NC-NGO	850,000	100,000	0	100,000	0
NCBP (PFMR)	3,000,000	250,750	0	250,750	0
NEC	1,500,000	602,219	100,000	502,219	100,000
NECF	2,000,000	195,507	0	195,507	0
NCEMA I	990,000	990,000	990,000	0	0
NCEMA II	997,940	814,794	732,556	82,238	242,532
NEPRU I	2,400,000	2,399,566	2,399,566	0	-3
NEPRU II	2,000,000	721,519	521,603	199,916	521,603
NGOCC	1,384,980	308,251	204,468	103,783	204,468
NIEP	2,000,000	1,152,231	907,519	244,712	506,845
OAU-PASU I	3,000,000	3,002,676	3,002,676	0	-1
OAU-PASU II	3,000,000	995,374	362,730	632,644	362,730
PARP	2,000,000	0	0	0	0
PDTPE	2,000,000	1,901,512	1,901,512	0	9,187
PNRC-CAF	1,300,000	200,000	0	200,000	0
PNRN - CMAP	1,200,000	361,446	0	361,446	0
PRECAGEF	1,422,850	188,370	100,000	88,370	100,000
PRECASP	1,100,000	348,718	100,000	248,718	100,000
PRIECA/AO	1,431,594	844,811	453,460	391,351	453,460
PRIESP	723,330	443,155	241,236	201,919	241,236
PROFESS	1,157,090	288,613	100,000	188,613	100,000
PSCGT	1,000,000	450,265	195,615	254,650	195,615
PSU	1,859,100	0	0	0	0
PTCI I	5,000,000	4,830,797	4,830,643	154	0
PTCI II	4,000,000	1,130,460	500,000	630,460	500,000
GICAP	850,000	100,000	0	100,000	0
SANGOCO	1,200,000	418,146	201,542	216,604	201,542
SARIPS	1,500,000	297,609	297,609	0	197,609

**Annex A.8 Disbursements to ACBF-funded Projects and Programs as at 31 December 2002 (US\$)**  
(continued)

<b>Project/Program</b>	<b>Grant Approved</b>	<b>Cumulative Disbursements as at 31/12/02</b>	<b>Cumulative Disbursements as at 31/12/01</b>	<b>Actual Disbursements Jan-Dec 2002</b>	<b>Actual Disbursements Jan-Dec 2001</b>
UNAM-MPPA	850,000	456,929	234,116	222,813	234,116
UPE	1,912,200	1,579,013	1,351,473	227,540	123,423
WAIFEM	2,519,000	946,078	650,670	295,408	348,142
ZEPARU	1,500,000	0	0	0	0
NFP (11)	550,000	353,629	157,834	195,795	157,834
NFP (9)	450,000	0	0	0	0
NFP (6)	301,200	0	0	0	0
SAFEWIND	300,000	-	-	-	-
	<b>183,223,543</b>	<b>89,828,519</b>	<b>71,787,111</b>	<b>18,041,410</b>	<b>13,046,967</b>

## Annex A.9 Financing Status of ACBF-funded Projects and Programs as at 31 December 2002

Cost	Total Share	ACBF's Financing	Govt./Own Co-financing	Pledged Deficit	Financing Deficit 2002	Financing 2001
	1	2	3	4	5	6
AERC-CMAP I	15,583,700	5,000,000	-	10,583,700	-	-
AERC-CMAP II	12,267,124	3,000,000	-	9,267,124	-	-
AERC-CMAP III	12,998,991	3,000,000	-	9,998,991	-	-
AERC-PhD	9,231,882	2,000,000	-	-	7,231,882	-
AIPA I	150,000	150,000	-	-	-	-
AIPA II*	7,573,000	1,001,730	843,000	-	6,571,270	6,571,270
AMICAAL	4,318,250	1,060,000	1,612,000	510,000	1,905,250	1,905,250
BCEAO/BEAC I	3,570,000	1,050,000	-	908,000	-	-
BCEAO/BEAC II	4,347,142	1,738,857	-	2,608,285	-	-
BEAC/BCEAO (debt)	5,468,908	1,650,000	3,000,000	3,818,908	-	-
BIDPA I	10,000,000	3,000,000	9,170,389	4,000,000	-	(3,833,367)
BIDPA II	10,670,389	1,500,000	230,000	-	-	48,422
CAFPD	2,880,000	1,600,000	-	1,050,000	-	-
CAMERCAP	2,173,850	1,708,850	259,980	465,000	-	-
CAPE	2,619,760	1,500,000	-	195,600	664,180	664,180
CAPED	2,950,605	1,500,000	321,526	-	1,450,605	1,450,605
CAPEX	3,215,256	1,600,000	-	1,293,730	-	-
CCDB	1,091,310	1,091,310	-	-	-	-
CEMAC	1,000,000	1,000,000	-	-	-	-
CEPA I	6,068,000	3,500,000	1,000,000	2,568,000	-	-
CEPA II	4,756,000	1,700,000	1,050,000	2,056,000	-	-
CEPOD	4,198,562	1,800,000	-	900,000	448,562	-
CERDI-AUREDI	6,867,000	2,364,000	-	1,539,000	2,964,000	2,964,000
CESAG	3,379,500	1,500,000	-	-	1,879,500	1,879,500
CI	4,000,000	1,000,000	-	3,000,000	-	-
CIRES-CAPEC I	1,750,000	1,750,000	438,500	-	-	-
CIRES - CAPEC II	2,192,500	1,754,000	596,594	-	-	-
CNPG-CEPEC	2,196,594	1,600,000	244,165	-	-	-
CNPG-CEPEC II	2,440,658	1,500,000	136,000	118,800	577,693	577,693
COMESA	1,616,000	1,500,000	116,000	-	-	-
CREAM	2,371,270	1,721,270	6,179,360	-	650,000	650,000
CSD	29,084,709	1,335,903	1,270,989	15,374,563	6,194,883	6,194,883
DMPA	3,951,000	1,785,000	1,000,000	990,000	(94,989)	(26,600)
DPC I	4,335,000	2,845,965	755,072	489,035	-	-
DPC II	3,599,415	1,442,210	640,000	1,402,183	(50)	(50)
ECOWAS	3,800,000	2,000,000	1,244,000	1,676,596	(516,596)	(516,596)
EDRI	3,244,000	1,500,000	864,709	500,000	-	1,744,000
EEA	1,894,709	1,030,000	258,500	480,000	(480,000)	(480,000)
EMPAC	2,350,000	1,410,000	-	681,500	-	-
EPM (Cameroon) I	3,009,705	2,000,000	-	1,100,000	(90,295)	(90,295)
EPM (Cameroon) II	2,762,451	2,000,000	-	-	762,451	-
EPM (Côte d'Ivoire) I	2,990,836	2,000,000	-	970,000	20,836	20,836
EPM (Côte d'Ivoire) II	2,580,167	2,000,000	-	-	580,167	-
EPM (Ghana) I	3,278,794	2,000,000	-	1,379,000	(100,206)	(100,206)
EPM (Ghana) II	2,961,888	2,000,000	-	-	961,888	-
EPM (Uganda) I	3,161,640	2,000,000	-	1,161,000	640	640
EPM (Uganda) II	3,152,717	2,000,000	491,290	-	1,152,717	-
EPRC I	1,821,537	1,500,000	1,220,573	-	(169,753)	(169,753)
EPRC II	4,690,798	2,000,000	2,074,435	1,439,459	30,766	30,766
ESAIDARM	8,000,000	2,000,000	695,401	3,925,565	-	-
ESRF I	4,208,000	1,700,000	1,920,000	-	1,812,599	1,812,599
ESRF II	5,400,000	2,000,000	82,650	480,000	1,000,000	1,000,000
IDEC I	2,861,280	2,000,000	362,800	-	778,630	778,630
IDEC II	3,688,089	2,000,000	390,000	-	1,325,289	-
IDEG-CAP	2,548,959	1,500,000	2,453,697	360,000	298,959	-
IEF	13,725,212	3,000,000	-	8,271,515	-	-
ACBF-ILO	1,500,000	1,500,000	-	-	-	-
IPAR	5,033,000	2,525,000	-	2,508,600	(600)	(600)
IPAR II	4,000,000	1,500,000	-	1,787,130	712,870	712,870
	<b>287,580,157</b>	<b>108,414,095</b>	<b>40,921,630</b>	<b>99,857,284</b>	<b>38,523,148</b>	<b>23,788,677</b>

## Annex A.9 Financing Status of ACBF Projects and Programs as at 31 December 2002

	Total Cost	ACBF's Share	Govt./Own Financing	Pledged Co-financing	Financing Deficit 2002	Financing Deficit 2001
	1	2	3	4	5	6
KIPPRA	5,312,000	1,630,000	1,182,000	2,500,000	-	-
LIMPAC	2,174,293	1,800,000	-	-	374,293	374,293
LMMP	1,550,000	1,396,000	-	-	154,000	-
MACROFOR	1,598,164	1,598,164	-	-	-	-
McGILL	7,936,000	2,136,000	886,000	4,914,000	-	-
MEFMI I	25,000,000	2,900,000	-	22,100,000	-	-
MEFMI II	18,343,132	2,500,000	11,556,000	10,055,000	(5,767,868)	-
National Council of Non-Governmental	1,996,342	850,000	-	1,299,143	(152,801)	1,146,342
NCBP (PFMR)	7,106,100	3,000,000	-	-	4,106,100	4,106,100
NEC	3,000,000	1,500,000	350,000	1,150,000	-	-
NECF	6,697,845	2,000,000	-	-	4,697,845	4,697,845
NCEMA I	989,879	990,000	-	-	(121)	(121)
NCEMA II	2,102,070	997,940	817,002	287,128	-	-
NEPRU I	3,665,000	2,400,000	1,265,000	-	-	-
NEPRU II	5,602,880	2,000,000	2,610,304	992,576	-	-
NGOCC	1,384,980	1,384,980	-	-	-	-
NIEP	5,565,044	2,000,000	1,817,869	1,747,175	-	-
OAU/EDECO/PASU I	3,000,000	3,000,000	-	-	-	-
OAU/ECECO/PASU II	7,709,074	3,000,000	4,709,074	-	-	-
PARP	3,536,925	2,000,000	-	-	1,536,925	1,536,925
PDTPE	2,000,000	2,000,000	-	-	-	-
PNRC - CAF	1,682,340	1,300,000	-	382,340	-	-
PNRN - CMAP	1,845,360	1,200,000	207,960	50,000	387,400	387,400
PRECAGEF	1,422,850	1,422,850	-	-	-	-
PRECASP	1,100,000	1,100,000	-	-	-	-
PRIECA/AO	3,346,154	1,431,594	-	-	1,914,560	1,914,560
PRIESP	901,365	723,330	78,035	100,000	-	-
PROFESS	1,538,450	1,157,090	1,293,790	-	(912,430)	(912,430)
PSCGT	9,090,858	1,000,000	-	2,090,858	6,000,000	6,000,000
PSU	3,164,500	1,859,100	-	1,164,500	140,900	140,900
PTCI I	12,400,000	5,000,000	-	4,789,800	2,610,200	2,610,200
PTCI II	12,742,365	4,000,000	-	1,400,000	7,342,365	7,342,365
Public Sector, Private Sector	970,725	850,000	120,725	-	-	-
SANGOCO	5,455,317	1,200,000	2,201,561	2,053,756	-	-
SARIPS	11,516,642	1,500,000	-	8,488,163	1,568,479	1,568,479
UNAM MPPA	1,986,700	850,000	1,136,700	-	-	-
CAPAN	2,860,463	1,600,000	-	-	1,260,463	1,260,463
UPE	2,961,000	1,912,200	194,400	854,400	-	-
WAIFEM	12,610,269	2,519,000	-	5,015,470	5,075,799	5,075,799
ZEPARU	5,500,000	1,500,000	4,000,000	-	-	-
NFP (26)	1,301,200	1,301,200	-	-	-	-
<b>SAFEWIND</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>498,546,443</b>	<b>183,223,543</b>	<b>75,348,050</b>	<b>171,251,593</b>	<b>68,859,257</b>	<b>61,037,797</b>

## Annex A.10 Status of Pledges and Contributions by Donors as at 31 December 2002 – Phase I

Country/ Organization	Trust Fund 1	Trust Fund 2	Trust Fund 1	Trust Fund 2	USD (million)	USD (million)	Status
Af D B	6.000	-	6.053	-	0.053	-	Fully Paid
Austria	0.400	-	0.377	-	(0.023)	-	Fully Paid
Botswana	0.250	-	0.250	-	-	-	Fully Paid
Cameroon	0.250	-	0.171	-	-	0.079	O/S Balance
Canada	1.500	1.500	1.500	1.500	0.003	-	Fully Paid
Côte d'Ivoire	0.250	-	0.250	-	-	-	Fully Paid
DRC	0.250	-	-	-	-	0.250	
Denmark	4.000	-	3.951	-	(0.049)	-	Fully Paid
Finland	5.000	-	4.698	-	(0.302)	-	Fully Paid
France	10.000	-	4.477	-	(0.523)	5.000	
Ghana	0.250	-	-	-	-	0.250	
Kenya	0.250	-	0.250	-	-	-	Fully Paid
Mali	0.250	-	0.250	-	-	-	Fully Paid
Mauritius	0.250	-	-	-	-	0.250	
Netherlands	3.009	-	3.009	-	-	-	Fully Paid
Nigeria	0.250	-	0.250	-	-	-	Fully Paid
Norway	4.300	-	3.505	-	(0.795)	-	Fully Paid
Senegal	0.250	-	-	-	-	0.250	
Sweden	6.000	-	4.615	-	(1.385)	-	Fully Paid
Tanzania	0.250	-	-	-	-	0.250	
United Kingdom	5.000	-	4.992	-	(0.008)	-	Fully Paid
United States	10.000	-	5.000	-	-	5.000	
UNDP	-	6.855	-	6.718	-	0.137	Grant closed
World Bank	7.000	8.000	7.000	8.000	-	-	Fully Paid
Zimbabwe	0.250	-	0.250	-	-	-	Fully Paid
<b>Total</b>	<b>65.209</b>	<b>16.355</b>	<b>50.849</b>	<b>16.218</b>	<b>(3.028)</b>	<b>11.466</b>	

### Annex A.11 Status of Pledges and Contributions by Donors as at 31 December 2002 - Phase II

Organization/ Country	Amount Pledged US\$ (000)	Amount Paid-in US\$(000)	Remarks
African Development Bank	6.000	3.027	
Botswana	0.300	0.300	Fully Paid
Cameroon	0.300	2.263	
Canada	2.400	1.587	
Chad	0.250	-	
Côte d'Ivoire	0.300	-	
Denmark	5.000	4.217	
Finland	3.000	3.305	Fully Paid
Gabon	0.250	0.414	Fully Paid
Ireland	0.967	0.945	
Netherlands	2.500	0.795	
Nigeria	0.400	0.400	Fully Paid
Norway	4.121	3.589	
Senegal	0.250	-	
Sweden	6.000	4.232	
Uganda	0.250	0.426	Fully Paid
United Kingdom	4.942	4.593	
UNDP	5.000	-	
World Bank	15.000	10.000	
Zimbabwe	0.250	0.276	Fully Paid
<b>TOTAL</b>	<b>57.480</b>	<b>38.782</b>	

*Note: Not reflected above is the Japanese contribution of US\$10 million, which is to be accessed through the PHRD Trust Fund at the World Bank.*

**Annex A.12 Status of Pledges and Contributions by Donors as at 31 December 2002 -  
ACBF-PACT Phase (US\$ millions)**

Country/Organization US Dollars	Amount National Currency US\$ (million)	Pledged US Dollars US\$ (million)	Amount Paid in US\$(million)	Remarks
AfDB		12.000	-	
Benin		0.500	-	
Burkina Faso		0.250	-	
Cameroon		0.750	-	
Canada	C\$28.000	17.834	1.003	
Denmark		5.000	-	
Ethiopia		0.200	-	
E.U.	•2.000	2.020	-	
Finland	•2.000	2.020	0.704	
France		5.051		
Gabon		0.800	-	
IMF		4.000	-	
Ireland	•4.000	4.041	1.061	
Mali		0.750	-	
Mauritania		0.250	-	
Netherlands	•15.000	15.153	-	
Nigeria		0.500	-	
Norway	NOK75.000	10.393	-	
Rwanda		0.200	-	
Senegal		0.500	-	
Sweden	SEK60.000	6.000	-	
United Kingdom	£9.000	14.277	4.800	
UNDP		1.000		
USA		0.500	-	
World Bank		55.000	-	
Zambia		0.250	-	
TOTAL		159.240	7.568	
Investment Income			1.964	
Exchange Rates Used:				
12/11/2002	USD1=CD1.57	EUR=0.9899	NOK=7.2164	SEK=10

*\*Technically, this table represents Phase III of the Trust Fund resources pledged to the Foundation. Draw downs for countries that have pledged in national currencies will also be undertaken in national currencies. The corresponding amounts expressed in United States Dollars are indicative only.*

### Annex A.13 Schedule of Draw-Downs into the ACB Fund, Phase II (US\$ millions)

Country/ Organization	Pledges	Cumulative Draw- Downs 2001	Planned Draw- Downs 2002	Actual Draw- Downs 2002	Cumulative Draw- Downs 2002	Balance Due 2002
AfDB	6.00	-	4.232	3.027	3.027	1.205
BOTSWANA	0.30	0.300	-	-	0.300	-
CANADA	2.400	1.587	0.789	0.676	2.263	0.113
CAMEROON	0.30	-	0.212	-	-	0.212
CHAD	0.250	-	0.176	-	-	0.176
COTE d'IVOIRE	0.30	-	0.212	-	-	0.212
DENMARK	5.00	3.377	1.175	0.840	4.217	-
FINLAND	3.00	2.619	-	0.686	3.305	-
GABON	0.25	-	0.176	0.414	0.414	-
IRELAND	0.967	-	0.682	0.945	0.945	-
NETHERLANDS	2.50	0.795	0.968	-	0.795	0.968
NIGERIA	0.40	0.400	-	-	0.400	-
NORWAY	4.12	2.417	0.490	1.172	3.589	-
SENEGAL	0.25	-	0.176	-	-	0.176
SWEDEN	6.00	2.940	0.510	1.292	4.232	-
UGANDA	0.25	0.100	0.016	0.326	0.426	-
U.K.	4.94	3.078	0.408	1.515	4.593	-
UNDP	5.00	-	3.527	-	-	3.527
WORLD BANK	15.00	10.000	7.054	-	10.000	-
ZIMBABWE	0.25	0.123	0.103	0.153	0.276	-
<b>TOTAL</b>	<b>57.48</b>	<b>27.736</b>	<b>20.906</b>	<b>11.046</b>	<b>38.782</b>	<b>6.589</b>

# **Annex A.14 \* Schedule of Drawdowns into the ACBF-PACT Trust Fund (in US\$ million)**

Country/ Organization	Amount	Pledged	DRAWDOWN				TOTAL	
			2002 20%	2003 20%	2004 20%	2005 20%		2006 20%
National Currency	US Dollars							
AFDB		12 000	2 400	2 400	2 400	2 400	2 400	12 000
Benin		0 500	0 100	0 100	0 100	0 100	0 100	0 500
Burkina Faso		0 250	0 050	0 050	0 050	0 050	0 050	0 250
Cameroon		0 750	0 150	0 150	0 150	0 150	0 150	0 750
Canada	C\$28 000	17 834	3 567	3 567	3 567	3 567	3 567	17 834
Denmark		5 000	1 000	1 000	1 000	1 000	1 000	5 000
Ethiopia		0 200	0 040	0 040	0 040	0 040	0 040	0 200
E.U.	•2 000	2 020	0 404	0 404	0 404	0 404	0 404	2 020
Finland	•2 000	2 020	-	0 673	0 673	0 673	-	2 020
France	•5 000	5 051	1 010	1 010	1 010	1 010	1 010	5 051
Gabon		0 800	0 160	0 160	0 160	0 160	0 160	0 800
Ireland	•4 000	4 041	0 808	0 808	0 808	0 808	0 808	4 041
Mali		0 750	0 150	0 150	0 150	0 150	0 150	0 750
Mauritania		0 250	0 050	0 050	0 050	0 050	0 050	0 250
Netherlands	•15 000	15 153	3 031	3 031	3 031	3 031	3 031	15 153
Nigeria		0 500	0 100	0 100	0 100	0 100	0 100	0 500
Norway		10 393	2 079	2 079	2 079	2 079	2 079	10 393
Rwanda	NOK75 000	0 200	0 040	0 040	0 040	0 040	0 040	0 200
Senegal		0 500	0 100	0 100	0 100	0 100	0 100	0 500
Sweden	SEK60 000	6 000	1 200	1 200	1 200	1 200	1 200	6 000
United Kingdom	£9 000	14 277	2 855	2 855	2 855	2 855	2 855	14 277
UNDP		1 000	0 200	0 200	0 200	0 200	0 200	1 000
USA		0 500	0 100	0 100	0 100	0 100	0 100	0 500
World Bank		55 000	11 000	11 000	11 000	11 000	11 000	55 000
Zambia		0 250	0 050	0 050	0 050	0 050	0 050	0 250
TOTAL		155 240	30 644	31 317	31 317	31 317	30 644	155 240

Exchange Rates used: USD1=CD1.57 EUR=0.9899 NOK=7.2164 SEK=10 BP=0.6304  
12/11/2002

\*Technically, this table represents Phase III of the Trust Fund resources pledged to the Foundation. Draw downs for countries that have pledged in national currencies will also be undertaken in national currencies. The corresponding amounts expressed in United States Dollars are indicative only.

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
FINANCIAL STATEMENTS  
31 December 2002**

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The annual financial statements set out on pages 126 to 144 were approved by management on 16 April 2003 and are signed on its behalf by:

\_\_\_\_\_

EXECUTIVE SECRETARY

\_\_\_\_\_

MANAGER, FINANCE AND ACCOUNTS

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

We have audited the financial statements of the Fund set out on pages 126 to 144.

**Respective responsibilities of directors and auditors**

The financial statements are the responsibility of the Foundation's Board. Our responsibility is to express an opinion on the financial statements based on our audit.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing, which require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, the assessment of the accounting principles used and significant estimates made by management, and the evaluation of the overall financial statement presentation.

**Opinion on financial statements**

In our opinion the financial statements are properly drawn up in accordance with the provisions of the financial regulations of the African Capacity Building Foundation and in conformity with International Accounting Standards, so as to give, in all material respects, a true and fair view of the financial position of the Consolidated Capacity Building Trust Fund as at 31 December 2002 and of the results of the operations and cash flows for the financial year ended on that date.

**DELOITTE & TOUCHE**

**16 April 2003**

The logo for Deloitte Touche Tohmatsu, featuring the company name in a bold, black, sans-serif font, with horizontal lines above and below the text.

## Annex B.2

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND RECEIPTS AND EXPENDITURE STATEMENT for the year ended 31 December 2002

	<u>2002</u> US\$	<u>2001</u> US\$
<b>RECEIPTS</b>		
Receipts from Trust Funds	21 088 988	19 462 746
IDF Grant	-	440 919
Interest earned	55 689	132 780
Miscellaneous	7 122	40
	<u>21 151 799</u>	<u>20 036 485</u>
<b>EXPENDITURE</b>		
<b>Core public sector projects</b>		
<b>National economic policy analysis, research &amp; training</b>		
<b>Economic policy analysis &amp; management programmes</b>		
Capital costs	387 871	347 380
Personnel	2 765 355	2 938 847
Research	904 354	745 690
Operation and maintenance	521 455	976 735
Training	977 767	600 320
Unallocated	54 675	29 867
<b>Total economic policy analysis &amp; management programmes</b>	<u>5 611 477</u>	<u>5 638 839</u>
<b>Economic &amp; financial management training programmes</b>		
Capital costs	235 745	341 300
Personnel	572 772	437 220
Research	212 051	171 798
Operation and maintenance	121 683	109 496
Training	3 032 871	2 162 848
Unallocated	141 584	9 004
<b>Total economic &amp; financial management training programmes</b>	<u>4 316 706</u>	<u>3 231 666</u>
<b>Financial management &amp; accountability</b>		
Capital costs	75 535	30 185
Operation and maintenance	142 511	43 020
Training	38 316	-
National Economic Policy: Programmes	- 25 426	16 401
Unallocated	- 22 372	507
<b>Total financial management &amp; accountability</b>	<u>304 160</u>	<u>90 113</u>
<b>Public administration and management</b>		
Capital costs	84 025	-
Operations and maintenance	50 502	-
Training	43 759	-
Unallocated	10 327	-
<b>Total public administration and management</b>	<u>188 613</u>	<u>-</u>
<b>Total national economic policy analysis, research &amp; training</b>	<u>10 420 956</u>	<u>8 960 618</u>

### Annex B.3

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
RECEIPTS AND EXPENDITURE STATEMENT (continued)  
for the year ended 31 December 2002**

	<u>2002</u> US\$	<u>2001</u> US\$
<b>Core public sector regional organizations</b>		
Capital costs	117 026	23 278
Personnel	359 537	513 675
Research	423 809	316 764
Operation and maintenance	276 181	123 938
Training	1 326 191	457 182
Unallocated	47 231	8 679
<b>Total core public sector regional organizations</b>	<u>2 549 975</u>	<u>1 443 516</u>
<b>Total core public sector projects</b>	<u>12 970 931</u>	<u>10 404 134</u>
<b><u>Public, private sector, civil society interface</u></b>		
<b>National institutions</b>		
Capital costs	175 352	227 394
Personnel	273 539	32 106
Research	110 435	-
Operation and maintenance	83 209	12 667
Training	128 052	73 029
Programme activities	931 052	177 677
Unallocated	61 275	14 439
<b>Total national institutions</b>	<u>1 762 914</u>	<u>537 312</u>
<b>Regional institutions</b>		
Capital costs	75 822	151 413
Personnel	177 445	67 262
Research	84 584	37 980
Operation and maintenance	79 186	21 667
Training	131 632	71 280
<b>Total regional institutions</b>	<u>548 669</u>	<u>349 602</u>
<b>Total public, private sector, civil interface</b>	<u>2 311 583</u>	<u>886 914</u>
<b><u>Special intervention</u></b>		
Capital costs	35 731	-
Personnel	73 704	-
Operation and maintenance	57 433	-
Training	75 174	-
Workshops	(25 930)	1 205 240
Bank charges	-	5 534
Unallocated	1 009	-
<b>Total special intervention</b>	<u>217 121</u>	<u>1 210 774</u>

## Annex B.4

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND RECEIPTS AND EXPENDITURE STATEMENT (continued) for the year ended 31 December 2002

	<u>Notes</u>	<u>2002</u> US\$	<u>2001</u> US\$
<b><u>National focal points</u></b>			
Capital costs		63 907	7 834
Personnel		13 954	-
Research		5 987	-
Operation and maintenance		3 834	-
Training		32 921	-
Unallocated		6 123	-
<b>Total national focal points</b>		<b>126 726</b>	<b>7 834</b>
Provision for doubtful advances	10.1	897 018	-
<b>Total expenditure on programmes</b>		<b>16 523 379</b>	<b>12 509 656</b>
<b>Administration expenditure</b>			
<b>Direct project related expenditure:</b>			
Country assessment and project identification	10.2	35 040	24 893
Project proposal preparation	10.3	15 568	66 024
Project appraisal	10.4	24 177	39 062
Project supervision and monitoring	10.5	312 353	202 408
		<b>387 138</b>	<b>332 387</b>
<b>Other administration expenditure:</b>			
Knowledge networking		447 002	-
Professional staff expenses		2 911 508	2 277 213
Support staff expenses		260 937	266 640
IDF training		-	843
IDF equipment maintenance		-	2 422
IDF consultant fees		-	378 195
Consultants fees and travel costs		359 719	221 674
Project support activities	10.6	40 972	-
General expenses	10.7	591 037	481 666
Other	10.8	222 676	124 895
		<b>4 833 851</b>	<b>3 753 548</b>
<b>Total administration expenditure</b>		<b>5 220 989</b>	<b>4 085 935</b>
<b>CONSOLIDATED EXPENDITURE ON PROGRAMMES AND ADMINISTRATION</b>		<b>21 744 368</b>	<b>16 595 591</b>
<b>EXCESS OF (EXPENDITURE OVER RECEIPTS) /RECEIPTS OVER EXPENDITURE)</b>	<b>4</b>	<b>(592 569)</b>	<b>3 440 894</b>

## Annex B.5

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND BALANCE SHEET 31 December 2002

	<u>Notes</u>	<u>2002</u> US\$	<u>2001</u> US\$
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	383 441	327 488
<b>Current assets</b>			
Inventory	6	11 880	13 020
Accounts receivable	7	509 868	793 700
Bank balances and cash	8	4 341 161	5 917 041
Unretired advances to projects	9	9 920 710	8 422 658
Total current assets		14 783 619	15 146 419
<b>TOTAL ASSETS</b>		15 167 060	15 473 907
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
<b>Accumulated funds</b>	4	14 363 188	14 955 757
<b>Current liabilities</b>			
Accounts payable		803 872	518 150
<b>TOTAL ACCUMULATED FUNDS AND LIABILITIES</b>		15 167 060	15 473 907

## Annex B.6

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND CASH FLOW STATEMENT for the year ended 31 December 2002

	<u>2002</u> US\$	<u>2001</u> US\$
<b>Cash flows from operating activities</b>		
Excess of (expenditure over receipts)/receipts over expenditure	(592 569)	3 440 894
Adjustments for:		
Profit on disposal of motor vehicles	(7 122)	-
Depreciation	72 421	102 579
Interest receivable	(55 689)	(132 780)
Operating cash flows before working capital changes	(582 959)	3 410 693
Increase in unretired advances	(1 498 052)	(1 748 086)
Decrease/(increase) in accounts receivable	283 832	(326 643)
Increase in accounts payable	285 722	301 006
Decrease/(increase) in inventory	1 140	(2 723)
Cash (used in)/generated from operations	(1 510 317)	1 634 247
<b>Cash flows from investing activities</b>		
Proceeds on disposal of motor vehicles	7 122	-
Purchase of property, plant and equipment	(128 374)	(114 094)
Interest received	55 689	132 780
Net cash (used in)/generated from investing activities	(65 563)	18 686
Net (decrease)/increase in cash and cash equivalents	(1 575 880)	1 652 933
<b>Cash and cash equivalents at 31 December 2001</b>	5 917 041	4 264 108
<b>Cash and cash equivalents at 31 December 2002</b>	4 341 161	5 917 041

## Annex B.6 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS 31 December 2002

#### 1. Nature of activity

The main activities of the Foundation are aimed at building and strengthening human and institutional capacities in macro-economic policy analysis and development in Sub-Saharan Africa, including support to capacity building in the public sector as well as the interface areas among the public and private sector, and civil society.

#### 2. Currency

These financial statements are expressed in U.S. dollars, this being the currency of the original funding by the World Bank.

Transfers of funds to Zimbabwe are converted to Zimbabwe dollars at the exchange rate ruling at the time of transfer. Expenditure in Zimbabwe dollars is reconverted to U.S. dollars at the exchange rate ruling at the time of settlement of the expense.

Current assets and current liabilities in Zimbabwe dollars at the year end are converted at the year end exchange rate.

Differences arising from the reversion of expenditure and restatement of year end monetary amounts are included in the receipts and expenditure statement.

#### 3. Accounting policies

The principal accounting policies of the Foundation, which are set out below, have been consistently applied in all material respects.

##### 3.1 Accounting convention

The financial statements are prepared in terms of the historical cost convention. Procedures are not adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices.

The financial statements have been prepared in conformity with International Accounting Standards.

##### 3.2 Depreciation of fixed assets

Fixed assets are depreciated on a straight line basis over their anticipated useful lives as follows:

Library books	-	5 years (20%)
Motor vehicles	-	5 years (20%)
Computers	-	5 years (20%)
Furniture and equipment	-	10 years (10%)

##### 3.3 Receipts

Advances from the World Bank are brought to account on a receipts basis while interest and other sundry income are recognised on an accruals basis.

## Annex B.6 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) 31 December 2002

#### 3. Accounting policies (continued)

##### 3.4 Grants

Payments made in accordance with grant agreements are initially recorded as unretired advances. When supporting documentation for expenditure is received, the appropriate amount is transferred to the receipts and expenditure statement. This could result in expenditure being incurred but not reflected in the receipts and expenditure statement for the year.

##### 3.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined using suppliers' invoice price on a first-in-first-out basis.

##### 3.6 Employee benefits

Both employer and employees contribute to a savings scheme administered by UBS (AG) Switzerland. The objectives of the scheme are to provide terminal benefits for employees hired on the normal 3 year renewable contracts.

Under this scheme the employer is obligated to contribute 7% of the employee's salary into the fund and to contribute further amounts up to 7% of the employees' salary to match any voluntary contributions to the fund by the employee on a dollar for dollar basis.

On termination of employment, the employee will be entitled to receive 100% of the employee and employer contributions plus a share of net income received by the fund during his or her period of service.

	<u>2002</u> US\$	<u>2001</u> US\$
<b>4. Accumulated funds</b>		
Balance – 31 December 2001	14 955 757	11 514 863
Transferred from receipts and expenditure statement	(592 569)	3 440 894
Balance – 31 December 2002	14 363 188	14 955 757

## Annex B.7

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
31 December 2002**

### 5. Property, plant and equipment

<u>Cost</u>	Balance <u>31 Dec 01</u> US\$	<u>Additions</u> US\$	<u>Disposals</u> US\$	Balance <u>31 Dec 02</u> US\$
Library books	24 687	13 491	-	38 178
Motor vehicles	87 840	29 292	(30 420)	86 712
Computers	411 732	54 059	-	465 791
Furniture and equipment	172 069	31 532	-	203 601
	696 328	128 374	(30 420)	794 282
<u>Accumulated depreciation</u>	Balance <u>31 Dec 01</u> US\$	Charge for <u>the year</u> US\$	<u>Disposals</u> US\$	Balance <u>31 Dec 02</u> US\$
Library books	920	4 895	-	5 815
Motor vehicles	49 329	8 544	(30 420)	27 453
Computers	230 307	46 216	-	276 523
Furniture and equipment	88 284	12 766	-	101 050
	368 840	72 421	(30 420)	410 841
	Balance <u>31 Dec 01</u> US\$			Balance <u>31 Dec 02</u> US\$
Net book amount	327 488			383 441
Comprising:-				
Library books	23 767			32 363
Motor vehicles	38 511			59 259
Computers	181 425			189 268
Furniture and equipment	83 785			102 551
	327 488			383 441

**Annex B.7 (continued)**

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2002**

	<u>2002</u> US\$	<u>2001</u> US\$
<b>6. Inventory</b>		
Consumables	11 880	13 020
<b>7. Accounts receivable</b>		
Amount due from staff gratuity/savings scheme fund	8 585	196 417
Staff loans	109 457	166 698
Staff advances	5 764	13 140
Travel advances	174 224	85 503
Prepayments	6 125	14 546
Other	205 713	317 396
	509 868	793 700
<b>8. Bank balances and cash</b>		
United States dollars- Standard Chartered Bank London	4 058 162	5 809 915
United States dollars- Stanbic Bank and Standard Chartered Bank	332 510	38 733
Foreign currencies- Stanbic Bank and Standard Chartered Bank	(49 511)	68 393
	-	
	4 341 161	5 917 041

*Foreign currencies include Zimbabwe dollars expressed inequivalent United States dollars at rates of exchange ruling at the balance sheet date.*

## Annex B.8

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 9. Unretired advances to projects

	<u>Coverage</u>	<u>Grant approved US\$</u>	<u>Cumulative disbursements US\$</u>	<u>Cumulative grant expenditure US\$</u>	<u>Unretired advance US\$</u>
<b>Phase I</b>					
AERC-CMAP I	Regional	5 000 000	5 000 000	5 000 000	-
AIPA I	South Africa	150 000	150 000	150 000	-
AIPA II	South Africa	1 001 730	1 001 730	1 001 730	-
BCEAO/BEAC	Regional	1 050 000	950 900	950 900	-
BIDPA	Botswana	3 000 000	2 663 329	2 663 329	-
CAFPD	Mali	1 600 000	1 169 533	1 019 533	150 000
CAPE	Benin	1 500 000	1 006 096	866 096	140 000
CAPES	Burkina Faso	1 600 000	483 275	333 275	150 000
CEPA	Ghana	3 500 000	2 854 137	2 665 111	189 026
CERDI-AUREDI	Regional	2 364 000	2 270 456	1 997 678	272 778
CIRES-CAPEC	Cote d'Ivoire	1 750 000	1 733 427	1 728 607	4 820
CNPG -CEPEC	Guinea	1 600 000	1 509 184	1 509 184	-
DMPA	Zambia	1 785 000	1 223 048	1 079 890	143 158
DPC	Nigeria	2 845 965	2 742 560	2 742 560	-
EMPAC	Ethiopia	1 410 000	501 171	389 482	111 689
EPRC	Uganda	1 500 000	1 412 911	1 412 911	-
ESAIDARM	Regional	2 000 000	2 000 000	2 000 000	-
ESRF	Tanzania	1 700 000	1 577 113	1 577 113	-
IDEC	Burundi	2 000 000	1 741 521	1 730 343	11 178
IPAR	Kenya	2 525 000	2 530 806	2 530 806	-
KIPPRA	Kenya	1 630 000	1 457 077	1 307 077	150 000
McGILL	Regional	2 136 000	1 788 135	1 459 290	328 845
MEFMI	Regional	2 900 000	2 900 000	2 900 000	-
NCEMA I	Nigeria	990 000	990 000	990 000	-
NEPRU	Namibia	2 400 000	2 399 566	2 374 723	24 843
OAU/EDECO/PASU	Regional	3 000 000	3 002 676	2 727 013	275 663
PDTPE	Zimbabwe	2 000 000	1 901 512	1 901 512	-
PTCI	Regional	5 000 000	4 830 797	4 830 797	-
UPE	Senegal	1 912 200	1 579 013	1 479 013	100 000
Total Grant Commitments - Phase I		61 849 895	55 369 973	53 317 973	2 052 000
<b>Phase II</b>					
AERC-CMAP	Regional	3 000 000	3 000 000	3 000 000	-
BCEAO/BEAC (debt) II	Regional	1 650 000	872 266	722 266	150 000
CNPG -CEPEC II	Guinea	1 500 000	223 665	123 665	100 000
CREAM	Madagascar	1 721 270	-	-	-
EPM CAMEROON	Cameroon	2 000 000	1 612 180	1 400 507	211 673
EPM GHANA	Ghana	2 000 000	1 590 036	1 341 941	248 095
EPRC II	Uganda	2 000 000	1 632 315	1 432 315	200 000
ESRF II	Tanzania	2 000 000	1 728 146	1 628 146	100 000
LIMPAC	Liberia	1 800 000	-	-	-
NCEMA II	Nigeria	997 940	814 793	714 784	100 009
NIEP	South Africa	2 000 000	1 152 231	1 047 120	105 111
		<b>20 669 210</b>	<b>12 625 632</b>	<b>11 410 744</b>	<b>1 214 888</b>

## Annex B.9

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2002**

### 9. Unretired advances to projects (continued)

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Cumulative disbursements</u> US\$	<u>Cumulative grant expenditure</u> US\$	<u>Unretired advance</u> US\$
EPM Abidjan	Côte d'Ivoire	2 000 000	1 790 140	1 590 140	200 000
EPM Uganda	Uganda	2 000 000	1 837 890	1 296 273	541 617
Sub-Total		4 000 000	3 628 030	2 886 413	741 617
Total Grant Commitments - Phase II		24 669 210	16 253 662	14 297 157	1 956 505
Total Grant Commitments - Phases I & II		86 519 105	71 623 635	67 615 130	4 008 505

## Annex B.9

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 9. Unretired advances to projects (continued)

##### Projects under expanded mandate

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Cumulative disbursements</u> US\$	<u>Cumulative grant expenditure</u> US\$	<u>Unretired advance</u> US\$
AERC-CMAP III	Regional	3 000 000	1 280 006	1 030 006	250 000
AERC – Ph.D.	Regional	2 000 000	250 000	-	250 000
AMICAAL	Swaziland	1 060 000	277 543	177 543	100 000
BCEAO/BEAC II	Regional	1 738 857	626 889	426 889	200 000
BIDPA II	Botswana	1 500 000	377 016	227 016	150 000
CAMECAP	Cameroon	1 708 850	801	-	801
CAFED	Niger	1 500 000	150 000	-	150 000
CCDB	Djibouti	1 091 310	405 903	305 903	100 000
CEMAC	Regional	1 000 000	160 386	60 386	100 000
CEPA II	Ghana	1 700 000	453 582	253 582	200 000
CEPOD	Senegal	1 800 000	-	-	-
CESAG	Regional	1 500 000	274 783	174 783	100 000
CIRES-CAPEC II	Cote d'Ivoire	1 754 000	240 014	90 014	150 000
COMESA	Regional	1 500 000	-	-	-
Consumer International	Regional	1 000 000	303 458	203 458	100 000
DPC II	Nigeria	1 442 210	222 637	122 637	100 000
ECOWAS	Regional	2 000 000	200 000	-	200 000
EDRI	Ethiopia	1 500 000	150 000	-	150 000
EEA	Ethiopia	1 030 000	366 013	266 013	100 000
EPM II	Cameroon	2 000 000	-	-	-
EPM II	Cote d'Ivoire	2 000 000	-	-	-
EPM II	Ghana	2 000 000	-	-	-
EPM II	Uganda	2 000 000	-	-	-
GICAP	Gambia	850 000	100 000	-	100 000
IDEC II	Burundi	2 000 000	217 326	117 326	100 000
IDEG	Ghana	1 500 000	-	-	-
IEF	Regional	3 000 000	200 000	-	200 000
ILO	Regional	1 500 000	-	-	-
IPAR II	Kenya	1 500 000	552 042	452 042	100 000
LMMP	Lesotho	1 396 000	-	-	-
MACROF	DRC	1 598 164	100 000	-	100 000
MEFM II	Regional	2 500 000	503 829	203 829	300 000
NC-NGO	Kenya	850 000	100 000	-	100 000
MCBP (PFMR)	Rwanda	3 000 000	250 750	-	250 750
NEC	Malawi	1 500 000	602 219	502 219	100 000
NECF	Zimbabwe	2 000 000	195 507	95 507	100 000
NEPRU II	Namibia	2 000 000	721 519	525 070	196 449
NGOCC	Zambia	1 384 980	308 251	208 251	100 000
OAU-PASU II	Regional	3 000 000	995 374	895 374	100 000
PARP	Nigeria	2 000 000	-	-	-
PNRC-CAF	Guinea Bissau	1 300 000	200 000	-	200 000
PNRN-CMAP	Mauritania	1 200 000	361 446	211 446	150 000
PRECAGEF	Gabon	1 422 850	188 370	88 370	100 000
PRECASP	Sao Tome	1 100 000	348 718	248 718	100 000

## Annex B.9 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 9. Unretired advances to projects (continued)

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Cumulative disbursements</u> US\$	<u>Cumulative grant expenditure</u> US\$	<u>Unretired advance</u> US\$
<b>Projects under expanded mandate</b>					
PRIECA/AO	Regional	1 431 594	844 811	694 811	150 000
PRIESP	Mali	723 330	443 155	363 155	80 000
PROFESS	Chad	1 157 090	288 613	188 613	100 000
PRSP (CSD)	Tanzania	1 335 903	628 191	528 191	100 000
PSCGT	Kenya	1 000 000	450 265	350 265	100 000
PSU	South Africa	1 859 100	-	-	-
PTCII	Regional	4 000 000	1 130 460	630 460	500 000
SANGOCO	South Africa	1 200 000	418 146	318 146	100 000
SARIPS	Regional	1 500 000	297 609	197 609	100 000
CAPAN	Benin	1 600 000	262 616	12 616	250 000
UNAM MPPA	Namibia	850 000	456 929	257 289	199 640
WAIFEM	Regional	2 519 000	946 078	839 517	106 561
ZEPARU	Zimbabwe	1 500 000	-	-	-
Sub-Total		95 103 238	17 851 255	11 267 054	6 584 201
<b>National Focal Points</b>					
CRC	Cape Verde	50 000	-	-	-
HRDA	Rwanda	50 000	25 000	-	25 000
PFRF	Mauritania	50 000	37 637	12 637	25 000
SENAREC	Benin	50 000	-	-	-
SENAREC	Botswana	50 000	-	-	-
SENAREC	Burundi	50 000	25 000	-	25 000
SENAREC	Cameroon	50 000	-	-	-
SENAREC	Central African Republic	50 000	25 000	-	25 000
SENAREC	Chad	50 000	40 623	15 623	25 000
SENAREC	DRC	50 000	48 823	23 823	25 000
SENAREC	Gabon	50 000	49 995	27 601	22 394
SENAREC	Guinea	51 200	32 834	30 206	2 628
SENAREC	Guinea Bissau	50 000	-	-	-
SENAREC	Nigeria	50 000	-	-	-
SENAREC	Sao Tome	50 000	43 717	18 717	25 000
SENAREC	Swaziland	50 000	-	-	-
SENAREC	Uganda	50 000	-	-	-
SENAREC	Zambia	50 000	-	-	-
SNRC	Côte d'Ivoire	50 000	25 000	-	25 000
NFP	Lesotho	50 000	-	-	-
NFP	Namibia	50 000	-	-	-

## Annex B.9 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 9. Unretired advances to projects (continued)

<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Cumulative disbursements</u> US\$	<u>Cumulative grant expenditure</u> US\$	<u>Unretired advance</u> US\$
<b>National focal points</b>				
NFP Malawi	50 000	-	-	-
NFP Mali	50 000	-	-	-
NFP Republic of Congo	50 000	-	-	-
NFP Tanzania	50 000	-	-	-
NFP Togo	50 000	-	-	-
Total National Focal Points	1 301 200	353 629	128 607	225 022
Total Grant Commitments				
- Expanded Mandate	96 404 438	18 204 884	11 395 661	6 809 223
Doubtful advances/debts		-	897 018	(897 018)
<b>GRAND TOTAL</b>	<b>182 923 543</b>	<b>89 828 519</b>	<b>79 907 809</b>	<b>9 920 710</b>
			<u>2002</u> US\$	<u>2001</u> US\$

#### 10. Expenditure

##### 10.1 Provision for doubtful advances

<u>Programme</u>	<u>Coverage</u>		
CERDI-AUREDI	Regional	272 778	-
EMPAC	Ethiopia	19 732	-
McGILL	Regional	328 845	-
OAUEDECO/PASU	Regional	275 663	-
		897 018	-

##### 10.2 Country assessment and project identification

Consultants fees	23 551	7 950
Consultants travel costs	8 653	-
Staff travel costs	2 836	16 943
	35 040	24 893

##### 10.3 Project proposal preparation

Consultants fees	1 577	30 688
Consultants travel costs	4 073	5 377
Staff travel costs	9 918	29 959
	15 568	66 024

**Annex B.9 (continued)**

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2002**

	<u>2002</u> US\$	<u>2001</u> US\$
<b>10. Expenditure (continued)</b>		
10.4 <u>Project appraisal</u>		
Consultants fees	-	8 050
Consultants travel costs	-	1 671
Staff travel costs	24 177	29 341
	24 177	39 062
10.5 <u>Project supervision and monitoring</u>		
Consultants fees	37 050	47 045
Consultants travel costs	38 548	5 653
Staff travel costs	236 755	149 710
	312 353	
	202 408	
10.6 <u>Project support activities</u>		
Production and dissemination of information	9 630	-
Documentary on ACBF	6 672	-
Public relations	24 670	-
	40 972	-
10.7 <u>General expenses</u>		
Communication expenses	31 752	31 348
Recruitment expenses	54 529	51 291
Conferences and meetings travel costs	109 595	57 100
Publications	14 073	12 630
Board expenses	250 463	204 085
Stationery/office supplies	24 892	9 440
Office rent	21 068	41 600
Other operating expenses	84 665	74 172
	591 037	481 666
10.8 <u>Other</u>		
Depreciation costs	72 421	102 579
Financial expenses	150 255	22 316
	222 676	124 895

## Annex B.9 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 11. Grant commitments

The Foundation has entered into Grant Agreements with a number of institutions to make available funds for projects. The funds will be made available from the Consolidated Capacity Building Trust Fund of the Foundation. The commitments have been grouped into commitments from the original mandate termed Phases I and II, and new commitments entered into after integration with the PACT Initiative. The undisbursed balances are as follows:

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Total Cumulative disbursements</u> US\$	<u>undisbursed balance</u> US\$
<b>Phase I</b>				
AERC-CMAP I	Regional	5 000 000	5 000 000	-
AIPA I	South Africa	150 000	150 000	-
AIPA II	South Africa	1 001 730	1 001 730	-
BCEAO/BEAC	Regional	1 050 000	950 900	99 100
BIDPA	Botswana	3 000 000	2 663 329	336 671
CAFPD	Mali	1 600 000	1 169 533	430 467
CAPE	Benin	1 500 000	1 006 096	493 904
CAPES	Bukina Faso	1 600 000	483 275	1 116 725
CEPA	Ghana	3 500 000	2 854 137	645 863
CERDI-AUREDI	Regional	2 364 000	2 270 456	93 544
CIRES-CAPEC	Cote d'Ivoire	1 750 000	1 733 427	16 573
CNPG-CEPEC	Guinea	1 600 000	1 509 184	90 816
DMPA	Zambia	1 785 000	1 223 048	561 952
DPC	Nigeria	2 845 965	2 742 560	103 405
EMPAC	Ethiopia	1 410 000	501 171	908 829
EPRC	Uganda	1 500 000	1 412 911	87 089
ESAIDARM	Regional	2 000 000	2 000 000	-
ESRF	Tanzania	1 700 000	1 577 113	122 887
IDEC	Burundi	2 000 000	1 741 521	258 479
IPAR	Kenya	2 525 000	2 530 806	(5 806)
KIPRA	Kenya	1 630 000	1 457 077	172 723
McGILL	Regional	2 136 000	1 788 135	347 865
MEFMI	Regional	2 900 000	2 900 000	-
NCEMA	Nigeria	990 000	990 000	-
NEPRU	Namibia	2 400 000	2 399 566	434
OAU/EDECO/PASU	Regional	3 000 000	3 002 676	(2 676)
PDTPE	Zimbabwe	2 000 000	1 901 512	98 488
PTCI	Regional	5 000 000	4 830 797	169 203
UPE	Senegal	1 912 200	1 579 013	333 187
<b>Total Grant Commitments - Phase I</b>		<b>61 849 895</b>	<b>55 369 972</b>	<b>6 479 923</b>

## Annex B.9 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 11. Grant Commitments (continued)

<u>Coverage</u>		Grant approved US\$	Cumulative disbursements US\$	Total undisbursed balance US\$
<b>Phase II</b>				
AERC-CMAP II	Regional	3 000 000	3 000 000	-
BCEAO/BEAC II	Regional	1 650 000	872 266	777 734
CNPG-CEPEC II	Guinea	1 500 000	223 665	1 276 335
CREAM	Madagascar	1 721 270	-	1 721 270
EPM	Cameroon	2 000 000	1 612 180	387 820
EPM	Ghana	2 000 000	1 590 036	409 964
EPRC II	Uganda	2 000 000	1 632 315	367 685
ESRF II	Tanzania	2 000 000	1 728 146	271 854
LIMPAC	Liberia	1 800 000	-	1 800 000
NCEMA II	Nigeria	997 940	814 794	183 146
NIEP	South Africa	2 000 000	1 152 231	847 769
		20 669 210	12 625 633	8 043 577
EPM (Funded by Japan)	Côte d'Ivoire	2 000 000	1 790 140	209 860
EPM (Funded by Japan)	Uganda	2 000 000	1 837 890	162 110
		4 000 000	3 628 030	371 970
<b>Total Grant Commitments - Phase II</b>		24 669 210	16 253 663	8 415 547
<b>Total Grant Commitments - Phases I &amp; II</b>		86 519 105	71 623 635	14 895 470
<b>Projects under Expanded Mandate</b>				
AERC-CMAP III	Regional	3 000 000	1 280 006	1 719 994
AERC - Ph.D.	Regional	2 000 000	250 000	1 750 000
AMICAAL	Swaziland	1 060 000	277 543	782 457
BCEAO/BEAC II	Regional	1 738 857	626 889	1 111 968
BIDPA II	Botswana	1 500 000	377 016	1 122 984
CAMECAP	Cameroon	1 708 850	801	1 708 049
CAPED	Niger	1 500 000	150 000	1 350 000
CCDB	Djibouti	1 091 310	405 903	685 407
CEMAC	Regional	1 000 000	160 386	839 614
CEPA II	Ghana	1 700 000	453 582	1 246 418
CEPOD	Senegal	1 800 000	-	1 800 000
CESAG	Regional	1 500 000	274 783	1 225 217
CIRES-CAPEC II	Cote d'Ivoire	1 754 000	240 014	1 513 986
COMESA	Regional	1 500 000	-	1 500 000
Consumer International	Regional	1 000 000	303 458	696 542
DPC II	Nigeria	1 442 210	222 637	1 219 573
ECOWAS	Regional	2 000 000	200 000	1 800 000

**Annex B.9 (continued)**

**THE AFRICAN CAPACITY BUILDING FOUNDATION  
CONSOLIDATED CAPACITY BUILDING TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2002**

**11. Grant Commitments (continued)**

<u>Coverage</u>		<u>Grant approved US\$</u>	<u>Cumulative disbursements US\$</u>	<u>Total undisbursed balance US\$</u>
<b>Projects under Expanded Mandate</b>				
EDRI	Ethiopia	1 500 000	150 000	1 350 000
EEA	Ethiopia	1 030 000	366 013	663 987
EPM	Cameroon	2 000 000	-	2 000 000
EPM	Côte d'Ivoire	2 000 000	-	2 000 000
EPM	Ghana	2 000 000	-	2 000 000
EPM	Uganda	2 000 000	-	2 000 000
GICAP	Gambia	850 000	100 000	750 000
IDEC II	Burundi	2 000 000	217 326	1 782 674
IDEG	Ghana	1 500 000	-	1 500 000
IEF	Regional	3 000 000	200 000	2 800 000
ILO	Regional	1 500 000	-	1 500 000
IPAR II	Kenya	1 500 000	552 042	947 958
IMMP	Lesotho	1 396 000	-	1 396 000
MACROF	DRC	1 598 164	100 000	1 498 164
MEFMI II	Regional	2 500 000	503 829	1 996 171
NC-NGO	Kenya	850 000	100 000	750 000
NCBP (PFMR)	Rwanda	3 000 000	250 750	2 749 250
NEC	Malawi	1 500 000	602 219	897 781
NECF	Zimbabwe	2 000 000	195 507	1 804 493
NEPRU II	Namibia	2 000 000	721 519	1 278 481
NGOCC	Zambia	1 384 980	308 251	1 076 729
OAU-PASU II	Regional	3 000 000	995 374	2 004 626
PARP	Nigeria	2 000 000	-	2 000 000
PNRC-CAF	Guinea Bissau	1 300 000	200 000	1 100 000
PNRN-CMAP	Mauritania	1 200 000	361 446	838 554
PRECAGEF	Gabon	1 422 850	188 370	1 234 480
PRECASP	Sao Tome	1 100 000	348 718	751 282
PRIECA/AO	Regional	1 431 594	844 811	586 783
PRIESP	Mali	723 330	443 155	280 175
PROFESS	Chad	1 157 090	288 613	868 477
PRSP (CSD)	Tanzania	1 335 903	628 191	707 712
PSCGT	Kenya	1 000 000	450 265	549 735
PSU	South Africa	1 859 100	-	1 859 100
PTCII	Regional	4 000 000	1 130 460	2 869 540
SANGOCO	South Africa	1 200 000	418 146	781 854
SARIPS	Regional	1 500 000	297 609	1 202 391
CAPAN	Benin	1 600 000	262 616	1 337 384
UNAN MPPA	Namibia	850 000	456 929	393 071
WAIFEM	Regional	2 519 000	946 078	1 572 922
ZEPARU	Zimbabwe	1 500 000	-	1 500 000
Sub-Total		95 103 238	17 851 255	77 251 983

## Annex B.9 (continued)

### THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 11. Grant Commitments (continued)

Total		Grant approved US\$	Cumulative disbursements US\$	undisbursed balance US\$
	<u>Coverage</u>			
<b>National Focal Points</b>				
CRC	Cape Verde	50 000	-	50 000
HRDA	Rwanda	50 000	25 000	25 000
PFRD	Mauritania	50 000	37 637	12 363
SENAREC	Benin	50 000	-	50 000
SENAREC	Botswana	50 000	-	50 000
SENAREC	Burundi	50 000	25 000	25 000
SENAREC	Cameroon	50 000	-	50 000
SENAREC	Central African Republic	50 000	25 000	25 000
SENAREC	Chad	50 000	40 623	9 377
SENAREC	DRC	50 000	48 823	1 177
SENAREC	Gabon	50 000	49 995	5
SENAREC	Guinea	51 200	32 834	18 366
SENAREC	Guinea Bissau	50 000	-	50 000
SENAREC	Nigeria	50 000	-	50 000
SENAREC	Sao Tome	50 000	43 717	6 283
SENAREC	Swaziland	50 000	-	50 000
SENAREC	Uganda	50 000	-	50 000
SENAREC	Zambia	50 000	-	50 000
SNRC	Cote d'Ivoire	50 000	25 000	25 000
NFP	Lesotho	50 000	-	50 000
NFP	Zambia	50 000	-	50 000
NFP	Malawi	50 000	-	50 000
NFP	Mali	50 000	-	50 000
NFP	Republic of Congo	50 000	-	50 000
NFP	Tanzania	50 000	-	50 000
NFP	Togo	50 000	-	50 000
Total National Focal Points	1 301 200	353 629	947 571	
Total Commitments - Expanded Mandate		96 404 438	18 204 884	78 199 554
<b>Consolidated Grant Commitments</b>		<b>182 923 543</b>	<b>89 828 519</b>	<b>93 095 024</b>

#### 12. Freedom from Taxation

The African Capacity Building Foundation, its assets, property, income and its operations and transactions authorized in furtherance of its constitutional purposes, are exempt from all forms of taxation and from all custom duties.

## Annex C.1 Board of Governors (as of 31 December 2002)

<b>Member</b>	<b>Governor</b>	<b>Alternate</b>
<b>United Kingdom</b>	Barrie Ireton (Chair)	Jeremy Clarke
<b>Denmark</b>	Dan E. Frederiksen (Vice-Chair)	Gitte Hundahl
<b>Gabon</b>	Senturel Madoungou (Vice-Chair)	
<b>Zambia</b>	Felix C. Mutati (Vice Chair)	
<b>The World Bank</b>	Callisto Madavo (Vice-Chair)	Praful Patel
<b>UNDP</b>	Abdoulie Janneh (Vice-Chair)	Jacques Loup
<b>AfDB</b>	Chanel Boucher	
<b>Benin</b>	Bruno Amoussou	Christian Atindehou
<b>Botswana</b>	Wilfred J. Mandlebe	
<b>Burkina Faso</b>	Seydou Bouda	
<b>Cameroon</b>	Meva A' M'Eboutou	Jean-Claude Ngbwa
<b>Canada</b>	Heather Cameron	
<b>Chad</b>	Djimrangar Dadnadji	
<b>Congo (DRC)</b>	Mutungulu Mbuyamu Ilankir	
<b>Côte d'Ivoire</b>	Antoine Bohoun Bouabré	
<b>Finland</b>	Pasi Hellman	Paula Koski
<b>France</b>	Mireille Guigaz	Dominique Mas
<b>Ghana</b>	Yaw Osafo-Maafa	
<b>Ireland</b>	Brendan Rogers	Aine Hearn
<b>IMF</b>	Abdoulaye Bio-Tchané	Claire Liuksila
<b>Kenya</b>	David Mwirira	Anyang Nyongo
<b>Malawi</b>	Friday Jumbe	R.P. Dzanjalimodzi
<b>Mali</b>	Bassary Toure	Aboubacar A. Toure
<b>Mauritius</b>	G. Wong So	
<b>The Netherlands</b>	Roeland van der Geer	Gerda Dommerholt
<b>Nigeria</b>	Mallam Adamu Ciroma	Thelma A. Iremiren
<b>Norway</b>	Jon Lomøy	Kjell Storløyken
<b>Rwanda</b>	Donald Kaberuka	David Himbara
<b>Senegal</b>	Abdoulaye Diop	
<b>Sweden</b>	Lennarth Hjelmaker	Per Trulsson
<b>Tanzania</b>	Basil Mramba	
<b>Uganda</b>	Gerald Ssendaula	Isaac Isanga Musumba
<b>UNDP</b>	Abdoulie Janneh	Jacques Loup
<b>United States of America</b>	Wade Warren	
<b>Zimbabwe</b>	Herbert Murerwa	

## **Annex C.2 Executive Board (as of 31 December 2002)**

### **Independent Board Members**

Kwesi Botchwey (Chair)

Joan Corkery (Vice-Chair)

Winnie Byanyima

Poul Engberg-Pedersen

Gerald K. Helleiner

Thandika Mkandawire

Elisabeth Tankeu

Kerfalla Yansane

### **Representatives of Sponsoring Agencies**

Jean Barut, **United Nations Development Programme**

Henock Kifle, **African Development Bank**

Brian D. Levy, **The World Bank**

### **Executive Secretary**

Soumana Sako

### Annex C.3 Management and Staff (as of 31 December 2002)

Soumana Sako	-	Executive Secretary ( <b>Mali</b> )
<hr/>		
Apollinaire Ndurukwigira	-	Operations Advisor, a.i.; and Program Team Leader, Operations Zone I ( <b>Burundi</b> )
Genevesi O. Ogiogio	-	Manager, Knowledge Management and Program Support Department ( <b>Nigeria</b> )
Edwin N. Forlemu	-	Special Assistant; Manager, Legal Services Department; and Manager, a.i., Administration and Human Resources Department ( <b>Cameroon</b> )
Constantine Mandengu	-	Manager, Finance and Accounts Department ( <b>Zimbabwe</b> )
Samba Ka	-	Program Team Leader, Operations Zone III ( <b>Senegal</b> )
Jacques G. Katuala	-	Program Team Leader, Operations Zone II ( <b>Democratic Republic of Congo</b> )
Mercy Bruce-Amanquah	-	Senior Human Resources Officer ( <b>Ghana</b> )
Grace Ongile	-	Senior Program Officer ( <b>Kenya</b> )
Hayat Abdulahi	-	Program Officer ( <b>Ethiopia</b> )
Adeboye Adeyemo	-	Program Officer ( <b>Nigeria</b> )
Grace Banya	-	Program Officer ( <b>Uganda</b> )
Anthony Barclay	-	Program Officer ( <b>Liberia</b> )
Sally Linda Mulalu	-	Program Officer ( <b>Zambia</b> )
Coffi Rémy Noumon	-	Program Officer ( <b>Benin</b> )
Dieynaba Tandian	-	Program Officer ( <b>Senegal</b> )
Felix Ye	-	Program Officer ( <b>Burkina Faso</b> )
Rosa Ongeso	-	Outreach Officer; and Public Relations and Media Officer, a.i. ( <b>Kenya</b> )
Clement Ahossi	-	Administration Officer ( <b>Benin</b> )
Charlotte Ndlovu	-	Budget and Finance Analyst ( <b>Zimbabwe</b> )
Chriswell Vava	-	Information Systems Officer ( <b>Zimbabwe</b> )
Abdoulaye Kane	-	Disbursement Officer ( <b>Burkina Faso</b> )
Grace Wamala	-	Disbursement Officer ( <b>Uganda</b> )
Jasper Muvezwa	-	Library and Information Centre Assistant ( <b>Zimbabwe</b> )
Chester Kwambana	-	Accounts Assistant ( <b>Zimbabwe</b> )
Nomhle Veli Moyo	-	Central Registry, Meetings and Travels Assistant ( <b>Zimbabwe</b> )

Ishmael Atanasi	-	Treasury Clerk ( <b>Zimbabwe</b> )
William Kazvidza	-	Administrative Services Clerk ( <b>Zimbabwe</b> )
Muchazowanei Tsiga	-	Accounts Clerk ( <b>Zimbabwe</b> )
Rachelle Joe	-	Senior Secretary ( <b>Zimbabwe</b> )
Cathrine Mlingwa	-	Senior Secretary ( <b>Zimbabwe</b> )
Marie-Thérèse B. Kadurira	-	Bilingual Secretary ( <b>Senegal</b> )
Sitabile Rachel Matipano	-	Secretary ( <b>Zimbabwe</b> )
Catherine Mwaba Meleka	-	Bilingual Secretary ( <b>Zambia</b> )
Juliet Mucheki	-	Secretary ( <b>Zimbabwe</b> )
Paddy Mutimusakwa	-	Secretary ( <b>Zimbabwe</b> )
Sophie Ncube	-	Bilingual Secretary ( <b>Zimbabwe</b> )
Memory M. Munyurwa	-	Receptionist ( <b>Zimbabwe</b> )
Jonathan Sithole	-	Senior Driver/Messenger ( <b>Zimbabwe</b> )
Barry Nyamadzi	-	Driver/Messenger ( <b>Zimbabwe</b> )
Edmund Suluma	-	Driver/Messenger ( <b>Zimbabwe</b> )
Godwin Makura	-	Messenger ( <b>Zimbabwe</b> )