



THE AFRICAN CAPACITY
BUILDING FOUNDATION



Annual Report 2004





Building Sustainable Capacity
for Poverty Reduction in Africa



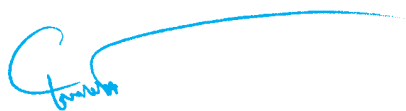
Annual Report 2004

Letter of Transmittal to the Board of Governors

30 June 2005

Dear Mr. Chairman:

In accordance with Article VII, Section 8 (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 2004. The audited financial statements for the mentioned period, together with the report of the external audit firm thereon, are presented in Annexes B 1 to B 4.



Emmanuel Tumusiime-Mutebile
Chairman, Executive Board

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Abbreviations and Acronyms

ABR	:	African Business Roundtable
ACBF	:	The African Capacity Building Foundation
ACB Fund	:	The African Capacity Building Fund
ACBI	:	African Capacity Building Initiative
ADF	:	African Development Forum
AEC	:	African Economic Community
AERC-CMAP, Kenya (Regional)	:	African Economic Research Consortium - Collaborative Master's Degree Program in Economics
AfDB	:	African Development Bank
AFI, South Africa	:	African Futures Institute
AFRISTAT, Mali (Regional)	:	Observatoire Economique et Statistique d'Afrique Subsaharienne
AFRITAC	:	African Regional Technical Assistance Centre
AHRD	:	Administration and Human Resources Department
AIPA, South Africa	:	Africa Institute for Policy Analysis and Economic Integration
APIF	:	African Policy Institutes Forum
APRM	:	African Peer Review Mechanism
APUs	:	African Partner Universities
AU/OAU	:	African Union/Organization of African Unity
BCEAO, Senegal (Regional)	:	Banque Centrale des Etats de l'Afrique de l'Ouest
BEAC, Cameroon (Regional)	:	Banque des Etats de l'Afrique Centrale
BIDPA, Botswana	:	Botswana Institute for Development Policy Analysis
BOCONGO, Botswana	:	Botswana Council of Non-Governmental Organisations
CAFPD, Mali	:	Centre d'Analyse et de Formulation de Politiques de Développement
CAFRAD, Morocco (Regional)	:	African Training and Research Centre in Administration for Development
CAMERCAP, Cameroon	:	Projet de Renforcement des Capacités en Gestion Economique de la République du Cameroun
CANGO, Swaziland	:	Coordinating Assembly of NGOs in Swaziland
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
CAREF, Cameroon	:	Projet de Renforcement des Capacités des Réseaux des Femmes pour Lutter Contre la Pauvreté en République du Cameroun
CASC, Cameroon	:	Programme de Renforcement des Capacités des Structures de la Chaîne de Contrôle de la République du Cameroun
CCDB, Djibouti	:	Chambre des Comptes et de Discipline Budgétaire
CDF	:	Comprehensive Development Framework

CEMAC	:	Communauté Economique des Etats de l'Afrique Centrale
CENAF, Gabon	:	Projet de Centre d'Appui aux Réseaux des Organisations des Femmes du Gabon
CEPA, Ghana	:	Centre for Policy Analysis
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
CIRES-CAPEC, Côte d'Ivoire	:	Centre Ivoirien de Recherches Economiques et Sociales – Cellule d'Analyse de Politiques Economiques
CLKNET	:	Country-level Knowledge Network
CMAAE	:	Collaborative Master's Degree Program in Agricultural and Applied Economics for Eastern, Central and Southern Africa
CNPG-CEPEC, Guinea-Conakry	:	Centre National de Perfectionnement à la Gestion - Cellule d'Etudes de Politique Economique
CODESRIA	:	Council for the Development of Social Science Research in Africa
COMESA	:	Common Market for Eastern and Southern Africa
CONGAFEN, Niger	:	Coordination des Organisations Non-Gouvernementales Féminines Nigériennes
CREAM, Madagascar	:	Centre de Recherches, d'Etudes et d'Appui à l'Analyse Economique de Madagascar
CSAE, United Kingdom	:	Centre for the Study of African Economies
CSD-PSF, Tanzania	:	Civil Service Department – Private Sector Facilitation Project
CSOs	:	Civil Society Organizations
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
ECDPM	:	European Centre for Development Policy Management
ECOWAS	:	Economic Community of West African States
EDF	:	European Development Fund
EDRI, Ethiopia	:	Ethiopian Development Research Institute
EEA, Ethiopia	:	Ethiopian Economic Association
EFNET	:	Economic and Financial Policymakers' Network
EGN-ISSER	:	Economy of Ghana Network – Institute of Statistical, Social and Economic Research
EMPAC, Ethiopia	:	Ethiopian Macroeconomic Policy Analysis Capacity Building Project
EPANET	:	TAP-NET on Economic Policy Analysis and Management
EPM	:	Economic Policy Management
EPRC, Uganda	:	Economic Policy Research Centre
ESAIDARM, Zimbabwe (Regional)	:	Eastern and Southern African Initiative in Debt and Reserves Management

ESRF, Tanzania	:	Economic and Social Research Foundation
EU	:	European Union
FAD	:	Finance and Accounts Department
FIMANET	:	Technical Advisory Panel and Network on Financial Management and Accountability
GDN	:	Global Development Network
HIPCs	:	Heavily Indebted Poor Countries
IBRD	:	International Bank for Reconstruction and Development
ICP	:	International Comparison Program
ICT	:	Information and Communication Technology
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
IPAR, Kenya	:	Institute of Policy Analysis and Research
IT	:	Information Technology
JAI	:	Joint Africa Institute
KIPPRA, Kenya	:	Kenya Institute for Public Policy Research and Analysis
KMPSD	:	Knowledge Management and Program Support Department
LIMPAC, Liberia	:	Liberian Macroeconomic Policy Analysis Capacity Building Project
LMIS	:	Labour Market Information System
LMMP, Lesotho	:	Lesotho Macroeconomic Management Project
LSD	:	Legal Services Department
MDGs	:	Millennium Development Goals
MEFMI, Zimbabwe (Regional)	:	Macroeconomic and Financial Management Institute
MOU	:	Memorandum of Understanding
MRUTP, Sierra Leone (Regional)	:	Mano River Union Training 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
NPMSP, Namibia	:	Namibian Performance Management System Project
ODA	:	Official Development Assistance
OECD	:	Organization for Economic Co-operation and Development

OMT	:	Operations Monitoring Team
PACT	:	Partnership for Capacity Building in Africa
PALOP Institute	:	Macroeconomic and Financial Management Institute for the Portuguese Speaking Countries in Africa
PARCOSIT, Chad	:	Projet d'Appui au Renforcement des Capacités des Organisations de la Société Civile et à l'Interface au Tchad
PARECAP, Burkina Faso	:	Projet de Renforcement de l'Interface Etat - Secteur Privé - Société Civile
PARLIANET	:	Policy Analysis Capacity of National Parliaments and Parliamentary Institutions
PAMNET	:	Public Administration and Management
PARP, Nigeria	:	Policy Analysis and Research Project
PASU, (AU), Ethiopia	:	Policy Analysis Support Unit
PCP	:	Parliamentary Capacity Building Project
PDTPE, Zimbabwe	:	Professional Development and Training Programme in Economics
PHRD Fund	:	Policy and Human Resources Development Fund
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
PREGESCO	:	Project de Renforcement des Capacités de la Société Civile dans la Prévention et la Gestion des Conflits en Afrique Centrale
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
PRRF, Senegal	:	Projet de Renforcement de la Responsabilité Financière pour la Bonne Gouvernance au Sénégal
PRSP	:	Poverty Reduction Strategy Paper
PSCGT, Kenya	:	Private Sector Corporate Governance Trust
PTCI, Burkina Faso, (Regional)	:	Programme de Troisième Cycle Inter universitaire
PSMTP, (Regional)	:	Public Sector Management Training Program
RECADIP, Congo-Brazzaville	:	Projet de Renforcement des Capacités de la Société Civile et du Secteur Privé Pour le Dialogue Interpartenarial en République du Congo
RECOFEM, Mali	:	Projet de Renforcement des Capacités des Organisations Féminines du Mali
RECs	:	Regional Economic Communities
RENFOR, Gabon (Regional)	:	Projet de Renforcement des Capacités de la Communauté Economique des Etats de l'Afrique Centrale

RESAPOD, Senegal	:	Projet de Mise en Place du Réseau d'Appui aux Politiques de Développement
RESPEC, Congo-Brazzaville	:	Projet de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo
RCBP, Rwanda	:	Rwanda Capacity Building Program
RGC-B, Burkina Faso	:	Réseau de Gestion des Connaissances au Burkina Faso
SADC-PF	:	Southern African Development Community Parliamentary Forum
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
SMTIP	:	Strategic Medium -Term Plan, 2002 – 2006
SOE	:	Statement of Expenses
SOS	:	Staff Opinion Survey
SPRP	:	Staff Performance Review Panel
SPM-KSP	:	Senior Policymakers and Development Managers Knowledge Sharing Program
STATNET	:	TAP-NET on Strengthening of National Statistical Capacity
TAP-NET	:	Technical Advisory Panel and Network
TOR	:	Terms of Reference
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
VOICENET	:	TAP-NET on Professionalization of the Voices of the Private Sector and Civil Society
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
ZIPAR, Zambia	:	Zambia Institute for Policy Analysis and Research



The Executive Board, May 2004

Sitting, from left to right: Winnie Byanyima, Gloria Somolekae, Emmanuel Tumusiime-Mutebile (Chair), Joan Corkery (Vice Chair), Elizabeth Tankeu and Kerfalla Yansane.

Standing, from left to right: Sudhir Chitale, Soumana Sako, Paul Engberg-Pedersen, Bernard Mokam and John Loxley.

Jitt Gill: In Memoriam

Jitt Gill, the World Bank representative on the ACBF Executive Board, passed away on Saturday, 6 March 2004, following an accidental fall in his house while performing some renovation works. Mr. Gill, who joined the ACBF Executive Board in December 2003, following the re-assignment of his colleague, Brian Levy, to other duties, gave clear indications of his strong potential to make a significant contribution to the Foundation's work. His death was a sad loss to the Foundation, the World Bank and the development community at large.

Message from the Chairman of the Executive Board

Once again, I have the singular privilege of presenting this yearly report on the activities of the African Capacity Building Foundation. I would like to take this opportunity to render special tribute to Mr. Barrie Ireton who retired from the Board of Governors in June 2004 after serving with distinction as its Chairman for eight years running (1996 – 2004). During his tenure, Mr. Ireton demonstrated commendable leadership and commitment to which the Foundation remains indebted.



In its bid to help promote the creation, utilization and retention of human and institutional capacity on the Continent, the Foundation continued in 2004 to provide catalytic technical and financial support to both national and regional institutions in the identification, development, implementation and evaluation of their operations. With the strong support of its three Sponsoring Agencies and 33 other African and non-African donors, the Foundation registered many achievements. For example, it provided support to 23 new or ongoing projects and programs aimed at hoisting the Continent on to a path of sustainable growth even as it sought to improve the quality of the existing portfolio of operations through more focused and results-oriented monitoring and supervision. These projects and programs spanned the Foundation's six core competency areas as well as a wide geographical space, including regional interventions (the ABR, the African Futures Institute, the BCEAO/BEAC zone, the CMAAE Program, the ICP-Africa Initiative, the PSMT Program, the PREGESCO project, the Mano River Union, NEPAD, the PALOP Institute program, the PRIECA/AO Project, the RENFOR project, and the SADC Parliamentary Forum project) and national operations in Botswana, Cameroon, Congo-Brazzaville, Guinea, Liberia, Mali, Namibia, Rwanda, Senegal, Sierra Leone, Swaziland and Zambia. In addition, the Foundation responded in a prompt and targeted manner to the urgent needs of stakeholders by providing 15 SAFEWIND grants for innovative initiatives. It also provided financial support toward the organization of 9 regional AFRITAC workshops in co-operation with the International Monetary Fund. Undoubtedly, ACBF-supported initiatives are influencing both the quantity and quality of policy advice, policy making and advocacy in various countries on the Continent.

The Foundation continued to implement its promising strategy of building a knowledge base and forming sustainable networks and partnerships aimed at improving capacity-building practice. Already, the publication and dissemination of books, special reports, occasional papers, working papers, lessons notes and newsletters as well as the development of assorted web-based directories and associated knowledge sharing products and instruments have added heft and texture to the lesson-learning and information-exchange orientation of the APIF, CLKNETs and TAP-NETs initiatives.

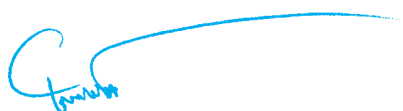
Meanwhile, the Foundation continued to strengthen and diversify its staff complement and skills mix as well as to review and streamline its internal processes in order to hone its responsiveness to stakeholder needs and demands. It pressed on with its change management exercise geared at enhancing its capacity to address the daunting capacity-building challenges ahead. Lastly, but importantly, the Foundation pursued its efforts to mobilize additional resources to fund its activities.

The above achievements show that the Foundation has matured into a visible and vital player in the capacity-building arena in Africa. However, they also foreshadow the challenges that the Foundation must tackle over the coming years in order to enhance its role and stature as the Continent's premier capacity-building institution. These challenges include, for example, the need for the Foundation to: (a) continuously refine its long-standing capacity-building strategy characterized by African ownership and leadership of the capacity-building process in partnership with the global community of stakeholders, particularly in tune with more programmatic and upstream approaches to capacity building; (b) develop more strategic and coordinated partnerships with other initiatives in order to mainstream more concretely good governance and capacity-building issues in poverty reduction efforts on the Continent; (c) reflect more deeply on performance measures in capacity building; and (d) step up its resource-mobilization efforts in order to secure adequate resources for implementing its projects and programs on a more predictable and sustainable basis.

I wish to reiterate our gratitude to the Board of Governors for its consistent financial and political support of the Foundation. Donor support to ACBF underwrites the critically important programs, projects and initiatives that it undertakes. The Foundation will therefore continue to rely on the lasting legacy of support from its benefactors to achieve its long-term objectives. On this score, we wish to welcome on board the Government of India that has announced its intention to become a full member of ACBF – thereby becoming the first Asian country to do so.

In addition, I must extol the invaluable contributions of my colleagues on the Executive Board that have helped to transform the Foundation into the Continent's flagship institution in the area of capacity building. Sadly, however, we mourned the sudden passing of our dear colleague and friend Jitt Gill of the World Bank. Despite his brief tenure on the Executive Board, he left an indelible imprint as a true and energetic professional dedicated to development in Africa and to the ideals of the Foundation. He will be sorely missed.

Lastly, I wish to reiterate my deep appreciation to the Executive Secretary and his stellar crew for their uncompromising dedication to the delivery of high-quality capacity-building support for poverty reduction and good governance across the Continent. Thanks to the support of its stakeholders, the Foundation will surely in the years ahead buttress its role as the gatekeeper of capacity-building success on the Continent.



Emmanuel Tumusiime-Mutebile
Chairman, Executive Board

Statement from the Executive Secretary

Welcome to this ACBF *Annual Report* for 2004. I am pleased to report that the year was marked by a significant increase in the Foundation's interventions to support the efforts by African countries to develop capacities to meet their development goals. Under the guidance of our Strategic Medium Term Plan (SMTP), a total of US\$ 51 million was approved to fund 23 projects and programs – which represented an increase of US\$34 million over the level of 2003. This brought the total number of grants approved to date to 136 and the amount of funds committed by the Foundation to projects and programs to US\$ 252 million.



Our capacity-building interventions in 2004 cut across the Foundation's six core competency areas. For the first time the Foundation approved a country program to ensure a more strategic and comprehensive intervention - the Rwanda Multi-Sectoral Capacity Building Program (MSCBP). The MSCBP, which is supported by a grant of US\$ 4 million, also pioneered our effort to make a substantive contribution to the recovery and reconstruction of post-conflict countries in Africa, where capacity gaps are expectedly more pronounced because of the drastic deterioration of institutions and the severe loss in skills and knowledge. Our experience in developing and implementing this program as well as the Mano River Union Training Project, which will benefit Guinea, Liberia, and Sierra Leone, should help refine and consolidate our institutional learning on post-conflict reconstruction issues.

More so than in other regions of the world, governments are the predominant source of policy in Africa and undoubtedly bear the responsibility to spearhead the change needed to put the Continent on the path to growth and prosperity. The Foundation's aim is to build capacity in several critical areas to afford the state the ability to play a central role in pursuing development goals and rolling back poverty. This requires enhanced capacity in areas such as economic management, public financial management, public sector reform, data collection, statistical analysis, research and knowledge building for policy and program formulation and implementation. In addition, political reform to further democratize African polities has added to the complexity of the policy-making process by multiplying the number of actors and stakeholders, including civil society and the private sector. In 2004, the Foundation continued to lead initiatives to nurture capacity across multiple sectors.

Accordingly, the projects approved during the year address capacity-building needs across a broad spectrum – from building more effective states to strengthening the capacity of civil society, the private sector, and national parliaments. For example, the interface projects will play a critical role in fostering broad-based dialogue on national issues and in energizing previously marginalized stakeholders - especially women - to advocate for change in policy and influence legislation. Similarly, the training and institutional support provided by ACBF-funded operations to national parliaments will contribute to a better appreciation by parliamentarians of key national issues and improve their ability to exercise their oversight and legislative functions.

While increasing the scope and scale of our interventions to meet the increasing capacity needs of African countries was an important objective in 2004, the Foundation also sought to enhance the performance of existing projects and programs. To ensure that they achieve better and more sustainable results, it continued to strengthen its project supervision mechanisms. The number of

supervision/appraisal missions conducted in the year rose to 272 from 208 in 2003. A total of 14 mid-term reviews of existing operations were conducted. We are also shifting our focus of performance from outputs to intended outcomes and impact. However, while recognizing the need to introduce indicators to better measure and track the performance of our capacity-building interventions, developing a conceptual framework remains a major challenge. Policy change is often incremental and decision-making processes are subject to a large number of factors that make it difficult to detect a clear, direct and immediate link between capacity-building interventions and specific outcomes. As a way forward, the Foundation organized in April 2004 an international workshop on performance measurement in capacity building to provide a forum for debate and understanding of the issue. The results of the workshop were encouraging, and we will continue to work with other development partners to develop indicators for performance measurement in capacity building.

Meanwhile, close supervision of Foundation-supported projects and programs continues to provide valuable lessons on factors that influence the results and impact of our interventions. Clearly, beneficiaries must be fully committed to ensure stakeholder ownership of project objectives, which is critical for operational success. Also, effective project implementation derives from sound management by project managers and good governance by supervisory organs. They must track progress and make sure that activities are efficiently executed. We have improved our dialogue with stakeholders on these and other issues that are essential to form a supportive environment for enhanced human and institutional capacity. In our interventions to support capacity-building initiatives in the public sector, we urge governments to make better use of existing national capacity - which is often under-utilized - and draw attention to the role of incentives in the public sector as a precondition for building, utilizing and retaining capacity effectively.

Within the Secretariat, we implemented measures to enhance our performance. During the year, we increased the number of professional staff to ensure the presence of appropriate skills and competencies. The number of staff that benefited from training programs also improved and measures were implemented to improve staff compensation and welfare, within the limit of available resources. The conclusions of the Staff Retreat that was held in August 2004 and the Staff Opinion Survey conducted at the end of the year will guide our actions in the coming years as we continue to improve our personnel management practices and operating processes in a challenging external environment.

Furthermore, we strengthened our information and technology platform. The Foundation's web site, portals and directories now provide access to a variety of knowledge products and services. The Foundation is also consolidating its shift into knowledge-management activities and moved closer to its goal of providing intellectual leadership on capacity-building issues in Africa. It produced and circulated a number of publications (such as operations research reports, occasional papers, working papers, lessons notes and newsletters), several of which generated substantial interest - including the study of capacity building in post-conflict countries and the one on public sector corruption in Africa. The aim of the Foundation in this area is to establish a body of knowledge to drive its capacity-building agenda. In addition, the Foundation's six Technical Advisory Panels and Networks (TAPNETs) are now operational. The TAPNETs, together with the African Policy Institutes Forum (APIF) and the country-level knowledge Networks (CLKNETs), offer policy practitioners access to research and information on best practices within the Continent and elsewhere and, thereby, provide a valuable opportunity for learning. They are therefore making an important contribution toward the building and enhancement of the Foundation's knowledge base on capacity building.

In November 2004, we were privileged to welcome onboard the Republic of India. This not only made India the first Asian country to join ACBF, but also added an important strategic South-South co-operation dimension to the international partnership that the ACBF-PACT model

epitomizes. I am pleased to report that the year also marked a turning point in the Foundation's partnership with African institutions that play key roles in the design, implementation and assessment of development programs. The Foundation signed a Memorandum of Understanding (MOU) with the NEPAD Secretariat and strengthened its relationship with the African Union in order to take forward Africa's capacity-building agenda.

However, the path to Africa's leadership in its own development effort is still long. As we move closer to the deadline of the MDGs, the need for improved capacity in policy formulation and implementation becomes even more acute. Regrettably, the resource gap for the full implementation of the Foundation's SMTP (2002-2006) remains large. Consequently, the years ahead will present a persistent resource challenge to the Foundation. I am encouraged by the fact that there is growing recognition that capacity building is a long-term process that requires in a predictable way considerably more resources than are presently made available. Therefore, while increasing our efforts to leverage additional resources through co-financing and other partnership arrangements, the Foundation will continue to challenge its development partners to deepen their commitment to capacity building in Africa by covering the financing gap of the SMTP. To this end, we are buoyed by the pledges of fresh financial support pledged in 2004 by Congo (DRC) and Kenya – thus demonstrating a higher level of African ownership .

As part of its efforts to step up its resource mobilization drive, the Foundation will in 2005 tap the expertise and contacts of some of its distinguished stakeholders. One of such people will be Barrie Ireton, who stood down in 2004 after serving for eight years as Chairman of the Board of Governors. During his tenure at the helm, Mr. Ireton demonstrated strong creativity and dedication to the Foundation at several critical junctures of its evolution. For example, he designed the Schedule of Draw-downs for contributions to the Foundation, spearheaded efforts relating to the mobilization of resources for the Foundation's second phase and played a leadership role during the integration of PACT into ACBF.

The Foundation is aware that much remains to be done to increase its effectiveness as a development institution. To provide a strategic focus to its interventions and achieve a catalytic impact, the Foundation will continue to conduct country capacity needs assessments to track and analyze priority national and regional capacity needs. It will further improve its systems, processes and procedures as well as strengthen its project/program evaluation and review mechanisms to improve the timeliness and quality of its response to stakeholders. In this connection, it will intensify its activities geared at developing a framework to better measure the performance and impact of capacity-building projects and programs.

Finally, we were all saddened by the sudden death in March 2004 of Jitt Gill, the World Bank representative on the Executive Board. During the short time we worked with Mr. Gill, he demonstrated a strong commitment to the goals of the Foundation. As I end my fifth year with ACBF, I recognize even more the challenges that underlie these goals. However, I am optimistic that the Foundation will be able to meet them because of my confidence in the commitment of our sponsors and member states and organizations to the development of Africa, the dedication of the Board of Governors and the Executive Board to the Foundation's success, and the quality and professionalism of the ACBF staff. I would like to thank all of them for their contribution to the achievements recorded in 2004.



Soumana Sako
Executive Secretary



Chapter 1. Executive Summary



- Mobilization of Additional Resources for the Foundation
- Pursuit of the Change Management Process
- Approval of New Operations
- Management of the Foundation's Portfolio of Projects and Programs
- Implementation of the Knowledge Management Strategy
- Development of Outreach, Networking, Partnership and Program Support Activities
- Improvement of Corporate and Financial Management Functions
- Upgrading of the Information Technology Platform

1. Executive Summary

In 2004, ACBF forged ahead in tackling some of the capacity-building challenges confronting the Continent. The year was marked by the following: (a) mobilization of additional resources for the Foundation; (b) pursuit of the change management process; (c) approval of new operations; (d) management of the Foundation's portfolio of projects

and programs; (e) implementation of the knowledge management strategy; (f) development of outreach, networking, partnership and program support activities; (g) improvement of corporate and financial management functions; and (h) upgrading of the Foundation's technology platform.

Table 1. Summary of ACBF Operations, Resources and Finance, 2000 - 2004

Items	2004	2003	2002	2001	2000
<ul style="list-style-type: none"> Cumulative number of grants approved by the Executive Board 	136	113	99	88	78
<ul style="list-style-type: none"> Cumulative number of country-level knowledge networks (CLKNETS) 	3	2	0	-	-
<ul style="list-style-type: none"> Cumulative number of grants to national focal points (NFPs) 	26	26	26	26	20
<ul style="list-style-type: none"> Cumulative number of SAFEWIND operations approved 	35	20	7	-	
<ul style="list-style-type: none"> Cumulative number of active operations 	101	80	71	67	60
<ul style="list-style-type: none"> Number of approved operations 	23	14	11	16	56
<ul style="list-style-type: none"> - Grants to new operations 	21	9	4	13	49
<ul style="list-style-type: none"> - Grants to refinanced operations 	2	5	7	3	7
<ul style="list-style-type: none"> Cumulative number of countries covered 	36	36	36	36	29
<ul style="list-style-type: none"> Cumulative number of ongoing operations 					
<ul style="list-style-type: none"> - Public sector 	74	61	58	55	50
<ul style="list-style-type: none"> - Interface 	22	16	12	11	9
<ul style="list-style-type: none"> - Strategic interventions, including CLKNETS 	5	3	1	1	1
Mid-term reviews	14	8	7	6	4
Appraisal and supervision missions	272	208	154	201	123
Capacity needs assessment missions	7	34	8	22	54
	US\$ Millions	US\$ Millions	US\$ Millions	US\$ Millions	US\$ Millions
Cumulative total cost of operations	790.09	537.89	498.55	448.76	402.77
Cumulative commitments to operations	252.47	200.99	183.22	162.33	146.97
New commitments	51.48	17.72	21.00	15.26	60.45
Cumulative disbursements	129.35	109.67	89.83	71.79	58.74
Cumulative co-financing commitments	288.61	261.38	246.48	229.42	193.77
Cumulative Paid-in contributions (Phase I)	67.07	67.07	67.07	67.07	67.07
Cumulative Paid-in contributions (Phase II)	40.79	40.79	38.79	27.74	21.22
Cumulative Paid-in contributions (ACBF-PACT Phase)	154.80	87.95	81.74	74.17	43.50
Cumulative investment income	21.82	16.95	14.88	10.47	9.66

A. Mobilization of Additional Resources for the Foundation

The Foundation pursued its quest to mobilize additional resources in order to fully finance its SMTP, 2002 – 2006. In this connection, the Board of Governors endorsed the Foundation's resource mobilization strategy that focused on seeking resources to finance the current SMTP and agreed to support the efforts of the resource mobilization task force and participate actively in the fund-raising campaign. Meanwhile, the Foundation signed agreements with Kenya and the Democratic Republic of Congo (DRC). Kenya pledged Ksh 50 million to the Foundation while DRC pledged US\$ 500,000 to the ACBF-PACT Trust Fund. The Governments of Djibouti and Niger also expressed their intent to join ACBF and contribute toward the joint financing of its activities.

As of 31 December 2004, the following countries and organizations had signed the MOU relating to the ACBF-PACT Trust Fund: (i) Benin (12 November 2002); (ii) Burkina Faso (12 November 2002); (iii) Cameroon (12 November 2002); (iv) Canada (12 November 2002); (v) Congo (DRC) (27 April 2004); (vi) Denmark (27 June 2003); (vii) Finland (12 November 2002); (viii) France (17 February 2003); (ix) Ireland (12 November 2002); (x) Kenya (23 June 2004); (xi) Mali (19 February 2003); (xii) Mauritania (2 June 2003); (xiii) The Netherlands (12 November 2002); (xiv) Nigeria (27 February 2003); (xv) Norway (12 November 2002); (xvi) Rwanda (12 November 2002); (xvii) Senegal (12 November 2002); (xviii) Sweden (19 December 2002); (xix) the United Kingdom (12 November 2002); (xx) UNDP (26 June 2003); (xxi) the World Bank (31 March 2003); and (xxii) ACBF (12 November 2002). In addition, the Government of India and ACBF signed a joint press communiqué on 25 November 2004 under the terms of which the Government of India announced its pledge to make an initial contribution of US\$ 1 million to the ACBF-PACT Trust Fund and become a member of the Foundation. It is expected that the Agreement formalizing the pledge will be signed in the first quarter of 2005.

B. Pursuit of the Change Management Process

In 2004, the Secretariat continued to pursue the change management exercise it launched in 2001 in order to mainstream the reforms engendered by the process. There were visible signs that the change management

process had contributed importantly to: (i) improvement in operations systems, processes and procedures; and (ii) improvement in staff welfare.

C. Approval of New Operations

In 2004, the Executive Board approved grants to twenty-three (23) full-fledged projects and programs as set out in Table 2. Total commitments to full-fledged operations in 2004 amounted to US\$50.68 million.

The Executive Secretary awarded funding support to fifteen operations under the Secretariat Approved Funding Window (SAFEWIND) grant facility for commitments totalling US\$736,300.

As a result, cumulative commitments in respect of projects and programs rose in 2004 from US\$200.99 million to US\$252.47 million – which represented an increase of 25.61 % over 2003.

D. Management of the Foundation's Portfolio of Projects and Programs

The Foundation pursued its efforts to improve the management of the 101 active projects and programs in its portfolio in order to boost the quality and relevance of their outputs. The Secretariat continued to invest in efforts to: (a) streamline the process culminating in the commencement of activities of new operations through more rigorous and results-oriented appraisal and post-approval mechanisms. In this connection, the Foundation was able to negotiate and sign 43 Grant Agreements consisting of 17 full-fledged instruments, 19 Letters of Agreement and 7 Letters of Understanding. This output was more than double the number (20) of Grant Agreements projected in the Business Plan for 2004; (b) monitor operations proactively in order to anticipate or prevent problems relating to the implementation of their activities; (c) organize more rigorous operations-related and financial supervision missions to ACBF-funded projects and programs. Accordingly, in 2004, the Foundation fielded 272 appraisal/supervision missions to the projects and programs in its portfolio; (d) share information and knowledge with stakeholders in order to foster greater appreciation and consensus-building on operational and financial procedures; (e) conduct 14 mid-term reviews of existing operations; and (f) organize workshops and other learning forums to deepen the skills of ACBF staff in administrative, financial, legal, and operational procedures.

Table 2. Full-fledged Operations Approved in 2004

Title of Project or Program		Total Cost (US\$)	ACBF Grant (US\$)
1.	Collaborative Master's Degree Program in Agricultural and Applied Economics for Eastern, Central and Southern Africa (CMAAE)	8,997,803	2,200,000
2.	BEAC/BCEAO Debt Management Training Program (Phase II)	8,923,803	1,500,000
3.	Mano River Union Training Project (MRUTP)	2,380,000	2,000,000
4.	International Comparison Program for Africa (ICP-Africa)	11,000,000	1,000,000
5.	Rwanda Capacity Building Program (RCBP), Rwanda	75,732,100	4,000,000
6.	Zambia Institute for Policy Analysis and Research (ZIPAR), Zambia	4,000,000	1,500,000
7.	«Projet de Renforcement des Capacités des Organisations Féminines du Mali » RECOFEM, Mali	1,894,410	1,000,000
8.	Strengthening the Secretariat of the New Partnership for Africa's Development (NEPAD)	49,209,000	2,000,000
9.	Namibian Performance Management System Project (NPMSP), Namibia	2,059,080	1,580,096
10.	SADC Parliamentary Forum	3,631,293	2,600,000
11.	Institutional Capacity Strengthening and Capacity Building of Botswana Coalition of Non Governmental Organizations (BOCONGO), Botswana	4,772,000	1,150,000
12.	Institutional strengthening and capacity of the Coordinating Assembly of NGOs in Swaziland (CANGO), Swaziland	2,082,000	1,000,000
13.	African Futures Institute (AFI)	9,699,000	800,000
14.	African Business Roundtable (ABR)	7,078,540	750,000
15.	« Programme de Renforcement des Capacités des Structures de la Chaîne de Contrôle de la République du Cameroun » (CASC), Cameroun	23,910,150	4,000,000

Title of Project or Program	Total Cost (US\$)	ACBF Grant (US\$)
16. « Project de Renforcement des Capacités de la Société Civile dans la Prévention et la Gestion des Conflits en Afrique Centrale », (PREGESCO)	2,100,000	1,800,000
17. Public Sector Management Training Program (PSMTP)	12,000,000	12,000,000
18. « Projet de Renforcement des Capacités de la Société Civile et du Secteur Privé Pour le Dialogue Inter-partenarial en République du Congo », (RECADIP), Congo	1,650,000	1,500,000
19. « Projet de Renforcement des Capacités de la Communauté Economique des Etats de l'Afrique Centrale », (RENFOR)	2,300,000	2,000,000
20. Macroeconomic and Financial Management Institute for the Portuguese Speaking Countries in Africa, (PALOP Institute)	8,299,016	2,000,000
21. PRIECA/OA II	3,542,381	2,200,000
22. "Projet de Renforcement de la Responsabilité Financière pour la Bonne Gouvernance au Sénégal (PRRF)"	5,187,578	1,800,000
23. "Projet de Mise en Place du Réseau d'Appui aux Politiques de Développement (RESAPOD), Sénégal	1,003,842	300,000
TOTAL	251,451,996	50,680,096

B. Implementation of the Knowledge Management Strategy

In 2004, the Foundation pursued its innovative knowledge-management efforts. In this connection, it generated the following principal outputs: (i) organized on 25 – 26 March 2004 the First Annual Meeting of the TAP-NETs, which afforded an opportunity for the preparation and circulation of operations-related working papers; (ii) launched the African Policy Institutes Forum (APIF) Knowledge Network on 15 – 16 November 2004; (iii) developed and obtained Executive Board approval of the third

CLKNET operation (RESAPOD in Senegal) in the Foundation's portfolio (the other two CLKNETs are the RGC-B in Burkina Faso and the EGN-ISSER in Ghana); (iv) sponsored the generation of operations-related and thematic research covering topics such as the market for skilled development management professionals in Africa, lessons of experience on capacity building in a sample of post-conflict countries (Mozambique, Rwanda, Sierra Leone and Uganda) and the impact of HIV/ AIDS on the public sector in sub-Saharan countries; (v) pursued its tacit knowledge program through which distinguished senior policymakers are invited to share their

knowledge and experiences in the area of capacity building; (vi) published 1 new Occasional Paper (on reconstruction and capacity building in post-conflict countries), 3 Working Papers (on the political economy of sustainable development; the measurement of performance of interventions in capacity building; and regional co-operation and integration in Africa), 2 Lessons Notes, 4 Newsletters as well as a dozen websites, portals and directories; (vii) organized or took part in meetings, conferences, seminars and workshops touching on themes and topics germane to the Foundation's mandate and core competency areas; and (viii) continued to develop its collaborative and partnership arrangements with many institutions on the Continent and outside it.

These achievements not only enhanced the Foundation's learning and networking efforts, but also enabled it to bolster its visibility, credibility and positioning at the cutting-edge of capacity-building issues and priorities on the Continent.

F. Development of Outreach, Networking, Partnership and Program Support Activities

As the Continent's pre-eminent capacity-building institution, the Foundation intensified its efforts to enhance its linkages with other institutions and initiatives. It also sought to bolster its stature, visibility, responsiveness and networking activities. In addition, members of the Secretariat attended conferences, seminars and workshops touching on issues directly related to the Foundation's mandate and core competencies in order to share experiences and lessons, distil good practices, and harvest new perspectives. Lastly, the Foundation stepped up its efforts to build and enhance partnership ties with institutions and initiatives such as the AAU, CAFRAD, CIDA, CODESRIA, the IMF-AFRITAC, NEPAD, IOM, UNCTAD and WBI/JAI.

G. Improvement of Corporate and Financial Management Functions

In 2004, the Foundation continued to strengthen its effectiveness and efficiency in order to better achieve its operational and knowledge management goals. As in 2003, the Foundation continued to place premium on high quality work systems, total quality management approaches, continuous process improvements, a revitalized corporate culture, effective leadership as well as team building and teamwork. These foci were set within the organizational structure that was streamlined in 2002 comprising Departments and Operations Zones as well as standing and ad hoc panels such as the SMG, SAP, SPRP, PRC, and OMT.

With respect to financial management, the Foundation continued to exercise prudence and rigor in its budgeting and internal controls processes in order to ensure that the available resources are utilized optimally in a difficult economic environment. In addition, the application of procurement rules, the administration of grants as well as the monitoring of external audits for both the Foundation and its grantees were subject to the same level of scrutiny. To boost its efforts in this regard, the Secretariat appointed an Internal Audit Officer during the year.

H. Upgrading of the Information Technology Platform

To enhance its visibility, facilitate access to its products and services, disseminate such outputs and improve its internal operations, the Foundation continued to upgrade its information technology (IT) platform in 2004. Accordingly, it developed further the ACBF intranet, designed additional website portals and directories, enhanced the virtual discussion forums for the TAP-NETs, upgraded the current IT platform as well as procured and installed additional IT equipment, including new servers. In addition, the Foundation continued to develop its online-library collection, which has significantly improved its knowledge base.

Table 3.

Summary of Performance in 2004: Projects and Programs		
	Target	Achievement
• Project Refinancing	5	3 ¹
• Country Interventions		
o Country Programs	2	3 ²
o Targeted Interventions	11	7
• Regional Interventions	8	11
• Country Capacity Profiles	2	7 ³
• Country-level Knowledge Networks	2	2
• SAFEWIND Programs	12	15
• Project Supervision Missions	265	272
• Mid-Term Reviews	15	14
• Project Completion Reports	6	6 ⁴
• Grant Agreements	16	43 ⁵
<hr/>		
<p>¹ Includes Zambian Institute for Policy Analysis and Research, which emerged from a transition of the Directorate of Macroeconomic Policy Analysis.</p> <p>² The Uganda country program development exercise is in progress.</p> <p>³ This includes four capacity needs assessment exercises.</p> <p>⁴ Reports in the pipeline.</p> <p>⁵ This figure consists of 17 full-fledged Grant Agreements, 19 Letters of Agreement and 7 Letters of Understanding.</p>		

Table 3. (Continued)

Summary of Performance in 2004: Knowledge Generation and Sharing			Target Achievement	
(a) Thematic Networks				
<ul style="list-style-type: none"> • Operation of six TAP-NETs <ul style="list-style-type: none"> ◦ Economic Policy Analysis & Management (EPANET) ◦ Financial Management & Accountability (FIMANET) ◦ Public Administration & Management (PAMNET) ◦ National Statistics (STATNET) ◦ National Parliaments & Parliamentary Institutions (PARLIANET) ◦ Professionalization of the Voices of Private Sector & Civil Society (VOICENET) • Launch of the African Economic and Financial Policymakers' Knowledge Network (EFNET) • Launch of the African Policy Institutes Forum (APIF) 			6	6
			1	Deferred ¹
			1	1
(b) Operations and Thematic Research				
<ul style="list-style-type: none"> • Operations Research <ul style="list-style-type: none"> ◦ Performance Measurement in Capacity Building ◦ Governance and Management in ACBF-Supported Projects ◦ Production of ACBF's First Thematic Report on "Performance Measurement in Capacity Building" • Thematic Research <ul style="list-style-type: none"> ◦ Study on Access to Digital Opportunities ◦ ACBF-IOM Study on Migration and Capacity Building 			1	1 ²
			1	Ongoing
			1	Ongoing
			1	Ongoing
			1	Ongoing
			1	Ongoing
(c) Senior Policymakers and Development Managers Program			2	Ongoing
(d) Publications				
<ul style="list-style-type: none"> • ACBF Newsletter – Hard Copy and Electronic Version • ACBF Capacity Building Review • ACBF Occasional Papers 			4	4
			1	1
			2	2

¹ Concept discussed at ACBF-MEFMI Deputy Governors of Central Banks and Deputy Permanent Secretaries of Ministries of Finance and Planning Workshop in November 2004

² A international multi-donor workshop was held by the Foundation in April 2004 to share experience and lessons in performance measurement.

Table 3. (Continued)

Summary of Performance in 2004: Knowledge Generation and Sharing (continued)		
	Target	Achievement
<ul style="list-style-type: none"> • ACBF African Research Abstracts • ACBF Workshop Series • ACBF Working Papers • ACBF Lessons Notes • Book on Capacity Building and Knowledge Sharing 	1 2 1 3 1	1 1 3 2 Ongoing
(f) Communication/Dissemination Channels, Library and Information Centre		
<ul style="list-style-type: none"> • Redesign and update of Main Web Site • Update of TAP-NETs Web Site • Update of Intranet • Development of EFNET Web Site • Update of existing Directories • Launch of African Development Management Professionals Database/Directory • Development of a Web-Based Discussion • Forum on Capacity Building • Enhancement of Library Collections • Digitization of Library 	1 1 1 1 5 1 1 1 1 1 1	1 1 1 1 5 1 1 1 1 1 Ongoing
(g) Program Support Activities		
<ul style="list-style-type: none"> • Multi-donor Technical Workshop On Performance Measurement in Capacity Building • Brown Bag Seminars • Launch of ACBF Annual Capacity Building Symposium • Training of Trainers Workshop on Capacity Needs Assessment, Capacity Profiling and Strategy Formulation – Ministry of Planning, Republic of Gabon • ACBF-CAFRAD e-Governance and ICT workshop 	1 3 1 1 1	1 3 1* 1 1
(h) Outreach		
<ul style="list-style-type: none"> • Public Relations/Press Conferences • ACBF Information Briefs <ul style="list-style-type: none"> ◦ <i>Project & Program Portfolio</i> ◦ <i>Flyer on SPM-KSP</i> ◦ <i>Flyer on EFNET</i> ◦ <i>Flyer on ACBF Directories & Web Sites/Portals</i> • Media and Capacity Building – Journalists' Tour of ACBF Operations • Development of CD-Rom Presentations on ACBF 	4 4 1 2	5 4 1 1
(i) Information and Communication System		
<ul style="list-style-type: none"> • Overhaul of ICT Platform 	1	Ongoing

* Delivered as part of the workshop to launch APIF in Nove

Chapter 2.

Overview of ACBF Activities in 2004



- Deliberations and Decisions of the Boards
- Enhancement of the Institutional Platform
- Corporate Management
- Finance
- Knowledge Management, Program Support, Outreach and Partnerships
- Projects and Programs
- Operational and Institutional Challenges

2. Overview of ACBF Activities in 2004

A. Deliberations and Decisions of the Boards

ACBF is governed by two Boards - the Board of Governors consisting of 36 members representing 32 countries, the International Monetary Fund and the three 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 held its 13th Annual Meeting in June 2004. The Executive Board is responsible for the conduct of the general operations of the Foundation. It met twice in regular session in 2004 - in May and December.

The Board of Governors

The Board of Governors held its 13th Annual Meeting on 29 June 2004 in The Hague, Kingdom of the Netherlands. At the meeting, the Board considered the following main agenda items: (i) the Annual Report and Audited Financial Statements for FY 2003; (ii) the report on resource mobilization strategy; (iii) the progress report on performance measurement in capacity building; (iv) the Board resolution on honorary membership of the African Union on the Board of Governors; (v) vacancies on the Executive Board; and (vi) election of the Bureau of the Board of Governors.

The Executive Board

The Executive Board met twice in regular session in 2004 - on 5 - 7 May and on 15 - 16 December. In accordance with its constitutional mandate, the Executive Board played a key role in providing guidance on operational policies and strategies, approving the Foundation's Business Plan and Budget for 2005, monitoring the performance of the portfolio of operations as well as approving new projects, programs and other initiatives. It also played an important role in the development of a resource mobilization strategy for the Foundation. In these respects, the Executive Board made notable contributions to the Foundation's operations.

B. Enhancement of the Institutional Platform

Throughout 2004, the Foundation continued to enhance and consolidate its ICT platform and to make efficient use of the existing infrastructure, the burgeoning intranet, web portals and document management systems. The central focus was to consolidate the Foundation's knowledge management activities and enhance its internal operations. The main activities and outputs were as follows:

Installation of New Servers

The Foundation procured and migrated its expanded data set to a new server fully installed with the latest Windows 2003 software. This platform now forms an integral part of the intranet, the document management system and various databases as well as the website portals and discussion forums for TAP-NETs.

Website Portals, Discussion Forums and Directories

The Foundation established a web-based recording and tracking system for its internal transactions and for those relating to its interface with its stakeholders. In this connection, it enhanced the discussion forums for the TAP-NETs and launched a *Directory of African Development Management Professionals*. The Directory will be used by the Foundation for its operations, ACBF partner institutions, Governments, UN Agencies and other development-oriented organizations as well as individuals requiring consultants or experts on Africa's development management issues.

The Foundation also continued to enhance and upgrade its main website as part of its information management strategy aimed at offering basic information on ACBF activities and achievements. The enhanced main web site will be launched in the first quarter of 2005.

Upgrading of Other IT Equipment

During the year, the Foundation procured additional computers, printers, scanners and software not only to enhance the IT infrastructure but also as a response

to the continued growth of the Foundation's activities and expanded staff size.

C. Corporate Management

Overview

In 2004, corporate management continued to play a major role in the enhancement of the Foundation's outputs. The flow of information within the Foundation and between the latter and its external stakeholders continued to strengthen performance and productivity as a result of improved processes and procedures. There was a focus on flexible and team-based organizational frameworks and performance-based management and reward systems. In general, corporate management continued to keep up the pace. More specifically, the performance and management challenges that the Foundation addressed in 2004 included the following:

- Introduction of an internal audit function as a way of ensuring that the control systems and procedures of the Foundation and its project and program portfolio are kept at high levels.
- Enhancement of the administrative and human resources function through the appointment of a substantive Manager.
- Increased efficiency and effectiveness in procurement processes through collaboration with other international agencies.
- Improvement of the Foundation's ICT platform through enhancement of its capacity and the installation of faster processing equipment.
- Implementation of staff development initiatives across the board in order to meet the Foundation's human resource challenges.

During the year, the Foundation successfully implemented a number of institutional reforms to enhance administrative effectiveness and efficiency as well as promote sound human resources management. These reforms culminated in the following actions:

Recruitment and Staffing

As part of the Foundation's policy of strengthening the internal capacity of the Secretariat, a number of new staff members were recruited to complement the existing team. The year saw the appointment of a substantive Manager of the Administration and Human Resources Department and an Internal Audit Officer. Six other professional staff (3 Program Officers, 1 Accounting Officer, 1 Knowledge

Management Officer and 1 Administration Officer) also joined the Foundation in 2004. In the support staff category, a Desktop Publishing Secretary also joined the Foundation during the year. These additional appointments provided the Secretariat with the staff complement required for a more effective conduct of its work. They also helped to boost the Foundation's efforts to address its workload.

Staff Training and Development

Training and re-training of staff continued to feature strongly during the year. The capacity of staff was further enhanced by the exposure of both support and professional staff to training programs, conferences and seminars within and outside the Continent.

Language skills were enhanced during the year through the introduction of French lessons to interested staff members. The Foundation plans to introduce Portuguese and Shona lessons in 2005. An in-house workshop on the performance appraisal process was organized for all staff members to improve their understanding of the Personnel Performance Review process and identify possible improvements to the current system. Lastly, the Foundation's performance-based reward system enhanced staff motivation and the review of staff performance in respect of 2003 resulted in the award of promotions and merit increases to deserving staff members. A significant investment was made in the upgrading of the ICT platform in order to raise staff productivity and performance.

Compensation and Benefits Package

The Foundation continued to monitor the implementation of its compensation and benefits package in order to attract and retain the requisite staff. For example, the pension-backed loans scheme was introduced to enable staff to have access to resources for long-term investment.

Records Management

The Foundation recorded progress in the reform of its records management system, including the reorganization of the filing system, the creation of an electronic central registry and the streamlining of its records archiving system. As the Foundation grows, there will be need for continuous training of both professional and support staff to ensure that the Foundation's records are maintained efficiently.

Procurement

The Procurement Committee set up by the Secretariat in 2003 continued to ensure that the Foundation purchased goods from reputable suppliers. At the same time, the acquisition of major items was conducted through resort to international procurement agencies to ensure competitive bidding and cost effectiveness. A significant investment was made in the upgrading of the ICT platform in order to raise staff productivity and performance.

Monitoring of Commitments and of the Budget Implementation Process

The Commitments Register being managed by AHRD continued to provide useful management information for enhanced expenditure control. The introduction of a Commitments Register has led to an improvement of approval processes for administrative, financial and operations-related activities while facilitating an effective and efficient monitoring of the Foundation's budget. The installation of the Sun Systems accounting package in 2005 is expected to further improve the management of commitments and the timeliness of monthly and quarterly budget implementation reports.

Security Matters

The Foundation, through the United Nations Field Security System in Zimbabwe, received up-to-date information on the evolving security situation in the country. In close collaboration with the United Nations Field Security Coordinator, the Secretariat continued to ensure the safety of staff, their residences and the Foundation's offices. In this connection, the Foundation assisted staff members with the enhancement of security features in their residences. The Foundation will further enhance the security of its offices in 2005 with the installation of an electronic access control system.

D. Finance

Overview

The Foundation continued to strengthen its financial management systems in 2004 to cope with the demands of a growing organization and an expanding portfolio. At the same time, it launched a resource mobilization campaign to raise funds to close the financing gap of the SMTP (2002-2006). The prevailing economic environment within the host country posed serious challenges to the management of the Foundation's budget because of high inflation

and exchange rate risks. Although reported official inflation figures showed a downward trend from the closing figure of 600% in 2003, some sectors of the economy continued to experience hyperinflation. For example, the property market and goods with substantial import content were the most affected, which had a considerable adverse impact on the Foundation's administration budget.

Budgeting and Internal Controls

The Finance and Accounts Department (FAD) was strengthened during the year through the hiring of an Accounting Officer whose main responsibilities are to supervise the work of the Accounting Unit. An Internal Audit Unit was introduced during the year.

Weekly disbursement reports and quarterly budget implementation reports continued to be prepared and reviewed throughout 2004. These reports provided timely feedback to ACBF Management on slow-disbursing projects and programs and on budget performance, which, in turn, triggered timely intervention to address existing or foreseeable constraints.

Internal processes and procedures were also streamlined to reduce turnaround times in respect of key functions and activities such as processing of the bi-monthly payroll, of disbursement applications by grant beneficiaries, and of payments to consultants and sundry creditors.

Administration of Grants

The Foundation's grants portfolio expanded in 2004. As a result, the Secretariat worked continuously to improve the Foundation's responsiveness to the enlarged and growing portfolio of operations. In addition to desk supervision, 45 onsite visits and inspections were conducted by the Foundation's Disbursement Officers, the Internal Auditor and external audit consultants to verify compliance with Grant Agreement provisions as well as with the Foundation's financial and administrative procedures.

External Audits

In 2004, the accounting firm of *Deloitte & Touche* was retained as the Foundation's external Auditor while grant beneficiaries retained the various external audit firms appointed by their boards with ACBF endorsement. The Foundation requires that all its grant beneficiaries submit audit reports by an independent external auditor within six months

following the close of each financial year. The Foundation registered 100% compliance by its various grant beneficiaries in 2004.

Commitments and Disbursements

During the year, a total of US\$51.480 million was committed to projects and programs. This figure was more than treble the level of commitments in 2003. Disbursements for the year totalled US\$19.68 million.

The Foundation's commitments (US\$51.480 million) to projects and programs brought cumulative commitments to operations to US\$252.470 million. Cumulative commitments in respect of knowledge management and program support activities amounted to US\$4.27 million while the cumulative figure for administrative expenditure stood at US\$42.43 million. As at 31 December 2004, the combined total of commitments made by the Foundation amounted to US\$299.17 million while cumulative pledges stood at US\$393.81 million. When cumulative commitments and cumulative pledges are netted off, the amount available for fresh commitments by the Foundation stood at US\$94.64 million. The available commitment authority increased by US\$4.76 million recovered from closed operations, thereby bringing the total to US\$99.40 million. The Foundation's consolidated budget for 2005 requires US\$10.52 million. When an allowance is made for this amount, the balance of resources available for fresh commitments in respect of projects and programs in 2005 and beyond will be US\$88.88 million.

Compared to 2003, the figure of available commitment authority decreased by 61%. The dwindling resources in the face of an increasing demand for the Foundation's interventions necessitated the launch of a resource mobilization campaign aimed at closing the funding gap in the current SMTP (2002-2006).

The level of disbursements to projects and programs was affected by at least three factors: Firstly, the portfolio of active projects and programs grew considerably during the year as more beneficiaries fulfilled the conditions precedent to the effectiveness of Grant Agreements. Secondly, grant beneficiaries benefited from closer and timely supervision as the Foundation continued to streamline its internal procedures and systems of control. These took the form of desk reviews, field missions by both operations and finance personnel and the continuous improvement in internal processes that resulted in the shortening of turnaround times of required

services. Thirdly, some operations transiting from one phase to the next experienced a temporary decline in disbursement levels as a result of a reduced level of activity.

Expenditure on the Consolidated Budget

Expenditure on the Foundation's consolidated budget, inclusive of outlays on knowledge networking and program support activities, amounted to US\$8.174 million, which represented an increase of 34.5% over the outturn for 2003. Although such expenditure was still below budget, the factors that contributed to the increase included the following: the expanded portfolio of operations that necessitated an increase in the staff complement; the doubling of project supervision and monitoring missions given the enlarged portfolio; the growth in the quantum of knowledge networking and program support activities; and the high inflation that prevailed in the host country.

Rigorous budgetary control and monitoring helped to keep the expenditure growth rate within manageable levels. For example, despite the hyperinflationary environment, the ratio of administration expenditure to total expenditure of 21.63% compared favourably with accepted standards and averages achieved in previous years.

Pledges

The combined pledges for Phase I, Phase II and the ACBF-PACT Phase, which constituted the Foundation's funding sources, increased by US\$2.75 million following pledges of US\$1 million, US\$500,000, US\$250,000 and US\$1 million made by the U.S.A., DRC, Rwanda and India respectively. Investment income increased by US\$4.87 million to a total of US\$21.82 million, resulting in cumulative total resources of US\$393.81 million.

Available Cash Resources

The Foundation closed the year with available cash resources of US\$116.93 million – representing an increase of US\$42.88 million or 58% over the figure in 2003. The entire increase in cash resources resulted from contributions in respect of Phase II and ACBF-PACT pledges.

The Phase I Trust Fund account was closed in 2001. No contributions were received for the year in respect of the Second Phase. Contributions in respect of the ACBF-PACT Phase amounted to US\$66.85 million,

bringing the amount contributed to date to US\$154.08 million.

The World Bank made a substantial contribution of US\$52.60 million against its pledge of US\$55 million. Other donors that paid in against their ACBF-PACT pledges were Canada, Denmark, France, the IMF, Kenya and Norway. The combined investment income for all three phases amounted to US\$21.82 million.

Cumulative cash inflows to the Foundation's Trust Funds therefore amounted to US\$294.48 million. The cumulative outflows comprising disbursements to projects and programs, expenditure in respect of knowledge management and program support activities as well as administrative expenditure amounted to US\$177.55 million – leaving a balance of US\$116.93 million in available cash resources.

The available cash resources represent an increase of 58% when compared to the closing figure for 2003. Therefore, the cash cover for existing commitments was just adequate.

Mobilization of Financial Resources

The resources pledged at Lancaster House in 2002 and thereafter amounted to about US\$ 160 million – which was US\$180 million short of the US\$340 million required to fully implement the Foundation's Strategic Medium-Term Plan (SMTP) 2002-2006. As a result, the Foundation pursued its quest to mobilize the balance of resources, especially after the Board of Governors agreed at its 12th Annual Meeting held in June 2003 in Kigali, Rwanda, that the Foundation should bridge the financing gap instead of scaling back the SMTP (2002 – 2006) and aligning it with the resources mobilized at the time.

The Board of Governors endorsed the Foundation's resource mobilization strategy that involved the active collective effort of the Board of Governors, the Executive Board, the Secretariat and other key stakeholders, including the African Union. The Executive Secretary enlisted the support of the Chairman of the Commission of the African Union. Progress was also recorded in the Foundation's discussions with the NEPAD Secretariat, culminating in the signing on 14 January 2004 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 has indicated that, following funding of pilot-phase activities relating to NEPAD using the resources it pledged to the Foundation, it would likely pledge additional resources if ACBF played the envisaged role with respect to the implementation of the capacity-building components of the initiative.

The European Union and ACBF also discussed ways of working together in strengthening the human and institutional capacities of Regional Economic Communities (RECs) with the possibility that ACBF would benefit financially from the 9th European Development Fund (EDF).

Meanwhile, the Secretariat sought to trigger acceleration of disbursements into the Foundation's Trust Funds by donors that were lagging in fulfilment of their pledges in respect of its second phase to ensure that all outstanding pledges were settled in full. It followed up with those donors that had pledged resources in respect of the ACBF-PACT Phase in accordance with the relevant Schedule of Drawdowns. Among the countries and organizations that pledged resources to the ACBF-PACT Trust Fund at the Lancaster House Pledging Conference in 2002, there were some donors that were yet to sign the MOU relating to the ACBF-PACT Trust Fund in order to establish the legal framework that would enable the World Bank to issue confirmation letters to firm up the pledges. Consequently, efforts were made to ensure that all the remaining donors that pledged resources at Lancaster House signed the relevant legal instruments. Accordingly, Gabon signed the MOU in April 2004, while the AfDB and Government of Kenya accomplished the same in June 2004.

A key strategy of the resource mobilization campaign is to attract new donors to the Foundation. To this end, the Foundation succeeded in April 2004 to bring onboard the Democratic Republic of Congo (DRC) that pledged US\$ 500,000 to the ACBF-PACT Trust Fund. Other potential new donors such as Australia (AUSAID), Belgium, Egypt and Russia were also approached, and there are strong prospects that some of them might pledge resources to the Foundation. Correspondence was also transmitted to the governments of Djibouti, Guinea, Madagascar, Niger, South Africa and Swaziland inviting them to join the Foundation. The Secretariat also met with the local representative of USAID to discuss the possibility for ACBF to access resources under the Millennium Challenge Account established by the Government

of the United States. A meeting with the Japanese institutions responsible for international co-operation is also planned. Lastly, the Government of India signed a Joint Press Communiqué with the Foundation on 25 November 2004 under the terms of which the Government of India announced its intent to contribute US\$1 million to the ACBF-PACT Trust Fund and to become a Full Member of the Foundation. The Foundation is following up on these contacts, and it is expected that some of them will bear fruit in 2005.

Co-financing

Total cost of projects and programs in the Foundation's portfolio increased by 47.11% from US\$537.07 million to US\$790.09 million. The Foundation's share, which represents 31.95% of the total cost, increased by 26.12% from US\$200.17 million to US\$252.47 million. Government, self-generated and pledged co-financing of US\$430.46 million accounts for 54.48% of total cost.* The co-financing deficit of US\$107.16 million represents 13.56% of total cost. In 2003, the co-financing deficit was US\$75.51 million, or 14.06% of total cost.

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

Categories	2002		2003		2004	
	US\$	%	US\$	%	US\$	%
Total Cost	500,190,593	100.00%	537,069,315	100.00%	790,085,789	100.00%
ACBF's Share	182,923,543	36.57%	200,174,482	37.27%	252,469,136	31.95%
Government / Own Finance	75,232,050	15.04%	80,960,434	15.07%	141,849,350	17.69%
Pledged Co-financing	171,251,593	34.24%	180,420,678	33.59%	288,611,905	36.53%
Financing Deficit (Surplus)	70,783,407	14.15%	75,513,721	14.06%	107,155,398	13.56%

E. Knowledge Management, Program Support, Outreach and Partnerships

During the year, the Foundation's knowledge management system, partnership and outreach programs continued to play an important role in the efforts to raise its development effectiveness. To this end, the Secretariat took forward the relevant programs that were approved by the Executive Board through the Business Plan for 2004. Some of the main achievements included the following:

Knowledge Management

Knowledge Networks

Technical Advisory Panels and Networks (TAP-NETs). The first Annual Meeting of all six TAP-NETs was held on 25 – 26 March 2004 in Harare. A total of 70 participants attended the meeting. These consisted of 47 TAP-NETs members, the Minister for Special Affairs in Charge of Anti-Corruption and Anti-Monopolies in the President's Office in Zimbabwe; the Governor of the Reserve Bank of Zimbabwe; the Clerk of Parliament of Zimbabwe; members of the

Diplomatic Corps in Zimbabwe (among whom were: the Ambassadors for Canada, Ghana and Norway; the Deputy Ambassadors for Malawi, Namibia and Zambia; as well as the Minister-Counsellor for the Embassies of the Democratic Republic of Congo and Nigeria). Other participants were the Vice Chancellor of Africa University, Mutare, Zimbabwe; the UNDP Deputy Resident Representative; and a number of invited guests (including Heads of Departments of Economics and Political Science at the University of Zimbabwe and the Director of the Central Statistical Office, Zimbabwe). The meeting discussed operations-related working papers, which provided *Guidelines for the Establishment of an African Economic and Financial Policymakers' Knowledge Network* that the Secretariat plans to launch in 2005. Participants also reviewed the paper entitled "*Frameworks and Indicators for Performance Measurement in Public Service Delivery*", and discussed lessons of experience in program development based on a commissioned study entitled *Indian Case Study in the Design of National Capacity Building Program for Poverty Reduction*. Lastly, participants agreed on *Frameworks and Strategies for Addressing Public Sector Corruption in Africa, as well as Mechanisms for Building Effective Partnership Among Stakeholders in National Economic Management*.

*Co-financing in-kind by Governments has not been quantified and included in the above figures.

Box 1.**Financial Position of ACBF (US\$ millions)****Resources Available for Commitment to Projects and Programs**

In 2004, pledges for Phases I and II remained at the same level as in 2003 given that no new pledges were announced during the year. Pledges for the ACBF-PACT Phase (Phase III) increased slightly by US\$ 2.75 million resulting from pledges by the DRC (US\$ 500,000), India (US\$ 1 million), the United States of America (US\$ 1 million) and Rwanda (US\$ 250,000). The total value of pledges stood at US\$67.65million for Phase I, US\$57.48 million for Phase II and US\$236.86 million for the ACBF-PACT Phase (Phase III). The Japanese PHRD Trust Fund remained at US\$ 10 million, while the combined investment income increased to US\$21.82million.

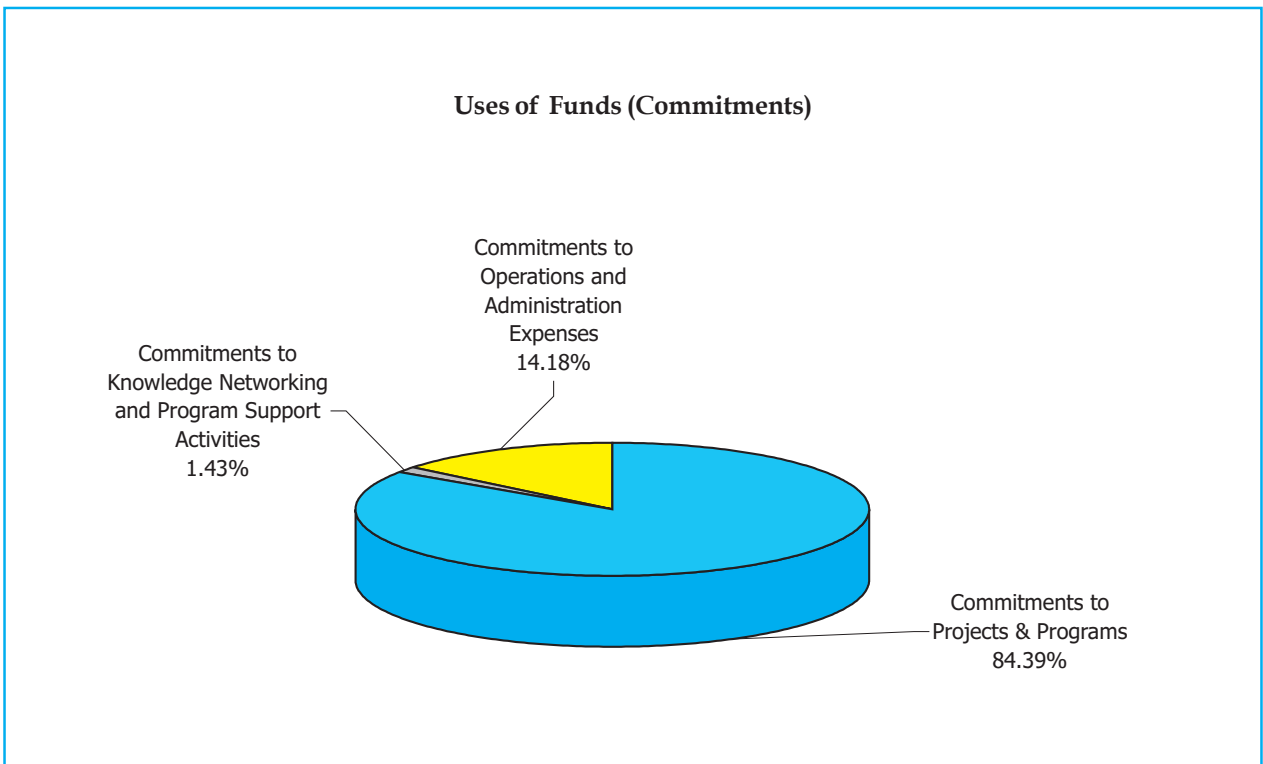
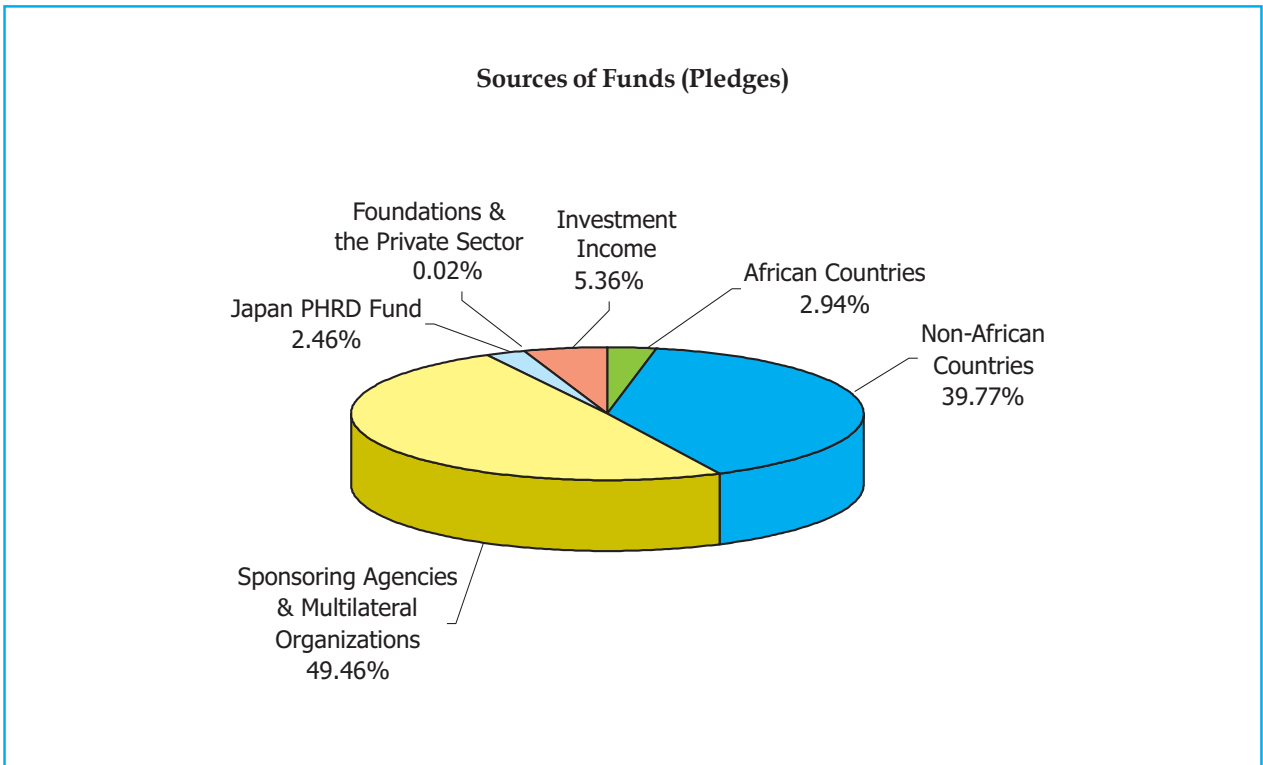
Therefore, cumulative pledges increased by US\$7.62 million. This was equivalent to the investment income earned by the Trust Funds during 2004 plus the value of pledges by the DRC, India, Rwanda and the U.S.A., which yielded a new total of US\$393.81 million in cumulative pledged resources. Against these pledges were cumulative commitments amounting to US\$252.47 million in respect of projects and programs for Phases I and II and the ACBF-PACT Phase (Phase III). In addition to commitments to capacity-building projects and programs were commitments to knowledge management and program support activities, including those relating to administrative expenditure amounting to US\$4.27 million and US\$42.43 million respectively. The combined total of commitments as at 31 December 2004 amounted to US\$299.17 million. During the year, US\$4.76 million, representing the value of resources committed but not disbursed relating to closed projects, was re-credited to the available commitment authority ledger – thus boosting the level of available resources by the mentioned amount. The difference between cumulative pledges and commitments as adjusted left a balance of US\$99.40 million in available commitment authority. However, if a provision for the 2005 administrative budget of US\$10.52 million were deducted, the commitment authority for capacity-building projects and programs would drop to US\$88.88 million.

Available Cash Resources

Cash resources comprise paid-in contributions by donors to the ACBF-PACT Trust Fund in respect of pledges to Phases I and II and the ACBF-PACT phase. The cumulative paid-in cash totalled US\$294.48 million. Against this amount were cumulative cash outflows towards expenditure on capacity-building projects and programs plus knowledge management and program support activities, including expenditure on administration, amounting to US\$177.55 million. This resulted in net cash resources of US\$116.93 million available to meet existing commitments. The available cash resources represented an increase of 58% over the closing figure for 2003.

1. Pledges	81.56
Phase I	
Less Defaults	10.887
Exchange Losses	<u>3.028</u> <u>13.91</u>
Phase I (net pledges)	67.65
Phase II	57.48
Japan PHRD Trust Fund	10.00
Phase III (ACBF-PACT)	236.86
Investment Income	<u>21.821</u>
Total Resources	<u>393.81</u>
2. Commitments	
Phase I	61.85
Phase II	24.67
ACBF/PACT Phase	165.95
	252.47
Program Support Expenditure as at 31/12/04	4.27
Cumulative Admin. Expenditure as at 31/12/04	<u>42.43</u>
	<u>299.17</u>
Total Resources Available for Grant Commitments and 2005 Administrative Budget	94.64
Add Adjustment for closed Projects	<u>4.76</u>
	<u>99.40</u>
Less: Approved Consolidated Budget for 2005	<u>10.52</u>
Available Commitment Authority for Projects in 2005	<u>88.88</u>
3. Available Cash Resources	
Paid-in Contributions	
Phase I	67.07
Phase II	40.79
Japan PHRD Fund	10.00
ACBF/PACT Phase	154.80
Investment Income	<u>21.82</u>
Total Cash Resources	<u>294.48</u>
Less: Expenditure to date:	
Disbursement to projects	130.85
Program Support	4.27
Cumulative Adm. and Capital Expenditure	42.43
	<u>177.55</u>
Cash Available as at 31 December 2004	<u>116.93</u>

Figure 1. Sources and Uses of ACBF Resources, 2004



The Annual Meeting launched the activities of the TAP-NETs for the year and provided an opportunity for senior policymakers, the ACBF donor constituency and the academic community to be apprised of the knowledge products and services of the TAP-NETs and to explore strategies by which finance and economic ministries, development management organizations and the academic community can draw on the benefits of the Foundation's knowledge management system. The meeting also provided visibility for the TAP-NETs and the Foundation's knowledge products and services within the donor and development community represented by the Ambassadors of African and ACBF-donor countries as well as by resident coordinators of development agencies in Zimbabwe. The Minister for Special Affairs in-charge of Anti-Corruption and Anti-Monopolies, the Governor of the Reserve Bank, the Ambassadors, and other senior policymakers who participated in the meeting expressed a strong conviction that the TAP-NETs were vital knowledge networks that would offer the Continent easy access to best practices in capacity building as well as in the management of social and economic policies and programs.

TAP-NETs Working Papers. Towards the end of 2003, the TAP-NETs completed the first draft of two Working Papers – *Guidelines for the Establishment of an African Economic and Financial Policymakers' Network*, and *Frameworks and Indicators for Performance Measurement in Public Service Delivery*. During the year, they commenced preparation of the following Working Papers:

- Documentation/Review of the Present State of Africa's Statistical Systems and Proposals on the Direction of Future Reforms in Selected African Countries.
- Trade Policy Development and Negotiations – From Seattle to Cancún: Documentation of Major Issues and Proposals on Africa's Position.
- Public Service Reforms in Africa – Current Focus, Future Direction and a Guide to Success Factors/Best Practices.
- Documentation of On-going Political and Parliamentary Reforms in Africa – Identification of Encouraging Practices.

Launch of the African Policy Institutes Forum (APIF) Knowledge Network. On 15 – 16 November 2004, the Foundation launched the African Policy Institutes Forum (APIF) as a knowledge network. APIF is a continental forum for all directors of African policy institutes and specialized training institutions that aims to take forward the generation, synthesizing, collation and sharing of ideas and best practices for the management of economic and social policies and

programs, good governance and poverty reduction in sub-Saharan Africa.

The launch workshop attracted many distinguished persons such as the Director of the African Department of the IMF, on behalf of the First Deputy Managing Director of the IMF; the Director of the Centre for African Studies, United Kingdom, who until recently was the Director of Research at the Africa Region, the World Bank; and the Principal Policy Advisor, Bureau for Development Policy, UNDP. More than 80 participants - including directors and a select number of professional researchers from ACBF-supported policy centres and units, other institutes with similar mandates on the Continent and a number of eminent development specialists with strong and similar professional interests - attended the event.

Country-level Knowledge Networks (CLK-NETs). The Country Level Knowledge Networks (CLK-NETs) program is designed to encourage policy institutes, professionals, development practitioners, academics, researchers and other stakeholders in national development to form a country-wide community of practice that will generate, systematically collate and share knowledge for the management of economic and social policies and programs. So far, the Executive Board has approved three CLK-NETs – in Burkina Faso (RGC-B), Ghana (EGN-ISSER) and Senegal (RESAPOD).

Operations and Thematic Research

During the year, the following studies were completed:

- An Analysis of the Market for Skilled African Development Management Professionals (*Final Draft Report*).
- Capacity Building in Post-Conflict Countries – Lessons of Experience from Mozambique, Rwanda, Sierra Leone and Uganda (*Revised Draft Report*).
- The Impact of HIV/AIDS on Public Sector Capacity in sub-Saharan Africa (*First Draft Report*).

The reports of these studies are being processed for publication and dissemination. Given that the studies are driven by the operational needs of the Foundation's programs, their findings will provide valuable inputs for the refinement of project and program development operations and appraisal reports by the Secretariat. Beyond the Foundation's immediate needs, the studies offer vital knowledge and information sources to non-African stakeholders.

Box 2.**ACBF Knowledge Networks at Work: The Scorecard So Far**

Central to the Foundation's knowledge management system are its knowledge networks. At the end of 2004, there were six Technical Advisory Panels and Networks (TAP-NETs), the African Policy Institutes Forum and three Country-level Knowledge Networks (CLK-NETs). The TAP-NETs, which have continental and global membership, offer African countries the following, among others: a platform on which African policymakers, development managers, civil society and private sector groups seek information and knowledge from African and non-African sources on specific development policy issues; a tool for expanding the frontiers of policy research and analysis on specific development policy problems; a pool from which to draw and learn from country experiences in development management; a mechanism for tapping into the skills of Africans in the Diaspora to make the best use of the brain drain; and a platform for the confluence of global experience and best practices in policies and programs for national and regional development. APIF was launched in November 2004 to support knowledge sharing among all African policy institutes. All the knowledge networks are operational and are open to consultation by policymakers, development management institutions and policy practitioners for knowledge and information sharing, research and policy analysis support, development policy guidance and for responses to questions on development policy issues in the six core competence areas in which they are operating. The CLK-NETs are currently operational in Burkina Faso, Ghana and Senegal. They serve as tools for generating, scanning, sharing and promoting effective utilization of knowledge for managing development at the country level. A typical Country-level Knowledge Network is a network of policy centers, professionals, practitioners and academics formed into a community of practice that collectively reflects on development issues, poses questions and proposes solutions that provide inputs into the country's development efforts. From time to time, its members share information and knowledge based on their experiences, research and interactions from which they develop best practices and policy as well as program guides that are of value to the government and other development stakeholders.

- Through the TAP-NETs, the Foundation is making progress in raising the awareness of senior policymakers and other members of the development community about the emergence of ACBF as a knowledge-based institution – a source of knowledge products and services that are vital for capacity building and the management of economic and social policies and programs on the Continent and a knowledge hub rather than simply a funding agency.
- With the aid of the TAP-NETs, the Foundation for the first time was able to break through into the G-8 consultative process. One of the knowledge networks – VOICENET was invited to speak at a meeting on 7 April 2004 on *"Africa and the G-8: Assessing the G8-Africa Partnership and Recommendations for the Sea Island Summit and Beyond"*.
- Through the operations-based Working Papers of the TAP-NETs, the knowledge management strategy is delivering inputs for aspects of the Foundation's operations. The Working Paper on *"Review of Frameworks and Indicators for Performance Measurement in Public Service Delivery"* prepared by the TAP-NET on Public Administration and Management (PAMNET) provided valuable insight and material on which the Secretariat is drawing in the development of performance measurement system for interventions in capacity building. The paper was presented at the Annual Meeting of the TAP-NETs in March 2004 and the workshop on Performance Measurement in April 2004.
- The launch of APIF in November 2004 provided an opportunity for the Reserve Bank and the Ministry of Finance of Zimbabwe to resume talks with the IMF on the country's economic and financial reform program and the issue of repayment of outstanding debt. Thus, the APIF provided a platform for resumption of dialogue that had long stalled. It also gave both sides an opportunity to assess progress that Zimbabwe had made with respect to reforms and the fulfilment of its obligations to the IMF.
- Following closely information on the activities of the TAP-NETs, the Commission for Africa in August 2004 requested the Secretariat to propose specific actions (policies and programs) that could make a difference on the growth and development of the Continent. The TAP-NETs and selected policy units in the Foundation's portfolio were invited by the Commission to participate in an e-discussion session on development issues in Africa.
- The request to PARLIANET by the Department of Political Science of the University of Ibadan, Nigeria, for guidance on the development of a Master's Degree Program in Legislative Management was a strong indication that the TAP-NETs are adding value in their areas of competency and playing the desired role as communities of practice.

Box 3.**CLKNETs in Burkina Faso, Ghana and Senegal: Setting the Standard**

The first three country-level knowledge networks in the Foundation's portfolio are found in Burkina Faso (RGC-B), Ghana (EGN-ISSER) and Senegal (RESAPOD). The CLKNETs were established to: (i) document systematically lessons and best practices relating to development policy in the respective countries; (ii) serve as communities of practice within which participants will help to respond to policy questions and queries, and share information on responses to such questions and queries; and (iii) provide a framework for synthesizing the flow of information and discussion of issues relating to development policy in these countries. The CLKNETs in Burkina Faso and Ghana were approved in December 2003 and the relevant Grant Agreements were signed in November 2004. The CLKNET in Senegal was approved in December 2004.

The knowledge network in Burkina Faso, the Réseau de Gestion des Connaissances au Burkina Faso (RGC-B), is housed in CAPES, given that one of the latter's principal missions is to assist in the establishment of a network of experts on social and economic policy in Burkina Faso. CAPES has already initiated efforts to implement the RGC-B by convening a staff retreat on the project, developing the terms of reference of the webmaster who will manage electronic link-ups, developing the framework for a periodical on knowledge management and development, and building the basis for co-operation with other knowledge management networks in Burkina Faso and beyond.

The Economy of Ghana Network (EGN) was launched in July 2004 as a civil society organization. It is an E-based network intended to embrace all persons with adequate training and interest in discussing issues relevant to the proper management of the economy of Ghana. The Institute of Statistical, Social and Economic Research (ISSER), University of Ghana, manages the network. The first activity of the network was a conference on the economy of Ghana, which attracted about 400 participants.

The Grant Agreement in respect of RESAPOD will be negotiated and signed in 2005.

The Secretariat also launched a study on Management and Corporate Governance Practices in ACBF-supported institutions. The aim of the study is to ensure that ACBF-supported institutions adhere to best management and governance practices.

Tacit Knowledge Program

Senior Policymakers and Development Managers Knowledge Sharing Program. The Senior Policymakers and Development Managers Knowledge Sharing Program (SPM-KSP) is targeted specifically at extracting tacit knowledge from senior policymakers and development managers who have made significant contributions to the development process in Africa or other developing regions and are willing to document and share their memoirs for the benefit of Africa's development. The memoirs will offer professional advice, insights, reflections, skills, processes and experiences in the management of specific policies and programs, as well as case studies highlighting skills, processes, practices and experiences associated with specific policies and programs that made measurable impact either positively or negatively on growth.

Participating policymakers, professionals and scholars are being drawn from the public and private sectors, civil society organizations, regional

organizations, development agencies, ACBF partner institutions, tertiary institutions of learning, research and specialized training institutes, among others. The professionals targeted by SPM-KSP comprise successful practitioners on retirement, sabbatical and leave of absence. Others are professionals on attachment and internship programs with the Foundation, staff exchange/secondment programs - including ACBF-supported and partner institutions - senior visiting academics and professionals as well as eminent guests.

SPM-KSP's contributions consist of memoirs on capacity building and development management issues, and production of knowledge products and services - including books, journal articles, contributions to ACBF Occasional Papers and participation in knowledge-based program support activities.

In 2004, the Secretariat continued to serialize in the *ACBF Newsletter* an interview held with Ambassador Vijay Makhani, former Assistant Secretary-General of the Organization of African Unity (OAU), which documents and shares aspects of his reflections on the transitional path of the OAU and strategies for strengthening the effectiveness of the African Union. Ambassador Makhani will complete the assignment under this program by the end of 2005.

Publications and the Knowledge Tracking System

Publications. During the year, the Secretariat published and distributed a number of publications. These consisted of the following, among others: (i) the *ACBF Newsletter*; (ii) the *ACBF African Research Abstracts*; (iii) the *Report of the Annual Meeting of the Technical Advisory Panels and Networks*; (iv) *ACBF Working Papers*; *ACBF Occasional Papers*; (v) *ACBF Occasional Papers*; (vi) *ACBF Lessons Notes*; and (vii) *ACBF websites, portals and directories*. Please see Annex C.4 for details.

With specific reference to the Directory of African Development Management Professionals, the Secretariat developed an online Directory of African Development Management Professionals for use by the Foundation for operations-related activities, Governments, ACBF Partner institutions, UN Agencies and other development management organizations and individuals requiring consultants or experts on issues relating to economic and social development on the African continent. The creation of the database was necessitated by calls from regional organizations, government institutions and development agencies for the Foundation to explore the possibility of building a comprehensive, reliable and easily accessible *rolodex* of regional experts.

The database covers areas of development management such as: banking and finance, development studies, economics, education, energy and the environment, gender, governance and democracy, health, HIV/AIDS, human resources, information and communication technology, population, demography and statistics, science and technology, trade and investment, transport and communication etc.

This database consists of African professionals, researchers and activists, among others involved in development management issues on the Continent. The primary focus is on individuals living and working on the continent as well as African experts in the Diaspora who are directly involved in development management initiatives, research, policy analysis and advocacy.

Knowledge Tracking System. During the year, the Secretariat developed and operated a tracking system to provide information on the status of project and program proposals submitted to the Foundation. The aim is to provide a mechanism by which project promoters and other stakeholders can track progress in the processing of their requests for support by the Foundation. The tracking system provides information on the current portfolio of the Foundation and the status of project and program proposals in five categories - namely, national projects, national

programs, regional projects, SAFEWIND and Seed Grants, and knowledge management programs.

Outcomes of the Knowledge Management System

Thus far, the Foundation's knowledge management strategy has achieved the following results:

- Through the knowledge management system, the Foundation is making progress in raising the awareness of senior policymakers and other members of the development community about the emergence of ACBF as a knowledge-based institution – a source of knowledge products and services that are vital for capacity building and the management of aspects of economic and social policies and programs on the Continent, and as a knowledge hub rather than simply a funding agency.
- Through the establishment of the TAP-NETs, the Foundation for the first time has been able to break through into the G-8 consultative process. As a result of the continental and global membership of the TAP-NETs, one of the knowledge networks – VOICENET – was invited to speak at a meeting on 7 April 2004 on “Africa and the G-8: Assessing the G8-Africa Partnership and Recommendations for the Sea Island Summit and Beyond”. The Royal Institute of International Affairs convened the meeting at Chatham House in London. The TAP-NET made recommendations in the area of governance and democracy in Africa.

It is common knowledge that Africa has become an increasingly important focus of the G-8 in recent years. Chatham House and the US-based Council on Foreign Relations launched a collaborative project on the G-8-Africa Partnership in February 2004. A series of meetings are being held to evaluate the goals and commitments made by the G-8 in relation to Africa at previous G-8 meetings and to recommend appropriate next steps in this partnership in the run up to the G-8 summit in June 2004 under the leadership of the United States. These meetings are designed to harvest ideas that will contribute to the findings and recommendations in the Council's report, which will be presented to the Government of the United States prior to the June summit. The London meeting constituted one of the consultative meetings.

Following the presentation by VOICENET at the Chatham House Meeting, African Ambassadors who attended the meeting recommended that the Foundation's TAP-NETs should be part of the Africa Commission that was set up to support

the G-8 consultation process with respect to Africa.

- Through the operations-based Working Papers of the TAP-NETs, the knowledge management strategy is delivering inputs for aspects of the Foundation's operations. The Working Paper on *"Review of Frameworks and Indicators for Performance Measurement in Public Service Delivery"* prepared by the TAP-NET on Public Administration and Management (PAMNET) provided valuable insight and material on which the Secretariat is drawing in the development of a performance measurement system for interventions in capacity building. The paper was presented at the Annual Meeting of the TAP-NETs in March 2004 and the workshop on Performance Measurement in April 2004.
- As a result of the continuing improvement in the quality as well as the information and knowledge content of the *ACBF Newsletter*, Harvard University Library has continued to sustain its interest in, and subscription to, the newsletter. The university is one in a growing number of institutions that have placed orders for issues of the *ACBF Newsletter*. Feedback on the content and quality of the newsletter is continually received from institutions including the World Bank.
- There is now greater consciousness by operations staff of the Foundation's Secretariat to share project implementation lessons during meetings of the Project Review Committee and at the level of the Operations Zones, and to ensure that such lessons are fed back into the development and implementation of future projects and programs by the Foundation.
- Based on the work done by the Secretariat in the area of performance measurement in capacity building and database development, the IMF requested the Foundation to provide it with a guide to indicators for assessing its own performance in capacity building.

The Secretariat is reflecting on measures for evaluating the effectiveness and utility of the products and services of the knowledge management system within the framework of the broader work on performance measurement in capacity-building interventions. For the knowledge management system to fulfil its essence, its outputs have to be widely disseminated. With time, a user survey and analysis will be conducted to assess the value for money dimension, the effectiveness of the system, and its long-run sustainability. At present, the products and services of the knowledge management system are being disseminated systematically. The dissemination process will be stepped up considerably in 2005.

Program Support Activities

The Secretariat also built on its achievements in the area of program support activities. On 27 – 28 April 2004, it organized a multi-donor workshop on *Performance Measurement in Capacity Building*. Participants at the workshop were drawn from CAFRAD, CIDA, DFID, DANIDA, UNDP, the World Bank Institute, the ACBF Technical Advisory Panel and Network on Public Administration and Management, ACBF professional staff, and the Foundation's supported institutions. The workshop served as a valuable input for the Foundation's efforts in the development of relevant performance measurement systems and instruments for its interventions in capacity building.

The Secretariat also organized two other important workshops during the year. The first workshop was a workshop for public administration and management experts. It was held on 21 – 22 September 2004, and reviewed the design of the public sector management training program (PSMTP) for both Anglophone and Francophone sub-Saharan Africa. The second workshop was on conflict prevention and management in Central Africa, which took place in the Democratic Republic of Congo on 1 – 3 November 2004. The PSMTP workshop constitutes a best-practice model in terms of process in the development of a major intervention in capacity building, which the Secretariat intends to replicate in other contexts.

Jointly with UNCTAD, the Secretariat organized a workshop on trade, investment and capacity building on 4 – 5 November 2004, and in collaboration with the African Training and Research in Administration for Development (CAFRAD), it organized a regional workshop on e-governance and ICT in November 2004 to assist participating countries to place government activities online and enhance access to data and information, which would encourage greater transparency and accountability in public service delivery.

Other program support activities undertaken included the in-house Brown Bag Seminar Series, which featured three presentations by the Secretariat staff. The topics addressed were *International Trade and Gender in East Africa - Kenya, Uganda and Tanzania*; *Conflict Prevention in Africa - A Case for Capacity Building*; and *Microfinance and Poverty Reduction in sub-Saharan Africa: A Comparative Study of Benin and Philippines*. During the year, staff of the Foundation benefited from training to strengthen competencies.

Box 4.**Commission for Africa and ACBF: Joining Forces to Make a Difference on the Continent**

In an emerging collaboration between ACBF and the Commission for Africa, the latter requested the Foundation to propose specific actions (policies and programs) that could make a difference on the growth and development of the Continent. Essentially, the Commission requests an ACBF perspective on aspects of the Continent's development policies and programs. The broad areas in which the Foundation intends to offer its insights include capacity building; the macroeconomic policy environment; sectoral policies and programs; economic, administrative, social, political and corporate governance; infrastructural development; private sector development; trade, trade negotiation and market access; regional cooperation and integration; resource flows to Africa; external debt management; access to information and communication technology; peace, security and conflict management; and issues in globalization.

Also, as part of the burgeoning collaboration between the Foundation and the Commission, the Foundation in September 2004 responded to an invitation to organize policy consultation workshops on the Continent to assist the Commission in harvesting ideas that could help push further Africa's growth and development frontier. To this end, the Foundation called for a refocus of efforts aimed at addressing the Continent's development challenges in a systematic and effective manner. What is yet to be adequately addressed in the development efforts are the following, among others:

- A consultation-driven and consensus-based prioritization and ranking of the development challenges that should be addressed in the next decade.
- Identification of the core elements of programs in response to prioritized challenges.
- Effective and realistic sequencing of implementation of programs.
- Identification and allocation of institutional responsibilities for program implementation.
- Identification of reliable and predictable resources for program finance.
- Design of program implementation strategies, including action plans.
- Nature, core tenets and elements of Africa's partnership with its development partners.
- Coordination and performance assessment and evaluation mechanisms for continental, regional and national programs.

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

- 5th Annual Global Development Conference, New Delhi, India, 24 – 30 January 2004
- Seminar on Public Sector Leadership Capacity Development for Good Governance in Africa, Kampala, Uganda 27 – 30 January 2004
- Fourth Donor Round Table Conference in Ouagadougou, Burkina Faso, 4 – 5 March 2004
- International Trade, Investment and Human Resources Development: The Role of Regional Integration Groupings, Las Palmas de Gran Canaria, Spain, 15 – 19 March 2004
- Meeting of NEPAD Task Team on Education and Human Resource Development, Sandton, Johannesburg, South Africa, 22-23 March 2004
- NEPAD Africa Partnership Forum Preparatory (APF) Workshop, Midrand, South Africa, 23-24 March 2004
- The 2nd African Partnership Forum Meeting, Maputo, Mozambique, 16-17 April 2004
- International Workshop on Performance Measurement in Capacity Building, Harare, Zimbabwe, 27-28 April 2004
- Second Meeting of the African Economic Community Committee of Secretariat Officials of the AU-RECs-AfDB-ECA, Addis-Ababa, Ethiopia, 10-12 May 2004
- Workshop on the Review of Progress in the Implementation of the Economic Policy Management Programs Online Project (EPM-Online), Yaounde, Cameroon, 24-25 May 2004
- Annual Meeting of the African Development Bank Group, Kampala, Uganda, 24-26 May 2004
- COMESA Policy Organs and Business Summit Meetings, Kampala, Uganda, 30 May – 8 June 2004
- Conference of West African Finance Ministers on Results-based Budgeting and Management, Dakar, Senegal, 2 – 3 June 2004
- International Conference on the Ethiopian Economy, UN Conference Centre, 3 - 5 June 2004, Addis Ababa, Ethiopia

- Visions, Voices, Visibility – Symposium for Broadcasters on International Development, 14 – 15 June 2004, The World Bank, Washington, DC, USA
- Information Architecture Conference, Paris, France, 7 – 11 June 2004
- Workshop on Knowledge Sharing for Development: A Learning Activity, The World Bank, Washington, D.C., U.S.A., 24 – 25 June 2004
- ECA-OECD DAC Mutual Review Meeting on Capacity Development in Africa, London, 7 September 2004
- The Role of Professional Associations and Kenyans in the Diaspora in Kenya's Economic Revival, Nairobi, Kenya, 24 September 2004
- Workshop to Validate Networking Needs among SADC and East African Parliamentarians, Windhoek, Namibia, 1 October 2004
- The 3rd African Partnership Forum Meeting, Washington D.C., U.S.A., 3 - 5 October 2004
- First Conference of Intellectuals from Africa and the Diaspora, Dakar, Senegal, 7-9 October 2004
- The Fourth African Development Forum (ADF IV) on "Governance in Progressing Africa", Addis Ababa, 11 – 15 October 2004
- NEPAD Multi Stakeholder Dialogue, Johannesburg, South Africa, 21 – 23 October 2004
- PARIS21 Steering Committee and Donors' Meeting, Salons des Arts et Métiers, Paris, France, 3 - 4 November 2004
- Consultative Meeting on Trade, Investment and Capacity Building in sub-Saharan Africa, Harare, Zimbabwe, 4 - 5 November 2004
- Celebration of the 10th Anniversary of the Parliament of South Africa, Cape Town, South Africa
- Ad-hoc Expert Group Meeting on International Market Access, Tunis, Tunisia, 22-23 November 2004
- High-level Brainstorming Meeting for African Trade Negotiators and Officials, Tunis, Tunisia, 25 - 26 November 2004
- The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) Forum for Deputy Governors of Central Banks and Deputy Permanent Secretaries of Ministries of Finance and Planning, Livingston, Zambia, 29 November - 1 December 2004
- Third Conference of African Evaluation Association for the Development of Evaluation Capacity, Cape Town, South Africa, 2 - 4 December 2004

- International Symposium on Building Capacity and Resources of African Non-governmental Organizations, Conference Centre, African Union, Addis Ababa, 5 - 7 December 2004

Partnerships

In 2004, the Secretariat implemented a growing portfolio of partnership activities in its operations. These were collaboration programs with the Canadian International Development Agency (CIDA), the International Monetary Fund (IMF) African Regional Technical Assistance Centres (AFRITACs), the African Training and Research Centre in Administration for Development (CAFRAD), the Association of African Universities (AAU), the Council for the Development of Social Science Research in Africa (CODESRIA), the United Nations Conference on Trade and Development (UNCTAD), a joint study with the Organization for International Migration (IOM) and World Bank Institute/Joint Africa Institute (WBI/JAI) training for civil society and parliamentarians.

The program of the AAU is being geared towards helping African universities to conduct strategic planning, upgrade instructional and training materials, and address issues of incentives and professional development opportunities. The program is also aimed at developing innovative ways of attracting African academics in the Diaspora, while retaining qualified and experienced staff already at these universities. Elements of the program consisted of research grants, graduate program funds, improvement in computing and communication facilities, and building of stronger linkages with advanced universities and research centres.

With CAFRAD, the Foundation supported a regional e-Governance and Information Communication Technology training program for the public sector in African countries and is collaborating in the area of performance measurement in public service delivery.

As regards the collaborative program with the IMF, these consisted of joint training programs with the AFRITACs. Other areas envisaged in the collaborative program included: (i) support by the IMF for the Foundation's evolving knowledge networks in Africa, the setting up of user-friendly hyperlinks between the IMF external website and that of the Foundation by topic (such as fiscal and monetary policies, and banking supervision) and by region and beneficiary country; (ii) provision of electronic access to IMF databases that are in the

Box 5.**ACBF Lessons Notes in Capacity Building and Development Management**

In 2004, the Foundation produced two Notes, which synthesized lessons in the strengthening of capacity of national parliaments and the measurement of performance in capacity-building interventions. The main highlights of the Notes were as follows:

Strengthening Parliament as an Institution – Some Recommended Good Practices. This Lessons Note by a member of Parliament in Kenya and Vice Chair of the Foundation's TAP-NET on National Parliaments and Parliamentary Institutions draws on Kenya's experience to highlight the rapidly expanding role and responsibilities of parliamentarians in the African democratic setting, and identifies core areas in which the capacity of parliamentarians will need to be strengthened in order to enhance their effectiveness. Parliamentarians are faced with multiple responsibilities for which they will need to be appropriately capacitated so that they can contribute effectively and sensibly to the national development process. It is recommended in the Lessons Note that, to meet modern-day parliamentary responsibilities, including the intellectual challenges facing the parliamentarian, the following actions should be envisaged: establishment of offices for parliamentarians; the provision of research support, especially in the form of a well-established research centre; the setting up of an education department for continuous training of parliamentarians to enhance knowledge of Standing Orders, to develop and strengthen skills relating to the drafting of bills and motions, and to raise the level of understanding of parliamentary procedures. The Lessons Note also makes a case for professional support to parliamentarians in the form of personal assistants, and the strengthening of parliamentary committees by opening them up to professionals within and outside parliaments. It argues for female Members of Parliament to head Committees, as well as for the need for reports of Committees to be put in the public domain for scrutiny in order to enhance the accountability of Parliament to the people. The Lessons Note recommends as well the establishment of an effective public relations office, live broadcast of parliamentary proceedings, and the provision of legal services to parliamentarians, including access to advice on legal matters. It notes the enormous progress that has been made by the Parliament of Kenya in addressing a number of the requirements raised and expresses confidence that the Parliament is on the path to becoming a success story, provided that it maintains the momentum of its continuing improvement.

Measuring Performance of Interventions in Capacity Building – A Stepping-Stone through the Marshes. This Lessons Note builds on and refines earlier work on the subject, which presented a set of fundamentals in the measurement of performance in capacity building. First, it defines four processes (development, retooling, enhancement, and reform) that form part of capacity building. Second, it specifies areas in which performance measurement can be undertaken. The presentation is consistent with the input-process-output-outcome-impact framework, which underlies plausible performance measures. This framework represents an expansion of the objective, purpose and impact components of a capacity-building intervention, which are central to the measurement of performance. In short, performance measures that do not capture in a systematic manner the objective, purpose and impact of a given intervention cannot be regarded as complete and plausible. Lastly, the Lessons Note suggests that performance measurement should be based on a set of five indicators – finance; quantity; relevance, effectiveness, efficiency, ownership and sustainability; results/outcomes; and impact of an intervention.

public domain; (iii) provision of access to published reports on Standards and Codes data modules through user-friendly hyperlink to the Foundation's web site; (iv) notification of the Foundation, on a systematic basis, of all major research activities that are to be organized by the IMF; and (v) provision of complementary copies of IMF publications to the

Foundation's library. On its part, the Foundation provided the IMF access to its TAP-NETs and participation in ACBF publication series.

With respect to the IOM-ACBF study on issues relating to migration and its impact on capacity building, utilization and retention, the broad thrust of the study

have been agreed by the Secretariat and IOM and detailed terms of reference have been developed. The fieldwork will be launched in 2005 with a view to completing the study in early 2006.

F. Projects and Programs

The Foundation sustained the growth momentum of its operations by achieving the second highest level of grant commitments since the launching of ACBF-PACT in 2000. The targets of deliverables for projects and programs were largely achieved in terms of upstream activities and implementation monitoring. These results were recorded thanks to the effective utilization of available human and financial resources as well as the ability of the Secretariat staff to secure support from stakeholders in host countries and regional organizations.

Following the approval of 23 new grants during the fiscal year, the size of the portfolio has increased by 20 operations. The total number of grants in respect of full-fledged projects and programs stands at 101 as at 31 December 2004. In addition, the Foundation continued to make good use of the flexibility afforded by the SAFEWIND Facility by approving 15 new grants.

The cumulative level of disbursements as at 31 December 2004 was US\$ 129.352 million, which represented an increment of US\$ 19.68 million or 17.95% over the 2003 level. The growth rate in disbursement activities has been maintained and the bulk of projects approved in 2004 were mostly for new operations, which explains their limited impact on the disbursement level.

Direct Operations

During the year, project and program operations undertaken by the Secretariat led to the approval by the Executive Board of 23 interventions comprising 21 projects and 2 programs. These consisted of the following: 3 refinanced projects in the Economic Policy Analysis and Management core competency area; 6 new national projects in three core competency areas (Financial Management and Accountability, Public Administration and Management, and Professionalization of the Voices of Civil Society and the Private Sector); 1 Country-level Knowledge Network; 11 regional interventions supporting economic policy analysis and management, national parliaments and a private sector network; and 2 country programs (Rwanda and Cameroon). The core-competency based distribution of the projects and programs is as follows:

Refinanced Projects

Economic Policy Analysis and Management

- BEAC/BCEAO Regional Debt Management Training Program, Cameroon
- Zambia Institute for Policy Analysis and Research, Zambia
- Projet pour le Renforcement de l'Interface entre les Etats et Chambres d'Agriculture de l'Afrique de l'Ouest (PRIECA/AO), Senegal

New National Projects

Financial Management and Accountability

- Projet de Renforcement de la Responsabilité Financière pour la Bonne Gouvernance au Sénégal, Senegal

Public Administration and Management

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

Professionalization of the Voices of Civil Society and Private Sector

- Projet de Renforcement des Capacités des ONG Féminines au Mali (RECOFEM), Mali
- Institutional Strengthening and Capacity Building of Botswana Council of Non-Governmental Organizations (BOCONGO), Botswana
- Strengthening of the Coordinating Assembly of NGOs in Swaziland (CANGO), Swaziland
- Projet de Renforcement des Capacités de la Société Civile et du Secteur Privé pour le Dialogue Interpartenariat en République du Congo (RECADIP)

Country Level Knowledge Networks

- Réseau d'Appui aux Politiques de Développement (RESAPOD) – a Country-level Knowledge Network, Senegal

New Regional Interventions

- Mano River Union Training Project (MRUTP), Sierra Leone
- International Comparison Program for Africa, (ICP-Africa), AfDB
- Establishment of a Collaborative Master of Science Program in Agricultural and Applied Economics (CMAAE), Kenya
- Enhancement of the Effectiveness of the SADC Parliamentary Forum
- Institutional Support for the Secretariat of the New Partnership for Africa's Development (NEPAD), South Africa
- Strengthening of the African Futures Institute (AFI)

- Support for the Secretariat of the African Business Roundtable (ABR), South Africa.
- Establishment of the Macroeconomic and Financial Management Institute of the Portuguese-Speaking Countries in Africa (PALOP Institute)
- Public Sector Management Training Program for Anglophone Africa
- Projet de Renforcement des Capacités de la Société Civile dans la Prévention et la Gestion des Conflits en Afrique Centrale (PREGESCO)
- Projet de Renforcement des Capacités de la Communauté Economique des Etats de l'Afrique Centrale (RENFOR)

Country Programs

- Rwanda Multi-sector Capacity Building Program (MSCBP), Rwanda
- Programme de Renforcement des Capacités des Structures de la Chaîne de Contrôle de la République du Cameroun (CASC), Cameroon

Country Capacity Profiles and Capacity Needs Assessments

During the year, the Secretariat undertook the development of country capacity profile and capacity needs assessments in eight countries, namely: Benin, Cameroon, Congo-Brazzaville, Democratic Republic of Congo, Djibouti, Gabon, Mauritania and Uganda. These exercises resulted from the second round of project and program development missions launched in June 2003 to bring greater focus to responses to the Continent's capacity needs. The aim of the capacity profile and needs assessment exercises was to ensure that projects and programs supported under the SMTP adequately tracked evolving country and regional capacity needs and provided a long-term strategic focus to the Foundation's intervention in capacity building.

SAFEWIND Grants

In 2004, the Secretariat approved small grants under the SAFEWIND grant facility to enable recipients to undertake activities leading to the formulation of longer-term capacity building interventions or to exchange knowledge on best practices. A total of 15 grants were approved for the following beneficiaries:

- Support to the Pan African Parliament, South Africa
- Institutional Support to Strengthen the African Business Roundtable, South Africa
- Support to the NEPAD Secretariat, South Africa
- Third Conference of African Evaluation Association for the Development of Evaluation Capacity, South Africa

- Large Tax Payer Initiative for Eastern Africa, Kenya
- Institutional Support to the Ministry of Planning, Democratic Republic of Congo
- Enhancement of the Institutional Capacity of the Association of African Universities, Ghana
- Strengthening the Institutional Capacity of the West African Economic and Monetary Union, Burkina Faso
- Support for the Annual Social Sciences Campus by the Council for the Development of Social Science Research in Africa (CODESRIA), Senegal
- Institutional Support to the Ministry of Economy, Finance and Privatization, Togo
- Enhancement of Institutional Capacity of the *Maison de la Presse*, Mali
- Enhancement of the Ministry of Public Service, Niger
- Support for the 26th Annual Roundtable Conference of the African Association for Public Administration and Management, Kenya
- Support for Methodological Seminar Series by the Council for the Development of Social Science Research in Africa (CODESRIA), Senegal
- Workshop on the Formulation of Research Proposals, University of Yaounde II, Cameroon.

Appraisal and Supervision Missions

As at 31 December 2004, the Secretariat had undertaken 272 project supervision missions. The missions, which comprised field visits to all active projects and programs in the portfolio as well as financial supervision missions, constituted vital inputs in the project/program management process and contributed immensely toward strengthening project implementation.

Mid-Term Reviews

Fourteen (14) mid-term reviews of project performance were planned during the year. By the end of the year, performance reviews were conducted for 14 operations, namely: AERC-CMAP Phase III; BCEAO/BEAC II; CAPES; PRIECA/ AO; PRIESP; IPAR Phase II; MEFMI Phase II, MACROFOR, PRECASP, RECEMAC, BIDPA Phase II, CEPA, NECF and WAIFEM.

Project Completion Reports

In 2004, completion reports were submitted in respect of the following 6 operations:

- CAFPD, Mali
- CAPE, Benin
- DMPA, Zambia
- EPRC Phase II, Uganda
- KIPPRA, Kenya
- NCEMA Phase II, Nigeria

7. Grant Agreements Negotiated and Signed

A total of 16 Grant Agreements were scheduled for negotiation and signing in 2004. As at 31 December 2004, 43 (in respect of 17 full-fledged operations, 19 SAFEWIND interventions and 7 AFRITAC activities) had been successfully negotiated and signed.

Figure 2. Portfolio Distribution

Figure 2a. Regional and Country Coverage of Active ACBF-funded Operations, 2004 (Cumulative Number of Active Projects and Programs)

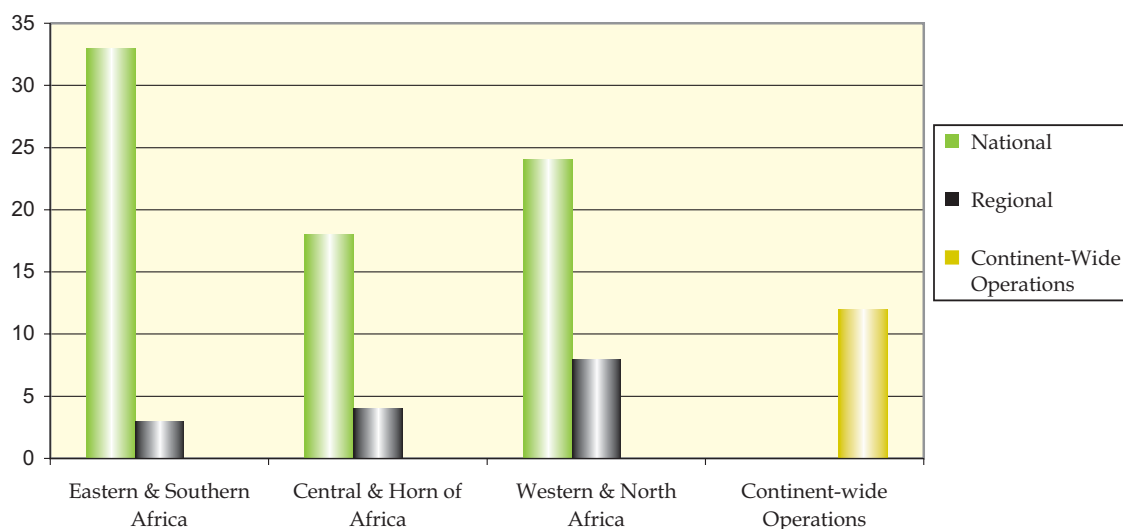


Figure 2b.

Geographical Coverage of Active ACBF-funded Operations by Grant Size, 2004 (Cumulative Grant Amounts in US\$)

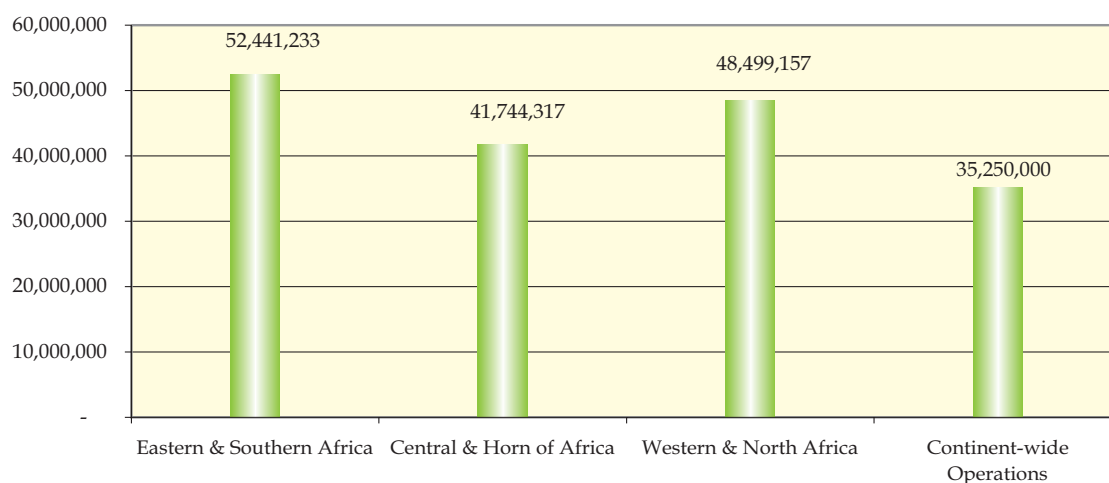
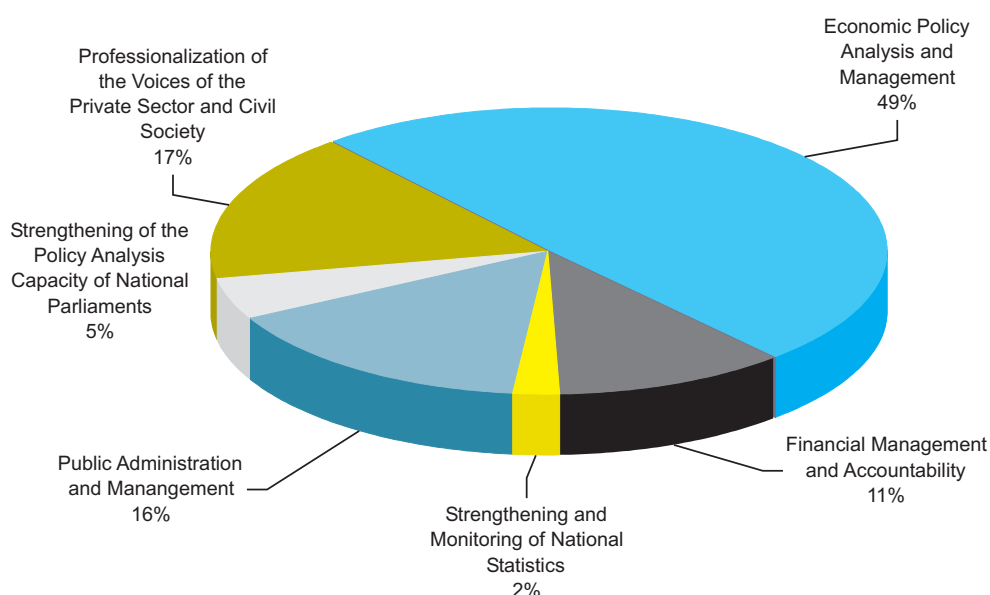


Figure 2c.

Distribution of Active Portfolio of Operations by Core Competency Area, 2004



Overview of the Performance of ACBF-funded Operations

The Foundation has maintained a portfolio of projects and programs totalling 80 full-fledged projects implemented in three operations zones. The portfolio covers all the six core competency areas with operations in economic policy and management representing about 50 % of the pool of projects and programs. The second largest number of projects and programs falls in the interface category, and they account for 24 % of the portfolio.

Like many development agencies, the Foundation is still grappling with the challenge of developing an appropriate performance evaluation framework for its capacity-building interventions. Nonetheless, ACBF-supported operations are already contributing to the implementation of development programs and ongoing institutional reforms. Clearly, the enhanced performance of beneficiary institutions and the availability of high-quality research-based policies and skilled human resources have made a difference in strengthening good governance and facilitating processes aimed at tackling poverty on the Continent.

Overall, the policy institutes being supported by the Foundation have provided effective support to the formulation and evaluation of poverty reduction policies, which are linked to the MDG targets and the need to promote broad-based economic growth. The policy institutes have also been active in providing support to governments and regional economic communities for WTO and EPA-ACP/EU negotiations as well as the initial activities of the APRMs launched under NEPAD. A growing number of ACBF-funded operations have expanded their involvement in policy implementation through their technical support to working groups and participation in negotiations on funding of reform programs and trade arrangements. The institutes have also developed their interactions with public sector institutions through the hosting of staff of selected agencies on secondment programs in order to enhance their skills and effectiveness in the areas of policy formulation, evaluation and institutional assessment. Those operations have also been much involved in the provision of technical and advisory services to the implementation of public financial management and accountability reforms by supporting public

Table 5. List of ACBF-AFRITAC Courses/Workshops held in 2004

Title of Course/Workshop	Date of Course/Workshop	Venue of Course/Workshop
1. Workshop on Monetary Policy and Financing of the State	19 – 23 January 2004	Lomé TOGO
2. Workshop on Money Laundering and Financial Crime	10 – 14 May 2004	Dakar SENEGAL
3. Workshop on Tax and Customs Duty Evasion	21 – 24 June 2004	Conakry GUINEA
4. Workshop on GFS-Based Budgetary and Accounting Classifications	6 – 10 September 2004	Nairobi KENYA
5. Course on Integrated Financial Management Information Systems	November 2004	Nairobi KENYA
6. Workshop on Risk-based Supervision, Resolution of Problem Banks and Non-Performing Loans	15 – 26 November 2004	Arusha TANZANIA
7. Workshop on the Issuance of Government Securities	22 - 25 November 2004	Accra GHANA
8. Workshop on the Design and Delivery of Integrated Financial Management and Computerized Public Expenditure Management Systems	13 - 16 December 2004	Dakar SENEGAL
9. Workshop on the Strengthening of National Statistical Offices	8 – 10 December 2004	Entebbe UGANDA

expenditure reviews in key sectoral ministries that are responsible for the implementation of key components of national PRSPs.

In order to address the human capacity gaps experienced by key public institutions involved in the implementation of PRSPs and public sector management reforms, projects and programs involved in core-skills regeneration through long-term training have continued to produce high-quality graduates through national and regional training programs.

Interface operations have emerged as important pillars of good governance and accountability systems at both the national and regional levels. Indeed, they have enhanced the capacity of non-state actors to engage governments and donors on an increasing number of development issues. The qualitative change in the level of dialogue has spurred demand for more transparency and accountability in the allocation of public resources, fostered better service delivery by the public sector and nurtured public sector-private sector-civil society partnerships.

Economic Analysis and Management

The policy institutes in the Foundation's portfolio have continued to demonstrate their relevance to the needs of their immediate clients (for example, government agencies) by improving their organizational capacity to respond to requests for research-based policy advice as well as technical support to working groups or commissions established by government authorities or private sector organizations. In this connection, policy institutes have bolstered their support to economic policy, analysis, formulation, implementation and monitoring in Uganda, Tanzania, Namibia, Botswana, Kenya, Ethiopia, Burkina Faso, Benin, Mali and Senegal as well as in regional groupings such as COMESA, the East African Community and SADC. The increasing number of studies commissioned by donors has also contributed to the utilization of the capacity of the policy institutes and broadened their revenue sources. However, the Foundation's core support to those institutions has remained critical for maintaining their institutional capability to offer services to their stakeholders.

Box 6.**Gender and Capacity Building: Highlights from the ACBF Portfolio**

Poverty reduction strategies have a stronger chance of succeeding when they address gender issues. ACBF's vision, mission, strategic priorities and programs for 2002-2006 embrace this fact given that the Foundation places considerable emphasis in promoting equity in the gender profile of its stakeholders. Indeed, the Foundation's work to build human and institutional capacity to achieve sustainable development is an ideal framework for illustrating the role that gender analysis plays in enriching a holistic approach to capacity building and enhancing its results.

The Foundation's interventions focus on women's participation in capacity-building projects and programs as well as on knowledge generation and information sharing regarding the role of women in development. The activities include training, education, studies on women economic empowerment and social issues, and Brown Bag seminars on the gender dimensions of capacity building and development. The Foundation also tracks closely the level of women's participation in the policy-making process by supporting operations that specifically strengthen the capacity of women organizations - including women NGOs, women associations as well as federations of women associations that interface with the public sector and the private sector in development policy formulation, implementation and monitoring, and which adopt and implement measures to ensure effective representation and capacity building of their members.

In addition, ACBF supports initiatives designed to strengthen the institutional capacity of government agencies responsible for promoting the status of women and for fostering the establishment or strengthening of institutional frameworks for policy dialogue with women organizations. Examples of operations supported by the Foundation include: the Non-Governmental Organizations Coordinating Committee (NGOCC) project in Zambia; the *Projet de Renforcement des Capacités des Réseaux de Femmes Pour Lutter Contre la Pauvreté en République du Cameroun* (CAREF) project in Cameroon; the *Projet de Centre d'Appui aux Réseaux des Organisations des Femmes du Gabon* (CENAF-GABON); and the *Projet de Renforcement des ONG Féminines du Mali* (RECOFEM) in Mali.

Given its institutionalized commitment to gender equity, the Foundation is ready to deepen its approach to gender mainstreaming in its portfolio by learning from the experiences of the operations it supports. Such experiences will shape the design and implementation of projects and programs in all of the Foundation's core competency areas and help to fine-tune the process of gender impact monitoring in order to ensure that the Foundation makes a tangible difference in terms of capacity-building efforts on the Continent.

ACBF-funded policy institutes have contributed to framing of the agenda of new policy developments that have resulted in concrete policy measures to improve, for example, agricultural policy, urban transportation and taxation. Policy institutes have also convened consultative forums that have resulted in the collection of inputs used in the formulation of economic recovery programs, PRSPs as well as the evaluation of the effectiveness of the implementation of ongoing development programs. These institutes have supported technical task forces established by government to prepare major policy papers in the areas of regional integration and trade negotiations.

The training operations in the Foundation's portfolio continue to perform well. National projects have been most successful in designing training programs that are aligned with the immediate needs of their stakeholders. MACROFOR in DRC is one typical case

that confirms the need for flexibility of capacity-building interventions in response to clients needs. Indeed, MACROFOR was able to convert a master's degree program designed to send professional staff outside the country into a source of institutional support to the Faculty of Economics of the University of Kinshasa. This strategy will result in a doubling of the number of master's degree graduates while building the institutional and human capacity of the Faculty to organize a post-graduate degree program.

Other regional training programs sponsored by institutions such as MEFMI, BCEAO/BEAC and WAIFEM have kept up the high quality of their programs. They were complemented by the contributions of ACBF/IMF/AFRITAC programs, which also delivered highly specialized courses in the areas of public financial management and enhancement of the framework for regulating and

Box 7.**APIF: Networking African Policy Institutes for Growth and Development**

On 23 – 26 March 1997, ACBF, in collaboration with the International Centre for Economic Growth (ICEG), organized a workshop for directors of policy research and specialized training institutions (policy institutes) to brainstorm on an African Research Agenda for Accelerating Development in sub-Saharan Africa (ARAADA). The workshop discussed major development issues in sub-Saharan Africa, examined the role of policy research and specialized training institutions in the policymaking process in Africa as well as their contributions to the strengthening of the culture of policy analysis and research in the public sector, and reviewed forms and elements of institutional networking among ACBF-supported institutions. The recommendations of the workshop provided some guideposts on the role of policy research centers and specialized training institutions in the articulation and implementation of Africa's research agenda. They also laid stepping-stones for the institutionalization of a forum that would enable the directors of policy institutes to meet regularly as well as exchange views and share information on development issues and the performance of their institutes.

As a follow-up to ARAADA, the Foundation, on 21 – 22 June 2001, organized a second workshop to discuss further the concept of the forum and its elements. The aim of the 2001 workshop was to set up the forum as the African Policy Institutes Forum (APIF) and share ideas and information relating to strategies and instruments for gearing policy institutes towards generating, utilizing and disseminating knowledge for development management and poverty reduction in sub-Saharan Africa.

At the end of the workshop, there was a general consensus that a huge gap still existed between applied policy research and the policymaking process in sub-Saharan Africa, which needed to be bridged. The bridging of this gap would however require adjustments on two fronts – that of policy researchers and policymakers. It was agreed that:

- Concern for the policy research-policymaking gap should not be addressed at the national level only, as there were significant regional dimensions, which needed attention.
- African policy institutes had been very responsive to the Continent's development needs and challenges. They however needed to be strengthened further to enhance their impact and enhance the Continent's position globally.
- Research and policy analysis should be largely demand-driven in order to enhance their relevance. This however was not to vitiate the need for supply-led research. It was important for policy institutes to strike an appropriate balance between demand-driven and supply-led research. Innovation and pressure for good governance on the part of governments result mainly from supply-led research.

The workshop to formally launch APIF was held on 15 - 16 November 2004 in Harare, Zimbabwe. The two-day workshop effectively established APIF as a continental knowledge network whose core mandate is to promote knowledge generation, dissemination and sharing among African applied policy research centres and specialized training institutions and also provide a platform for the review of leading issues in development, including capacity building, with a view to strengthening the development process on the Continent.

supervising the financial sector. It has been observed through feedback from stakeholders and independent evaluations of these programs that the performance of agencies involved in back-office operations of debt management, banking supervision, integrated financial management systems, revenue administration and statistics has improved as a result of training and other technical assistance services received.

The regional training programs involved in economic policy and management have maintained their outstanding performance. The contributions of the AERC, PTCI and the four programs in Economic Policy Management (EPMs) based in Cameroon, Côte d'Ivoire, Ghana and Uganda are commendable, particularly in cases where the relevant programs continue to attract participants and deliver courses despite the difficult political environment.

Financial Management and Accountability

Most of the interventions supported by the Foundation in this area involve training activities and systems development in order to enhance the organizational capacity of beneficiary agencies. In Djibouti, the Foundation is supporting a strategic intervention (the CCDB project) aimed at revitalizing the human and institutional capacity of the special court responsible for auditing the financial management of public resources. Indeed, the work of the CCDB project has made an impact in dealing with the backlog of un-audited public financial accounts from previous fiscal years. More importantly, the CCDB project has succeeded in changing the behavior and attitudes of institutions involved in the management of public funds, including the revitalization of the Public Accounts Committee of Parliament that is responsible for oversight of the budget. The enhanced capacity of the CCDB has triggered immediate changes in the way in which ministries, departments and agencies are reporting on the use of public funds. The experience has also highlighted the need to streamline the responsibilities of various bodies involved in the oversight of the use of public funds, including parastatals that were accustomed to operating in an environment in which financial management was not linked to performance and results.

National Parliaments

As better governance becomes a central issue in the pursuit of poverty reduction goals, the pressure for more effective legislative oversight by parliaments will increase. Considering the weaknesses of national parliaments on the Continent, donor support to strengthen them is essential to ensure that they participate effectively in the political process and influence the allocation of government and community resources to benefit the poor.

The Foundation has maintained its support to three national parliaments in Benin, Nigeria and South Africa. The intervention in Benin is already producing promising results. CAPAN-Benin has organized training workshops for parliamentarians in order to educate them on their role in the oversight of programs such as public expenditure management, the dimensions of poverty, and environmental protection. The project has also offered training aimed at improving efficiency in the operations of the National Assembly, including its outreach role through the use of the media in disseminating the work of Parliament.

The Parliamentary Capacity Building Project (PCP) in South Africa was officially inaugurated in early November 2004. The project focuses on strengthening the capacity of members of parliament and parliamentary staff. The initial training activities have targeted the needs of the leadership of Parliament (such as the chairs of committees) and supported research activities aimed at boosting the contributions of members of parliament to regional integration efforts (including the AU and NEPAD).

Interface Operations

In many African countries, the PRSP has become the blueprint for participatory development and the framework for coordination of development assistance. Despite governments' efforts to encourage the participation of non-state actors in PRSP processes, the capacity of the private sector and civil society to participate effectively in the dialogue on development policy remains weak. The fragmentation of organizations in these two sectors explains the slow take-off of interface interventions. Additionally, the organizations operating in these sectors generally lack adequate institutional capacity to identify strategic policy issues that can be translated into policies, projects and programs.

Nonetheless, even in this difficult context, ACBF-funded projects in the interface sector have demonstrated that the empowerment of non-state actors can make a major difference in improving governance as illustrated by the operations supported in Gambia, Ghana, Kenya, South Africa and the Regional Chamber of Agriculture in West Africa. The South African Non-Governmental Organization Coalition (SANGOCO) has succeeded in influencing the budgetary allocation for social programs through poverty hearings and pro-poor budget campaigns. The NGO-Council in Kenya has provided leadership in the engagement of the state on constitutional reform and economic recovery programs. For instance, the Council successfully contributed to the development of the national sector policy, which is aimed at creating an enabling environment for members to discharge their mandate (including consideration of incentives such as tax rebates and relaxation of red tape in the processing of VAT for activities carried out in support of social development).

The Public Sector-Private Sector-Civil Society Interface project in The Gambia (GICAP) organized an annual Economic Forum that brought together key stakeholders and offered a platform for broad-based debate and dialogue on national policy issues. In Ghana, IDEG-CAP is promoting effective interfacing

Box 8.**MACROFOR: Paving the Way for Progress in a Post-Conflict Country**

In December 2001, the Executive Board approved a grant of US\$ 1,598,164 over four years in support of the establishment of the '*Cellule d'Appui à la Formulation et à la Gestion Macro-économique*' (MACROFOR) in the Democratic Republic of Congo (DRC). The relevant grant agreement was signed in June 2002 and declared effective on 23 August 2002.

The political history of the DRC - a former Belgian colony - shows severe cyclical crises since independence in 1960. After a long period of dictatorship between 1964 and 1997, the country has yet to achieve political stability. The last civil war began with a rebellion in 1998 that has engulfed several Central and Southern African countries. Despite a peace agreement signed in Lusaka (Zambia) in 1998, the DRC remains divided into two parts with the Central Government controlling only one part and non-governmental forces the other. As a result, a state of war still prevails in the DRC, albeit on a limited scale, despite international efforts to stop all military actions.

It is against this backdrop that the MACROFOR project was developed to assist the Government of the DRC in its efforts to rebuild the country. The main premises and assumptions on which the project was identified and designed were: (a) the deficit of human capacity at the medium and high level of expertise for macroeconomic stabilization policy formulation, implementation and monitoring; and (b) the deficit in institutional capacity at all levels of government.

MACROFOR was thus aimed at improving the performance of the economic ministries through institutional support and human capacity building. This goal will be reached through the strengthening of the human capacity of four line economic ministries and the Central Bank in order to upgrade the skills of officials in charge of the economic policy analysis and formulation process, and in particular those responsible for preparing reconstruction/recovery plans and follow-up poverty alleviation and debt management policies.

Since its inception, MACROFOR has trained through workshops and seminars over 500 government officials in public finance, national accounts, and budget preparation and monitoring. Further, a master's degree training program was launched in 2004 at the University of Kinshasa. So far, 33 civil servants have registered in the program. Indeed, as a result of the launching of the program, MACROFOR has been able to train more than the 15 civil servants who were originally supposed to be trained abroad. Also, MACROFOR provided much needed computing equipment to the Ministries of Planning, Finance, Budget, Economics and the Central Bank - thereby improving considerably the institutional environments of government agencies responsible for macroeconomic policy analysis, formulation and management.

The launch of MACROFOR in the DRC has proven to be a worthwhile risk given the environment at the time as project outputs have thus far exceeded expectations. However, the continued success of MACROFOR and, ultimately, its impact rely heavily on the level of stability that will prevail in the DRC in the coming years.

between state and non-state actors (that is, civil society and private sector) in Ghana to support the consolidation of political, economic, and social reform in the country.

In Kenya, the Centre for Corporate Governance (CCG) has made notable contributions to the training of executive directors of many organizations to ensure that they understand the fundamental principles of good corporate governance.

It has also advocated successfully for the establishment of the Institute of Directors in Kenya.

The latter is playing a key role in the anti-corruption campaign in the country through a certification process of senior officers called upon to exercise important financial management responsibilities in the private sector and state corporations. CCG has also become a major partner of NEPAD's African Peer Review Mechanism in the area of corporate governance.

Lessons

The Foundation's knowledge management activities as well as lessons gleaned from its monitoring and review operations have added a few lessons to its body of knowledge of tools and processes that are critical for the effective design and implementation of capacity-building interventions. Indeed, it has been demonstrated that the leadership of public policy centres and the quality and relevance of research findings play a major role in fostering demand for policy analysis in a variety of contexts affecting the political and economic enabling environment. These factors are critical in enabling policy analysts to be integrated in the policymaking process. However, the scope of their influence is related to the degree of a country's commitment to economic reforms. The key determinants for acceptance by policymakers of the contributions of policy institutes have been the high quality of policy studies produced; the relevance to policy concerns; and the timeliness of the provision of policy advice to support key policy processes such

as budgeting, reviews of poverty reduction strategies or preparation of trade negotiation agreements within the framework of regional integration, WTO or EPA for EU/ACP relations. It has been observed that even in countries with difficult economic and political environments, policy centres remain relevant through the advocacy of the need for reforms and stabilization measures by targeting sections of the political elite, the private sector and civil society organizations that are sympathetic to the need for sound economic management policies.

The most successful policy institutes have managed to allocate enough technical resources in support of policy reviews and of the implementation of major economic and social development programs and financial sector reforms. This has been possible because these policy institutes are able to hold regular consultations with senior government officials responsible for implementing development programs and to maintain close interactions with donors and other non-state stakeholders.

Box 9.

EPRC: At the Vortex of Policy Analysis for Development in Uganda

In the context of Uganda's political and economic environment, EPRC has made significant contributions to national and regional development processes by effectively advancing the role of research and critical analysis in public policy dialogue, formulation, implementation, monitoring and evaluation. The Centre has established itself as a reputable provider of analytical support to government as well as private, civic and donor institutions. As a result, EPRC is a respected member of several organs and working groups that are responsible for debating and preparing Uganda's public policy documents such as the Poverty Eradication Action Plan and the Plan for Modernization of Agriculture – both of which constitute blueprints for Uganda's development.

Between 1994 and 2002, EPRC completed 90 policy research works, 55 of which were published in reputable journals. The Government of Uganda has commissioned EPRC to prepare over 30 technical papers, which were used as inputs in policy-making processes. The Centre has on more than 16 occasions provided advisory services to government agencies. Through its Young Professionals Program, the Centre has facilitated the training of 102 young economists, 12 Master's degree holders and 2 Ph.D holders. Many of these graduates have been employed as economic policy and budget analysts in relevant ministries, the Bank of Uganda, private banks and multilateral institutions such as the World Bank.

EPRC's strong visibility in research and policy analysis has gained wide-ranging recognition. One example of such independent recognition of the contributions of EPRC is found in the journal article "How Research Can Assist Policy: The Case of Economic Reforms in Uganda" where the authors argue that research has had a powerful impact on policy in Uganda - affecting the climate of opinion, improving the quality of the policy debate, and helping to focus public policy and intervention on poverty reduction. Uganda's successful use of knowledge and research to help set public policy priorities demonstrates that even a poor post-conflict country can, in a relatively short time, create a robust and effective information base as well as feedback mechanisms for decision making.

With respect to training, the weaknesses noted in the higher education sector have validated the collaborative approach to training exemplified by the AERC-CMAP program. The successful implementation of this program has allowed consideration of a vertical integration strategy of building up a Ph.D. program after laying a solid foundation through the development of a high-quality master's degree program. The AERC model was used in the design of the Collaborative Master's Degree Program in Agricultural and Applied Economics. However, despite the strong support demonstrated by donors for these programs, the issue of their financial sustainability remains a major challenge. There are little prospects for a quick resolution of this problem outside the reform of the higher education system that will have to involve innovative approaches to financing education in certain disciplines where there is effective demand.

The improvement of governance on the Continent will benefit immensely from the strengthened voices of the private sector and civil society, as the latter will acquire the requisite capacity to engage the state and the donor community more effectively. ACBF-funded projects such as SANGOCO-South Africa, NGOCC-Zambia and IDEG-Ghana are having a significant impact on the way in which pro-poor budgets are implemented or gender issues are mainstreamed into national budgets. In the area of trade negotiations, PRIECA (for the cotton sector) and Consumers International (for the protection of consumers' interests against sub-standard products resulting from trade liberalization) are having an impact on the ways in which governments are negotiating the DOHA trade agenda. Civil society organizations have the potential to develop strategic partnerships with similar organizations in the North (such as OXFAM) that are advocating for fair negotiation on WTO agreements by providing opportunities for expanding the income of the poor farmers or small-scale entrepreneurs of the South by ensuring their effective participation in the global trading system.

Another important lesson has been the Foundation's capability to provide support to capacity building in difficult political environments provided that such intervention is carefully targeted, as illustrated by the results achieved by ACBF-funded operations in Burundi, Côte d'Ivoire, Congo (DRC) and Rwanda. In conflict-prone situations, the projects have produced valuable studies and carried out training activities that have contributed to the range of policy choices available for stabilizing the economic

situation. In other instances, the Foundation's support is contributing to capacity regeneration as well as opportunities for designing multi-donor supported rehabilitation programs to benefit key institutions.

While the Foundation can derive satisfaction in the positive feedback received from its assorted stakeholders, it needs to find appropriate ways of responding to the challenge of ensuring its long-run credibility as a leading independent institution in capacity building on the Continent by addressing the issue of its financial sustainability. While it is recognized that endowment funds constitute a source of independent income and stability in the funding of core programs, current donor practices do not make it likely that an endowment option would be feasible in the foreseeable future. Long-term financing of the Foundation's activities remains, indeed, a major challenge for its sustainability. The lack of predictability in funding may therefore undermine the Foundation's capacity to provide sustained support to capacity building and, ultimately, affect its credibility.

Overall, ACBF is succeeding in achieving sustainable results. In a space of less than 15 years, the Foundation now has a credible professional reputation as the premier African institution providing long-term support to the building of human and institutional capacity for development policy analysis and management in Africa. This is a notable achievement especially when the amount of financing available to the Foundation has been infinitesimal as a share of the total resources provided by donors for technical cooperation in Africa.

G. Operational and Institutional Challenges

Country Program and Upstream Strategy: Some Emerging Lessons

The SMTP (2002 – 2006) provides for a greater concentration on the core public sector with a focus on capacity building in economic policy, financial management, public administration management, and monitoring of national statistics. It also provides for support to strengthen Parliaments and to enhance the voices of the private sector and civil society.

There is presently a consensus that the Foundation needs to build on its existing activities to move upstream and to engage more directly with member countries on policy for capacity building and strategies for institutional reform. In doing so, it

Box 10.**ACBF-BCEAO-BEAC Partnership: Providing Cutting-edge Training in Macroeconomic Management for Development**

ACBF has partnered with BCEAO and BEAC since 1996 to offer training programs to the member countries of these two regional central banks. The BCEAO/BEAC macroeconomic training program is now in its second phase. To date, the Foundation has awarded grants totalling US\$ 2,790,000 to both Central Banks to help implement the program. The program involves the organization of short-term training courses and workshops for analysts in the public sector and national institutions dealing with a range of macroeconomic issues. As of May 2004, over 900 officials have benefited from such training.

The successful partnership between ACBF and these two central banks in developing and implementing the macroeconomic training program led to the establishment of a debt-management training program for which a three-year grant of US\$ 1,650,000 was approved in 1999. The program has trained over 877 officials in debt analysis and management. A second phase of the program was approved in 2004 with an award of US\$1,500,000.

Topics in both programs are designed to cover the policy needs and priorities of member countries. They have included fiscal convergence, stock market and development finance, monetary policy and economic development, and public expenditure management. In their current phases, the programs are emphasizing the decentralization of training activities, more of which is being conducted in-country to facilitate participation while reducing cost.

A key element of success in the implementation of both programs is the strong ownership that the two regional central banks have demonstrated. They continue to provide core funding and strategic leadership. The programs have also succeeded in mobilizing resources from other donors for co-financing.

The quality and relevance of the training programs have attracted participants from beyond the CFA currency area, while training for senior policymakers has also fostered a platform to share policy experiences and identify common lessons. In addition, the programs have strengthened the institutional capacity of the training centres of both institutions, which can now develop and deliver courses that were previously conducted by organizations based outside the Continent.

In the implementation of these programs, emphasis is also shifting from the enhancement of skills and knowledge to the retention and utilization of available capacity. This is in recognition of the growing importance of these factors in achieving the intended outcomes.

would place less emphasis on stand-alone or enclave operations and focus on ways in which support could be provided to address systemic weaknesses in Government. The purpose of this programmatic approach is to enable the Foundation to play a more strategic role in upstream capacity-building and coordination activities so as to link capacity building with specific socio-economic reform programs related to the PRSP process and efforts by post-conflict countries to address capacity depletion problems.

Following the adoption of the SMTP, the Secretariat launched country program development processes

in Rwanda and Uganda, and participated actively in an upstream program-development process in Cameroon. Such a major policy shift in terms of project or program development and execution necessarily entailed the review of these countries' development strategies and reform programs as well as the adoption of new approaches to assist in the development and implementation of capacity-building strategies, programs and projects.

A few lessons can be gleaned from the Foundation's upstream activities in Rwanda, Uganda and Cameroon:

Box 11.**CREAM: A Fulcrum for Policy Analysis and Development Management in Madagascar**

In November 1999, the Executive Board approved a grant of US\$ 1,721,270 for four years to support the establishment of the “*Centre de Recherches, d’Etudes et d’Appui à l’Analyse Economique à Madagascar*” (CREAM). The goal of the CREAM is to strengthen the capacity of the Government of Madagascar in economic policy research, policy analysis, formulation and management so that, in the short-term, it can continue to pursue the economic reform program launched since 1995 and, in the long-term, acquire sustainable capacity for economic management. More specifically, the project aims to:

- Establish under the Ministry of Finance and Economy a sustainable semi-autonomous economic policy research and analysis unit called “*Centre de Recherches, Etudes et d’Appui à l’Analyse Economique à Madagascar (CREAM)*”;
- Build or strengthen sustainable human capacity of existing government institutions and agencies responsible for economic policy analysis, formulation and management; and
- Disseminate regularly and effectively the outputs of economic policy research and analysis undertaken with the active participation of institutions and agencies responsible for economic management in Madagascar.

The CREAM Grant Agreement was signed in December 2002 and declared effective in April 2003. Despite the delay in the implementation of the project, attributable in large part to the unstable political situation in the country following the 2001 presidential elections, CREAM has established itself as a credible think-tank, interlocutor and focal point for capacity-building efforts in the country. The project has undertaken and completed a number of studies commissioned by government – for example, an inquiry into the best practices for mobilizing savings in Madagascar; the impact of tax reduction on goods and services; the effects of the government’s exchange rate policy and inflation management; and strategies for improving the efficiency of public spending. In 2004, CREAM participated in the preparation of the interim report on the Poverty Reduction Strategy Paper for Madagascar that was approved in 2003. Also, CREAM collaborated with donor representatives, and in particular the World Bank, on studies on the macroeconomic situation in, and the development of, Madagascar.

As a member of the Steering Committee on the establishment of the *Pôles Intégrés de Croissance* (PICs), CREAM has undertaken a number of studies on the impact of the PICs. The PICs project is an important part of government efforts to foster growth and development in the country by developing the private sector and taking advantage of the economic potential of the various provinces. The PICs project aims at improving infrastructure, establishing free zones, facilitating access to credit for the private sector and improving the investment climate in the country in general. The pilot phase will be launched in 2005 in three provinces.

In 2004, the *Bulletin du CREAM* was launched. This publication, which is distributed to governmental and non-governmental organizations as well as donor representatives in the country, disseminates the results of research studies undertaken by the project and contributes to policy dialogue in the country.

CREAM was recently assigned the role of coordinating the capacity profiling exercise that will be launched in Madagascar in 2005.

Rwanda

The Foundation’s comparative advantage in the area of capacity needs assessment through its holistic or systems approach to capacity building and the conceptual framework derived from this approach

was employed to identify capacity needs and define the capacity profile of Rwanda. However, the limited human, financial and institutional resources available to the Foundation that would enable it to bolster its presence and effectiveness in the country prevented it from meeting fully the country’s

expectations in terms of leading the country programming process. The result was that bilateral and multilateral partners possessing resources and field presence in Rwanda sought to fill the gap in ways that were not always optimal. Also, the overload of financial, management and accountability procedures applied by Rwanda's capacity-building partners prevented a proper pooling of resources and led to the adoption of parallel financing, management and accountability mechanisms although the Government of Rwanda has demonstrated that its own mechanisms are appropriate and sufficient for the purpose.

Uganda

The Foundation also assisted the Government of Uganda to launch upstream activities aimed at identifying priority areas of capacity needs to strengthen ongoing public sector reform, the PRSP process and the implementation of the Poverty Eradication Action Plan (PEAP). The process was facilitated by the existence of the PEAP and reform programs launched with the assistance of bilateral and multilateral aid agencies. As in Rwanda, the Foundation's limited presence and resources have prevented it from playing a more important role in the formulation of an overarching capacity-building strategy, and linking it to ongoing reforms. Institutions that the Foundation supports such as the Economic Policy Research Centre (EPRC) and the Economic Policy Management (EPM) Training Program at Makerere University could play this role. They cannot, however, play the coordinating role in the capacity-building process that such an approach underwrites.

Cameroon

In Cameroon, where the Foundation joined an ongoing initiative to build capacity for financial accountability led by bilateral and multilateral agencies with substantially more resources, ACBF played a complementary role. The Foundation used its comparative advantage in the area of financial accountability given its record and experience in the development and management of projects in other countries.

Drawing on its experience so far, the Foundation is reflecting on ways of refining the modalities of its country program intervention – especially as regards the feasibility of the use of appropriate proxies on the ground for the development and monitoring of country program activities.

Conflict Prevention and Capacity Building in Africa

In recent years, Africa has been particularly vulnerable to armed civil conflicts. Since the 1980s, 28 sub-Saharan African states have experienced some form of civil unrest. Among the root causes of such unrest are political corruption, lack of respect for the rule of law, human rights violations, ethnicity, corruption, and poverty. Other less recognized causes are the legacy of European colonialism, which exacerbated social or ethnic cleavages, the cold war by proxy where superpowers confronted each other on the Continent by helping bring to power some of the dictators, and control or exploitation of the Continent's resources. Indeed, the latter factor seems to have played a major role in instigating and sustaining recent cases of armed conflict. Further, recent "national" civil conflicts have crossed national boundaries and involved neighboring countries.

Armed conflicts in Africa usually involve a state whose authority is challenged for various reasons by non-state actors or a group of civilians. The literature defines civil war as an armed conflict that has: (i) caused more than 1,000 deaths; (ii) challenged the sovereignty of an internationally recognized state; (iii) occurred within the recognized boundaries of that state; (iv) involved the state as one of the principal combatants; (v) includes rebels with the ability to mount an organized opposition; and (vi) involved parties concerned with the prospect of living together in the same political unit after the end of the war.

Other types of armed civil conflict are: ethnic conflict, political and economic conflicts, and cross-border conflicts. Type-casting a given conflict situation can however be difficult. Conflicts are dynamic and may evolve from one type to another, thus making it difficult to unravel their causes and potential solutions. The degree of complexity of a conflict situation rises the longer the situation prevails as other causes fuel the animosity between the different parties.

The Economics of Conflict

Perhaps the most disturbing fact about conflicts in Africa is their prevalence and persistence in resource-rich countries. The economic literature on conflicts offers some explanations for this fact and makes a strong link between the availability of natural resources and civil armed conflict. Generally, it is not natural resources per se but the type of natural

Box 12.**EPM Online: Sharing Knowledge for Training in Economic Policy Management and Development**

The main objectives of the Economic Policy Management (EPM) Training Programs in Cameroon (University of Yaounde II), Côte d'Ivoire (University of Cocody), Ghana (University of Ghana-Legon) and Uganda (Makerere University) are to help improve the effectiveness of the public sector in Africa in a bid to tackle and reduce poverty. The main strategy has been to: (i) train a critical mass of economic policy analysts and managers required for meeting the development management challenges facing the Continent and each of the regions that the program covers; and (ii) establish a network of the four programs and similar institutions in Africa and abroad in order to improve the performance of the four African Partner Universities (APUs) in training economic policy analysts and managers.

The use of information and communication technology (ICT) has become a major component of the teaching program. ICT has helped to increase accessibility, efficiency and convenience to teaching. It has also helped to reduce the cost of instruction. In this connection, the Foundation and EPM Yaounde are collaborating to integrate new ICT through the EPM-Online initiative, which involves the establishment of a website on training offered by the four EPM programs at the four African Partner Universities (APUs). The main objectives of the project are to: (i) improve the accessibility of the four programs through on-line marketing and admission; (ii) improve the training capacity of the four EPMs through online publication and dissemination of EPM courses; (iii) establish portal linkages with the ACBF website in order to access didactic resources produced by institutions supported by the Foundation; (iv) publish syllabi, notes and the scholarly publications by EPM faculty on economic policy management; (v) organize online distance learning on economic policy management; (vi) utilize the gateway position occupied by EPM trainees and professionals teaching in the programs to obtain and publish current studies and reports from their home institutions on economic policy management; (vii) establish a community of practice linking economic policy analysts and managers in Africa; (viii) foster regional integration through the sharing of knowledge, experience and best practices in economic policy management through electronic forums and colloquia on various issues; (ix) establish working groups comprising scholars and alumni from the four programs; and (x) publish an EPM Newsletter.

EPM Online was inaugurated in May 2004 on the sidelines of a workshop organized in Yaounde by the Foundation and the four EPM programs. A network of African EPM programs was established and the EPM website became operational after three years of development – thereby launching a new era in economic policy management training in Africa.

resource that matters in determining the risk of conflict. Countries with point resources (that is, non-renewable, geographically concentrated resources that require little labor input for their extraction) have a higher propensity for conflict than countries that possess only diffuse resources. Moreover, the chances of ending wars in countries with diffuse resources (such as soils, crops, livestock and water that are renewable, geographically dispersed and are often inputs to labor intensive outputs) are better than in those with point resources. Further, ethnic and religious divisions and the absence of democracy have no systematic effect on the risk of armed conflict. Armed conflicts occur only when rebel organizations are financially viable. The case of DRC seems to

support this thesis in that the rich resources of the DRC provide easy ways to finance the conflict, and the rebels have long been successful in setting up financial and administrative structures in the areas that they control, especially with respect to trading with Rwanda and Uganda, while the government has also been able to finance its forces.

Contrary to conventional wisdom, ethnic and religious diversity may indeed protect against civil war. Lessons drawn from 161 countries between 1960 and 1999 show that the relative prevalence of war in Africa is not due to ethno-linguistic fragmentation in countries but to high levels of poverty, failed political institutions and economic dependence on natural

resources. Additional research has shown that only when one ethnic group is dominant (that is, if it constitutes 45 per cent or more of the population) does the risk of rebellion or conflict double compared to a homogeneous society. Diversity makes the organization of a rebellion more difficult. Also, lower per capita income, slower growth of the gross domestic product and more rapid population growth directly and substantially increase the risk of conflict.

Conflict Prevention Capacity

Conflict prevention is costly, although less so than a drawn out armed conflict. Assessing the potential for conflict in any country is very challenging.

Accurate assessment needs to be based on credible and timely information. A necessary step for conflict prevention is indeed assessment and monitoring of the overall risk factor. Although lessons can be shared, it is desirable to exercise caution when making generalizations. Each society or country is different and the balance of risk factors will vary from country to country. In addition, for every country, such balance will evolve over time. For prevention to be effective, the overall risk must be delineated into its main components, and efforts should be made accordingly to reduce the most important risks by providing the requisite means for channelling disputes through support for the judiciary or the national Constitution; support to reforms of the

Box 13.

CAPAN: Enhancing Policy Analysis Capacity in the Parliament of Benin

The progress of democracy in Africa is transforming the role of national parliaments from peripheral institutions to effective legislative and policymaking bodies. This is changing the role of parliamentarians who must now become more insightful and thorough in their analyses as well as generate ideas and policy proposals. However, despite the greater role of parliaments in Africa today, capacity deficiencies severely restrict what they can achieve. In these nascent democracies, parliamentarians have little political experience or clout and often lack the support of professional parliamentary staff. As a result, the asymmetry between the capacity of the Executive Branch and that of Parliament still tends to marginalize parliaments in many countries.

Most parliaments on the Continent lack the resources to address these capacity constraints. In May 2000, the Foundation approved a grant of US\$1,600,000 to the National Parliament of Benin to build the policy analysis capacity of parliamentarians and parliamentary staff. The main component of the CAPAN project is the training of parliamentarians to allow them to proceed knowledgeably and confidently in their legislative and policymaking activities. In addition, better understanding of national issues will provide parliamentarians with the knowledge to not only influence government policy but to also enter into beneficial partnerships with all stakeholders in the country.

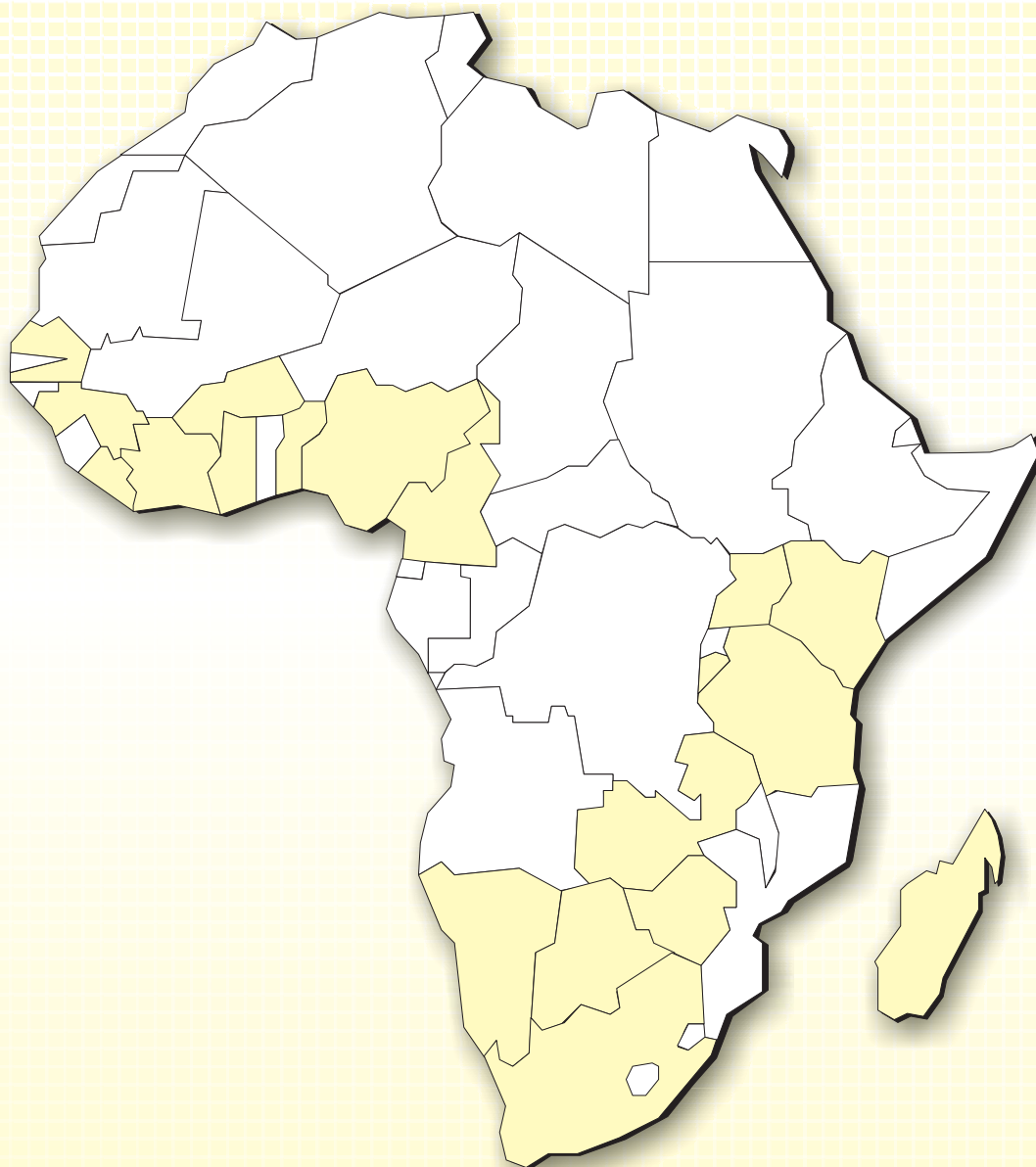
CAPAN works directly with the National Assembly to better align its support with the needs and priorities of parliamentarians. Each of the eighty-three parliamentarians in Benin's National Assembly has received training in one or more topics. CAPAN has provided training to parliamentarians to help them to grasp the components of the national budget and the economic assumptions that underlie fiscal policy. Specialized courses have been offered to members of the parliamentary Finance Committee who can most readily influence the budget and financial planning process. As a result, parliamentary debates are now more substantive and there are more questions asked of ministers during the examination of the government finance bill.

CAPAN has also trained parliamentarians in parliamentary procedure, lawmaking and law revision. It is also providing support to the networking initiatives of parliamentarians to learn from best practices within and outside the African Continent. Research conducted by the staff of CAPAN on relevant national issues is disseminated to parliamentarians and is often the subject of seminars and workshops to which they are invited. A recent study of the impact of privatization on the national economy is being widely discussed in parliamentary and government circles.


CAPAN has provided training to journalists accredited to the National Assembly to upgrade their grasp of parliamentary procedures, discussions and debates. It is therefore expected that such training will improve the capacity of journalists to report on parliamentary issues as well as improve public awareness and knowledge of the role and activities of the National Assembly.

Map 1.

ACBF Country Coverage 1991 - 1999



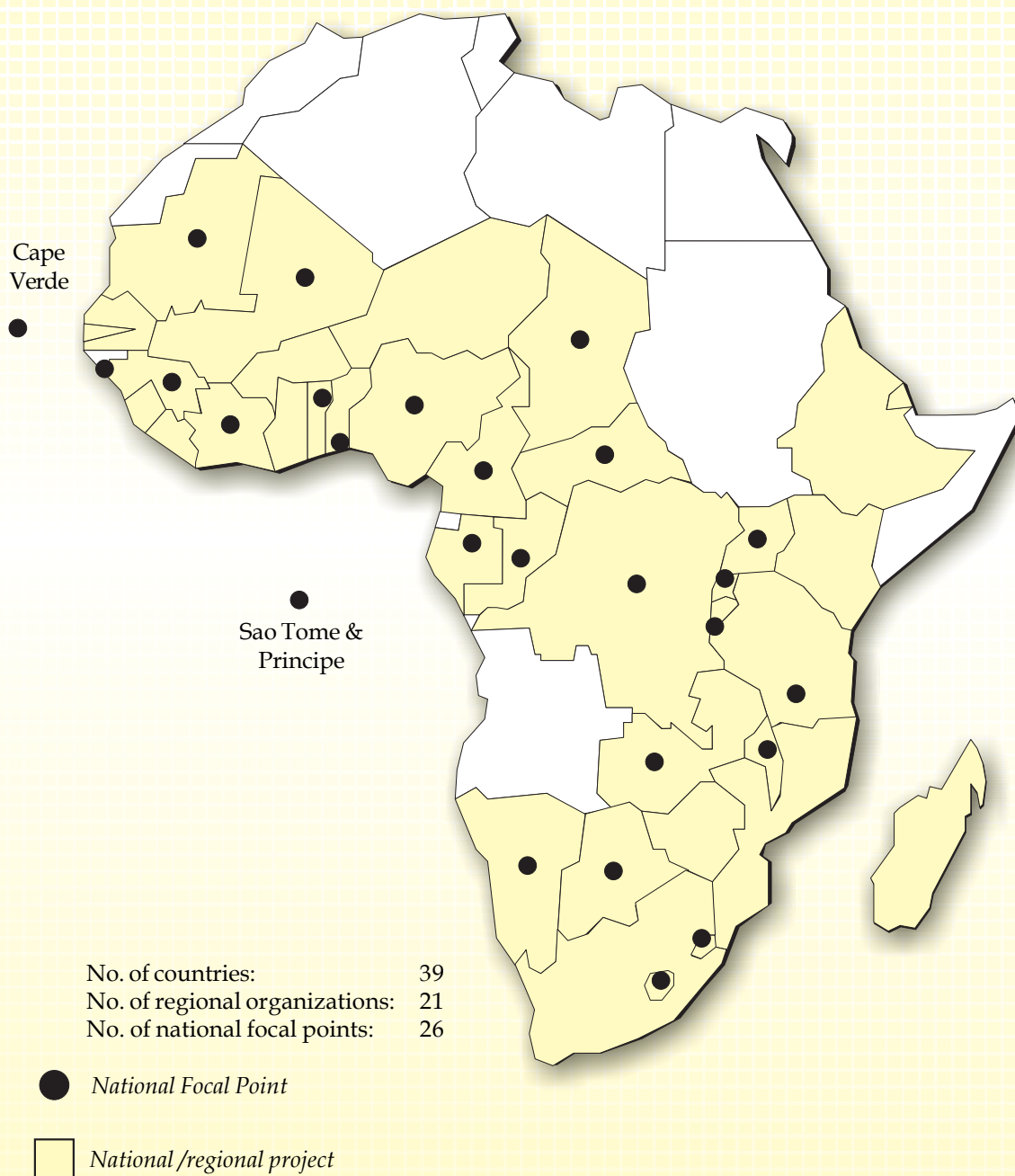
No. of countries 21
No. of regional organizations 10

 National/regional project

This map does not represent an official map of Africa.

Map 2.

ACBF Country Coverage 2000 - 2004



This map does not represent an official map of Africa.

Figure 3. Portfolio Operations: Output Performance, 2001 - 2004

Figure 3a.

Policy Studies, Research, Technical and Advisory Services

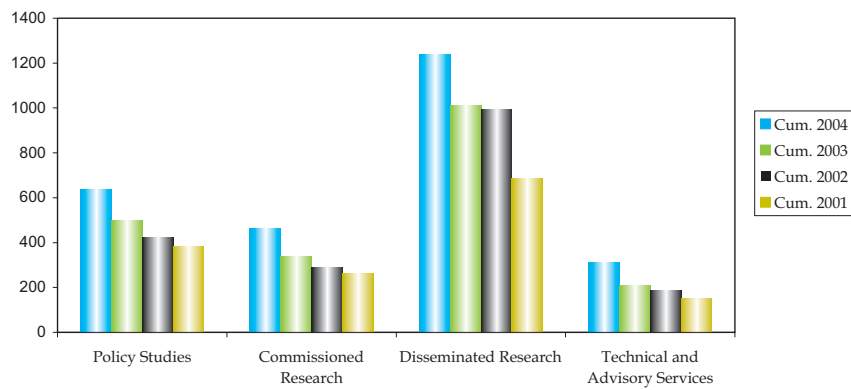


Figure 3b.

Beneficiaries of Fellowships

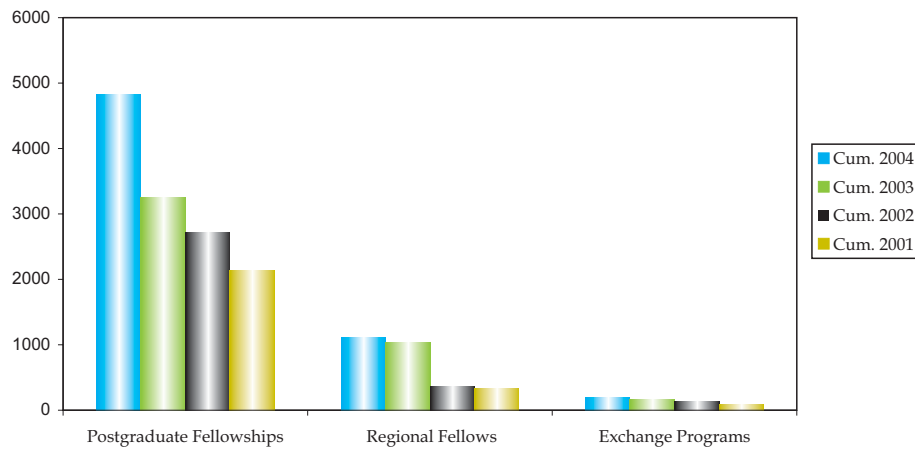
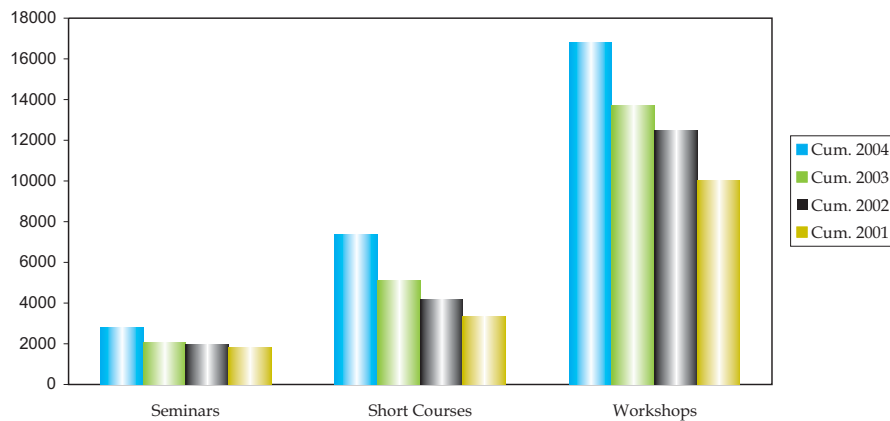


Figure 3c.

Beneficiaries of Training



Box 14.**IDEG, Interface and Capacity Building in Ghana:
Sowing the Seeds of Success**

Interface between the state and non-state actors in Ghana in public policy formulation and implementation has been constrained by a number of factors. Among these are: a culture of suspicion, mistrust and confrontation; limited experience in pro-active and 'win-win' forms of interaction; and a dearth of information, knowledge, and skills (analytical, advocacy and lobbying) for influencing public policy outcomes.

Designed as a strategic response to the demand-oriented needs of civil society, the private sector and state (public sector) actors, the Institute for Democratic Governance Capacity Building Project (IDEG-CAP), which received a grant of US\$1,500,000 from ACBF in December 2002, seeks to promote effective interfacing between state and non-state (civil society and private sector) actors in support of the concurrent processes of political, economic and social change in progress in Ghana. The project is based on the concept that effective and successful interface between the state and non-state actors requires a strong institutional champion, capacity building (knowledge and skills) of key actors, and an established public space for sustained dialogue, deliberation, and collaborative action by key actors. The project provides funding for the pursuit of four medium-term objectives striving to: (a) strengthen the human and institutional capacity of IDEG; (b) develop processes for establishing formal and sustainable frameworks within which civil society and the private sector will interface effectively with the State on public policy issues; (c) provide alternative policy options through evidence-based research and analysis to inform debates and decisions on public policy choices; and (d) upgrade the skills and knowledge of civil society and private sector actors so that they will be empowered to make professional interventions in the public policy process and influence its final outcomes.

Some of the early achievements of the IDEG-CAP project include the following: all professional staff recruitments were completed by October 2004 resulting in a much-enhanced human resource base, complemented by a revamping of the institutional framework and operational infrastructure of IDEG, which had been in progress since late 2003. In addition, mechanisms to ensure effective governance of the project under the oversight of the IDEG Governing Council, and also efforts to strengthen broad-based ownership and the relevance of the program to stakeholder needs were initiated. These activities have contributed to an enhancement of the institutional and operational capacity of IDEG. The Institute is therefore well-positioned to intensify and expand the delivery of integrated interface, research and capacity-building activities and outputs from 2005 onwards.

security sector; and support to the development of dispute resolution mechanisms. A participatory approach is thus necessary - involving state and non-state actors for the successful prevention of armed conflict. Given the growing tendency for armed conflicts to transcend national borders, other states might need to be involved to prevent conflicts.

Some factors that would contribute to prevent conflict are:

- Transparent management of revenues from resources;
- Higher incomes and economic growth in order to raise living standards;
- Development of a legal framework for dealing effectively with grievances;
- Respect of the rule of law;
- Regular, transparent elections at all levels of government;

- In the case of ethnic dominance, entrenchment of minority rights in relevant national constitutions given that democracy alone would not be sufficient; and
- Banning of the sale of commodities from conflict areas as was done in the case of Sierra Leone.

Key areas of capacity building include:

- Conflict analysis and early response development, where an analytical framework may be derived to better appraise and anticipate potential sources of conflict; and
- Development of skills, mechanisms and institutions to promote mediation and alternative forms of peaceful dispute resolution and to reduce bias, marginalization and discrimination.

Box 15.

MSCBP: A New Approach to Capacity Building in Africa

To achieve results in reducing poverty, the Government of Rwanda has been committed to pressing ahead with public sector reforms and to support them with significant investments in capacity building over the medium- and long-term. With the assistance of the World Bank, the Foundation and several bilateral and multilateral aid agencies, the Government of Rwanda took the leadership role to identify and develop a Multi-Sector Capacity Building Program (MSCBP) to facilitate efforts in strengthening institutional capacities, to design and implement priority programs and related policies outlined in the PRSP, as well as to manage financial and human resources. Hence, capacity-building activities under the MSCBP will be embedded in priority sector programs envisaged in the PRSP, and reflected in program budgets and the Medium-Term Expenditure Framework (MTEF) for all priority sectors, and will be coordinated with the implementation of public sector reforms.

The MSCBP takes into account the need to strengthen institutional capacities in light of the changing role of the public sector for more effective service delivery by pursuing decentralization and fostering a more prominent role of the private sector and civil society through public-private partnerships. However, given the complexity of the task, the MSCBP will adopt an incremental approach by initially focusing on the public sector while building institutional arrangements for better coordination of all capacity-building efforts. Once a strategy and framework have been established and show tangible results, the MSCBP will expand its reach to the private sector and civil society.

The Government's programmatic approach seeks to ensure that government institutions and development partners agree on a strategic framework for the design and implementation of capacity-building activities and define, monitor and evaluate results. This approach seeks to facilitate coordination and enhance synergies of currently fragmented capacity-building efforts. Improving the coordination and harmonization of donor interventions and practices will reduce transaction costs while increasing the development impact. This programmatic approach to capacity building, encompassing the integration of capacity building into economic and administrative reforms and the focus on coordination of donor support, lends an innovative dimension to capacity-building practice on the Continent, and thus constitutes the way of the future.

Conflict prevention should be seen as an integral part of good governance and sustainable development and be mainstreamed in development strategies to manage the stresses of development, mitigate internal tensions and handle conflict in ways that avert violence and promote social cohesion. For prevention to be effective, attention must be accorded to internal conditions that would increase the likelihood of conflict.

The Role of ACBF

As an institution that builds human and institutional capacity on the Continent, ACBF has great interest in any situation or event that may destroy or compromise the viability of capacity-building activities. Although conflict prevention is not one of its core competency areas, the Foundation has contributed to this domain through the promotion of good governance, growth and development on the Continent. It has, since its inception, supported the design, implementation and monitoring of sound economic policies by establishing policy units in

various countries. In 2000, it broadened the scope of its interventions by supporting financial accountability, and therewith, transparency in state, legal and legislative systems. Indeed, the Foundation assists countries in building the capacity of their national parliaments to enable them to play their role fully and supports their efforts for greater financial accountability. Further, it has extended its interventions to cover interface among the public sector, the private sector and civil society in support of dialogue among them that affords opportunities for pre-emptive and peaceful resolution of disagreements.

In 2004, the Foundation took a more direct approach to supporting conflict prevention by approving the *Projet de Renforcement des Capacités de la Société Civile dans la Prévention et la Gestion des Conflits en Afrique Centrale* (PREGESCO) project. The main goal of the project is to improve economic and social governance in Central Africa through the active and effective participation of civil society in conflict prevention

and management in the region. Its immediate objectives are to build sustainable human and institutional capacity of networks of civil society organizations in eight Central African countries in conflict prevention and management as well as to establish sustainable national and regional platforms for dialogue on conflict prevention and management in the sub-region. In addition, the Foundation published an Occasional Paper entitled *Studies in Reconstruction and Capacity Building in Post-Conflict*

Countries in Africa: Some Lessons of Experience from Mozambique, Rwanda, Sierra Leone and Uganda.

Considering that there is neither growth nor development without peace and stability, it is essential that peaceful means be used to prevent and resolve conflicts on the Continent. Although conflict prevention is costly, armed conflict is even more so, and as experience has shown, it is difficult to return a country to peace once armed conflict begins.

Chapter 3.

Emerging Capacity Building Issues



- NEPAD, Capacity Building and Growth in Africa
- Public Sector Management and Institution
Building in Africa: The Next Frontier
- Capacity Building for Transparency and
Financial Accountability

3. Emerging Capacity Building Issues

A. NEPAD, Capacity Building and Growth in Africa

The New Partnership for Africa's Development (NEPAD) Initiative was conceived by African Heads of State as an African-owned and Africa-led development framework that will address the challenges facing the Continent's growth and development. At its launching in 2000, the primary and long-term objectives were to: (i) eradicate poverty on the Continent; (ii) place African countries on a path of sustainable growth and development, and thus arrest the Continent's marginalization in the globalization process; and (iii) promote the role of women in all activities. The major goal of NEPAD is to assist African countries in achieving and sustaining an average GDP growth rate of over 7% per annum by 2015, which converges with the year when the world's poorest countries (the majority of which are in Africa) would have halved poverty within their precincts. Therefore, through NEPAD, it is hoped that the Continent will accomplish the following: (i) economic growth and development and increased employment; (ii) reduction in poverty and inequality; (iii) diversification of productive activities; (iv) enhanced competitiveness and increased exports; and (v) greater regional integration.

Almost five years following the advent of NEPAD, and ten years before the deadline for achieving the MDGs, almost all African countries are lagging in attaining the goal of realizing a 7% annual growth rate in order to halve their poverty rates. It is probably the only Continent that is regressing rather than progressing towards achieving the MDGs.

Weak human and institutional capacity has become a binding constraint to growth and development in Africa. At the same time, Africa faces numerous, diverse and daunting development challenges. Therefore, to address them, the Continent has to tackle decisively its capacity needs. The availability and effective utilization of the requisite capacity will determine Africa's ability to meet these challenges.

What this implies, therefore, is that sustained structural transformation in Africa over the next two decades will require a significant leap in the quantum of support and commitment to capacity building as well as reforms for effective utilization of such capacity. Though the NEPAD strategy fully

recognizes the need for market-based, private sector-oriented economic systems and policies, there is a consensus that an autonomous, vibrant civil society is key to an inclusive democratic governance system. Yet, the public sector, especially at the central level, must retain a strategic place and enable the private sector, civil society and other stakeholders to play their role in a constructive, synergetic and sustainable manner. Given the challenges, the corresponding capacity implications, especially at the level of the key sectors (public, private, civil society), are obvious and must be addressed. The Continent's large capacity needs require an agenda for action in the years ahead. This implies that the Continent will need to invest substantial resources in the regeneration of skills, knowledge, institutions and physical infrastructure in order to set the stage for, or trigger, sustained growth, poverty reduction and good governance. Other dimensions include reform of, or enhancement of, norms, behaviors, practices, systems, processes and procedures.

Such a wide-ranging agenda requires purposeful, well-coordinated and highly focused interventions by many players - African and non-African, bilateral and multilateral, governmental and non-governmental. Partnership and networking are therefore fundamental. In this regard, NEPAD can be considered as a credible platform for advocating the mainstreaming of capacity building in the African development agenda. This will however require that NEPAD invest as well in its own capacity. In this regard, the Foundation approved in December 2004 a grant of US\$ 2,000,000 to strengthen the NEPAD Secretariat to enable it to address the challenges that lie ahead.

B. Public Sector Management and Institution Building in Africa: The Next Frontier

Challenges facing the Public Sector in Africa

The changing political, social and economic environment in Africa today underscores the need for every country to possess an effective public sector. As the administrative machinery of government, the public sector and, especially, the civil service is, among other things, one of the main institutions responsible for the implementation of NEPAD and the achievement of the MDGs at the country level. In

Box 16.**ACBF and NEPAD: Strengthening an Emerging Partnership**

The partnership between the NEPAD Secretariat and ACBF reached an important milestone following the signing of a Memorandum of Understanding between the two organizations on 14 January 2004. The MOU, which will guide the partnership between the two institutions for the period 2004-2006, comprises some key features, which are distilled below:

1. Agreement to establish collaboration and partnership bonds in matters relating to the capacity-building components of NEPAD.
2. Agreement to draw up and implement work programs for the execution of joint activities within the framework of the MOU;
3. Pursuant to its constitutive mandate and to the SMTP (2002–2006), ACBF will coordinate and/or implement NEPAD capacity-building programs and projects;
4. NEPAD will advocate the need for capacity building in Africa and support the mobilization of the requisite resources for funding capacity-building programs and projects;
5. Resources mobilized for purposes of financing the programs, projects and other activities covered by the MOU will be disbursed into the ACBF-PACT Trust Fund; and
6. ACBF and NEPAD will be represented on their respective policy-making organs - the Steering Committee and Heads of State Implementation Committee (NEPAD) and the Board of Governors (ACBF);

Since the signing of the MOU, cooperation between the two institutions has intensified as illustrated by the financial support provided by the Foundation toward the institutional strengthening of the NEPAD Secretariat. Indeed, the ACBF Executive Board approved a grant of US\$ 2 million to the NEPAD Secretariat for this intervention. The partnership has also expanded to include support toward the preparation for, and participation in, the dialogue between NEPAD and the G8 countries through the activities of the Africa Partnership Forum in Maputo, Mozambique, and Washington, D.C, U.S.A.

The NEPAD Secretariat has requested ACBF to conduct a capacity needs assessment of the seven Regional Economic Communities (RECs), which constitute important pillars of the implementation strategy of NEPAD strategic programs. The partnership between ACBF and the NEPAD Secretariat holds good prospects for the implementation of Africa's development agenda. Indeed, the two partner institutions are aware of the potential synergy that would result from fostering close operational ties between them to ensure that NEPAD takes full advantage of the Foundation's experience in facilitating capacity-building interventions on the Continent. The partnership between ACBF and the NEPAD Secretariat is enjoying high-level support from NEPAD policymaking organs, as illustrated by the Communiqué of the February 2004 meeting of the Heads of States and Governments Implementation Committees, which endorsed the ACBF-NEPAD Secretariat MOU (the Kigali Communiqué).

addition, the public sector interacts, on behalf of government, with the Commission of the African Union; spearheads the implementation of the Comprehensive Development Framework (CDF); and coordinates the design, implementation, monitoring and evaluation of PRSPs. As a result, the public sector has been attempting to undertake reforms to enable it to play this role more effectively and to guide development policy. This role portends some serious challenges, which can only be addressed effectively if the sector is endowed with managers who are not just functional, but are also competent, professionally qualified and possess the capacity to manage or govern.

Indeed, the public sector in Africa has been confronted by enormous continental and global challenges that are themselves dynamic in nature. In the immediate post-independence era, the public sector grappled with its role. In later years, having identified itself as the prime mover of development, the public sector in many African countries tried to undertake or come to terms with constitutional, parliamentary and civil service reforms and their attendant challenges. This brought to the fore core issues of governance such as accountability and transparency, performance management, good governance and leadership. Currently, there are a number of leading issues that have far-reaching consequences and demand on the public sector in Africa.

Challenges to the public sector induced by the internal context of African countries include the following: (i) the need for the public sector to be “result-oriented”; (ii) the paradigm shift from socialist ideologies to market-oriented strategies and policy implementation mechanisms; (iii) the challenge to de-politicize the public sector and good governance arrangements; (iv) the need for vision formulation and strategic planning; (v) the need for strengthening the interface between training institutions and the public sector; (vi) the need for ownership of the reform process; (vii) the challenge of coping with change; (viii) the challenge posed by the HIV/AIDS pandemic; and (ix) the challenge of conflict prevention and management.

Besides the challenges induced from within, there are several others induced from without facing the public sector in Africa. These are: (i) the challenge of globalization; (ii) the challenge posed by NEPAD; (iii) the challenge of regional integration; (iv) the challenge to meet the objectives of the MDGs and those of the CDF; (v) the challenge posed by information and communication technology; and (vi) the challenges arising from international terrorism.

The New African Public Sector Manager

If the public sector in Africa is to be effective, it must address the challenges identified above. To address them, the sector needs a qualified, competent and functional crop of public sector managers. They must also possess the requisite capacity for policy analysis, formulation and management, negotiation, research and effective communication.

The new public sector manager should therefore be a capable manager and a change agent; imbibe attitudinal and cultural change; possess broad-based expertise; be knowledgeable about the specific nature of the public sector; possess negotiation skills; and appreciate the imperatives of global issues and their implications for national or regional reform and development.

This new crop of public sector managers needed by the New Public Sector in Africa would have to acquire knowledge, skills and behavior in several areas identified in the Public Sector Management Training Program (PSMTP) approved by the Executive Board in December 2004 to complement several of the national and regional training programs that mostly focus on the training of economists and economic policy managers. The main goal of the PSMTP is to improve the performance of the public sector through

the provision of balanced academic and professional training in public sector management on the Continent. This goal will be achieved through four general objectives: (i) to establish a sustainable PSMTP in Anglophone Africa and Francophone Africa; (ii) to build or strengthen the institutional and human capacity of four training institutions that will host the PSMTP; (iii) to provide academic and professional training in public sector management; and (iv) to establish a network of PSMTP institutions as well as national and regional institutions with a similar mandate. The program will be launched in the third quarter of 2005.

C. Capacity Building for Financial Transparency and Accountability

During the 1980s, public trust and confidence declined sharply due to the economic difficulties facing many countries in Africa and because of the mismanagement of public funds. The advent of democratization in the 1990s witnessed the emergence of non-state actors and parliaments as key players in the management of public affairs. Consequently, there was an upsurge of interest in financial accountability and transparency on the Continent. Civil society organizations and parliaments began demanding better management of public funds and improved reporting on such management.

As a result, when ACBF expanded its mandate following the integration of PACT into its fold in 2000, the Foundation incorporated financial management and accountability as one of its six core competency areas. In adding this dimension to its core activities, the Foundation plans to co-operate with African governments, civil society organizations, media organizations and parliaments on one hand, and with the donor community on the other. This will involve developing a sustainable core of professionals and institutions (systems, processes, procedures and practices) that will, over time, ensure better management of scarce public funds in order to improve living conditions on the Continent.

Reforms in financial management are complex and critical and should be approached in an integrated manner in order to cover planning, budgeting, accounting, internal and external controls and audits. The Foundation's intervention in capacity building in the area of financial accountability and transparency is based on a holistic approach to capacity building encompassing all activities and actors in the financial management and control

chain. At the country level, the Foundation takes into account the recommendations and methodologies set out in strategic documents such as Country Financial Accountability Assessments (CFAA), the Country Procurement Assessment Report (CPAR) by the World Bank, and the Country Assessment and Transparency (CONTACT) by UNDP, and any documents relating to the subject matter available in the country. Consequently, in the area of capacity building for financial transparency and accountability, ACBF works closely with organizations such as the World Bank, the European Union and UNDP.

To date, the Foundation's portfolio has five full-fledged capacity-building operations dealing with financial transparency and accountability, namely:

- Capacity Building Program in Financial Management in Rwanda
- Projet de Renforcement des Capacités de la Chambre des Comptes et de Discipline Budgétaire de la République de Djibouti (CCDB)
- Projet de Renforcement de la Gouvernance Economique et Financière de la République de Djibouti (IGE)
- Projet de Renforcement des Capacités des Structures de la Chaîne de Contrôle de la République du Cameroun (CASC)
- Projet de Renforcement de la Responsabilité Financière pour la Bonne Gouvernance au Sénégal (PRRF)

In addition, many of the Foundation's capacity-building operations have financial transparency and accountability components embedded in them, for example:

- Macroeconomic and Financial Management Institute (MEFMI)
- BCEAO/BEAC Training Program in Macroeconomic Policy Management
- BEAC-BCEAO Debt Management Training Program
- Lesotho Macroeconomic Management Program (LMMP)
- Projet de Renforcement des Capacités en Gestion Economique et Financière de la République Gabonaise (PRECAGEF)
- Institut d'Economie et Finances - Pôle Régional
- Macroeconomic and Financial Management Institute for Portuguese Speaking Countries in Africa (PALOP Institute)
- West African Institute for Financial and Economic Management (WAIFEM).

In addition, since 2003, the Foundation has worked closely with the two (West and East) IMF African Regional Technical Assistance Centres (AFRITACs). As a result, many training workshops covering financial management and accountability topics are organized by both centres to benefit government officials from the participating countries.

Annexes



- A.1. Basic Data on ACBF-funded Projects and Programs
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- A.3. Financing Status of ACBF-funded Projects and Programs as at 31 December 2004
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- A.7. Schedule of Drawdowns into the ACBF-PACT Trust Fund
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- C.2. Executive Board (as at 31 December 2004)
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Annex A1. Basic Data on ACBF-funded Projects and Programs

Classification of Projects and Programs	Approval Date	Effectiveness Date	Closing Date	Amount of Grant \$'000
A. PUBLIC SECTOR OPERATIONS				
A.1 Economic Policy Analysis and Management				
1. BIDPA II	04/2001	01/2002	05/2006	1,500
2. CAFPD	04/1995	11/1997	06/2003	1,600
3. CAMERCAP	04/2001	02/1903	01/2007	1,708
4. CAPE I	03/1995	01/1998	06/2003	1,500
5. CAPE II	12/2003	Awaiting Negotiation	01/2009	1,200
6. CAPED	12/2000	12/2002	03/2007	1,500
7. CAPES	03/1997	08/2001	03/2005	1,600
8. CASC	12/2004	Awaiting Negotiation		4,000
9. CEPA II	04/2001	08/2001	12/2006	1,700
10. CEPOD	12/2002	05/2003	11/2007	1,800
11. CIRES-CAPEC I	01/1993	11/1993	02/2000	1,750
12. CIRES-CAPEC II	05/2000	11/2001	04/2006	1,754
13. CEPEC II	11/1999	05/2001	03/2005	1,500
14. CREAM	11/1999	04/2003	06/2007	1,721
15. DMPA	05/1995	02/1996	12/2002	1,700
16. DPC II	12/2000	08/2001	11/2005	1,442
17. EEA	05/2000	05/2001	04/2006	1,030
18. EDRI	12/2001	05/2003	03/2007	1,500
19. EPRC II	05/1998	05/1998	05/2003	2,000
20. EPRC III	12/2003	04/2004	07/2008	1,802
21. ESRF I	10/1992	03/1994	10/1998	1,700
22. ESRF II	05/1998	06/1999	06/2003	2,000
23. ESRF III	12/2003	07/2004	12/2008	1,500
24. IDEC II	05/2002	06/2002	12/2006	2,000
25. IPAR II	12/2000	03/2002	08/2006	1,500
26. KIPPRA	04/1995	05/1998	03/2003	1,630
27. KIPPRA II	05/2003	12/2003	05/2009	1,700
28. LIMPAC	11/1998	Awaiting Negotiation		1,800
29. NEPRU II	12/2000	05/2001	11/2005	2,000
30. NPMSF	12/2004	Awaiting Negotiation		1,580
31. PARCOSIT	12/2003	Awaiting Negotiation		936
32. PRECASP	12/2000	05/2001	10/2005	1,100
33. NIEP	11/1998	7/2000	07/2004	2,000
34. PNRC-CAF	12/2000	11/2001	02/2006	1,300
35. PNRC-CMAP	12/2000	02/2001	03/2006	1,200
36. RCBP	05/2004	Awaiting Negotiation		4,000
37. RESPEC	12/2003	Awaiting Effectiveness	04/2009	1,517
38. UPE	04/1993	07/1994	12/2001	1,912
39. ZEPARU	12/2000	04/2004	04/2006	1,500
40. ZIPAR	12/2004	Awaiting Negotiation		1,500
A.2. Public Sector Economic and Financial Management Training Programs				
1. AERC III	4/2001	6/2001	12/2005	3,000
2. CESAG	12/2000	8/2001	4/2006	1,500
3. EMPAC	04/1995	05/1997	04/2001	1,410
4. EPM II - CAMEROON	12/2002	Awaiting Effectiveness	02/2007	2,000
5. EPM II - COTE d'IVOIRE	12/2002	10/2003	03/2008	2,000
6. EPM - GHANA	12/2002	Awaiting Effectiveness	05/2008	2,000

7.	EPM - UGANDA	12/2002	07/2003	02/2007	2,000
8.	LMMP	05/2002	04/04	05/2007	1,396
9.	MACROFOR	12/2001	08/2002	12/2006	1,598
10.	NCEMA II	11/1998	07/1999	12/2003	997
11.	NCEMA III	12/2003	03/2004	09/2008	700
12.	PSMTP	12/2004	Awaiting Negotiation		12,000
13.	PTCI II	12/2000	12/2001	06/2007	4,000
14.	SARIPS	05/2000	06/2001	04/2004	1,500
15.	PROFESS	04/2001	06/2001	12/2005	1,157
16.	UNAM	05/2000	05/2001	04/2006	850

A.3 Financial Management and Accountability

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
4.	IGE	05/2003	07/2004	07/2007	998
5.	PRRF	12/2004	Awaiting Negotiation		1,800

A.4 Strengthening Policy Analysis Capacity of National Parliaments

1.	CAPAN	05/2000	07/2002	8/2005	1,600
2.	PARP	12/2000	09/2003	06/2007	2,000
3.	PCP	05/2000	12/2003	03/2005	1,850

A.5 Regional Organizations

1.	ABR	12/2004	Awaiting Negotiation		750
2.	AFI	12/2004	Awaiting Negotiation		800
3.	CMAAE	05/2004	Awaiting Negotiation		2,200
4.	BCEAO/BEAC (MACRO) II	12/2000	08/2001	11/2004	1,740
5.	BEAC/BCEAO (DEBT) I	11/1999	09/2001	04/2004	1,650
6.	BEAC/BCEAO (DEBT) II	05/2004	Awaiting Negotiation		1,500
7.	CEMAC	12/2000	06/2002	05/2006	1,000
8.	ECOWAS	05/2000	05/2002	02/2006	2,000
9.	ICP	05/2004	Awaiting Negotiation		1,000
10.	IEF	12/2000	07/2002	05/2006	3,000
11.	LMIS	05/2000	10/2003	04/2007	2,000
12.	MEFMI	11/1996	02/1998	01/2003	2,900
13.	MRUTP	05/2004	02/2005	05/2009	2,000
14.	NEPAD	12/2004	Awaiting Negotiation		2,000
15.	PALOP	12/2004	Awaiting Negotiation		2,000
16.	PASU II	12/2000	12/2000	06/2005	3,000
17.	RENFOR	12/2004	Awaiting Negotiation		2,000
18.	SADC PF	12/2004	Awaiting Negotiation		2,600
19.	WAIFEM	05/2000	09/2000	04/2005	2,519

B. PUBLIC SECTOR - PRIVATE SECTOR - CIVIL SOCIETY INTERFACE OPERATIONS

B.1. National Institutions

1.	BOCONGO	12/2004	Awaiting Negotiation		1,150
2.	CANGO	12/2004	Awaiting Negotiation		1,000
3.	CAREF	12/2003	Awaiting	07/2008	1,525
4.	CENAF	12/2003	Awaiting Effectiveness	06/2009	1,303
5.	CSD-PSF	05/2000	04/2001	4/2004	1,335
6.	DRC-INTERFACE	12/2003	10/2004	10/2008	1,498
7.	GICAP	12/2001	06/2002	12/2006	850

8.	IDEG - CAP	12/2002	04/2003	10/2007	1,500
9.	NEC	12/2000	09/2001	12/2004	1,500
10.	NECF	12/2000	06/2002	04/2006	2,000
11.	NGOCC	5/2000	04/2001	04/2004	1,384
12.	NGO Council	12/2001	08/2002	02/2007	850
13.	PARECAP	12/2003	Awaiting Negotiation		2,000
14.	PRIESP	5/2000	01/2001	03/2005	723
15.	PROGESCO	12/2004	Awaiting Negotiation		1,800
16.	PSCGT	5/2000	10/2001	12/2005	1,000
17.	RECADIP	12/2004	Awaiting Negotiation		1,500
18.	RECOFEM	05/2004	10/2004	01/2009	1,000
19.	SANGOCO	05/2000	09/2001	12/2004	1,000

B.2 Regional Organizations

1.	PRIECA/AO	12/2000	02/2001	07/2005	1,431
2.	PRIECA/AO II	12/2004	Awaiting Negotiation		2,200
3.	CONSUMERS INT.	05/2000	10/2001	12/2005	1,000

C. SPECIAL INTERVENTIONS

1.	AMICAALL	05/2000	09/2001	12/2005	1,000
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D. NATIONAL FOCAL POINTS

20 Countries	05/2000 and 12/2000	Dates vary		0,050 Per NFP
6 Countries	12/2001	Dates vary		0,050 Per NFP

E. COUNTRY-LEVEL KNOWLEDGE NETWORKS

1.	NEG	12/2003	Awaiting Effectiveness	05/2008	300
2.	RGC-B	12/2003	Awaiting Effectiveness	04/2008	275
3.	RESAPOD	12/2004	Awaiting Negotiation		300

Annex A.2. Summary of Outputs of ACBF-funded Operations

TITLE OF PROJECT OR PROGRAM	Effective Date of Commencement	Number of Institutions Strengthened	Beneficiaries of Training				Number of Training Prog and Beneficiaries			Policy Studies, Research and Consultancies				Technical Assistance to Govt Agencies	Exchange Programs / Study Visits
			PH.D	M.A	P.G.D	Fellows Inst. Cap. Building	Short Courses	Work-Shops	Seminars	Comm. by Govt	Comm. by Others	Res. Ctd Completed	Publication Diss.		
AERC (CMAF)	Mar-93	21 Depts of Econ., 3 NGOs	241	1,296			432	821	1						7
AERC (CFF)	Oct-02	8 Depts of Econ.	92				1	8							9
AMICCALL	Sep-01	11				2	1	2							
BCEAO/BEAC (Debt)	Sep-01	6				17		901	92				1	4	3
BCEAO/BEAC (Macro)	Feb-96	2			141		400								
BIDPA	May-95	5	8	12	40	19	29	1,868	107	94	49	113	109	30	13
CAFPD	Nov-97	30			93		105			36	11	32	25		
CAMERCAP	Jul-02	3		1			21	84		1					
CAPAN	Jul-02	1					81			13			9		
CAPE	Feb-98	1								21	6	27	25		
CAPED	Dec-02	22					12		4	3		3			2
CAPES	Aug-03	1				165	5	5	11	10		5	15		
CCDB	Jul-01	1			6		66	210	60				2		14
CCG	May-01	1					756	29				7	9	6	2
CEPA	Jan-94	1					48	7		11	10	119	93	6	
CEPEC	Nov-93	1					91	2		14	5	10	42		
CESAG	Aug-01			45											
CIRES-CAPEC	Nov-93	1					137			18	3	10	40		25
COMESA	Jun-03							36	34						
CONSUMER INT.	Oct-01	30				6		201	54			19	20	4	3
OSD	Apr-01	15	1	6		115	191	17	2			8	1		5
DMPA	Feb-96	2	21				272	130	40			5	3		
DPC	Feb-94	1								7			34		
ECOWAS	Jul-02							61	30						
EDRI	May-03	1						1				2			
EEA	May-01	1				6	5	83	19		20	37	42	3	
EPM ABIDJAN	Oct-99		152							1	31	52	71	4	4
EPM ACCRA	Sep-00		152												
EPM MAKERERE	Oct-00			146											
EPM YAOUNDE	Sep-99			161											
EPRC	Jul-93	1	2	12	58	44		876	38	30	9	90	55	16	12
ESRF	Jun-94	64				44	208	1,397	16	94	159	86	72	164	3
GICAP	Jul-02	1					77			8	1				

Annex A.2. 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 Prog and Beneficiaries			Policy Studies, Research and Consultancies				Technical Assistance to Govt Agencies	Exchange Programs/ Study Visits
			PH.D	M.A	P.G.D	Fellows Inst. Cap. Building	Short Courses	Work- Shops	Seminars	Comm. by Govt	Comm. by Others	Res. Ctd Completed	Publication Diss.		
IDEC II	Aug-02	6					7	6	4	5	23	10	8	6	
IEF	Jul-02	1													
IDEG-CAP	Mar-03		1	5	2			113							
IGE	Jul-04	3						16		1			1		7
IPAR	May-95	1				169		40	10			95	34		
KIPPRA	May-98	1				24		358	85	3	31	84	114		
MACROFOR	Aug-02	5		5			273	2	1						
MEFMI	Sept-					127		5,055	81			23	8	1	4
NCEMA	Jun-94	1	11	11		25	2,672	1,367	476	12	10	39	49	5	
NEC	Sep-01	10		2	1	4	34	10		3			5	8	5
NECF	Jun-02	1						7	4		2	5	8	1	
NEPRU	Mar-95	4	5	24		41	244	128	236	87	79	75	229	12	1
NGO COUNCIL	Apr-01	237						3	2	1	3	5	4		
NGOCC	Apr-01	71					87	1,422				12			
NIEP	Jul-00	7				8	60	75	12	5	2	15		2	5
PASU	Jan-94	8					47	139	233	8	28	19	4	21	
PNRC-CAF	Nov-01	20					16	2	9						10
PNRC-CMAP	Dec-01	1					72	15	5	13	4				
PRECAGEF	Apr-01	3			6			250							
PRECASP	May-01	7		8			58	591							49
PRIECA/AO	Feb-01	8					85			15					
PRIESP	Jan-01	2					16		308		12	10			
PROFESS	Jun-01	15						31							21
PTCI	Sep-94	3 Depts. Of Econ.	15	912											
RE-CEMAC	Jun-02	5					6	187	45						
Rwanda Public Financial Mgt.	Feb-02	4	6	14						2				1	
SANGOCO	Sep-01	3	4	18	19	479	17	34	3	2	2	5	4	8	3
SARIPS	Jun-01	1		126		1	327	3	435	3	10	6	96		
UNAM-MPPA	May-01	1		32											
UPE/CEPOD	Jul-94	30		2			9	2	340	105	4	100			
WAIFEM	Oct-00	7	21	944		2	405	202	11	11		13		16	
Cumulative 2004			406	4,102	372	1,298	7,373	16,797	2,808	637	514	1,141	1,232	318	207
Cumulative 2003			286	2,651	316	1,043	5,086	13,703	2,057	499	337	849	1,009	210	161
Cumulative 2002			235	2,171	311	357	4,188	12,498	1,958	422	287	799	993	188	136

Annex A.3: Financing Status of ACBF-funded Projects and Programs as at 31 December 2004

Title of Project or Program	Total Cost	ACBF's Share	Govt/Own Finance	Pledged Co-finance	Financing Deficit/(Surplus) 2004	Financing Deficit/(Surplus) 2003
	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	-	-
ABR	7,078,540	750,000	4,328,000	-	2,000,540	-
AERC-CMAP III	12,998,991	3,000,000	-	10,200,000	(201,009)	(201,009)
AERC-PhD	9,231,882	2,000,000	-	-	7,231,882	7,231,882
AFI	9,699,000	800,000	-	-	8,899,000	-
AIPA I	150,000	150,000	-	-	-	-
AIPA II*	7,573,000	1,001,730	-	-	6,571,270	6,571,270
AMICAAL	4,318,250	1,060,000	843,000	510,000	1,905,250	1,905,250
BCEAO/BEAC I	3,570,000	1,050,000	1,612,000	908,000	-	-
BCEAO/BEAC II	4,347,142	1,738,857	-	2,608,285	-	-
BEAC/BCEAO (debt) I	5,468,908	1,650,000	-	3,818,908	-	-
BEAC/BCEAO (debt) II	8,923,803	1,500,000	2,855,617	-	4,568,186	-
BIDPA I	10,000,000	3,000,000	3,000,000	4,000,000	-	-
BIDPA II	10,670,389	1,500,000	9,170,389	-	-	-
BOCONGO	4,722,000	1,150,000	1,251,000	-	2,321,000	-
CAFPD	2,880,000	1,600,000	534,500	-	745,500	745,500
CAMECARP	2,173,850	1,708,850	-	465,000	-	-
CANGO	2,082,000	1,000,000	400,000	-	682,000	-
CAPE	2,619,760	1,500,000	259,980	195,600	664,180	664,180
CAPE II	2,200,000	1,200,000	260,000	-	740,000	740,000
CAPED	2,950,605	1,500,000	200,000	-	1,250,605	1,250,605
CAPES	3,215,256	1,600,000	321,526	1,293,730	-	-
CAREF	1,862,532	1,525,150	337,382	-	-	-
CASC	23,910,150	4,000,000	-	19,910,150	-	-
CCDB	1,091,310	1,091,310	-	-	-	-
CEMAC	1,851,542	1,000,000	851,542	-	-	-
CENAF	1,550,591	1,305,933	244,658	-	-	244,658
CEPA I	6,068,000	3,500,000	-	2,568,000	-	-
CEPA II	4,756,000	1,700,000	1,000,000	2,056,000	-	-
CEPOD	4,198,562	1,800,000	650,000	1,300,000	448,562	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	391,304	469,304	1,018,892	1,879,500
CI	4,000,000	1,000,000	-	3,000,000	-	-
CIRES-CAPEC I	1,750,000	1,750,000	-	-	-	-
CIRES - CAPEC II	2,192,500	1,754,000	438,500	-	-	-
CLKNET (SENEGAL)	1,003,842	300,000	400,000	-	303,842	-
CMAAE	8,997,803	2,200,000	1,263,600	3,100,000	2,434,203	-
CNPG-CEPEC	2,196,594	1,600,000	596,594	-	-	-
CNPG-CEPEC II	2,440,658	1,500,000	260,000	500,000	180,658	180,658
COMESA	1,616,000	1,500,000	116,000	-	-	-
CREAM	2,371,270	1,721,270	200,000	450,000	-	-
CSD	29,084,709	1,335,903	2,200,000	25,548,806	-	6,194,883
DMPA	3,951,000	1,785,000	1,270,989	990,000	(94,989)	(94,989)
DPC I	4,335,000	2,845,965	1,000,000	489,035	-	-
DPC II	3,599,415	1,442,210	755,072	1,402,183	(50)	(50)
DRC - INTERFACE	1,804,215	1,489,090	315,125	-	-	315,125
ECOWAS	3,800,000	2,000,000	640,000	1,676,596	(516,596)	(516,596)
EDRI	3,244,000	1,500,000	1,244,000	500,000	-	-
EEA	1,894,709	1,030,000	864,709	480,000	(480,000)	(480,000)
Sub-Total	278,541,102	84,999,268	40,075,487	109,829,421	43,636,926	30,043,429

*Cancelled in July 1996

Annex A.3: Financing Status of ACBF-funded Projects and Programs as at 31 December 2004

Title of Project or Program	Total Cost	ACBF's Share	Govt./Own Finance	Pledged Co-finance	Financing Deficit/(Surplus) 2004	Financing Deficit/(Surplus) 2003
1	2	3	4	5	6	
EMPAC	2,350,000	1,410,000	258,500	681,500	-	-
EPM (Cameroon) I	3,009,705	2,000,000	-	1,100,000	(90,295)	(90,295)
EPM (Cameroon) II	2,951,648	2,000,000	-	560,000	391,648	391,648
EPM (Coted'Ivoire) I	2,990,836	2,000,000	-	970,000	20,836	20,836
EPM (Coted'Ivoire) II	2,977,527	2,000,000	-	560,000	417,527	417,527
EPM (Ghana) I	3,278,794	2,000,000	-	1,379,000	(100,206)	(100,206)
EPM (Ghana) II	2,959,400	2,000,000	-	560,000	399,400	399,400
EPM (Uganda) I	3,161,640	2,000,000	-	1,161,000	640	640
EPM (Uganda) II	2,959,400	2,000,000	-	560,000	399,400	399,400
EPRC I	1,821,537	1,500,000	491,290	-	(169,753)	(169,753)
EPRC II	4,690,798	2,000,000	1,220,573	1,439,459	30,766	30,766
EPRC III	5,011,076	1,802,891	-	-	3,208,185	3,208,185
ESAIDARM	8,000,000	2,000,000	2,074,435	3,925,565	-	-
ESRF I	4,208,000	1,700,000	695,401	-	1,812,599	1,812,599
ESRF II	5,400,000	2,000,000	1,920,000	480,000	1,000,000	1,000,000
ESRF III	5,080,000	1,500,000	1,050,000	895,000	1,635,000	1,959,503
Financial Accountability	5,187,578	1,800,000	680,000	1,800,000	907,578	-
ICP	11,000,000	1,000,000	-	-	10,000,000	-
IDEC I	2,861,280	2,000,000	82,650	-	778,630	778,630
IDEC II	3,688,089	2,000,000	362,800	-	1,325,289	1,325,289
IDEG	2,548,959	1,500,000	390,000	360,000	298,959	298,959
IEF	13,725,212	3,000,000	2,453,697	8,271,515	-	-
IGE	1,342,984	998,985	-	343,999	-	343,999
ILO	1,500,000	1,500,000	457,113	455,660	(912,773)	(912,773)
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
KIPPRA	5,312,000	1,630,000	1,182,000	2,500,000	-	-
KIPPRA II	15,677,000	1,700,000	-	-	13,977,000	13,977,000
LIMPAC	2,174,293	1,800,000	-	-	374,293	374,293
LMMP	1,550,000	1,396,000	-	-	154,000	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)	(5,767,868)
MRUTP	2,380,000	2,000,000	240,000	140,000	-	-
NC-NGO	1,996,342	850,000	-	1,299,143	(152,801)	(152,801)
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	3,033,000	800,000	864,845	864,845
NEG	349,700	300,000	-	-	49,700	49,700
NCEMA I	989,879	990,000	-	-	(121)	(121)
NCEMA II	2,102,070	997,940	817,002	287,128	-	-
NCEMA III	2,408,740	700,000	1,708,740	-	-	-
NEPAD	49,209,000	2,000,000	43,309,000	-	3,900,000	-
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	-	-
NPMSP	2,059,000	1,580,096	478,904	-	-	-
OAU/EDECO/PASU I	3,000,000	3,000,000	-	-	-	-
Sub-Total	565,385,734	175,099,324	121,465,765	185,612,871	83,207,774	55,477,204

Annex A.3: Financing Status of ACBF-funded Projects and Programs as at 31 December 2004

Title of Project or Program	Total Cost	ACBF's Share	Govt./Own Finance	Pledged Co-finance	Financing Deficit/(Surplus) 2004	Financing Deficit/(Surplus) 2003
1	2	3	4	5	6	
OAU/EDECO/PASU II	7,709,074	3,000,000	4,709,074	1,716,000	(1,716,000)	(1,716,000)
PALOP	8,299,016	2,000,000	1,659,803	970,000	3,669,213	-
PARCOSIT	1,040,422	936,380	104,042	-	-	104,042
PARECAP	3,097,308	2,000,000	-	-	1,097,308	1,097,308
PARP	3,536,925	2,000,000	1,536,925	-	-	-
PCP(PSU)	3,164,500	1,859,100	-	1,164,500	140,900	140,900
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	-	-	-	-
PREGESCO	2,100,000	1,800,000	300,000	-	-	-
PRIECA/ AO I	3,346,154	1,431,594	-	-	1,914,560	1,914,560
PRIECA/ AO II	3,542,381	2,200,000	-	1,342,381	-	-
PRIESP	901,365	723,330	78,035	100,000	-	-
PROFESS	1,538,450	1,157,090	381,360	-	-	381,360
PSCGT	3,090,858	1,000,000	1,460,000	200,000	430,858	430,858
PSMTP	12,000,000	12,000,000	-	-	-	-
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	-	2,322,714	6,419,651	6,419,651
Public Sector,Private Sector	970,725	850,000	107,725	13,000	-	-
RCBP	75,732,100	4,000,000	-	71,732,100	-	-
RECADIP	1,650,000	1,500,000	150,000	-	-	-
RECOFEM	1,894,410	1,000,000	550,000	344,410	-	-
RENFOR	2,300,000	2,000,000	300,000	-	-	-
RESPEC	1,823,510	1,517,510	306,000	-	-	306,000
RGC-B	332,500	275,000	-	-	57,500	57,500
SADC	3,631,293	2,600,000	-	-	1,031,293	-
SANGOCO	5,455,317	1,200,000	2,201,561	2,053,756	-	-
SARIPS	11,516,642	1,500,000	-	8,448,163	1,568,479	1,568,479
UNAM MPPA	1,986,700	850,000	1,136,700	-	-	-
UAPD (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	-	-	-
ZIPAR	4,000,000	1,500,000	1,000,000	1,500,000	-	-
NFP (26)	1,301,200	1,301,200	-	-	-	-
SAFEWIND AND Seed Grants (40)	1,614,558	1,614,558	-	-	-	-
Grand Total	790,085,789	252,469,136	141,849,350	288,611,905	107,155,398	75,517,727

Annex A.4. Status of Pledges and Contributions by Donors as at 31 December 2004 – Phase I

Country/ Organization	Trust Fund 1	Trust Fund 2	Trust Fund 1	Trust Fund 2	USD (million)	USD (million)	Status
AfDB	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
Total	65.209	16.355	50.849	16.218	(3.028)	11.466	

Annex A.5. Status of Pledges and Contributions by Donors as at 31 December 2004 - Phase II

Country/ Organization	Amount Pledged US\$ (millions)	Amount Paid-in US\$ (millions)	Remarks
African Development Bank	6.000	3.027	
Botswana	0.300	0.300	Fully Paid
Cameroon	0.300	-	
Canada	2.400	2.400	Fully Paid
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	6.000	Fully Paid
Uganda	0.250	0.526	Fully Paid
United Kingdom	4.942	4.593	
UNDP	5.000	-	
World Bank	15.000	10.000	
Zimbabwe	0.250	0.276	Fully Paid
TOTAL	57.480	40.787	

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

Annex A.6. *Status of Pledges and Contributions by Donors as at 31 December 2004 – ACBF-PACT Phase

Country/ Organization	Amount National Currency (millions)	Pledged US Dollars US\$ (millions)	Amount Paid in US Dollars US\$ (millions)	Remarks
AfDB		12.000	-	
Benin		0.500	-	
Burkina Faso		0.250	-	
Cameroon		0.750	-	
Canada	C\$28.000	17.834	8.594	
DRC		0.500	-	
Denmark		5.000	0.966	
Ethiopia		0.200	-	
E.U.	•2.000	2.020	-	
Finland	•2.000	2.020	0.704	
France		5.051	3.411	
Gabon		0.800	-	
IMF		4.000	0.800	
India		1.000	-	
Ireland	•4.000	4.041	1.061	
Kenya	KSh50.000	0.700	0.652	
Mali		0.750	0.300	
Mauritania		0.250	-	
Netherlands	•15.000	15.153	-	
Nigeria		0.500	0.200	
Norway	NOK75.000	10.393	4.598	
Rwanda		0.450	0.080	
Senegal		0.500	0.192	
Sweden	SEK60.000	6.000	1.619	
United Kingdom	£9.000	14.277	4.800	
UNDP		1.000	-	
USA		1.500	-	
World Bank		55.000	52.600	
Zambia		0.250	-	
TOTAL		162.690	80.577	
Investment Income			8.126	

Exchange rates used:

12/11/2002 US\$1=C\$1.57; •=0.9899; NOK=7.2164; SEK=10; £=0.6304; KSh=71.43

*Please note that this table technically represents Phase III of the Trust Fund resources pledged to the Foundation. Drawdowns 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.7. *Schedule of Drawdowns into the ACBF-PACT Trust Fund (in US\$ million)

Country/ Organization	Amount Pledged National Currency	Amount Pledged US Dollars	Drawdown Per Year				Total Drawdown
			2002	2003	2004	2005	2006
AfDB		12.000	2.400	2.400	2.400	2.400	12.000
Benin		0.500	0.100	0.100	0.100	0.100	0.500
Burkina Faso		0.250	0.050	0.050	0.050	0.050	0.250
Cameroon		0.750	0.150	0.150	0.150	0.150	0.750
Canada	C\$28,000	17.834	3.567	3.567	3.567	3.567	17.834
DRC		0.500	-	-	0.166	0.166	0.500
Denmark		5.000	1.000	1.000	1.000	1.000	5.000
Ethiopia		0.200	0.040	0.040	0.040	0.040	0.200
E.U.	• 2.000	2.020	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	5.051
Gabon		0.800	0.160	0.160	0.160	0.160	0.800
IMF		4.000	0.800	0.800	0.800	0.800	4.000
India		1.000	-	-	0.333	0.333	1.000
Ireland	• 4.000	4.041	0.808	0.808	0.808	0.808	4.041
Kenya	KSh50,000	0.700	0.140	0.140	0.140	0.140	0.700
Mali		0.750	0.150	0.150	0.150	0.150	0.750
Mauritania		0.250	0.050	0.050	0.050	0.050	0.250
Netherlands	• 15.000	15.153	3.031	3.031	3.031	3.031	15.153
Nigeria		0.500	0.100	0.100	0.100	0.100	0.500
Norway	NOK75,000	10.393	2.079	2.079	2.079	2.079	10.393
Rwanda		0.450	0.090	0.090	0.090	0.090	0.450
Senegal		0.500	0.100	0.100	0.100	0.100	0.500
Sweden	SEK60.00	6.000	1.200	1.200	1.200	1.200	6.000
United Kingdom	£9,000	14.277	2.855	2.855	2.855	2.855	14.277
UNDP		1.000	0.200	0.200	0.200	0.200	1.000
USA		1.500	0.300	0.300	0.300	0.300	1.500
World Bank		55.000	11.000	11.000	11.000	11.000	55.000
Zambia		0.250	0.050	0.050	0.050	0.050	0.250
TOTAL		162.690	31.694	32.367	32.866	32.866	162.690

Exchange rates used:

12/11/2002= US\$1=C\$1.57; •=0.9899; NOK=7.2164; SEK=10 ; £=0.6304; KSh = 71.43

* Technically, this table represents Phase III of the Trust Fund resources pledged to the Foundation. Drawdowns for countries that have pledged in their national currencies will also be effected in the relevant 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 2004**

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The Annual Financial Statements set out on pages 72 to 93 were approved by Management on 15 April 2005 and are signed on its behalf by:

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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 African Capacity Building Foundation for the year ended 31 December 2004 set out on pages 72 to 93.

Respective responsibilities of directors and auditors

The financial statements are the responsibility of the Foundation's Executive 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.

We believe that our audit provides a reasonable basis for our opinion.

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 Financial Reporting Standards, insofar as they are not in conflict with the financial regulations, 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 2004 and of the results of the operations and cash flows for the financial year ended on that date.

A handwritten signature in blue ink, appearing to read "Deloitte & Touche".

DELOITTE & TOUCHE

15 April 2005

Annex B.1.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT
for the year ended 31 December 2004**

	<u>2004</u>	<u>2003</u>
	US\$	US\$
RECEIPTS		
Receipts from Trust Funds	26 108 447	28 509 590
IMF Receipt	400 000	400 000
Government of France	3 411 014	-
Interest earned	59 138	33 448
Miscellaneous	75 779	192
	-----	-----
	30 054 378	28 943 230
	-----	-----
EXPENDITURE		
Core public sector projects		
National economic policy analysis, research & training		
Economic policy analysis & management programs		
Capital costs	639 188	645 563
Personnel	2 094 511	2 828 011
Research	1 922 964	1 623 539
Operation and maintenance	873 204	932 075
Training	1 904 586	1 216 669
Unallocated	177 857	367 000
	-----	-----
Total economic policy analysis & management programs	7 612 310	7 612 857
	-----	-----
Economic & financial management training programs		
Capital costs	312 869	618 394
Personnel	461 244	567 875
Research	197 461	147 748
Operation and maintenance	307 997	178 003
Training	2 155 805	2 286 720
Unallocated	158 465	101 281
	-----	-----
Total economic & financial management training programs	3 593 841	3 900 021
	-----	-----

Annex B.1. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT
for the year ended 31 December 2004**

	<u>2004</u>	<u>2003</u>
	US\$	US\$
Financial management & accountability		
Capital costs	69 004	163 034
Operation and maintenance	306 093	115 978
Training	651 171	162 421
National Economic Policy - Programs	-	518
- Unallocated	29 031	33 696
Total financial management & accountability	-----	-----
Public administration and management		
Capital costs	1 793	72 056
Operation and maintenance	40 635	60 947
Training	17 909	21 591
Unallocated	41 601	13 676
	-----	-----
Total public administration and management	101 938	168 270
	-----	-----
Total national economic policy analysis, research & training	12 363 388	12 156 795
	-----	-----
Core public sector regional organisations		
Capital costs	222 248	295 595
Personnel	534 669	434 415
Research	241 719	314 977
Operation and maintenance	150 607	262 726
Training	1 873 490	1 656 563
Unallocated	96 807	103 091
	-----	-----
Total core public sector regional organisations	3 119 540	3 067 367
	-----	-----
Total core public sector projects	15 482 928	15 224 162
	-----	-----
Public, private sector, civil society interface		
National institutions		
Capital costs	71 360	75 167
Personnel	1 341 170	1 278 951
Research	161 456	172 020
Operation and maintenance	115 891	124 195

Annex B.1. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT
for the year ended 31 December 2004**

Training	360 591	451 228
Programme activities	196 699	587 081
Unallocated	98 501	145 302
	-----	-----
Total national institutions	2 345 668	2 833 944
	-----	-----
Regional institutions		
Capital costs	17 142	47 823
Personnel	184 533	236 167
Research	26 949	41 441
Operation and maintenance	65 165	92 473
Training	120 528	283 416
	-----	-----
Total regional institutions	414 317	701 320
	-----	-----
Total public, private sector, civil society interface	2 759 985	3 535 264
	-----	-----
Special intervention		
Capital costs	8 313	40 858
Personnel	358 117	302 382
Operation and maintenance	151 696	114 855
Training	301 038	98 427
Unallocated	32 263	-
	-----	-----
Total special intervention	851 427	556 522
	-----	-----
National focal points		
Capital costs	18 523	27 856
Research	40 682	9 549
Training	6 840	24 561
Unallocated	3 748	-
	-----	-----
Total national focal points	69 793	61 966
	-----	-----

Annex B.1. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT
for the year ended 31 December 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		US\$	US\$
Special Projects			
Safewind and seed grants		580 841	151 848
		-----	-----
Partnership Arrangements			
CIDA / ACBF Collaboration		-	41 889
IMF/ACBF (AFRITACS)		600 406	364 944
		-----	-----
Total partnership arrangements		600 406	406 833
		-----	-----
Bank charges on disbursements		11 107	7 219
Workshops		1 070	41 735
Recovery of provision for doubtful advances	11.1	(271 152)	(236 403)
		-----	-----
Total expenditure on programs		20 086 405	19 749 146
		-----	-----
Administration expenditure			
Direct project related expenditure:			
Country capacity profiles	11.2	92 274	34 331
Country assessment and project identification	11.3	58 959	38 128
Project proposal preparation	11.4	401 016	114 291
Project appraisal	11.5	46 967	41 752
Project supervision and monitoring	11.6	440 693	519 852
Mid-term review	11.7	170 703	-
		-----	-----
		1 210 612	748 354
		-----	-----
Knowledge networking and program support activities		851 020	485 382
		-----	-----
Other administration expenditure:			
Professional staff expenses		4 691 359	3 528 711
Support staff expenses		355 356	276 707
Consultants fees and travel costs		14 454	143 395
Public relations and outreach	11.8	35 119	58 079
General expenses	11.9	911 070	659 242
Other	11.10	105 251	176 824
		-----	-----
		6 112 609	4 842 958
		-----	-----
		6 112 609	4 842 958
		-----	-----
Total administration expenditure		8 174 240	6 076 694
		-----	-----
CONSOLIDATED EXPENDITURE ON PROGRAMS AND ADMINISTRATION		28 260 645	25 825 840
		-----	-----
EXCESS OF RECEIPTS OVER EXPENDITURE	4	1 793 733	3 117 390
		-----	-----

Annex B.2

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
BALANCE SHEET
for the year ended 31 December 2004**

	<u>Notes</u> US\$	<u>2004</u> US\$	<u>2003</u>
ASSETS			
Non current assets			
Property, plant and equipment	5	371 893	341 071
		-----	-----
Current assets			
Inventory	6	50 344	51 631
Accounts receivable	7	711 692	570 558
Bank balances and cash	8	8 984 724	6 867 154
Unretired advance to projects	10	10 664 939	10 453 332
		-----	-----
Total current assets		20 411 699	17 942 675
		-----	-----
TOTAL ASSETS		20 783 591	18 283 746
		-----	-----
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds	4	19 274 311	17 480 578
		-----	-----
Current liabilities			
Accounts payable	9	1 509 279	803 168
		-----	-----
TOTAL ACCUMULATED FUNDS AND LIABILITIES		20 783 591	18 283 746
		-----	-----

Annex B.3.

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
CASH FLOW STATEMENT
for the year ended 31 December 2004

	<u>2004</u> US\$	<u>2003</u> US\$
Cash flows from operating activities		
Excess of receipts over expenditure	1 793 733	3 117 390
Adjustment for:		
(Profit)/loss on disposal of property, plant and equipment	(508)	7 056
Depreciation	126 979	116 809
Interest receivable	(59 138)	(33 448)
	-----	-----
Operating cash flows before working capital changes	1 861 066	3 207 807
	-----	-----
Increase in unretired advances	(211 607)	(532 622)
Increase in accounts receivable	(141 134)	(60 690)
Increase/(decrease) in accounts payable	706 111	(704)
Decrease/(increase) in inventory	1 287	(39 751)
	-----	-----
Cash generated from / (used in) operations	354 657	(633 767)
	-----	-----
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	5 498	-
Purchase of property, plant and equipment	(162 792)	(81 495)
Interest received	59 138	33 448
	-----	-----
Cash used in investing activities	(98 156)	(48 047)
	-----	-----
Net increase in cash and cash equivalents	2 117 570	2 525 993
Cash and cash equivalents at 31 December 2003	6 867 154	4 341 161
	-----	-----
Cash and cash equivalents at 31 December 2004	8 984 724	6 867 154
	-----	-----

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004**

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 Financial Reporting Standards insofar as they are not in conflict with the financial regulations of the Fund.

3.2 Depreciation of fixed assets

Fixed assets are stated at cost less accumulated depreciation on a straight line basis over their anticipated useful lives as follows:

Depreciation is calculated

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.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004**

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.

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.

Contributions made under this scheme reflected in the Income and Expenditure Statement amount to US\$432 721 (2003 - US\$299 789)

4. Accumulated funds

	<u>2004</u> US\$	<u>2003</u> US\$
Balance at the beginning of the year	17 480 578	14 363 188
Transferred from receipts and expenditure statement	1 793 733	3 117 390
	-----	-----
Balance at the end of the year	19 274 311	17 480 578
	-----	-----

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

5. Property, plant and equipment

Cost	Balance 31 Dec 03 US\$	Additions US\$	Disposals US\$	Balance 31 Dec 04 US\$
Library books	45 711	549	-	46 260
Motor vehicles	86 712	5 170	-	91 883
Computers	496 780	52 727	19 974	529 532
Furniture and equipment	238 928	103 536	12 275	330 189
Communication Equipment	-	810	-	810
	-----	-----	-----	-----
	868 131	162 792	32 249	998 674
	-----	-----	-----	-----
Accumulated depreciation	Balance 31 Dec 03 US\$	Charge for the year US\$	Disposals US\$	Balance 31 Dec 04 US\$
Library books	7 820	9 128	-	16 948
Motor vehicles	44 795	18 231	-	63 026
Computers	355 299	80 999	17 834	418 464
Furniture and equipment	119 146	18 540	9 423	128 263
Communication Equipment	-	81	-	81
	-----	-----	-----	-----
	527 060	126 979	27 257	626 781
	-----	-----	-----	-----
Net book amount	Balance 31 Dec 03 US\$			Balance 31 Dec 04 US\$
	341 071			371 893
	-----			-----
Comprising:-				
Library books	37 891			29 312
Motor vehicles	41 917			28 857
Computers	141 481			111 068
Furniture and equipment	119 782			201 926
Communication Equipment	-			729
	-----			-----
	341 071			371 893
	-----			-----

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

	<u>2004</u> US\$	<u>2003</u> US\$
6. Inventory		
Consumables	50 344	51 631
	<hr/>	<hr/>
7. Accounts receivable		
Amount due (to)/from staff gratuity/savings scheme fund	(263 697)	37 247
Staff loans	373 601	112 649
Staff advances	22 692	10 936
Travel advance	331 598	224 998
Prepayments	9 412	2 041
Receiver of Revenue - VAT receivable	95 545	98 824
Other	142 541	83 863
	-----	-----
	711 692	570 558
	<hr/>	<hr/>
8. Bank balances and cash		
United States dollars - Standard Chartered Bank London	4 219 167	6 262 413
United States dollars - Stanbic Bank and Standard Chartered Bank	1 081 336	535 480
Foreign currencies - Stanbic Bank and Standard Chartered Bank	272 192	69 261
Foreign currencies - Standard Chartered Bank	3 412 029	-
	-----	-----
	8 984 724	6 867 154
	<hr/>	<hr/>
Foreign currencies include Zimbabwe dollars expressed in equivalent United States dollars at the rates of exchange ruling at the balance sheet date.		
9. Accounts Payable		
Amounts owing to staff members	59 107	54 733
Accrued Expenses	233 938	172 787
Consultant Fees Payable	355 877	118 640
Audit Fee Provision	13 810	12 000
Leave Pay Provision	544 802	285 128
Other	301 746	159 879
	-----	-----
	1 509 279	803 168
	<hr/>	<hr/>

Annex B.4. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004

10. Unretired advances to projects

	<u>Coverage</u>	<u>Grant approved</u>	<u>Cumulative disbursements</u>	<u>Grant expenditure</u>	<u>Unretired advance</u>
		US\$	US\$	US\$	US\$
Phase I					
AERC-CMAPI	Regional	5 000 000	5 000 000	5 000 000	-
AIPA I	South Africa	150 000	150 000	150 000	-
AIPA	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	1 510 322	1 445 165	65 157
CAPE	Benin	1 500 000	1 488 950	1 348 950	140 000
CAPES	Burkina Faso	1 600 000	1 295 655	1 145 655	150 000
CEPA	Ghana	3 500 000	2 854 137	2 665 111	189 026
CERDI-AUREDI	Regional	2 364 000	2 270 456	2 270 456	-
CIRES-CAPEC	Cote d'Ivoire	1 750 000	1 724 928	1 724 928	-
CNPG-CEPEC	Guinea	1 600 000	1 509 184	1 509 184	-
DMPA	Zambia	1 785 000	1 468 428	1 325 270	143 158
DPC	Nigeria	2 845 965	2 742 561	2 742 561	-
EMPAC	Ethiopia	1 410 000	445 589	429 873	15 716
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	1 854 105	1 842 927	11 178
IPAR	Kenya	2 525 000	2 530 806	2 530 806	-
KIPRA	Kenya	1 630 000	1 630 000	1 629 916	84
McGILL	Regional	2 136 000	1 557 374	1 459 290	98 084
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	4 830 795	4 830 795	-
UPE	Senegal	1 912 200	1 761 974	1 748 561	13 413
Total Grant Commitments - Phase I		61 849 895	57 425 001	56 298 679	1 126 322
Phase II					
AERC-CMAPII	Regional	3 000 000	3 000 000	3 000 000	3 000 000
BEAC/BCEAO (debt) I	Regional	1 650 000	1 594 238	1 594 238	-
CNPG-CEPECII	Guinea	1 500 000	822 937	722 937	100 000
CREAM	Madagascar	1 721 270	420 607	320 607	100 000
EPMI - CAMEROON	Cameroon	2 000 000	1 945 894	1 891 835	54 059
EPMI - GHANA	Ghana	2 000 000	1 747 547	1 747 547	-
EPRC II	Uganda	2 000 000	1 971 373	1 971 373	-

Annex B.4. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004

10. Unretired advances to projects (continued)

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Cumulative Disbursements</u> US\$	<u>Grant expenditure</u> US\$	<u>Unretired advance</u> US\$
ESRF II	Tanzania	2 000 000	1 994 209	1 994 209	-
LIMPAC	Liberia	1 800 000	-	-	-
NCEMA II	Nigeria	997 940	896 859	885 030	11 829
NIEP	South Africa	2 000 000	1 640 420	1 556 022	84 398
		-----	-----	-----	-----
		20 669 210	16 034 084	15 683 798	350 286
		-----	-----	-----	-----
EPMI - COTE D'IVOIRE	Cote d'Ivoire	2 000 000	2 000 000	2 000 000	-
EPMI - UGANDA	Uganda	2 000 000	1 954 466	1 954 466	-
		-----	-----	-----	-----
Sub-Total		4 000 000	3 954 466	3 954 466	-
		-----	-----	-----	-----
Total Grant Commitments - Phase II		24 669 210	19 988 550	19 638 264	350 286
		-----	-----	-----	-----
Total Grant Commitments - Phases I & II		86 519 105	77 413 551	75 936 945	1 476 608
		-----	-----	-----	-----
ABR	Regional	750 000	-	-	-
AERC-CMAP III	Regional	3 000 000	2 305 408	2 055 408	250 000
AERC-PhD	Regional	2 000 000	830 998	431 442	399 556
AFI	Regional	800 000	-	-	-
AMICAAL	Swaziland	1 060 000	814 521	714 521	100 000
BCEAO/BEAC MACRO II	Regional	1 738 857	1 245 172	1 045 172	200 000
BCEAO/BEAC DEBT II	Regional	1 500 000	-	-	-
BIDPA II	Botswana	1 500 000	1 003 215	853 215	150 000
BOCONGO	Botswana	1 150 000	-	-	-
CASC	Cameroon	4 000 000	-	-	-
CAMERCAP	Cameroon	1 708 850	739 610	638 809	100 801
CANGO	Swaziland	1 000 000	-	-	-
CAPE II	Benin	1 200 000	100 000	-	100 000
CAPED	Niger	1 500 000	533 098	383 098	150 000
CASPOF	DRC	1 489 090	102 611	-	102 611
CAREF	Cameroon	1 525 150	-	-	-
CCDB	Djibouti	1 091 310	946 185	846 185	100 000
CEMAC	Regional	1 000 000	637 705	537 705	100 000
CENAF	Gabon	1 305 933	-	-	-
CEPA II	Ghana	1 700 000	1 044 527	844 527	200 000
CEPOD	Senegal	1 800 000	601 770	401 770	200 000
CESAG	Regional	1 500 000	1 075 008	975 008	100 000
CIRES - CAPEC II	Cote d'Ivoire	1 754 000	1 001 620	824 773	176 847
CLKNET	Senegal	300 000	-	-	-

Annex B.4.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

CMAAE	Regional	2 200 000	-	-	-
COMESA	Regional	1 500 000	381 083	281 083	100 000
Consumer International	Regional	1 000 000	768 071	668 071	100 000
DPC II	Nigeria	1 442 210	222 637	122 637	100 000
ECOWAS	Regional	2 000 000	391 763	188 793	202 970
EDRI	Ethiopia	1 500 000	339 705	189 705	150 000
EEA	Ethiopia	1 030 000	885 237	830 903	54 334
EPM II	Cameroon	2 000 000	689 408	488 034	201 374
EPM II	Cote d'Ivoire	2 000 000	870 974	670 974	200 000
EPM II	Ghana	2 000 000	471 778	271 778	200 000
EPM II	Uganda	2 000 000	965 277	765 015	200 262
EPRC III	Uganda	1 802 891	338 151	188 151	150 000
ESRF III	Tanzania	1 500 000	191 778	91 778	100 000
Financial Accountability	Senegal	1 800 000	-	-	-
IDEC II	Burundi	2 000 000	983 978	884 978	99 000
IDEG	Ghana	1 500 000	365 690	215 017	150 673
ICP	Regional	1 000 000	-	-	-
IEF	Regional	3 000 000	534 652	334 652	200 000
IGE	Djibouti	998 985	129 976	29 976	100 000
ILO	Regional	1 500 000	264 241	64 241	200 000
IPAR II	Kenya	1 500 000	1 350 302	1 247 302	103 000
KIPRA II	Kenya	1 700 000	788 251	538 251	250 000
LMMP	Lesotho	1 396 000	100 000	-	100 000
MACROFOR	DRC	1 598 164	878 303	764 589	113 714
MEFMI II	Regional	2 500 000	1 717 581	1 417 581	300 000
MRUTP	Regional	2 000 000	22 888	-	22 888
National Council of Non Governmental Organisations	Kenya	850 000	456 010	353 010	103 000
NCBP(PFMR)	Rwanda	3 000 000	896 314	645 564	250 750
NCEMA III	Nigeria	700 000	-	-	-
NEC	Malawi	1 500 000	975 673	875 673	100 000
NECF	Zimbabwe	2 000 000	854 230	754 230	100 000
NEG	Ghana	300 000	-	-	-
NEPAD	Regional	2 000 000	-	-	-
NEPRU II	Namibia	2 000 000	1 422 656	1 322 656	100 000
NGOCC	Zambia	1 384 980	652 710	563 865	88 846
NPMSP	Namibia	1 580 096	-	-	-
OAU-PASU II	Regional	3 000 000	2 140 206	2 040 206	100 000
PALOP	Regional	2 000 000	-	-	-
PARCOSIT	Chad	936 380	-	-	-
PARECAP	Burkina Faso	2 000 000	-	-	-
PARP	Nigeria	2 000 000	150 000	-	150 000
PCP (PSU)	South Africa	1 859 100	279 651	79 651	200 000
PNRC - CAF	Guinea Bissau	1 300 000	931 226	731 226	200 000
PNRC - CMAP	Mauritania	1 200 000	813 959	663 959	150 000
PRECAGEF	Gabon	1 422 850	666 423	564 961	101 462
PRECASP	Sao Tome	1 100 000	780 524	680 524	100 000
PREGESCO	Regional	1 800 000	-	-	-
PRIECA / AO	Regional	1 431 594	1 431 594	1 345 835	85 759

Annex B.4. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004

PRIECA / AO II	Regional	2 200 000	-	-	-
PRIESP	Mali	723 330	723 349	649 294	74 055
PROFESS	Chad	1 157 090	518 315	416 817	101 498
PRSP (CSD)	Tanzania	1 335 903	1 115 812	1 015 812	100 000
PSCGT	Kenya	1 000 000	894 730	811 670	83 060
PSMTP	Regional	12 000 000	-	-	-
PTCII	Regional	4 000 000	3 007 777	2 507 777	500 000
Public Sector, Private Sector, Civil Society Interface	Gambia	850 000	430 838	330 838	100 000
RECADIP	Congo	1 500 000	-	-	-
RECOFEM	Mali	1 000 000	-	-	-
RENFOR	Regional	2 000 000	-	-	-
RESPEC	Congo	1 517 510	-	-	-
MSCBP	Rwanda	4 000 000	-	-	-
RGC -B	Burkina Faso	275 000	70 000	-	70 000
SADC	Regional	2 600 000	-	-	-
SANGOCO	South Africa	1 200 000	858 708	758 708	100 000
SARIPS	Regional	1 500 000	536 510	536 510	-
UAPD (CAPAN)	Benin	1 600 000	751 963	601 963	150 000
UNAMMPPA	Namibia	850 000	652 567	552 567	100 000
WAIFEM	Regional	2 519 000	1 763 243	1 656 682	106 561
ZEPARU	Zimbabwe	1 500 000	234 814	134 814	100 000
ZIPAR	Zambia	1 500 000	-	-	-
Sub-total		163 034 273	50 642 973	41 399 952	9 243 021

National Focal Points

CRC - Cape Verde	Cape Verde	50 000	25 000	-	25 000
HRDA	Rwanda	50 000	25 000	-	25 000
PFRC	Mauritania	50 000	37 637	12 637	25 000
DRC	Benin	50 000	49 954	24 954	25 000
NFP	Botswana	50 000	-	-	-
Senarec	Burundi	50 000	50 363	25 363	25 000
Senarec	Cameroon	50 000	-	-	-
Senarec	CAR	50 000	25 000	-	25 000
Senarec	Chad	50 000	40 623	30 874	9 749
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	Bissau Guinea Bissau	50 000	-	-	-
NNCB	Nigeria	50 000	-	-	-
Senarec	Sao Tome	50 000	43 717	18 717	25 000
NFP	Swaziland	50 000	-	-	-
NFP	Uganda	50 000	25 000	-	25 000
NFP	Zambia	50 000	-	-	-
SNRC	Cote d'Ivoire	50 000	46 761	21 761	25 000
NFP	Lesotho	50 000	-	-	-
NFP	Namibia	50 000	-	-	-

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

NFP	Malawi	50 000	-	-	-
CNRC	Mali	50 000	25 000	-	25 000
Senarec	Republic of Congo	50 000	-	-	-
NFP	Tanzania	50 000	-	-	-
Senarec	Togo	50 000	25 000	-	25 000
Total National Focal Points		1 301 200	550 707	215 936	334 771
SAFEWIND and Seed Grants		1 614 558	745 023	745 023	-
Total Grant Commitments					
- Expanded Mandate		165 950 031	51 938 703	42 360 911	9 577 792
Doubtful advances/debts				389 461	(389 461)
GRAND TOTAL		252 469 136	129 352 254	118 687 314	10 664 939

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

	2004 US\$	2003 US\$
11. Expenditure		
11.1 (Recovery of) / Provision for doubtful advances		
Programme Coverage		
CERDI-AUREDI Regional	-	(272 778)
EMPAC Ethiopia	(40 391)	36 375
McGILL Regional	(230 761)	-
	(271 152)	(236 403)
11.2 Country capacity profiles		
Consultants fees	73 000	9 406
Consultants travel costs	2 904	-
Staff travel costs	16 370	24 925
	92 274	34 331
11.3 Country assessment and project identification		
Consultants fees	17 391	-
Consultants travel costs	8 598	25 077
Staff travel costs	32 970	13 051
	58 959	38 128
11.4 Project proposal preparation		
Consultants fees	199 168	48 600
Consultants travel costs	66 519	27 536
Staff travel costs	135 329	38 155
	401 016	114 291
11.5 Project appraisal		
Consultants fees	350	1 500
Consultants travel costs	-	-
Staff travel costs	46 617	40 252
	46 967	41 752
11.6 Project supervision and monitoring		
Consultants fees	18 412	83 338
Consultants travel costs	(711)	46 219
Staff travel costs	422 992	390 295
	440 693	519 852

Annex B.4. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004

	2004 US\$	2003 US\$
11.7 Mid-term review		
Consultants fees	101 119	-
Consultants travel costs	33 128	-
Staff travel costs	36 456	-
	<hr/> 170 703 <hr/>	<hr/> - <hr/>
11. Expenditure (continued)		
11.8 Public relations and outreach		
Production and dissemination of information	9 873	9 092
Documentary on ACBF	17 582	19 142
Public relations	7 664	29 845
	<hr/> 35 119 <hr/>	<hr/> 58 079 <hr/>
11.9 General expenses		
Communication expenses	56 113	26 772
Recruitment expenses	31 383	91 086
Conferences meeting and travel costs	158 841	94 845
Publications	30 257	7 203
Board expenses	318 237	288 386
Stationery / office supplies	39 244	25 858
Office rent	111 203	17 444
Other operating expenses	165 792	107 648
	<hr/> 911 070 <hr/>	<hr/> 659 242 <hr/>
11.10 Other		
Depreciation costs	126 979	116 809
Financial (income)/expenses	(36 133)	47 698
Audit fees	14 405	12 317
	<hr/> 105 251 <hr/>	<hr/> 176 824 <hr/>

Annex B.4. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2004

12. 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:

	Coverage	Grant approved US\$	Cumulative disbursements US\$	Adjustment for closed projects US\$	Total undisbursed balance US\$
Phase I					
AERC-CMAPI	Regional	5 000 000	5 000 000	-	-
AIPA I	South Africa	150 000	150 000	-	-
AIPA	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	1 510 322	-	89 678
CAPE	Benin	1 500 000	1 488 950	-	11 050
CAPES	Burkina Faso	1 600 000	1 295 655	-	304 345
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	1 724 928	25 072	-
CNPG-CEPEC	Guinea	1 600 000	1 509 184	90 816	-
DMPA	Zambia	1 785 000	1 468 428	-	316 572
DPC	Nigeria	2 845 965	2 742 560	103 405	-
EMPAC	Ethiopia	1 410 000	445 589	964 411	-
EPRC	Uganda	1 500 000	1 412 911	87 089	-
ESAI DARM	Regional	2 000 000	2 000 000	-	-
ESRF	Tanzania	1 700 000	1 577 113	122 887	-
IDEC	Burundi	2 000 000	1 854 105	-	145 895
IPAR	Kenya	2 525 000	2 530 806	-	(5 806)
KIPPRA	Kenya	1 630 000	1 630 000	-	-
McGILL	Regional	2 136 000	1 557 373	347 865	230 762
MEFMI	Regional	2 900 000	2 900 000	-	-
NCEMA I	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	1 761 974	-	150 226
Total Grant Commitments-Phase I		61 849 895	57 425 001	3 184 848	1 240 046

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

12. Grant commitments (continued)

	Coverage	Grant approved US\$	Cumulative disbursements US\$	Adjustment for closed projects	Total undisbursed balance US\$
Phase II					
AERC-CMAPII	Regional	3 000 000	3 000 000	-	-
BEAC/BCEAO (debt) I	Regional	1 650 000	1 594 238	-	55 762
CNPG-CEPECII	Guinea	1 500 000	822 937	-	677 063
CREAM	Madagascar	1 721 270	420 607	-	1 300 663
EPMI - CAMEROON	Cameroon	2 000 000	1 945 894	-	54 106
EPMI - GHANA	Ghana	2 000 000	1 747 547	-	252 453
EPRC II	Uganda	2 000 000	1 971 373	-	28 627
ESRF II	Tanzania	2 000 000	1 994 209	-	5 791
LIMPAC	Liberia	1 800 000	-	-	1 800 000
NCEMA II	Nigeria	997 940	896 859	-	101 081
NIEP	South Africa	2 000 000	1 640 420	-	359 580
		<hr/>	<hr/>	<hr/>	<hr/>
		20 669 210	16 034 084	-	4 635 126
		<hr/>	<hr/>	<hr/>	<hr/>
EPMI - COTE D'IVOIRE	Côte d'Ivoire	2 000 000	2 000 000	-	-
EPMI - UGANDA	Uganda	2 000 000	1 954 466	-	45 534
		<hr/>	<hr/>	<hr/>	<hr/>
		4 000 000	3 954 466	-	45 534
		<hr/>	<hr/>	<hr/>	<hr/>
Total Grant Commitments - Phase II		24 669 210	19 988 550	-	4 680 660
		<hr/>	<hr/>	<hr/>	<hr/>
Total Grant Commitments - Phases I & II		86 519 105	77 413 551	3 184 848	5 920 706
		<hr/>	<hr/>	<hr/>	<hr/>

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

12. Grant commitments (continued)

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Adjustment Cumulative disbursements</u> US\$	<u>Total for closed projects</u> US\$	<u>undisbursed balance</u> US\$
Projects Under Expanded Mandate					
ABR	Regional	750 000	-	-	750 000
AERC-CMAP III	Regional	3 000 000	2 305 408	-	694 592
AERC-PhD	Regional	2 000 000	830 998	-	1 169 002
AFI	Regional	800 000	-	-	800 000
AMICAAL	Swaziland	1 060 000	814 521	-	245 479
BCEAO/BEAC MACRO II	Regional	1 738 857	1 245 172	-	493 685
BCEAO/BEAC DEBT II	Regional	1 500 000	-	-	1 500 000
BIDPA II	Botswana	1 500 000	1 003 215	-	496 785
BOCONGO	Botswana	1 150 000	-	-	1 150 000
CASC	Cameroon	4 000 000	-	-	4 000 000
CAMERCAP	Cameroon	1 708 850	739 610	-	969 240
CANGO	Swaziland	1 000 000	-	-	1 000 000
CAPE II	Benin	1 200 000	100 000	-	1 100 000
CAPED	Niger	1 500 000	533 098	-	966 902
CASPOF	DRC	1 489 090	102 611	-	1 386 479
CAREF	Cameroon	1 525 150	-	-	1 525 150
CCDB	Djibouti	1 091 310	946 185	-	145 125
CEMAC	Regional	1 000 000	637 705	-	362 295
CENAF	Gabon	1 305 933	-	-	1 305 933
CEPA II	Ghana	1 700 000	1 044 527	-	655 473
CEPOD	Senegal	1 800 000	601 770	-	1 198 230
CESAG	Regional	1 500 000	1 075 008	-	424 992
CIRES - CAPEC II	Cote d'Ivoire	1 754 000	1 001 620	-	752 380
CLKNET	Senegal	300 000	-	-	300 000
CMAAE	Regional	2 200 000	-	-	2 200 000
COMESA	Regional	1 500 000	381 083	-	1 118 917
Consumer International	Regional	1 000 000	768 071	-	231 929
DPC II	Nigeria	1 442 210	222 637	-	1 219 573
ECOWAS	Regional	2 000 000	391 763	-	1 608 237
EDRI	Ethiopia	1 500 000	339 705	-	1 160 295
EEA	Ethiopia	1 030 000	885 237	-	144 763
EPM II - CAMEROON	Cameroon	2 000 000	689 408	-	1 310 592
EPM II - COTE D'IVOIRE	Cote d'Ivoire	2 000 000	870 974	-	1 129 026
EPM II - GHANA	Ghana	2 000 000	471 778	-	1 528 222
EPM II - UGANDA	Uganda	2 000 000	965 277	-	1 034 723
EPRC III	Uganda	1 802 891	338 151	-	1 464 740
ESRF III	Tanzania	1 500 000	191 778	-	1 308 222
Financial Accountability	Senegal	1 800 000	-	-	1 800 000
IDEC II	Burundi	2 000 000	983 978	-	1 016 022
IDEG	Ghana	1 500 000	365 690	-	1 134 310
ICP	Regional	1 000 000	-	-	1 000 000
IEF	Regional	3 000 000	534 652	-	2 465 348
IGE	Djibouti	998 985	129 976	-	869 009
ILO	Regional	1 500 000	264 241	-	1 235 759
IPAR II	Kenya	1 500 000	1 350 302	-	149 698
KIPPRA II	Kenya	1 700 000	788 251	-	911 749
LMMP	Lesotho	1 396 000	100 000	-	1 296 000

Annex B.4. (Continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2004**

12. Grant commitments (continued)

	<u>Coverage</u>	<u>Grant approved</u> US\$	<u>Cumulative disbursements</u> US\$	<u>Adjustment for closed projects</u> US\$	<u>Total undisbursed balance</u> US\$
Projects Under Expanded Mandate (continued)					
MACROFOR	DRC	1 598 164	878 303	-	719 861
MEFMII	Regional	2 500 000	1 717 581	-	782 419
MRUTP	Regional	2 000 000	22 888	-	1 977 112
National Council of Non Governmental Organisations	Kenya	850 000	456 010	-	393 990
NCBP(PFMR)	Rwanda	3 000 000	896 314	-	2 103 686
NCEMA III	Nigeria	700 000	-	-	700 000
NEC	Malawi	1 500 000	975 673	-	524 327
NECF	Zimbabwe	2 000 000	854 230	-	1 145 770
NEG	Ghana	300 000	-	-	300 000
NEPAD	Regional	2 000 000	-	-	2 000 000
NEPRU II	Namibia	2 000 000	1 422 656	-	577 344
NGOCC	Zambia	1 384 980	652 710	-	732 270
NPMSP	Namibia	1 580 096	-	-	1 580 096
OAU-PASU II	Regional	3 000 000	2 140 206	-	859 794
PALOP	Regional	2 000 000	-	-	2 000 000
PARCOSIT	Chad	936 380	-	-	936 380
PARECAP	Burkina Faso	2 000 000	-	-	2 000 000
PARP	Nigeria	2 000 000	150 000	-	1 850 000
PCP (PSU)	South Africa	1 859 100	279 651	-	1 579 449
PNRC - CAF	Guinea Bissau	1 300 000	931 226	-	368 774
PNRC - CMAP	Mauritania	1 200 000	813 959	-	386 041
PRECAGEF	Gabon	1 422 850	666 423	-	756 427
PRECASP	Sao Tome	1 100 000	780 524	-	319 476
PREGESCO	Regional	1 800 000	-	-	1 800 000
PRIECA / AO	Regional	1 431 594	1 431 594	-	-
PRIECA / AO II	Regional	2 200 000	-	-	2 200 000
PRIESP	Mali	723 330	723 349	-	(19)
PROFESS	Chad	1 157 090	518 315	-	638 775
PRSP (CSD)	Tanzania	1 335 903	1 115 812	-	220 091
PSCGT	Kenya	1 000 000	894 730	-	105 270
PSMTP	Regional	12 000 000	-	-	12 000 000
PTCII	Regional	4 000 000	3 007 777	-	992 223
Public Sector, Private Sector, Civil Society Interface	Gambia	850 000	430 838	-	419 162
RECADIP	Congo	1 500 000	-	-	1 500 000
RECOFEM	Mali	1 000 000	-	-	1 000 000
RENFOR	Regional	2 000 000	-	-	2 000 000
RESPEC	Congo	1 517 510	-	-	1 517 510
MSCBP	Rwanda	4 000 000	-	-	4 000 000
RGC -B	Burkina Faso	275 000	70 000	-	205 000
SADC	Regional	2 600 000	-	-	2 600 000
SANGOCO	South Africa	1 200 000	858 708	-	341 292
SARIPS	Regional	1 500 000	536 510	-	963 490
UAPD (CAPAN)	Benin	1 600 000	751 963	-	848 037
UNAMMPPA	Namibia	850 000	652 567	-	197 433

Annex B.4. (Continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION CONSOLIDATED CAPACITY BUILDING TRUST FUND NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2004

12. Grant commitments (continued)

	Coverage	Grant approved US\$	Cumulative disbursements US\$	Adjustment for closed projects US\$	Total undisbursed balance US\$
Projects Under Expanded Mandate (continued)					
WAIFEM	Regional	2 519 000	1 763 243	-	755 757
ZEPARU	Zimbabwe	1 500 000	234 814	-	1 265 186
ZIPAR	Zambia	1 500 000	-	-	1 500 000
Sub- total		163 034 273	50 642 973	-	112 391 300
National Focal Points For Capacity Building					
CRC - Cape Verde	Cape Verde	50 000	25 000	-	25 000
HRDA	Rwanda	50 000	25 000	-	25 000
PFRC	Mauritania	50 000	37 637	-	12 363
DRC	Benin	50 000	49 954	-	46
NFP	Botswana	50 000	-	-	50 000
Senarec	Burundi	50 000	50 363	-	(363)
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
NNCB	Nigeria	50 000	-	-	50 000
Senarec	Sao Tome	50 000	43 717	-	6 283
NFP	Swaziland	50 000	-	-	50 000
NFP	Uganda	50 000	25 000	-	25 000
NFP	Zambia	50 000	-	-	50 000
SNRC	Cote d'Ivoire	50 000	46 761	-	3 239
NFP	Lesotho	50 000	-	-	50 000
NFP	Namibia	50 000	-	-	50 000
NFP	Malawi	50 000	-	-	50 000
CNRC	Mali	50 000	25 000	-	25 000
Senarec	Republic of Congo	50 000	-	-	50 000
NFP	Tanzania	50 000	-	-	50 000
Senarec	Togo	50 000	25 000	-	25 000
Total National Focal Points		1 301 200	550 707	-	750 493
SAFEWIND and Seed Grants		1 614 558	745 023	-	869 535
Total Commitment-Expanded Mandate		165 950 031	51 938 703	-	114 011 328
Consolidated Grant Commitment		252 469 136	129 352 254	3 184 848	119 932 034

13. Freedom from taxation

The African Capacity Building Foundation, its assets, property, income and its operations and transactions authorised 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 at 31 December 2004)

Member	Governor	Alternate
Zambia	Felix C. Mutati (Interim Chair)	
Gabon	Paul Toungui (Vice-Chair)	C. Oye M'Ba; S. Madoungou
United Kingdom	Dave Fish (Vice-Chair)	Richard Thomas
AfDB	Chanel Boucher (Vice-Chair)	
Benin	Bruno Amoussou	Christian Atindehou
Botswana	Wilfred J. Mandlebe	
Burkina Faso	Seydou Bouda	
Cameroon	Meva A' M'Eboutou	Jean-Claude Ngbwa
Canada	Louise Clément	Denis Potvin
Chad	Mahamat Ali Hassan	
Congo (DRC)	André Phillipe Futa	
Côte d'Ivoire	Antoine Bohoun Bouabré	Boniface Britto
Denmark	Johnny Flento	Ove Fritz Larsen
Finland	Pekka Hukka	Paula Koski
France	Bérengère Quincy	Laurent Fontaine
Ghana	Yaw Osafo-Maafa	
IMF	Abdoulaye Bio-Tchane	Claire Liuksila
India	Shri Ajit Kumar	
Ireland	Brendan Rogers	Aine Hearn
Kenya	David Mwiraria	Anyang Nyong'o
Malawi	Goodall Gondwe	David Fauti
Mali	Abou-Bakar Traore	Aboubacar A. Toure
Mauritania	Sidi Ould Didi	
Mauritius	G. Wong So	
The Netherlands	Roeland van der Geer	Gerda Dommerholt
Nigeria	Ngozi Okonjo-Iweala	Haruna U. Sanusi
Norway	Tove Strand	Arve Ofstad
Rwanda	Donald Kaberuka	Monique Nsanzabaganwa
Senegal	Abdoulaye Diop	
Sweden	Lennarth Hjelmaker	Per Trulsson
Tanzania	Basil Mramba	Joseph Rugumyambeto
Uganda	Gerald Ssendaula	Isaac Isanga Musumba
UNDP	Abdoulie Janneh	
United States of America	Wade Warren	
The World Bank	Gobind T. Nankani	Michael Sarris
Zimbabwe	Herbert Murerwa	

Annex C.2. Executive Board (as at 31 December 2004)

Independent Board Members

Mr. Emmanuel Tumusiime-Mutebile (Chairperson)
Ms. Winnie Byanyima
Dr. Gloria Somolekae
Mr. John Loxley
Mrs. Elisabeth Tankeu
Mr. Kerfalla Yansane

Representatives of Sponsoring Agencies

Mr. Henock Kifle, African Development Bank
Mr. Bernard Mokam, United Nations Development Programme
Mrs. Helga Muller, The World Bank

Executive Secretary

Mr. Soumana Sako

Annex C.3. Management and Staff (as at 31 December 2004)

Soumana Sako	-	Executive Secretary (Mali)
Edwin N. Forlemu	-	Special Assistant; Manager, Legal Services Department (Cameroon)
Samba Ka	-	Program Team Leader, Operations Zone III (Senegal)
Jacques G. Katuala	-	Program Team Leader, Operations Zone II (Democratic Republic of Congo)
Constantine Mandengu	-	Manager, Finance and Accounts Department (Zimbabwe)
Apollinaire Ndorukwigira	-	Operations Advisor, a.i.; and Program Team Leader, Operations Zone I (Burundi)
Genevesi O. Ogiogio	-	Manager, Knowledge Management and Program Support Department (Nigeria)
Temilade O. Oke	-	Manager, Administration and Human Resources Department (Nigeria)
Mercy Bruce-Amanquah	-	Senior Human Resources Officer (Ghana)
Charlotte Ndlovu	-	Senior Budget and Finance Analyst (Zimbabwe)
Sally Linda Mulalu-Dormeyan	-	Senior Program Officer (Zambia)
Dieynaba Tandian	-	Senior Program Officer (Senegal)
Adeboye Adeyemo	-	Program Officer (Nigeria)
Grace Banya	-	Program Officer (Uganda)
Anthony Barclay	-	Program Officer (Liberia)
Maria-Nita Dengo-Chonguiça	-	Program Officer (Mozambique)
Anna Diallo	-	Program Officer (Mali)
Ernest Etti	-	Program Officer (Cameroon)
Floribert Ngaruko	-	Program Officer (Burundi)
Coffi Rémy Noumon	-	Program Officer (Benin)
Claude Sinzogan	-	Program Officer (Benin)
François Yao	-	Program Officer (Côte d'Ivoire)
Rosa Ongeso	-	Outreach Officer; and Public Relations and Media Officer, a.i (Kenya)
Madibinet Cissé	-	Legal Officer (Guinea-Conakry)
Phineas Kadenge	-	Knowledge Management Officer (Zimbabwe)
Sithabile Majoni	-	Administration Officer (Zimbabwe)
Chriswell Vava	-	Information Systems Officer (Zimbabwe)
Abdoulaye Kane	-	Disbursement Officer (Burkina Faso)
Grace Wamala	-	Disbursement Officer (Uganda)
Rutendo Kambarami	-	Knowledge Management Officer (Zimbabwe)
Jules Roger Ketcha Nzoundji	-	Disbursement Officer (Cameroon)
Chester Kwambana	-	Accounts Assistant (Zimbabwe)
Nomhle Veli Moyo	-	Central Registry, Meetings and Travels Assistant (Zimbabwe)
Jasper Muvezwa	-	Library and Information Centre Assistant (Zimbabwe)
Zewdu Mebrat Tegen	-	Accounting Officer (Ethiopia)
Muchazowonei Tsiga	-	Internal Audit Officer (Zimbabwe)
Catherine Mwaba Meleka	-	Senior Bilingual Secretary (Zambia)
Cathrine Mlingwa	-	Senior Secretary (Zimbabwe)
Sophie Ncube	-	Senior Bilingual Secretary (Zimbabwe)
Patience Jambaya	-	Accounts Clerk (Zimbabwe)
William Kazvidza	-	Administrative Services Clerk (Zimbabwe)
Juliet Mucheki	-	Graphic Designer/Secretary (Zimbabwe)
Marie-Thérèse B-Kadurira	-	Bilingual Secretary (Senegal)
Sitabile Rachel Matipano	-	Secretary (Zimbabwe)
Memory Munyurwa	-	Secretary (Zimbabwe)
Paddy Mutimusakwa	-	Secretary (Zimbabwe)
Walter Mangwende	-	Desktop Publishing Secretary (Zimbabwe)
Thomas Sipapate	-	Web Designer (Zimbabwe)
Maljan Azimana Fazilahmed	-	Receptionist (Zimbabwe)
Jonathan Sithole	-	Senior Driver (Zimbabwe)
Bernard Hwatura	-	Driver (Zimbabwe)
Barry Nyamadzi	-	Driver (Zimbabwe)
Edmund Suluma	-	Driver (Zimbabwe)
Godwin Makura	-	Messenger (Zimbabwe)
Rodreck Gwidiba	-	Messenger (Zimbabwe)

Annex C.4. List of ACBF Publications

ACBF ANNUAL REPORTS (1992 - 2004) in Print; and Online as well since 2000

CORE POLICY DOCUMENTS

1. Consolidated Strategic Medium-Term Plan (2002 – 2006)
2. Knowledge Management System: Elements of an Emerging Strategic Framework (October 2002)

BOOKS

Better Governance and Public Policy: Capacity Building and Democratic Renewal in Africa. Soumana Sako and Dele Olowu (Editors) Bloomfield, USA: Kumarian Press, 2002

ONLINE DIRECTORIES

1. Directory of African Governments Websites
2. Directory of African Development Management Professionals
3. Directory of Departments of Economics of African Universities
4. Directory of African Central/Reserve Bank Governors
5. Directory of African Policy Research Centres
6. Directory of ACBF Projects & Programs
7. Directory of African Finance and Economic Planning Ministers
8. Directory of Major Web Sites and Links on Africa's Development issues and Reports
9. Web Sites of African Countries

NEWSLETTERS QUARTERLY

1. ACBF Newsletter (Quarterly) 1993 - 2004 in Print; and Online as well since 2000

OCCASIONAL PAPERS (PRINT AND ONLINE)

1. Occasional Paper No. 1. Africa: Major Development Challenges and their Capacity Building Dimensions. Soumana Sako and Genevesi Ogiogio. Harare: ACBF, 2002
2. Occasional Paper No. 2. The New Partnership for Africa's Development: Building Economic and Corporate Governance Institutions for Sustainable Development. Soumana Sako. Harare: ACBF, 2003
3. Occasional Paper No. 3. Studies in Reconstruction and Capacity Building in Post-Conflict countries in Africa: Some Lessons of Experience from Mozambique, Rwanda, Sierra Leone and Uganda. Harare: ACBF, 2004

WORKING PAPERS (AWPS)

1. **ACBF Working Paper No.1**, October 2004: The Political Economy of Sustainable Development: The Governance Perspective
2. **ACBF Working Paper No.2**, October 2004: Measuring Performance of Interventions in Capacity Building: Some Fundamentals
3. **ACBF Working Paper No.3**, October 2004: Africa's Search for Regional Cooperation and Integration in the 21st Century

African Research Abstracts, No. 1, November / December 2004

1. Directory of African Governments Websites
2. Directory of African Development Management Professionals
3. Directory of Departments of Economics of African Universities
4. Directory of African Central/ Reserve Bank Governors
5. Directory of African Policy Research Centres

LESSONS NOTES IN CAPACITY BUILDING

1. Project Supervision
2. Civil Society Organizations in Development
3. Applying Best Practices in Procurement
4. Strengthening Parliament as an Institution - Some Recommended Practices
5. Lesson Note on Measuring Performance of Interventions in Capacity Building - A Stepping Stone through the Marshes

WORKSHOP REPORTS

1. Proceedings of the Workshop on Operational Approaches to Institutional and Capacity Development. Harare, Zimbabwe: 27 - 29 October 1999. Edited by Ton Land (ACBF) and Apollinaire Ndorukwigira (ACBF).
2. Regional Workshop for National Focal Points on Capacity Building Coordination in Africa. Lusaka, Zambia: 26 - 27 June 2000
3. Brief on Trade-Related Capacity Building Interventions of the African Capacity Building Foundation (ACBF). August 2004
4. Report of the First Annual Meeting of the Technical Advisory Panels and Networks

BROWN BAG SEMINARS

1. First Brown Bag Seminar: Africa and the Doha Development Agenda
2. Second Brown Bag Seminar: Building of Capacity to Promote Good Corporate Governance in Africa
3. Third Brown Bag March Seminar 2004: International Trade and Gender in East Africa: Kenya, Uganda and Tanzania

OPERATIONS AND THEMATIC RESEARCH

1. An Analysis of the Market for Skilled African Development Management Professionals.
2. The Impact of HIV/ AIDS on Public Sector Capacity in sub-Saharan Africa

WEBSITES AND PORTALS

Technical Advisory Panels and Networks (TAP-NETs)

1. Economic Policy Analysis and Management (EPANET) a. <http://www.acbf-pact.org/tapnets/pub/epanet.asp>
2. Public Administration and Management (PAMNET) <http://www.acbf-pact.org/tapnets/pub/pamnet.asp>
3. Financial Management and Accountability (FIMANET) <http://www.acbf-pact.org/tapnets/pub/fimanet.asp>

4. National Statistics
(STANET) <http://www.acbf-pact.org/tapnets/pub/statnet.asp>
5. Professionalization of the Voices of Private Sector and Civil Society
(VOICENET) <http://www.acbf-pact.org/tapnets/pub/voicenet.asp>
6. National Parliaments and Parliamentary Institutions (PARLIANET)
<http://www.acbf-pact.org/tapnets/pub/parlianet.asp>

OTHER WEBSITES AND PORTALS

1. Economic and Financial Policymakers Network:
www.acbf-pact.org/efnet
2. ACBF Intranet:
www.acbf-pact.org/intranet
3. Economic Policy Management Training Program Online:
www.epm-africa.org

OTHER PUBLICATIONS

1. ACBF in Brief: Challenges and Opportunities of the New Strategic Orientation of ACBF as Articulated in the Strategic Medium-Term Plan SMTP for 2002 – 2006. October 2001
2. Staff News Nos. 1 - 13 Produced by ACBF Staff Association Panel.

Building Sustainable Capacity for Poverty Reduction in Africa



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