



THE AFRICAN CAPACITY
BUILDING FOUNDATION

Annual Report
2003

Letter of Transmittal to the Board of Governors



29 June 2004

Dear Mr. Chairman:

In accordance with Article VII, Section 5 (e) of the Constitution of the African Capacity Building Foundation (ACBF), I have the honor to present to the ACBF Board of Governors the Annual Report of the ACBF Executive Board for the period 1 January – 31 December 2003. 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 B9.

A handwritten signature in blue ink, appearing to read 'Emmanuel Tumusiime-Mutebile', with a long, sweeping horizontal line extending to the right.

Emmanuel Tumusiime-Mutebile
Chairman, Executive Board

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Abbreviations and Acronyms



| | | |
|-----------------------------|---|--|
| 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 |
| AEED | : | Agricultural Economics Education Board |
| AERC-CMAP, Kenya (Regional) | : | African Economic Research Consortium's Collaborative Master's Program in Economics |
| AfDB | : | African Development Bank |
| AFRISTAT | : | 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 | : | Banque Centrale des Etats de l'Afrique de l'Ouest |
| BEAC | : | Banque des Etats de l'Afrique Centrale |
| BIDPA, Botswana | : | Botswana Institute for Development Policy Analysis |
| CAFPD, Mali | : | Centre d'Analyse et de Formulation de Politiques de Développement |
| CAFRAD | : | African Training and Research Centre in Administration and Development |
| CAMERCAP, Cameroon | : | Projet de Renforcement des Capacités en Gestion Economique de la République du Cameroun |
| CAPAN, Bénin | : | Cellule d'Analyse des Politiques de Développement de l'Assemblée Nationale |
| CAPE, Bénin | : | 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 |
| 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 |
| CEPEC, Guinée - Conakry | : | Cellule d'Etudes de Politique Economique |
| CEPOD, Sénégal | : | Centre d'Etudes de Politiques pour le Développement |
| CERDI, France | : | Centre d'Etudes et de Recherches sur le Développement International |
| CESAG, Sénégal (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 |
| CLKNET | : | Country-level Knowledge Network |
| CNPG-CEPEC, Guinée | : | Centre National de Perfectionnement à la Gestion - Cellule d'Etudes de Politique Economique |
| CODESRIA | : | Council for the Development of Social Studies Research in Africa |
| COMESA | : | Common Market for Eastern and Southern Africa |
| CONGAFEN | : | Coordination des Organisations Non-Gouvernementales Féminines Nigériennes |
| CORE | : | Coordinated and Reliable Replenishment Process |
| CREAM, Madagascar | : | Centre de Recherches, d'Etudes et d'Appui à l'Analyse Economique de Madagascar |
| CSD-PSF, Tanzania | : | Civil Service Department – Private Sector Facilitation Project |
| CSOs | : | Civil Society Organizations |
| DAC | : | Development Assistance Committee |
| DDA | : | Doha Development Agenda |
| 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 |
| EDRI, Ethiopia | : | Ethiopian Development Research Institute |
| EEA, Ethiopia | : | Ethiopian Economic Association |
| EFNET | : | Economic and Financial Policymakers' Network |
| E-HIPC | : | Enhanced Facility for Highly Indebted Poor Countries |
| 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 |
| ESAF | : | Enhanced Structural Adjustment Facility |
| ESAIDARM, (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 |
| HRSCM | : | Human Resources and Staff Compensation Management |
| 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 |
| MDP | : | Municipal Development Programme |
| MEFMI, Zimbabwe (Regional) | : | Macroeconomic and Financial Management Institute |
| MOU | : | Memorandum of Understanding |
| MTEF | : | Medium-Term Expenditure Framework |
| NCEMA, Nigeria | : | National Centre for Economic Management and Administration |
| NEC, Malawi | : | National Economic Council |
| NECF, Zimbabwe | : | National Economic Consultative Forum |
| NEG | : | Network on the Economy of Ghana |
| 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 |
| ODA | : | Official Development Assistance |
| OECD | : | Organization for Economic Co-operation and Development |
| OMT | : | Operations Monitoring Team |
| PACT | : | Partnership for Capacity Building 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 | : | Project to Support Public Sector-Private Sector – Civil Society Interface |
| PARLIANET | : | Policy Analysis Capacity of National Parliaments and Parliamentary Institutions |

| | | |
|--------------------------------|---|---|
| PAMNET | : | Public Administration and Management |
| PARP, Nigeria | : | Policy Analysis and Research Project |
| PASU, (OAU), 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 |
| PRIECA/AO, Senegal (Regional) | : | Projet pour le Renforcement de l'Interface entre les Etats et Chambres d'Agriculture de l'Afrique de l'Ouest |
| PRGF | : | Poverty Reduction and Growth Facility |
| PRIESP, Mali | : | Projet de Renforcement de l'Interface entre l'Etat et le Secteur Privé |
| PRIME | : | Poverty Reduction Programming, Implementation, Monitoring and Evaluation Initiative |
| PRSC | : | Poverty Reduction Strategy Credit |
| PRSP | : | Poverty Reduction Strategy Paper |
| PSCGT, Kenya | : | Private Sector Corporate Governance Trust |
| PTCI, Burkina Faso, (Regional) | : | Programme de Troisième Cycle Inter universitaire |
| RECs | : | Regional Economic Communities |
| RESPEC, Congo-Brazaville | : | Projet de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo |
| RGC-B | : | Réseau de Gestion des Connaissances au Burkina Faso |
| SAC | : | Structural Adjustment Credit |
| SADC | : | Southern African Development Community |
| SAFEWIND | : | Secretariat Approved Funding Window |
| SANGOCO, South Africa | : | South African Non-governmental Organization Coalition |
| SAP | : | Staff Advisory Panel |
| SARIPS, Zimbabwe (Regional) | : | Southern African Regional Institute for Policy Studies |
| SCMFG | : | Staff Change Management Focus Group |
| SENAREC | : | Secrétariat National pour le Renforcement des Capacités |
| SIWP | : | Strategy and Indicative Work Program |
| SMG | : | Senior Management Group |
| SMTF | : | Strategic Medium -Term Plan, 2002 – 2006 |
| SOE | : | Statement of Expenses |
| SOS | : | Staff Opinion Survey |
| SPFC | : | Staff Pension Fund Committee |
| 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 |
| UNDP | : | United Nations Development Programme |
| UNECA | : | United Nations Economic Commission for Africa |
| UPE, Sénégal | : | 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 |



Participants at the 12th Annual Meeting of the ACBF Board of Governors held on 26 June 2003 in Kigali, Rwanda. H.E. Paul Kagame, President of Rwanda (fifth from left in front row), presided over the opening ceremony. Mr. Barrie Ireton, Chair of the Board of Governors (third from left, front), presided over the meeting.

Message from the Chairman of the Executive Board



As I begin my tenure at the helm of the ACBF Executive Board, I feel the greatest appreciation for the contributions made by my predecessor, Dr. Kwesi Botchwey, to the Foundation over the past six years. With the support of the Board of Governors, the Executive Board, the Secretariat and other stakeholders, I believe that, together, we will build on his legacy and continue to make great strides in the years ahead.



In 2003, ACBF redoubled its efforts to become the pre-eminent capacity-building institution in Africa not only because of the difference it made on the ground in terms of portfolio operations, knowledge management and outreach, but also as a result of the internal changes it underwent.

In terms of operations, the Foundation's efforts to address the needs of capacity-constrained countries was reflected in the approval of grants to fourteen full-fledged operations in Benin, Burkina Faso, Cameroon, Chad, Congo-Brazzaville, Congo (DRC), Djibouti, Gabon, Ghana, Kenya, Nigeria, Tanzania and Uganda. The core competency areas encompassed economic policy analysis and management, financial management and accountability, statistics, public administration and management as well as professionalization of the voices of the private sector and civil society. The Foundation also awarded SAFEWIND grants to twelve initiatives from regional and national institutions aimed at responding in a targeted and rapid manner to specific capacity-building needs. Lastly, the Foundation not only organized two workshops on project and financial management for the directors and finance officers of the operations in its portfolio, but also undertook numerous project development, supervision and mid-term review missions. These activities were aimed at upgrading the quality of the Foundation's portfolio of operations. ACBF-supported policy units, training programs, interface operations and other initiatives are already making their mark in many countries by influencing the substance and direction of public policies and strategic dialogue. Overall, the wide thematic and geographical spread of the Foundation's interventions in 2003 continued to confirm its relevance and potential as a driving force in the area of capacity building on the Continent.

With respect to knowledge management, outreach and partnerships, the Foundation registered noteworthy advances in the launching of technical advisory panels and networks (TAP-NETs) in all of its six core competency areas; pursued its research on cutting-edge capacity-building topics; launched a senior policymakers and development managers knowledge sharing program; established country-level knowledge networks (CLKNETs) in Burkina Faso and Ghana; continued to publish materials in the form of books, newsletters, occasional papers and lessons notes; and strengthened its knowledge harnessing and dissemination potential through the development of websites, portals and databases. Also, the Foundation intensified its involvement and participation in various forums in order to bolster its visibility and partnership with all stakeholders. These activities helped to position the Foundation in the vortex of capacity building and sustainable development in Africa, especially in the areas of lesson learning, exchange of experiences and coordination of efforts. As regards internal changes, the Foundation pursued the change management process characterized

by improvements in systems, processes, procedures, culture, communications and staff welfare. These improvements are transforming ACBF into a modern organization in tune with its purposes and the expectations of its stakeholders. In a related development, the World Bank mid-term review of PACT conducted by an independent team of consultants led by Dr. Jerry Silverman was completed in February 2003. The Report confirmed the positioning of the Foundation at the front rank of capacity building in Africa, recommended its continued support by stakeholders, and proposed adjustments in core competencies and stakeholder expectations regarding the Foundation's ultimate role. The Silverman Report was well received, and both the Executive Board and the Board of Governors reaffirmed the continuing validity of the thrust of the Foundation's current vision and operational focus.

Resource mobilization continued to constitute a major challenge confronting ACBF during the year. The Memorandum of Understanding relating to the ACBF-PACT Trust Fund, and under the terms of which donors pledged US\$160 million to support the Foundation's activities, came into operation in March 2003. This positive development paved the way for commencement of disbursement of resources by donors to help take forward the ambitious ACBF-PACT agenda. In addition, the Executive Board agreed on a timetable for a vigorous resource mobilization effort in 2004. It is therefore expected that the coming year will be marked by more concrete efforts to set the Foundation's long-term resource mobilization strategy on a firmer, more predictable footing.

Therefore, I wish to express gratitude to the Board of Governors whose political and financial support ensures that the Foundation will continue to drive capacity-building efforts on the Continent. I wish to thank my Executive Board colleagues whose guidance has inspired the Foundation to develop path-breaking approaches to capacity building. Lastly, I wish to thank the Secretariat whose unyielding hard work and dedication have helped to generate the results we are all justly proud of today.



Emmanuel Tumusiime-Mutebile
Chairman, Executive Board



ACBF took forward the implementation of its ambitious agenda in 2003. The Foundation sought to consolidate its operations by drawing on the change management processes within its precincts and by culling lessons from its experiences. During the year, the Foundation launched the second wave of project and program pipeline development efforts in the context of the expanded scope and scale of activities resulting from PACT. It also made its first attempt to develop country capacity profiles and country capacity-building programs. These activities led to the development of 17 full-fledged operations and the first emerging country program in the Foundation's portfolio being developed in Rwanda. The 17



operations consisted of 5 refinanced projects in the Economic Policy Analysis and Management core competence area; 6 new national operations in two core competency areas (Strengthening and Monitoring of National Statistics; and Professionalization of the Voices of Civil Society and the Private Sector); 2 country-level knowledge networks; 3 regional interventions in the area of public administration and management as well as giving voice to civil society and private sector networks; and a Country Program. As at 31 December 2003, the Foundation had an active portfolio of operations, which consisted of 80 full-fledged projects and programs, 26 national focal points and 19 Secretariat Approved Funding Window (SAFEWIND) interventions. In addition, the Foundation was present in 36 African countries, had committed more than US\$ 200 million to capacity building and had disbursed more than US\$109 million.

During the year, a number of projects and programs recorded significant achievements. For example, the *Projet pour le Renforcement de l'Interface entre les Etats et Chambres d'Agriculture de l'Afrique de l'Ouest* (PRIECA/AO) emerged as a respected regional forum in West Africa for business leaders, governments, farmers associations and donors for discussing and planning agricultural policies and programs. The project is at present the technical arm supporting the formulation of agricultural strategies for the Economic Community of West African States (ECOWAS) and the New Partnership for Africa's Development (NEPAD). The Centre for Policy Analysis (CEPA) in Ghana served on key advisory panels set up by the Government of Ghana. Some of these included the Presidential Committee on the Promotion and Revitalization of the Industrial Sector, the Presidential Advisory Committee on Public Sector Reform, and the Monetary Policy Committee of the Central Bank of Ghana. The Botswana Institute for Development Policy Analysis (BIDPA), the Economic and Social Research Foundation (ESRF) in Tanzania, the Kenya Institute for Public Policy Research and Analysis (KIPPRA) and the Namibian Economic Policy Research Unit (NEPRU) provided inputs that strengthened national negotiation missions relating to WTO meetings in Doha and Cancún. The debt management training program being managed by the *Banque des Etats de l'Afrique Centrale* (BEAC) and the *Banque Centrale des Etats de l'Afrique de l'Ouest* (BCEAO) (the BEAC/BCEAO Project), the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and the West African Institute for Financial and Economic Management (WAIFEM) have all established themselves as centres of excellence in the building of capacity for debt, reserves and financial management. The National Institute for Economic Policy (NIEP) training program in econometrics

for historically-disadvantaged universities in South Africa has now put course materials online at <http://saeconometrics.abrc.co.uk> The Institute provided specialized training for Chairpersons of Portfolio Committees of the South African Parliament on Trade, Foreign Affairs, Land and Agriculture. Lastly, the National Centre for Economic Management and Administration (NCEMA) provided advisory support to the Federal Government of Nigeria in the implementation of the World Bank-supported Economic Management Capacity Building project in Nigeria. These examples offer glimpses of the performance of the Foundation's portfolio of operations in 2003.

In order to strengthen the performance of ACBF-supported projects and programs, the Foundation organized two workshops for the directors and finance managers of these operations. The first in the series was held in Yaounde, Cameroon, on 24 - 27 February 2003 for projects and programs in Francophone countries. The second workshop was held in Harare, Zimbabwe, on 14 - 18 July 2003 for operations in Anglophone countries.

The Foundation also made good progress in the implementation of its knowledge management strategy. It launched 2 additional Technical Advisory Panels and Networks on 23 - 24 October 2003 in the areas of Policy Analysis Capacity of National Parliaments and Parliamentary Institutions (PARLIANET) and Strengthening of National Statistical Capacity (STATNET). The Foundation's TAP-NETs are global knowledge networks made up of African and non-African experts and institutions. The activities of the TAP-NETs can be accessed at <http://www.acbf-pact.org/tapnets>. Other activities undertaken within the framework of the knowledge management programs included the following: (i) four ongoing operations-related studies (country experiences in the coordination of public sector capacity building in sub-Saharan Africa; an analysis of the market for skilled African development management professionals; capacity-building experiences in post-conflict countries; and an assessment of the impact of HIV/AIDS on public sector capacity in sub-Saharan Africa); (ii) launch of a Senior Policymakers and Development Managers Knowledge Sharing Program, which is aimed 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 experience for the benefit of Africa's development; (iii) production of knowledge-sharing publications, which included the first in the Foundation's Book Series titled *Better Governance and Public Policy – Capacity Building and Democratic Renewal in Africa*, and a second Occasional Paper titled *The New Partnership for Africa's Development – Building Economic and Corporate Governance Institutions for Sustainable Development*; (iv) introduction of "Lessons Notes" on capacity building and project management; (v) organization of Brown bag seminars for information and knowledge sharing between ACBF professional staff and the development community; (vi) development of web sites and portals for information and knowledge sharing (for example, *EPM-online*); and (vii) production of operations-related directories and web links for access to knowledge and information resources.

During the year, the Foundation continued networking and partnership programs with other institutions. These programs, which represent evidence of appreciation of the Foundation's growing professional reputation in its core competencies, were delivered jointly with the Canadian International Development Agency (CIDA) and the International Monetary Fund African Regional Technical Assistance Centres (AFRITACs) in East and West Africa. In the years ahead, the Foundation will continue to seek ways of adding value to, and deriving benefits from, these partnership programs. Also, to reinforce the principles underpinning the establishment of ACBF, the Foundation, during the 12th Annual Meeting of the Board of Governors that was held on 26 June

2003 in Kigali, Rwanda, reaffirmed what has come to be known as the “Kigali Consensus.” The Consensus called for more effective coordination of capacity-building efforts as well as the avoidance of parallel funding, earmarking of resources pledged to the Foundation by donors, and tied aid.

The year 2003 also saw significant knowledge-based contributions by the Foundation to development policy management through its program support activities. It played a visible role in a significant number of regional and international conferences, seminars and workshops. For example, it participated in the Meeting to launch the NEPAD Panel of Eminent Persons of the African Peer Review Mechanism on 25 - 27 July 2003 and that of the Working Party of the African Governors and Executive Directors of the World Bank and the IMF on 30 July – 1 August 2003. With respect to the latter meeting, the Foundation’s participation ensured that capacity building continues to feature prominently in the Joint Memorandum of the African Governors to the Bank and the Fund. Jointly with NEPAD, the Foundation organized the 4th Pan African Consultative Workshop on Public Service and Administration Capacity Building on 4 - 7 May 2003. Also, in collaboration with the African Training and Research Centre in Administration and Development (CAFRAD) and the Government of the Gambia, the Foundation held a regional workshop on Public Service Performance Measurement and Enhancement on 26 – 30 May 2003. Both workshops enabled the Foundation to obtain first-hand information from Public Service Ministers and coordinators of public service reforms on issues and priorities relating to performance enhancement in African public service institutions. They also provided a platform for the Foundation to reflect further on aspects of its efforts to develop performance measures for public administration and management in Africa. The Foundation also took the opportunity at these workshops to place high-level capacity building at the vortex of performance enhancement as well as to underscore the role of information and communication technology for experience sharing geared at spurring the emergence of a more effective public service.

The Secretariat continued to gain considerably from a change management process that has contributed significantly to the continuing improvements in systems, processes and procedures initiated prior to the formal launch of the exercise, a growing staff strength, and progressive improvement in staff welfare.

The World Bank successfully completed the mid-term review of the implementation of PACT. The review reported a positive assessment of the implementation of the Initiative while noting a number of important challenges such as the long-term financial sustainability of the Foundation’s operations. This is indeed one challenge that the Foundation will need to confront in the coming years. In addition, the composition of the Executive Board changed. A new Chairperson (Hon. Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda) and three new Members (Dr. Gloria Somolekae, Prof. John Loxley and Mr. Jit Gill), were appointed to replace the outgoing Chairperson (Dr. Kwesi Botchwey, former Finance and Economic Development Minister of Ghana) and three other members of the Executive Board (Dr. Brian Levy, Prof. Gerald K. Helleiner and Prof. Thandika Mkandawire) who served the Foundation with dedication during their tenure. A smooth handover from Dr. Botchwey to Hon. Tumusiime-Mutebile gave a reassuring signal that, while Dr. Botchwey’s shoes are undoubtedly very large and would be difficult to fill, the considerably revamped Executive Board would be able to rise up to the challenges that lie ahead.

Thus, the year 2003 marked another challenging period in the Foundation’s operations. We look to

the future with much enthusiasm and optimism, considering that we have a solid institutional platform, a strong professional skills base and the requisite infrastructure to achieve operational targets and the desired impact. Yet, the capacity-building challenges facing the Continent remain enormous, and will require a concerted and sustained effort by all. This is why we must kick-start and redouble our efforts to mobilize the resources needed to implement the Foundation's Strategic Medium-Term Plan (2002 – 2006).

The year just past also marked the completion of my first term. Your humble servant has seen the Executive Board renew his term of office for another four years. This is more of a tribute to the excellent performance of the Foundation's Secretariat staff than anything else that I might have contributed personally. ACBF has come a long way thanks to the guidance and leadership exercised by the two Boards, to the professionalism and dedication of the staff, and to the increased ownership and leadership being assumed by African countries. We still have a long way to go. I wish to renew to each and every one of you – Secretariat staff, members of the Executive Board and Board of Governors, other African and non-African stakeholders, and partner institutions - my commitment to walk part of this long way with you for the next four years – and possibly beyond, in another capacity – with your support.



Soumana Sako
Executive Secretary



In 2003, ACBF continued to consolidate its interventions in its six core competency areas while addressing its crosscutting mission of evolving into the premier hub for the harnessing, distillation and dissemination of knowledge on capacity building in Africa. The year was marked by the following: (a) confirmation of resources pledged to the Foundation; (b) implementation of the change management process; (c) appointment of a new

Chairperson of the Executive Board and of new members of the Executive Board; (d) approval of new operations; (e) management of the Foundation's portfolio of operations; (f) implementation of the knowledge management strategy; (g) deepening of outreach, networking, partnership and program support activities; (h) streamlining of corporate and financial management functions; and (i) upgrading of the Foundation's technology platform.

Tableau 1. Sommaire des opérations, ressources et finances de l'ACBF, 2000-2003

| Items | 2003 | 2002 | 2001 | 2000 |
|---|------|------|------|------|
| <ul style="list-style-type: none"> • Nombre cumulé de dons approuvés par le Conseil d'administration • Nombre cumulé de réseaux nationaux de connaissances (CLKNET) • Nombre cumulé de dons en faveur des points focaux nationaux (NFPs) • Nombre cumulé des opérations SAFEWIND approuvées • Nombre cumulé des opérations en cours d'exécution • Nombre d'opérations approuvées <ul style="list-style-type: none"> - Dons en faveur de nouvelles opérations - Dons en faveur des opérations refinancées • Nombre cumulé de pays couverts • Nombre cumulé des opérations en cours <ul style="list-style-type: none"> - Secteur public - Interface - Interventions stratégiques, y compris les CLKNET <p>Evaluations à mi-parcours Missions de supervision et d'évaluation Missions d'évaluation des besoins de capacités</p> | | | | |
| | | | | |
| <p>Coût cumulé des opérations Montant cumulé des engagements Nouveaux engagements Montant cumulé des décaissements Montant cumulé du cofinancement attendu Cumulé des contributions versées (Phase I) Cumulé des contributions versées (Phase II) Cumulé des contributions versées (Phase ACBF-PACT) Montant cumulé du revenu des placements</p> | | | | |

A. Confirmation of Resources Pledged to ACBF

Following the announcement of pledges and the signing of the Memorandum of Understanding (MOU) of 12 November 2002 relating to the ACBF-PACT Trust Fund by the requisite number of countries and organizations, the MOU came into operation on 17 March 2003. The effectiveness of the MOU thus paved the way for the issuance by the World Bank of call letters to Donors that had countersigned confirmation letters issued by the World Bank.

In addition, the Republic of Kenya announced in June 2003 a pledge of Ksh 50 million to the Foundation. The Governments of Djibouti and India also expressed their intent to join ACBF and contribute toward the joint financing of its activities. The Government of Kenya and the Foundation are presently clarifying the modalities for formalizing the pledge by Kenya to ACBF, while the Governments of Djibouti and India are exchanging information with ACBF regarding the legal framework for their membership on the ACBF Board of Governors as well as the subsequent disbursement of their respective pledged amounts to the ACBF-PACT Trust Fund that is managed by the World Bank.

As of 31 December 2003, 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) Denmark (27 June 2003); (vi) Finland (12 November 2002); (vii) France (17 February 2003); (viii) Ireland (12 November 2002); (ix) Mali (19 February 2003); (x) Mauritania (2 June 2003); (xi) The Netherlands (27 February 2003); (xii) Nigeria; (xiii) Norway (12 November 2002); (xiv) Rwanda (12 November 2002); (xv) Senegal; (xvi) Sweden (19 December 2002); (xvii) the United Kingdom; (xviii) UNDP (26 June 2003); (xix) the World Bank; and (xx) ACBF (12 November 2002).

B. Implementation of the Change Management Process

By the end of 2003, the Secretariat had assumed full responsibility for the conduct of the change management exercise, which had contributed

significantly to: (i) improvement in operations systems, processes and procedures; and (ii) improvement in staff welfare. The main challenge was to mainstream the reforms arising from the process so that they can be institutionalised.

C. Appointment of a New Chairperson of the Executive Board and of New Members to the Executive Board

On 26 June 2003, the Board of Governors appointed Honourable Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda, Chairman of the Executive Board for a term of three years. The Governors also appointed Professor John Loxley of the University of Manitoba (Canada) and Dr. Gloria Somolekae, Policy Adviser at the William Kellogg Foundation, to three-year terms on the Executive Board.

D. Approval of New Operations

In 2003, the Executive Board approved grants to fourteen full-fledged operations as set out in Table 2. Total commitments to full-fledged operations in 2003 amounted to US\$17,250,939. The Executive Secretary awarded funding support to twelve operations under the Secretariat Approved Funding Window (SAFEWIND) grant facility for commitments totalling US\$ 464,800. As a result, cumulative commitments in respect of projects and programs rose in 2003 from US\$183.22 million to US\$200.99 million – which represented an increase of 9.7 % over 2002.

E. Management of the Foundation's Portfolio of Operations

As in 2002, the Foundation pursued its efforts to improve the management of the operations in its portfolio in order to boost the quality and relevance of their outputs. The Secretariat improved the gains recorded over the previous years by focusing on the following: (a) fast-tracking of the process culminating in the kick-off of the activities of new projects and programs through more rigorous and efficient appraisal and post-approval mechanisms. In this connection, the Foundation was able to negotiate and sign 22 Grant Agreements, which was two more than the number (20) projected in the Business Plan for 2003; (b) proactive monitoring of operations in

Table 2. Full-fledged Operations Approved in 2003

| | Project Title | Total Cost | ACBF Grant |
|-----|---|-------------------|-------------------|
| 1. | Cellule d'Analyse de Politique Economique (CAPE), Phase II, Benin | 2,200,000 | 1,200,000 |
| 2. | Project to Support Public Sector-Private Sector-Civil Society Interface in Burkina Faso (PARECAP), Burkina Faso | 3,097,308 | 2,000,000 |
| 3. | Réseau de Gestion des Connaissances au Burkina Faso, (RGC-B), Burkina Faso | 332,500 | 275,00 |
| 4. | Projet de Renforcement des Capacités des Réseaux des Femmes pour Lutter Contre la Pauvreté en République du Cameroun (CAREF), Cameroon | 1,862,532 | 1,525,150 |
| 5. | Projet d'Appui au Renforcement des Capacités des Organisations de la Société Civile et à l'Interface au Tchad (PARCOSIT), Chad | 1,040,422 | 936,380.00 |
| 6. | Projet de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo (RESPEC), Congo (Brazaville) | 1,832,510 | 1,517,510 |
| 7. | Public-Private and Civil Society Interface Capacity Building Project (DRC-INTERFACE) Congo (DRC) | 1,804,215 | 1,489,090 |
| 8. | Capacity Building Project on Financial Governance and Control, Djibouti | 1,342,984 | 998,985 |
| 9. | Projet de Centre d'Appui aux Réseaux des Organisations des Femmes du Gabon (CENAF-Gabon), Gabon | 1,550,591 | 1,305,933 |
| 10. | Network on the Economy of Ghana (NEG), Ghana | 349,700 | 300,000 |
| 11. | Kenya Institute for Public Policy Research and Analysis, (KIPPRA), Phase II, Kenya | 15,677,000 | 1,700,000 |
| 12. | National Centre for Economic Management and Administration (NCEMA) Phase II, Nigeria | 2,408,740 | 700,000 |
| 13. | Economic and Social Research Foundation (ESRF) Phase III, Tanzania | 5,080,000 | 1,500,00 |
| 14. | Economic Policy Research Centre (EPRC), Uganda | 5,011,076 | 1,802,891 |
| | TOTAL | 43,580,578 | 17,250,939 |

order to anticipate or prevent problems relating to the implementation of their activities; (c) organization of more rigorous supervision missions to ACBF-funded operations. Accordingly, in 2003, the Foundation fielded 208 appraisal/supervision missions to the operations in its portfolio; (d) sharing of information and knowledge with project managers and other stakeholders in order to foster greater understanding and consensus-building on the orientation of given operations as well as on operational and financial procedures more generally; (e) conduct of 8 mid-term reviews of existing operations; and (f) organization of workshops for the directors and finance personnel of Foundation-funded operations to expose them further to ACBF operational, financial, administrative and procurement procedures as they relate to grantees. As a result of these measures, cumulative disbursements to projects and programs rose steeply in 2003 from US\$89.84 million to US\$ 109.67 million - representing a significant increase of 22.1% over the previous year.

F. Implementation of the Knowledge Management Strategy

In 2003, the Foundation made significant progress in the implementation of the knowledge management strategy approved the year before. The key achievements included the following: (i) launch of TAP-NETs on parliamentary (PARLIANET) and statistical (STATNET) capacity building. Following the launch of these two TAP-NETs, the Foundation completed the establishment of the six TAP-NETs in line with its core competency areas; (ii) operationalization of the four existing TAP-NETs; (iii) completion of operations and thematic research on national focal points, the impact of AIDS on public sector capacity, the market for development policy professionals, and capacity building in post-conflict environments; (iv) launch of a Senior Policymakers and Development Managers Knowledge Sharing Program, with the visit of Ambassador Vijay S. Makhan, ex-Commissioner at the African Union; (v) establishment and financing of two CLKNETs – in Burkina Faso and Ghana; (vi) publication of: (a) the book entitled *Better Governance and Public Policy: Capacity Building and Democratic Renewal in Africa*; (b) an Occasional Paper entitled *The New Partnership for Africa's Development: Building Economic and Corporate Governance Institutions for Sustainable Development*; and 3 Lessons Notes on project

supervision, best-practice principles in procurement, and enhancement of the role of civil society organizations; (vii) website, portals and database development in order to strengthen dissemination channels and access to knowledge products and services; and (viii) regular release on a quarterly basis of the *ACBF Newsletter*. In sum, by the end of 2003, the Foundation's knowledge generation and sharing programs had indeed taken off.

G. Pursuit of Outreach, Networking, Partnership and Program Support Activities

During the year, the Foundation intensified its efforts to enhance its operational linkages with other institutions and initiatives. It also sought to bolster its stature, visibility, responsiveness and networking activities in order to buttress its emergence as the Continent's premier capacity-building institution. In addition, members of the Secretariat attended conferences, seminars and workshops touching on issues directly related to the Foundation's remit and core competencies in order to share experiences, distil best practices and harvest new approaches. Lastly, the Foundation deepened its efforts to build and enhance partnership ties with institutions and initiatives such as CIDA, the IMF, CAFRAD and NEPAD.

H. Streamlining of Corporate and Financial Management Functions

In 2003, the Foundation pressed on with its efforts to enhance effectiveness and efficiency in order to help deliver the Foundation's operational and knowledge management targets. Drawing on recommendations arising from the change management exercise, the Foundation placed 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 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 expended optimally. In addition, the observance 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. In a bid to better familiarize the Foundation's stakeholders with its operational, financial, administrative and procurement procedures, the Secretariat organized two workshops – one on 24 - 27 February 2003 in Yaounde, Cameroon, and the other on 14 – 18 July 2003 in Harare, Zimbabwe.

I. Upgrading of the Information Technology Platform

To boost its visibility, facilitate access to its products, disseminate such outputs and improve its internal operations, the Foundation continued to enhance its information technology (IT) platform in 2003. Accordingly, it launched the ACBF intranet; developed a website, portals and virtual discussion forum for the TAP-NETs; upgraded current IT platform; and procured and installed electronic presentation whiteboard systems. Also, the Foundation continued to develop its on-library collection, which has significantly improved its research and knowledge base.

Table 3. Summary of Performance in 2003

| ACTIVITIES | TARGETS | ACHIEVEMENTS |
|--|-----------------------|----------------------|
| (A) PROJECTS & PROGRAMS | | |
| - Project Re- financing | 7 | 5 |
| - Country Program | 1 | 0 |
| - Targeted Interventions | 5 | 7 |
| - Regional Interventions | 3 | 0 |
| - Partnership Programs | | |
| - ACBF-CIDA | 2 Activities | 2 |
| - AFRITACs | 2 Training Activities | 4 |
| - IOM-ACBF Study | 1 | Ongoing |
| - Capacity Profiles | 4 | 1 |
| - Country Level Networks | 6 | 2 |
| - SAFEWIND Programs | 15 | 13 |
| - Project Supervision Missions | 209 | 208 |
| - Mid-Term Reviews | 14 | 8 |
| - Project Completion Reports | 9 | 5 |
| - Grant Agreements | 20 | 22 |
| (B) KNOWLEDGE MANAGEMENT PROGRAMS | | |
| - TAP-NETS | 4 | 6 |
| - Operations Research | 1 | Ongoing |
| - Thematic Research | 2 | Ongoing |
| - African Research Abstracts | 1 | Ongoing |
| - Senior Policymakers Program | 2 | 1 |
| - Publications | | |
| - ACBF Review | 1 | 1 (in press) |
| - Occasional Papers | 2 | 2 |
| - Workshop Series | 1 | 2 |
| - Working Papers | 2 | 1 |
| - Brief on Operations | 1 | 1 |
| - Project Evaluation Abstract | 1 | Ongoing |
| - Best Practices Notes | 1 | 1 |
| - Lessons Notes | 3 | 3 |
| - Precedent Notes | 3 | Ongoing |
| - Web Sites & Portals Development | 4 | 7 |
| - ACBF Intranet | | Launched |
| - TAP-NETs Portal | | Launched |
| - African Econ & Fin Policymakers Portal | | Launched |
| - African Universities Link | | Directory developed |
| - Development Reports on Africa | | Directory developed |
| - Africa's Research Centers | | Dir. being developed |
| - African governments Sites | | Directory developed |

Table 3. (continued).

| | | |
|--|----|--|
| - Country Level Networks | | Deferred |
| - Development Professionals Database/Directory | | |
| - African Finance Ministers Database | | Developed |
| - African Central Bank Governors Database | | Developed |
| - Program Support Activities | | |
| - Workshops | 3 | 2 |
| - Economic & Financial Policymakers Network | | Deferred |
| - ACBF-NEPAD Pub. Serv. Ministers Conf. | | Delivered |
| - ACBF-CAFRAD Workshop | | Delivered |
| - APIF | | Deferred |
| - Staff Development Programs | | |
| - External Training | 12 | 8 and Leadership Training for all staff; procurement training; digital/online library development training |
| - Workshop for CLKNET Directors | 1 | Deferred* |
| - Brown Bag Seminar | 3 | 3 |
| - In-House Seminar on Operating Processes | 1 | 1 |
| - Training in Project & Financial Mgt | 1 | 2 |
| - Workshop on ACBF Project Cycle for Support Staff | 1 | 1 |
| - Public and Media Relations | | |
| - ACBF Newsletter | 4 | 4 |
| - Information Packages on: | | |
| - Board Meeting | | Portal |
| - TAP-NETs | | 6 flyers |
| - ACBF Portals | | In progress |
| - Senior Policymakers Program | | In progress |
| - Workshops | | Portals |
| - Press Conferences | 2 | 8 |
| - Documentary on ACBF | 1 | 1 |



A. Deliberations and Decisions of the Boards

ACBF is governed by two Boards - the Board of Governors consisting of 35 members representing 31 countries, the International Monetary Fund and the Sponsoring Agencies (AfDB, UNDP and the World Bank); and the Executive Board, consisting of eleven voting members (of whom 8 are independent members and 3 are designated by the Sponsoring Agencies). The Board of Governors is the principal policymaking body of the Foundation. It held its Annual Meeting in June 2003. The Executive Board is responsible for the conduct of the general operations of the Foundation. It met twice in regular session in May and December 2003.

The Executive Board

The Executive Board met twice in regular session in 2003 – on 12 - 13 May and on 2 - 4 December. In keeping with its constitutional functions, the Executive Board played a key role in providing guidance in the design of operational policies and strategies, approving the Foundation's Business Plan and Budget for 2004, monitoring the performance of the portfolio of operations as well as approving new projects, programs and other initiatives – including the change management and resource mobilization processes. In these respects, the Executive Board made notable contributions to the Foundation's operations.

The Board of Governors

The Board of Governors held its 12th Annual Meeting on 26 June 2003 in Kigali, Rwanda. At the meeting, the Governors considered the following main agenda items: (i) the change management process; (ii) the status of co-operation with the IMF; (iii) the status of the knowledge management strategy; (iv) follow-up on ACBF/NEPAD co-operation; (v) the status of implementation of the Foundation's emerging program and upstream

intervention strategy; (vi) the progress report on the development of performance indicators; (vii) the status of mobilization of contributions to finance the SMTP, 2002 – 2006; (viii) the Annual Report and Audited Financial Statements for 2002; (iv) the Financial Position of ACBF and Implementation of the SMTP, 2002 – 2006; (x) earmarking of resources by donors and the principle of Donor Coordination, including the Issue of Individual Donor Evaluation Exercises; (see Box 2 on the Kigali Consensus); (xi) amendment of the ACBF Constitution; (xii) visas for ACBF staff on official missions; (xiii) vacancies on the Executive Board; and (xiv) election of the Bureau of the Board of Governors.

B. Enhancement of the Institutional Platform

During 2003, the Foundation boosted its visibility by launching the Intranet, Website Portal and Discussion Forums for the TAP-NETS as well as by procuring and installing electronic presentation whiteboard systems. The main focus was to facilitate and enhance the knowledge management strategy that had been developed in 2002 as well as to consolidate the Foundation's operations. The major achievements recorded were as follows:

- *Launching of the ACBF Intranet*

The Foundation launched the Intranet in a major drive to enhance its internal document management and knowledge sharing information systems. The Intranet, which consists mainly of a web-based document management system and databases, is a valuable tool for capturing all facets of operations, financial, administration and knowledge management data on the Foundation's activities as well as for providing an information base for reporting and supporting research as well as other knowledge networking activities.

- *Website Portal and Discussion Forums for TAP-NETS*

The Foundation established a website portal for all

the 6 TAP-NETs that were launched in 2002 and 2003. This website portal incorporated discussion forums for each TAP-NET. The Foundation also pursued the enhancement and upgrading of its main website as part of its information management strategy aimed at offering basic information on ACBF activities and achievements. So far, the enhanced website has attracted more than 58,000 visitors who send comments on a regular basis. The website is achieving its objective of disseminating the work of ACBF by providing information on its mandate, procedures relating to grant applications, the composition of the Foundation's portfolio and the profile of partner institutions. The website has also become a useful resource center on the Foundation's capacity-building activities as it features all publications (including annual reports, newsletters, strategic and vision documents, and briefs) generated and events (such as workshops, seminars and forums) organized by the Foundation.

- *Procurement and Installation of Electronic Presentation Whiteboard Systems*

The Foundation procured and installed electronic presentation whiteboard systems (*SmartBoards*) to facilitate presentation during workshops, meetings and seminars such as the Brown bag seminar series launched in 2003.

- *Upgrading of other IT Equipment*

The IT infrastructure continued to grow in response to the expanding staff size and the requirements of managing the TAP-NETs. Its functionality was also improved by the acquisition of additional computers, printers and software to enhance the security of the IT platform and the Foundation's financial management capability.

C. Corporate Management

In 2003, corporate management was driven by the Foundation's vision to emerge as a centre of excellence in the field of capacity building and knowledge sharing. With respect to operations, emphasis continued to be placed on the following: (i) effectiveness of interventions, as opposed to mere portfolio growth and expansion; (ii) generation, collation and sharing of knowledge for process and

product improvement; (iii) enhanced flow of information among staff in order to strengthen performance and productivity; (iv) continuous improvement in processes and procedures based on flexibility, team work and accountability; (v) enhanced training for staff development; (vi) performance-based management and reward systems; (vii) high-quality output; and (viii) total quality management. Thus, performance improvement focused on high-quality work systems, total quality management approaches, continuous process improvement through a change management exercise, a revitalized corporate culture, effective leadership, team building and team work.

During 2003, the Foundation made notable progress in its effort to achieve good corporate management. In response to the many performance and management challenges facing the Foundation, measures were taken to achieve the following results:

- Continued development of staff competencies to meet human resource challenges;
- Improved effectiveness of systems, processes and procedures for overall organizational efficiency;
- Integration of knowledge management into operational and administrative processes to take advantage of shared knowledge and ICT support, technical advances and new knowledge in the various areas of operation;
- Application of greater rigor to the procurement process and improvement of quality control;
- Reduction of operating costs due to greater efficiency in operations;
- More effective work planning, deployment and management; and
- Introduction of performance-based management with greater responsibility and accountability at departmental or zonal levels.

Besides the various departments and operations zones, standing and ad hoc panels appointed by Management or elected by staff provided critical support to participatory decision-making processes. They included the Senior Management Group (SMG), the Staff Advisory Panel (SAP), the Staff

Performance Review Panel (SPRP), the Project Review Committee (PRC), the Operations Management Team (OMT), the Staff Pension Fund Committee (SPFC) as well as committees appointed to accomplish specific tasks such as recruitments, procurement, compensation matters and security enhancement.

Change Management and Institutional Effectiveness

Throughout 2003, the fruits of the highly intensive, interactive and participatory change management process that began in 2001 became visible. After being assisted by international consultants over the two previous years, the Secretariat led the entire exercise in 2003 in order to ensure full ownership of the recommendations and reforms arising from the change management process and to mainstream them in the Foundation's operations. The exercise contributed significantly to improvement in operating systems, processes and procedures; the establishment of the Foundation's knowledge management system; and the enhancement of staff welfare. Continuous improvement in staff welfare and the Foundation's operations through identification of improvement opportunities and the development and implementation of performance improvement plans has become an integral part of operations planning and the activities of the Secretariat's Staff Advisory Panel. The success of the change management experience within the Foundation led to its replication in a number of ACBF-funded operations where management and governance process required significant streamlining.

Change Management within ACBF

During the year, the change management exercise was guided by the following: (i) the development of a comprehensive work plan; (ii) the presentation of monthly reports to the Executive Board; (iii) the organization by the Executive Secretary of planning, performance review and monitoring meetings with staff and the Staff Change Management Focus Group (SCMFG); (iv) regular meetings of the SCMFG; (v) and fortnightly staff briefing sessions by the SCMFG. Some of the major achievements of the exercise in 2003 included:

Follow-Up Staff Opinion Survey. During the year, the

Foundation's change management consultants conducted a follow-up Staff Opinion Survey (SOS). The first survey was undertaken in June 2002. The results, which were presented at an ACBF Retreat for members of the Executive Board and Staff of the Secretariat on 14 May 2003, revealed considerable improvement in staff morale, better communication among staff, and more healthy interpersonal relations.

Operating Procedures Framework. The Operating Procedures Framework to guide the development of new procedures and the review of existing project and program Operations Guidelines was finalized during the year. The document, after Management approval, will in 2004 provide the framework for the review of current guidelines on processes and procedures relating to projects, programs and knowledge management operations.

Vision Statements. Vision Statements relating to all aspects of the Foundation's operations were finalized with extensive and enthusiastic participation by all staff during the year. The Executive Secretary reviewed, approved and released six out of the seven Vision Statements. These related to: (i) Management Support and Leadership; (ii) Work Culture; (iii) Operating Processes; (iv) the Knowledge Management System; (v) Education and Training; and (vi) Performance Measurement.

The seventh Vision Statement, which relates to Boards-Secretariat Interface, will be released by the Secretariat once it has been cleared by the Chairs of the Board of Governors and the Executive Board.

New Job Descriptions for Managers. New Job Descriptions for Managers also resulted from the change management process during the year. These placed considerable emphasis on Departmental control duties and responsibilities, personnel management duties and responsibilities, as well as personal traits and skills in people's management. They also highlighted the need for Managers and Program Team Leaders to: nurture stakeholders' goodwill, develop competencies that support the ability to make objective decisions, as well as possess diplomatic and negotiating skills. The Executive Secretary approved and released the new job descriptions during the year. This will form the basis for performance assessment of the officers concerned.

Speak Ups and Suggestions. During the year, Management encouraged the use of the Speak-up and Suggestion System that was put in place as an idea management tool within the framework of the change management exercise. Through the system, a number of soft issues relating to staff welfare surfaced and were considered by the Executive Secretary.

Implementation of Departmental/ Zonal Staff Opinion Survey (SOS) Results. In 2003, the change management exercise gave strong impetus to Departments and Operations Zones to develop and implement performance improvement plans so as to take advantage of change opportunities that could raise performance levels. This contributed positively to an enhanced sense of staff responsibility, ownership of tasks and outputs, creativity and on-the-job training. On the program side, it contributed to the institutionalization of pre- and post-mission briefing sessions among operations staff at Zonal levels to strengthen team spirit and develop a culture of knowledge and information sharing.

Approval of Tracking Systems. The Executive Secretary approved proposals from the change management exercise to put in place tracking systems to facilitate the monitoring of, and reporting on, the implementation of the performance pact by managers, known as the *Chengeta Pact*, the approved Vision Statements, and the Departmental/Operations Zones' improvement opportunities plans that resulted from the Staff Opinion Surveys. The essence of the tracking systems is to ensure that staff own the change instruments as well as drive and sustain the change and performance improvement process.

ACBF Retreat. During the year, the Executive Board and Management of the Foundation endorsed the idea of an ACBF Retreat that was put forward through the change management exercise to enhance communication and strengthen partnership among organs of the Foundation with a view to stepping up the overall performance of the Foundation. All members of the Executive Board and staff of the Secretariat participated actively in the Retreat that was held on 14 May 2003. The Retreat noted a marked improvement in the Foundation's operating environment, which reflected an enhanced level of trust and mutual respect. To strengthen relations further, however, there was a consensus that the

respective roles of the Executive Board and the Secretariat would need further clarification. The issue of the Foundation's sustainability also attracted much attention. It led to a call for concerted efforts by all organs of the Foundation to support a new resource mobilization strategy. The results of the follow-up staff opinion survey of April 2003 were presented by the change management consultants and discussed. All participants at the Retreat noted with satisfaction the significant improvement in all areas of the Secretariat's activities covered by the survey. The Executive Board expressed delight at the way the Retreat was conducted, noting that the discussions were open, frank and constructive. In 2004, the Secretariat will submit a plan of action to the Executive Board for implementing the recommendations of the Retreat.

Integration of Improvement Opportunities into Project Management. As part of efforts to integrate the change management process into the regular activities of the Foundation, the Secretariat examined performance improvement opportunities that arose from two workshops that it held during the year for Directors and Finance Managers of ACBF-supported institutions. To this end, the Secretariat is at present working on the following:

- Developing a listening and mutual learning culture in project management by ACBF operations staff;
- Improving the quality of project appraisal and supervision by ACBF operations staff;
- Developing feedback mechanisms for monitoring the effectiveness of project supervision;
- Determining timelines and turnaround benchmarks for processing of project-related activities; and
- Addressing process issues in project management (for example, issues relating to consultation, code of conduct for operations staff in the field, induction of new staff, etc.).

Thus, by the middle of the year, the Secretariat had assumed full responsibility for the change management exercise and had made enormous progress in addressing most of the issues of concern relating to staff welfare and to the improvement of operating systems, processes and procedures in administration, financial management as well as

project, program and knowledge management. The exercise has been fully integrated into the Foundation's operations, backed by strong commitment to the exercise in spite of the increasing weight of operational programs in the Secretariat. It is expected that the exercise will continue to generate a significant stream of benefits to the entire Foundation in 2004 and beyond.

Change Management in ACBF-supported Projects and Programs

The successful change management process at the Foundation led to a replication of the experience in three of the four Economic Policy Management Programs (EPMs): the University of Ghana, Legon; Makerere University in Kampala, Uganda; and the University of Yaounde II in Cameroon.

In December 2002, the Executive Board approved a Grant of US\$ 2,000,000 to each of the four EPM programs. In all cases (except the EPM program at the University of Cocody), the Executive Board approved the grant, subject to the introduction of a program of change based on an evaluation of the respective governance and management processes.

The audit of the governance and management of EPM-Makerere during its first phase was undertaken in March 2003. The audit identified a number of critical areas which Makerere University needed to address during the second phase of the EPM-Program - for example, maintaining the current governance structure, changing the composition of governance organs to reflect the main stakeholders, increasing the frequency and scope of meetings, as well as relating the structure and composition of the Management Team to program goals, objectives and operations. Makerere University is currently implementing these governance and management changes.

The audit of the governance and management of the first phase of the EPM-Yaounde was conducted in May-June 2003. The Final Report of the audit concluded that the current governance organs are compatible with the main objectives and strategies of the program, as set out in the Program Document for the first phase. However, these organs needed to meet frequently and provide clear policy guidance and overall supervision of the Program. It was also

recommended that, in order to improve the management of the EPM-Yaounde Program during the second phase, there needed to be a collaborative style of management; and an enhanced support staff with terms of service that fostered stability and a sense of ownership of the program, and which provided better fringe benefits (including medical insurance coverage). The Report also recommended that an internal audit system should be instituted during the second phase. Finally, the need for a change of the leadership of the EPM-Yaounde Program was suggested.

At the University of Ghana at Legon, officials agreed to introduce changes in the governance and management of the EPM Program for the second phase. First, the Program Advisory Board was merged with the Program Steering Committee to establish an Advisory Board that was more representative of program stakeholders. Second, a formal decision was made to de-link the position of Program Director from that of Head of the Department of Economics. To ensure that the overall supervisory responsibility over the management of the Program remained vested in the Head of the Department of Economics, the title of the position of Program Director was changed to that of Program Coordinator. Third, a process was launched to recruit a new Program Director employing an open, competitive and transparent process. The second phase of the EPM-Ghana Program was launched in October 2003.

Enhancement of Staff Strength and Capabilities

During 2003, new staff joined the Foundation. In the professional staff category, five staff members (three program officers, a disbursement officer and a legal officer) were recruited. With respect to support staff, a driver and a secretary joined the Foundation. In addition, KMPSD was strengthened with two consultants at program-officer level, a web design consultant to assist with the development of web sites and intranets, and a temporary secretary to provide desktop publishing support.

As regards the strengthening of staff capabilities, all Secretariat staff benefited from at least one training program, which contributed to operational or administrative skills enhancement. This was vital for

providing the Secretariat with high-level capacity for the effective implementation of its operations. Two professional staff members acquired skills in the areas of online or digitized librarianship and procurement processes. Secretariat staff, on the other hand, enhanced their skills in desktop publishing and general office management.

Improvement in Staff Compensation and Welfare

The Foundation began to implement a new staff compensation scheme approved by the Executive Board. For example, the introduction of a mobility premium system for professional staff helped to streamline the administrative and accounting requirements for the management of staff benefits. The Secretariat is working with consultants from the Human Resources and Staff Compensation Management Unit (HRSCM) of the World Bank to set up and implement new arrangements for a reformed Staff Pension Scheme that will introduce individual accounts and provide opportunities for a diverse mix of investment options. Also, the HRSCM unit will advise on the feasibility of an enhanced medical insurance package. The change management exercise and the rejuvenated SAP brought considerable improvement in staff morale and welfare in 2003.

Records Management

There was progress in the reform of the records management system. Aspects of the reform included reorganization of the filing system, creation of an electronic central registry and the development of a records archiving system. As part of the Change Management Exercise, a session was organized for Secretariat staff on the principles and practices of records management.

Monitoring of Commitments and the Budget Implementation Process

To strengthen effective budget implementation, the Secretariat enhanced its utilization of a Commitments Register as a means of monitoring the use of financial resources and thus of the rate of implementation of the budget. The main role of the Commitments Register is to provide an early warning mechanism on levels of commitment to forestall

risks of budget overruns. In 2003, the Commitments Register provided valuable benefits to the budget implementation process. It is expected that use of the register will be intensified in the coming years.

Security Matters

As part of the United Nations Security System in Zimbabwe, and in consultation with the UN Security Coordinator, the Foundation continued to ensure the safety of staff, their residences and the Foundation's offices. Additional measures will be taken in 2004 to facilitate the installation of an access control system on ACBF office premises as well as the enhancement of security features in the residences of Foundation staff.

D. Finance

Financial Management within ACBF

Overview. The year 2003 opened with an available commitment authority of US\$159.57 million, the highest amount to date with which the Foundation has begun its fiscal year. These resources were part of the US\$159.240 million pledged in April 2002 towards the financing of the SMTP (2002 – 2006) by the various donors. However, the financing gap between available resources and the requirements for the financing of the full implementation of the SMTP (2002-2006) remained at US\$180 million as no significant pledges were received during 2003. This funding gap led the Board of Governors at its 12th Annual Meeting, held in Kigali, Rwanda, in June 2003, to resolve to embark on a vigorous resource mobilization drive in 2004 and beyond.

Commitments to new operations amounted to US\$17.72 million, representing a decrease of 15.62% over the amount committed in the previous year. The level of commitments was in line with standard Executive Board policy of operating within the available commitment authority.

Apart from investment income accruals that amounted to US\$2.07 million and the decision by the Government of Kenya to pledge KSh 50 million to the Foundation, no additional resources were secured in 2003. The cumulative pledged resources stood at US\$386.19 million, while the level of cumulative

commitments to capacity-building operations (exclusive of knowledge management and administration expenses) increased by US\$17.72 million to US\$200.99 million. The Foundation was able to recover some modest resources from closed operations to boost the available commitment authority.

Pledges. Total pledges increased slightly by US\$ 0.70 million from the 2002 level following the inclusion of the pledge of KSh 50 million from the government of Kenya to close at 369.25 million. Investment income increased from US\$14.88 million to US\$16.95 million, resulting in the cumulative total resources of US\$386.19 million.

A total of US\$3.18 million in undisbursed grants in respect of closed projects was re-allocated to commitment authority.

Given that the reduction in the financing gap of the SMTP (2002-2006) was not insignificant, the Board of Governors resolved in Kigali to embark on a fund raising campaign.

Commitments. As in the past, the Executive Board pursued the policy of consolidating ACBF's existing operations while allowing a modest accretion in the development and approval of new projects and programs. In doing so, it was guided by the need to operate within the available resources while continuing with efforts to raise additional resources for the SMTP (2002-2004). Accordingly, in approving the new projects and programs, priority was given to projects and programs with visible impact and promising or successful ones seeking re-financing. The commitment of US\$17.72 million represented a decrease of 15.62% over the level of US\$21.00 committed in 2002. Thus, the cumulative commitment to projects and programs increased to US\$200.99 million.

Cumulative commitments in respect of knowledge management and program support activities and administrative expenditure amounted to US\$3.35 million and US\$35.69 million respectively. The total of combined commitments as at 31 December 2003 amounted to US\$240.03 million. This left US\$149.35 million of available commitment authority to be carried forward to 2004. It is prudent practice to allow for at least one year's administrative

expenditure in arriving at the available commitment authority for the coming year. The consolidated budget for 2004 requires US\$8.54million. If an allowance of this amount were made, the available commitment authority for projects and programs would reduce to US\$140.81 million.

Compared to 2002, the final figure of available resources for future commitments closed at a lower level – that is, by 11.76%. In light of the dwindling resource base, the Foundation was confronted with the need to mobilize additional resources to fund its operations.

Available Cash Resources. The Foundation's cash position remained strong. As at 31 December 2003, available cash resources amounted to US\$74.05 million. Donors continued to honor their pledges by contributing to the ACBF-PACT Trust Fund administered by the World Bank.

The round of pledges in respect of the Foundation's first phase closed in 2001. Hence, no contributions were recorded in the Trust Fund for the mentioned phase. Contributions for the year in respect of the second phase amounted to US\$2.01 million, bringing the amount paid to date to US\$40.79 million. Accrued investment income in respect of Phase II amounted to US\$5.23 million. As regards the ACBF-PACT Phase, contributions for the year totalled US\$6.21million.

The donors that paid in their contributions for 2003 in respect of the ACBF-PACT Phase included Canada, the IMF, Kenya, Mali, Nigeria, Norway, Senegal and Sweden. This brought cumulative contributions as at 31 December 2003 in respect of the ACBF-PACT pledges to US\$13.78 million. Investment income for the phase totalled US\$3.26 million.

Cumulative cash inflows to the Foundation's Trust Funds amounted to US\$222.76 million. Cumulative outflows comprising disbursements to projects and programs, expenditure in respect of knowledge management and program support activities and administrative expenditure amounted to US\$148.71 million – leaving a balance of US\$74.05 million in available cash resources.

Consequently, the available cash resources represented a reduction of 17.73% when compared to the

Box 1.

Financial Position of ACBF
(US\$ millions)

Resources Available for Commitment to Projects and Programs

In 2003, pledges for Phases I and II remained at the same level as in 2002 given that no new pledges were announced during the year. Pledges for the ACBF-PACT Phase (Phase III) increased slightly by US\$ 0.70 million following the pledge by the Government of Kenya, which amounted to KSh 50 million. The total value of pledges for the phases stood at US\$67.65million for Phase I, US\$57.48million for Phase II and US\$234.11 million for the ACBF-PACT Phase (Phase III). The Japanese PHRD Trust Fund remained at USD10.00 million while the combined investment income increased to US\$16.95million.

Cumulative pledges increased by US\$2.76 million, equivalent to the investment income earned by the Trust Funds during 2003 and the pledge from Kenya of US\$ 0.70 million, to yield a new total of US\$386.19 million in cumulative pledged resources. Against these pledges were cumulative commitments amounting to US\$200.99 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\$3.35 million and US\$35.69 million respectively. The combined total commitments as at 31 December 2003 amounted to US\$240.03 million. During the year, an adjustment of US\$3.18million in respect of undisbursed commitments of closed projects was made and reallocated to available commitment authority – 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\$149.35 million in available commitment authority. However, if a provision for the 2004 administrative budget of US\$8.54 million were deducted, the commitment authority for capacity-building projects and programs would drop to US\$140.81 million.

Available Cash Resources

Cash resources comprise paid-in contributions by donors to the ACBF-PCT Trust Fund in respect of pledges to Phases I and II and the ACBF-PACT phase. The cumulative paid-in cash totaled US\$222.76 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\$148.71 million. This resulted in net cash resources of US\$74.05 million available to meet existing commitments. The available cash amount fell below the closing figure for 2002 by 17.73% - thus requiring an increase in the rate at which donors should disburse pledged resources into the ACBF-PACT Trust Fund.

| | | |
|--|--------------|---------------|
| 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) | | 234.11 |
| Investment Income | | <u>16.95</u> |
| Total Resources | | <u>386.19</u> |
| 2. Commitments | | |
| Phase I | 61.85 | |
| Phase II | 24.67 | |
| ACBF/PACT Phase | | 114.47 |
| | | 200.99 |
| Program Support Expenditure as at 31/12/02 | | 3.35 |
| Cumulative Admin. Expenditure as at 31/12/02 | | <u>35.69</u> |
| | | <u>240.03</u> |
| Total Resources Available for Grant Commitments and 2003 Administrative Budget | | 146.16 |
| Add Adjustment for closed Projects | | <u>3.19</u> |
| | | <u>149.35</u> |
| Less: Approved Consolidated Budget for 2003 | | <u>8.54</u> |
| Available Commitment Authority for Projects in 2004 | | <u>140.81</u> |
| 3. Available Cash Resources | | |
| Paid-in Contributions | | |
| Phase I | | 67.07 |
| Phase II | | 40.79 |
| Japan PHRD Fund | | 10.00 |
| ACBF/PACT Phase | | 87.95 |
| Investment Income | | <u>16.95</u> |
| Total Cash Resources | | <u>222.76</u> |
| Less: Expenditure to date | | |
| Disbursement to projects | | 109.67 |
| Program Support | | 3.35 |
| Cumulative Administration and Capital Expenditure | | 35.69 |
| | | <u>148.71</u> |
| Cash Available as at 31 December 2003 | | <u>74.05</u> |

closing figure for 2002. This is clear evidence that, since 2002, the rate of disbursement by the Foundation to capacity-building operations outstripped the rate at which donors paid in pledged resources. The cash cover for existing commitments however remained adequate.

Budgeting and Internal Controls. During 2003, the economic environment in the host country presented many challenges. The inflation rate, which at the beginning of the year hovered around 208.1%, reached an all-time high of 600%. The official exchange rate remained administratively pegged at ZW\$ 824 to US\$ 1 while the parallel market exchange rate ranged from ZW\$ 5, 000 to ZW\$ 5, 800 to the United States dollar.

The Foundation's Finance and Accounts Department (FAD) continued to strengthen its internal controls systems during 2003. Disbursement reports were rigorously prepared on a weekly basis.

The reports provided timely feedback to operations on slow-disbursing operations and thus facilitated timely intervention to address implementation constraints. FAD also streamlined its internal procedures in order to reduce the turnaround time of its services to ACBF-funded projects and programs as well as other departments in the Secretariat. Efforts were also made to expedite the processing of disbursement applications, payments to consultants, and responses to requests for information from both internal and external users, which included the ACBF portfolio of projects and programs. In particular, in order to further reduce the turnaround time for the production of Quarterly Budget Implementation Reports, the Secretariat decided to introduce new accounting software (*the Sun System Accounting Package*), which is tailor-made for development agencies and non-profit organizations similar to ACBF.

Administration of Grants. The expansion of the ACBF portfolio of operations following the integration of PACT into the Foundation in 2000 required the establishment of a robust grant management system. To improve its responsiveness to the enlarged portfolio, the Foundation worked on improving its internal grant management and processing framework. The translation of the ACBF *Disbursement Manual for Grant Operations* into French was concluded in 2003. It is thus expected that it will

provide the much-needed guidance to projects and programs in Francophone countries. Grants under the SAFEWIND facility were subjected to the same rigor and scrutiny that are applied to traditional grants. In addition to desk supervision, onsite visits and inspections were undertaken by Foundation staff and external consultants (Audit Firms) to verify compliance with Grant Agreement provisions as well as with the Foundation's financial and administrative procedures.

External Audits. In 2003, the Foundation retained *Deloitte and Touche* as its external auditor for its operations. However, as regards grant beneficiaries, ACBF requires that each beneficiary appoint, with the Foundation's approval, independent audit firms that must be registered in accordance with the laws of the host country to audit every fiscal year beneficiaries' financial records and have the relevant audit reports submitted to ACBF within six months of the end of each financial year.

Commitments and Disbursements. In 2003, a total of US\$17.72 million was committed to projects and programs. This amount was 15.62% below the figure committed in 2002. Disbursements for the year totalled US\$19.83 million compared to US\$18.04 million achieved in 2002, representing an increase of 9.92%.

Disbursements maintained an upward trend reflecting the underlying effort by the Foundation to ensure a consistent level of implementation of activities by the operations in its portfolio. By delineating its country coverage into Operations Zones and allocating coordination responsibility for each Zone to a Program Team Leader while encouraging participatory management within each Program Team, the Foundation was able to ensure effective implementation and monitoring of projects and programs. This in turn helped to increase the level of disbursements given that projects and programs benefited from timely and closer supervision. Such supervision, which comprised desk reviews as well as field missions by operations and financial staff, helped to ensure rigor and transparency in project monitoring. In addition, the two workshops held for directors and finance officers of ACBF-funded operations enabled participants to possess a better grasp of ACBF rules and procedures – in particular as concerns

operational, financial, administrative and procurement issues.

Expenditure on the Consolidated Budget. Total expenditure on the consolidated budget, inclusive of knowledge networking and program support activities, increased by 16.09% over 2002. Factors contributing to the increase in expenditure included the following: Firstly, the expanded portfolio of operations necessitated an increase in the staff complement. Secondly, given the enlarged portfolio, expenditure on operations (notably project or program supervision, monitoring and mid-term reviews) more than doubled from the 2002 level. Thirdly, more knowledge networking and program support activities were undertaken during 2003, including the launching of TAP-NETs. This resulted in an increase in expenditure on knowledge, networking and program support activities of 8.59% over the level in 2002.

Core expenditure on administration (including personnel and recurrent administrative expenses, but excluding operations and knowledge management) increased by 9.75% over 2002. In light of the hyperinflation prevailing in the host country economy, where the annualized official inflation figures rose from 208% at the beginning of the year to 600% by the end of December 2003, the increase in administrative expenses of less than 10% reflected a rigorous budget control and monitoring mechanism in place within the Secretariat. The ratio of administration expenditure (excluding operations) to total expenditure of 18.46% compares favorably

with the ratio of 20.64% in 2002 – thus reflecting some efficiency gains in the conduct of the Foundation's operations.

Co-financing. The Foundation's co-financing policy is premised on four important factors: Firstly, Africa's capacity needs are so immense that no player can single-handedly shoulder the huge development-funding burden and make an impact. Secondly, development assistance to Africa has been diminishing over the years while the capacities of many African countries have been declining precipitously. Thirdly, where beneficiaries participate in building their own capacities through co-financing, a sense of ownership is fostered, which would ultimately redound on the sustainability of the given operation following the exit of its donors. Lastly, the pooling the resources of development partners around a program/project, besides contributing to burden sharing, reduces or eliminates duplication of effort by the partners – which leads to a more efficient allocation of development assistance resources.

In the final analysis, for the Foundation's co-financing policy to achieve the desired purposes, it is critical that beneficiaries be encouraged to contribute more to the financing of their operations as this fosters both ownership and the long-run sustainability of operations following the decline or cessation of donor support.

In 2003, the total cost of all the projects and programs in the Foundation's portfolio amounted to

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

| | 2000 | | 2001 | | 2002 | | 2003 | |
|----------------------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|
| | \$ | % | \$ | % | \$ | % | \$ | % |
| Total Cost | 402,773,175 | 100% | 448,230,220 | 100 % | 498,546,443 | 100% | 537,892,017 | 100% |
| ACBF's share | 146,970,929 | 36.49% | 162,227,543 | 36.19% | 183,223,543 | 36.75% | 200,997,184 | 37.37% |
| Government / | | | | | | | | |
| Own Finance | 64,493,125 | 16.01% | 64,124,884 | 14.31% | 75,348,050 | 15.11% | 80,960,434 | 15.05% |
| Pledged Co-financing | 129,278,924 | 32.10% | 160,839,996 | 35.88% | 171,251,593 | 34.35% | 180,420,678 | 33.54% |
| Financing Deficit | | | | | | | | |
| (Surplus) | 62,030,197 | 15.40% | 61,037,797 | 13.62% | 68,723,257 | 13.78% | 75,513,721 | 14.04% |

US\$ 537.89 million, with ACBF financing amounting to US\$ 200.99 million, which represented 37.37% of the total cost of the projects and programs. The proportion of ACBF's share remained fairly constant during the period 2000 to 2003, averaging 36.70%. Financing provided by government or by the operations themselves amounted to US\$ 80.96 million representing 15.05%. The financing deficit for 2003 of US\$ 75.51 million represented 14.04% of the total cost of the project averaging 14.21% between 2000 and 2003. The amount reported for Government financing or self-generated funding is actually understated given that it does not include co-financing in-kind such as contributions for office space and facilities and use of other resources.

Mobilization of Financial Resources

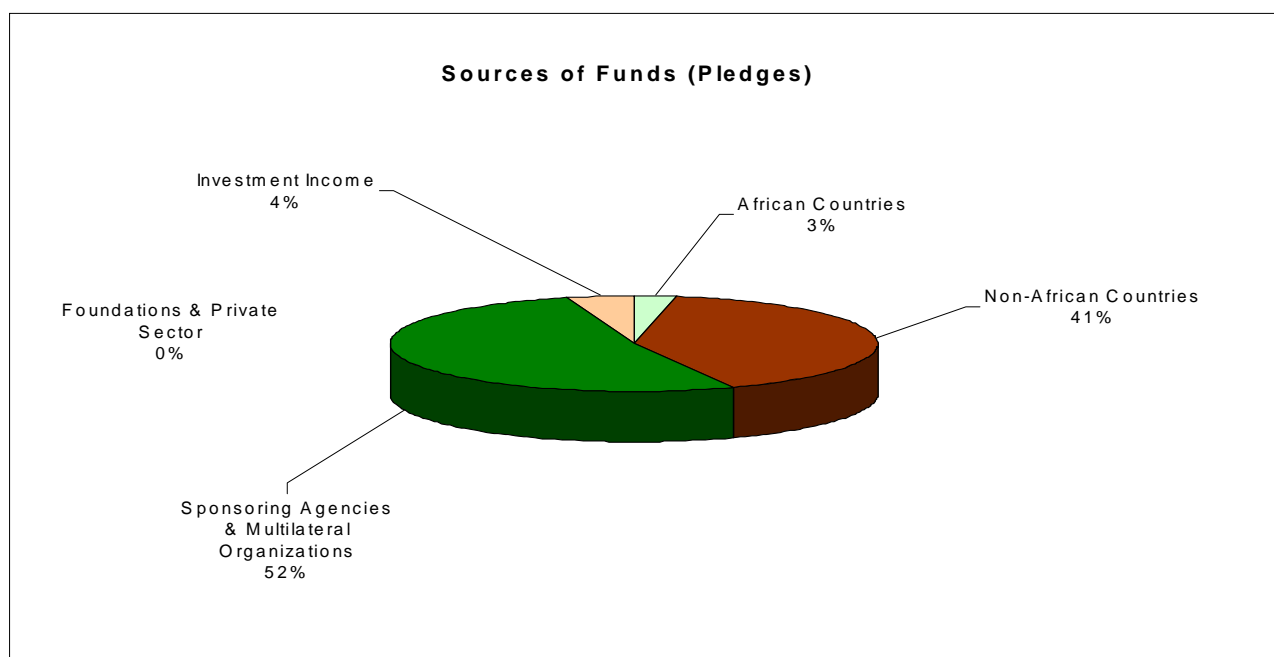
During 2003, the Foundation registered considerable progress in its resource mobilization efforts both in formalizing ACBF/PACT pledges of 2002 and in attracting additional resources to finance the shortfall in resources required to finance the SMTP (2002-2006). Out of the US\$340 million required to finance the SMTP, US\$160 million had so far been generated following the Lancaster House Pledging Conference of 29 - 30 April 2002, leaving a financing gap of

US\$180 million.

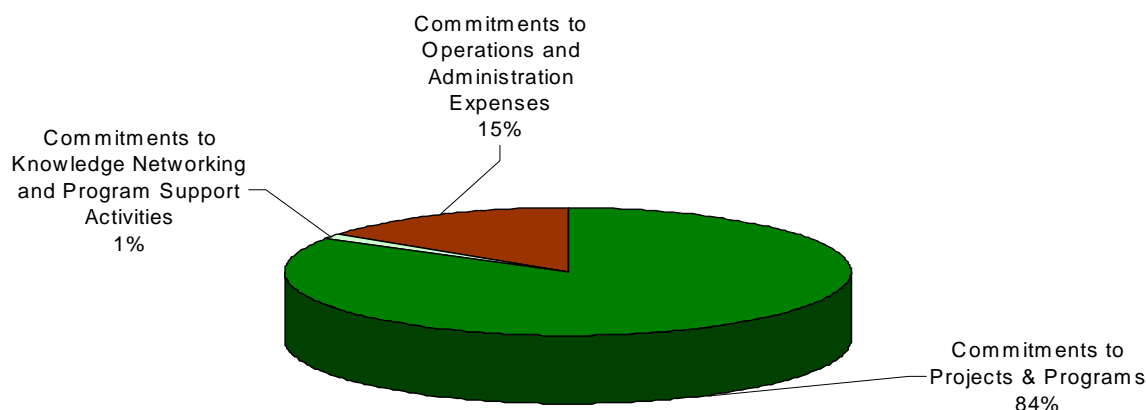
In the first quarter of 2003, a critical mass of countries and organizations signed the Memorandum of Understanding relating to the ACBF/PACT Trust Fund. These included Benin, Burkina Faso, Cameroon, Canada, Denmark, Finland, France, Ireland, Mali, Mauritania, The Netherlands, Nigeria, Norway, Rwanda, Senegal, Sweden, UNDP, the United Kingdom and the World Bank - thus making the Memorandum of Understanding effective and paving the way for the issuance by the World Bank of confirmation letters for countersignature by the relevant Donors. Countries and organizations that are still to sign the MOU are the AfDB, European Union, Gabon, the United States of America and Zambia. After the Lancaster House Pledging Conference, Kenya made a pledge of Ksh 50 million and will sign an agreement under the terms of which it will adhere to the MOU.

In September 2003, the Government of India indicated its readiness to pledge resources to the Foundation and become a full member of the Board of Governors. Processes that will result in the Government of India and the Foundation signing an agreement under the terms of which India will

Figure 1. Sources and Uses of ACBF Resources, 2003



Uses of Funds (Commitments)



pledge resources to the Foundation were initiated. In addition, the Foundation kept close contact with a number of Governments and organizations that have indicated an interest in joining the Foundation. These include Belgium, Djibouti, the Russian Federation and The Gambia.

Meanwhile, the Foundation has made notable progress in its discussions with the NEPAD Secretariat regarding the planned signing in mid-January 2004 of a Memorandum of Understanding under the terms of which the Foundation will be the implementing agency for the relevant capacity-building dimensions of NEPAD.

However, despite the achievements registered so far by the Foundation in mobilizing resources to finance the SMTP, substantial work remains to be done to raise adequate funds to cover the funding gap of the SMTP (2002-2006). Not only should the Foundation limit its fund raising efforts to covering the identified financing gap of the SMTP (2002-2006) but it should also seriously engage its stakeholders on the possibility of devising a more systematic and predictable replenishment cycle incorporating automatic triggers for resource mobilization in order to foster the Foundation's financial sustainability.

Improved Management of Finances and Procurement in ACBF- funded Operations

Overview. During 2003, the Foundation continued to strengthen the financial and administrative capacity of the operations in its portfolio because it is now widely recognized that financial management and accountability are prerequisites for good economic and political governance. During the year, 30 financial supervision missions were undertaken to selected projects, 2 capacity-building workshops covering financial management were held, 44 annual external audits were conducted to active projects, and 2 articles covering financial management and procurement issues were published.

Improving Financial Management. During the financial supervision missions, the managers of ACBF-supported projects and programs were reminded that effective and efficient internal controls are the backbone of a sound financial management system. The concept of internal controls goes beyond financial management and includes actions and policies designed to improve operational efficiency and ensure adherence to organizational policies. The socio-economic, cultural and regulatory environment affects every operation. As a result, it develops and maintains financial and administrative systems that are aligned with the nature and expectations of the environment in which it functions. Accordingly, financial supervision missions afforded the Foundation an opportunity to review specific internal controls on the ground and recommended basic crosscutting features that each operation is expected

Box 2. The Kigali Consensus on Capacity Building

At the 12th Annual Meeting of the ACBF Board of Governors, the Governors agreed on the following eight principles (dubbed the “Kigali Consensus on Capacity Building”) that would guide their efforts to build or enhance capacity on the Continent through financial support to the Foundation and the coordination of such support:

Holistic and Participatory Action.

Capacity building must be holistic and involve participatory action, which implies that all critical sectors (the public sector, the private sector and civil society) and players (both domestic and external, including the donor community) should continue to be actively involved in helping to make choices and map out strategies. African countries, which are the primary beneficiaries of donor support, should thus play a leading role in identifying their own needs and shaping innovative approaches to addressing those needs.

Ownership. A holistic and participatory approach would generate gains if it were owned and implemented by all of the above stakeholders. This home grown approach would pave the way for more sustainable actions and results. Indeed, in consonance with the current consensus that priority should be accorded to the strengthening of ongoing capacity-building efforts on the Continent, and in the spirit of the Declaration by the African Union of a Capacity-Building Decade in Africa (2011 – 2011), the ACBF Board

of Governors should perceive itself not as an assembly of individual donors dealing individually with a ‘recipient’ organization (ACBF), but as the highest policy-making organ ultimately responsible for ensuring the Foundation’s continuous operation.

Shared Responsibility for Resource Mobilization.

Resource mobilization must be a permanent feature in the Foundation’s work program involving the active participation of the Secretariat, the Executive Board and the Board of Governors, who must all see it as their own responsibility and challenge.

Flexibility of Funding Sources. The Foundation should pursue its efforts to also reach out to non-traditional donors in order to diversify its sources of financing. This might imply a more serious consideration of the endowment option – at least for those donors inclined to pursue that path.

Principle of Additionality. Resource earmarking must solely be a measure of last resort that would best be reserved for co-financing of projects and programs, and not operated at the expense of contributions to the Foundation’s Trust Fund.

Activation of the CORE Mechanism.

Given that sustainable human and institutional capacity building is a long-term process, it would not be facilitated by a stop-and-go, unpredictable funding arrangement. Consequently, the Foundation’s stakeholders and partners, but

primarily the Board of Governors, should consider and expedite efforts to develop and activate an orderly and predictable legal mechanism for replenishing the Foundation’s resources. This *Coordinated and Reliable Replenishment (CORE)* Mechanism will offer an appropriate framework that preserves the gains of the pooled funding arrangement and incorporates automatic triggers in the resource mobilization process while providing additional incentives for donors to contribute more resources to the Foundation.

Alignment of Evaluation Exercises.

Members of the Board of Governors should, as much as possible, coordinate their efforts such that they align the modalities and timing of evaluation exercises in order to curb the costs and prevent the dispersion of efforts and policy orientations that would arise from multiple evaluation exercises.

Inter-donor Equity. Clear rules and procedures should be agreed upon that would apply to the status of member countries and organizations that have not made pledges to the ACBF-PACT Trust Fund or are delinquent in respect of the fulfilment of their pledges. The rationale for this approach is that it ensures that members who belong to this category do not exercise certain constitutional rights (for example, as regards voting) or receive benefits arising from pledges made by the majority.

to institute.

Budgeting and Cash Flow Management. ACBF-funded operations were encouraged to prepare budgets closely linked to their action plans and quarterly implementation projections to provide a basis for draw down on their resources. They were thus reminded of the need to strengthen budgeting, analytical and cash flow management skills to ensure that funds are requested in a systematic manner to avoid interruptions in project work.

Internal Controls. ACBF-funded operations vary in terms of the levels or types of internal controls that they adopt. However, the Secretariat continued to foster the use of the vouching system as a means of testing the internal control mechanisms in place, ensuring the correctness of the financial information available, and facilitating transparency in transactions.

Annual Audit of Accounts of ACBF-funded Operations. As in the previous years, in 2003, external auditors examined the accounts of all ACBF-supported projects and programs, and the relevant audit reports sent to the Foundation were generally satisfactory.

Building Capacity in Procurement. As a key component of financial and administrative management, sound procurement enables projects and programs to obtain optimal value for financial resources expended on goods and services. During 2003, ACBF carried out various activities to strengthen the procurement function within the operations in its portfolio and to disseminate the Foundation's procurement guidelines to stakeholders. Those activities included workshops, financial supervision missions, desk support and experience sharing through publications on best practices in procurement. Given that the procurement practices undertaken within a project or program reflect the level of its administrative and financial management systems, emphasis was laid on building these systems in terms of professionalism, efficiency, reliability and transparency. In this connection, two workshops were organized in Yaoundé and Harare involving the participation of directors and finance officers of all ACBF-supported projects and programs. In addition, an article on best practices in procurement was published in the *ACBF Newsletter* and a lessons note on procurement was produced.

E. Knowledge Management, Outreach and Partnerships

Knowledge Management

The Foundation's efforts to generate and share knowledge for capacity building and development management began with the establishment of a Research, Training, Information Systems and Publications Department in March 2000 – subsequently renamed the Knowledge Management and Program Support Department (KMPSD). The Board of Governors in June 2001 reinforced these efforts with the approval of the Strategic Medium Term Plan (SMTP), 2002-2006. The SMTP has as a core objective the transformation of the Foundation into a knowledge-based institution within the five-year period of the Plan. To achieve this objective, the Secretariat transformed the Research, Training, Information Systems and Publications Department into a Knowledge Management and Program Support Department in January 2002. Since 2002, the Foundation has made significant progress in the implementation of its knowledge management strategy. In 2003, the following were achieved:

Launch of Technical Advisory Panels and Networks on Parliamentary and Statistical Capacity Building. The Secretariat launched 2 additional Technical Advisory Panels and Networks on 23-24 October 2003. These were in the areas of Policy Analysis Capacity of National Parliaments and Parliamentary Institutions (PARLIANET) and Strengthening of National Statistical Capacity (STATNET). About 120 participants comprising members of the TAP-NETs and invited guests attended the launch meeting. Among the guests were 3 Speakers of Parliament, 10 Ambassadors and High Commissioners accredited to the Foundation's host country, Zimbabwe, and a number of other prominent dignitaries, including the Deputy Speaker of the House of Representatives of Nigeria and the Chair of Committees of the Parliament of South Africa.

Operationalization of Existing TAP-NETs. During the year, the four TAP-NETs that were launched in November 2002 commenced project and program operations-related activities. They provided support in the appraisal of projects and are preparing working papers on the following:

Box 3. Enhancing Financial Management in ACBF-funded Operations: Lessons Learned from the Yaoundé and Harare Workshops

In an effort to build capacity for a high standard of financial management and accountability in the projects and programs it supports, ACBF organized training workshops in 2002 for Finance Officers of Foundation-supported project and programs. The first workshop was held in Abidjan, Cote d'Ivoire, for operations in Francophone countries while the second was held in Harare, Zimbabwe, for operations in Anglophone countries. The success registered by the workshops led to the organization of two other workshops at which the directors of the same operations were invited along with the finance officers. The scope covered by the workshops was also broadened to encompass operational (including operations planning, management, monitoring and evaluation) financial, administrative and procurement matters. These two workshops were also delineated along linguistic lines – the first on 24 – 27 February 2003 in Yaounde, Cameroon, and the second in Harare on 14 – 18 July 2003.

The objectives of the workshops were to bring together directors and finance officers to exchange experiences, ideas and perspectives on project management and implementation issues. The areas covered on the financial management side were disbursement and procurement procedures, requisites of sound financial and administrative management, best practice in financial and administrative management including the difficulties encountered by projects in reconciling ACBF requirements with those of other development partners.

The workshops familiarized participants with ACBF rules and procedures relating to accounting systems and control, procurement, budget, and auditing. They also afforded participants an opportunity to clarify the criteria for selecting the appropriate firms to conduct audits of their accounts. The criteria included the following:

- Registration as public accountants and auditors by the relevant accountancy and auditors Board of the host country
- Holding of a fairly large portfolio of diversified clients
- Adequate skills mix within the partnerships
- Availability of partner CVs with good track records
- Long period of credible service

The appointment of auditors is the responsibility of project boards. The Foundation's role is to ascertain that the appropriate procurement procedures in selecting the auditors are followed.

Overall, the workshops succeeded in generated much interest in matters pertaining to project implementation and financial management as evidenced by the improved quality of disbursement applications received subsequently.

- | | |
|--|---|
| <ul style="list-style-type: none"> • The establishment of an Economic and Financial Policymakers' Network (EFNET): An Appraisal of the Potentials of EFNET as a Knowledge Generation and Sharing Network For African Economic and Financial Policymakers. • A Review of the Institutional Framework for Addressing Public Sector Corruption in Africa: Framework, Mandate, Performance, Emerging | <p>Best Practices, Constraints and Capacity Needs of Institutions.</p> <ul style="list-style-type: none"> • Performance Measurement in Public Service Management - A Review of Frameworks and Indicators • Building Partnership Among Stakeholders – A Review of Mechanisms for Effective Partnership between the Public Sector and Civil Society in the area of Economic Management. |
|--|---|

What should be the focus of ACBF Capacity Building Interventions over the medium term?

These working papers will, in 2004, guide the establishment of the Economic and Financial Policymakers' Network, responses to request for support in the area of financial management and accountability, the development of performance measures, and the strengthening of the Foundation's interventions in the area of interface capacity building.

Operations and Thematic Research. During the year, the Foundation completed the following studies:

- A Review of Country Experiences in the Coordination of Public Sector Capacity Building in sub-Saharan Africa: An Assessment of the Effectiveness of National Focal Points and Other Existing Institutional Frameworks.
- An Analysis of the Market for Skilled African Development Management Professionals.
- Capacity Building in Post-Conflict Countries – Lessons of Experience from Mozambique, Rwanda, Sierra Leone and Uganda.
- The Impact of HIV/AIDS on Public Sector Capacity in sub-Saharan Africa.

The findings of the study will be used to refine project and program development operations and appraisal reports by the Foundation.

Launch of a Senior Policymakers and Development Managers Knowledge Sharing Program. During the year, the Foundation launched a Senior Policymakers and Development Managers Knowledge Sharing Program (SPM-KSP). The program 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. It commenced in October 2003 with Ambassador Vijay S. Makhan, ex-Commissioner at the African Union (AU).

Country-level Knowledge Networks (CLKNETs). The Foundation launched the Country-level Knowledge Networks (CLKNETs) program that is designed to encourage policy institutes, professionals, development practitioners, academics, researchers and other stakeholders in national development to generate, systematically collate and share knowledge

for development management. During the year, the CLKNETs for Burkina Faso (RGC-B) and Ghana (NEG) were established. They are being hosted by the *Centre d'Analyse des Politiques Economiques et Sociales (CAPEs)*, Burkina Faso, and the Institute of Statistical, Social and Economic Research (ISSER), Ghana, respectively.

Publications. During the year, the Foundation published jointly with the Institute of Social Studies, the Hague, the first in its Book Series titled "Better Governance and Public Policy – Capacity Building and Democratic Renewal in Africa"; an Occasional Paper on "*The New Partnership for Africa's Development – Building Economic and Corporate Governance Institutions for Sustainable Development*"; and three Lessons Notes in Capacity Building. Also produced were a number of briefs on the Foundation's activities. Publications in the pipeline for the year consisted of the maiden issue of the *ACBF Capacity Building Review*, an Occasional Paper based on the Abstract of the study commissioned by the Foundation on "*Experiences in the Building of Capacity in Post-Conflict Countries*", two reports on the Foundation's workshop series, African Research Abstracts, and Precedent Notes in Project Implementation.

Web Site, Portals and Database Development. To strengthen dissemination channels and access to knowledge products and services, the Foundation developed and launched the following web sites and directories during the year: (i) ACBF Technical Advisory Panels and Networks: www.acbf-pact.org/tapnets; (ii) Economic and Financial Policymakers' Network: www.acbf-pact.org/efnet; (iii) ACBF Intranet www.acbf-pact.org/intranet; (iv) A Directory of African Finance and Economic Planning/Development Ministers; (v) A Directory of African Central/Reserve Bank Governors; (vi) A Directory of African Governments Web Sites; (vii) A Directory of Major Web Sites and Links on Africa's Development Issues and Reports; and (viii) A Directory of Departments of Economics of African Universities.

ACBF Quarterly Newsletter. The Foundation published all the quarterly issues of the ACBF Newsletter in both English and French during the year.

Information Harnessing and Dissemination

Development and Expansion of the ACBF Collection of Electronic Databases. During 2003, the Foundation continued to develop and expand its growing collection of electronic resources using the library database management software called *Winnebago Spectrum Suite*. To date, 3000 bibliographical entries, of which 1000 titles comprised publications by ACBF-funded projects and programs, have been included in the online library collection.

The library assisted in the production of the following online directories: the *ACBF Directory of Policy Research Institutes in Africa*; the *Email Directory of ACBF Projects and Programs*; and the *Directory of Technical Advisory Panel Networks (TAP-NETs)*.

Information Dissemination. The library circulated a total of 5000 items in the form of books, journals, news magazines and literature search, queries and loans. The library displayed current information and made selective dissemination of information to staff.

Accessibility to the Public. The library is partially open to the public. Queries have been received from researchers from Government, the private sector and universities in the region and outside Africa requesting information on the Foundation and literature on capacity building.

Collection Development. The library added 1055 new materials to its stock through purchases and donations. The materials pertained to the Foundation's core areas: economic analysis policy; debt management; poverty reduction; good governance, financial management etc. Publications were also solicited from UN institutions and other organizations. The library has subscribed to 26 online titles of the *Economist Intelligence Unit* Country Reports publications.

Enhancement of ACBF's Stature and Visibility as a Major Partner in Capacity Building. In 2003, the Foundation increased the level and scope of its flow of information to its numerous stakeholders, thus ensuring that they are kept well abreast of developments in the capacity-building realm.

Organization of Workshops for Directors and Finance Managers of ACBF-Funded Operations. On 24 - 27

February and 14-18 July 2003, the Foundation organized two workshops in Yaounde, Cameroon and Harare, Zimbabwe, respectively, to enhance knowledge of ACBF operations and procedures by Project Directors and Finance Managers of ACBF-supported institutions. Project staff from Francophone Africa attended the Yaounde Workshop, while the Harare Workshop was attended by ACBF-supported institutions from Anglophone Africa. The International Monetary Fund Resident Representative in Cameroon and a member of the ACBF Executive Board attended the workshop in Cameroon.

Organization of, or Participation in, Conferences, Seminars and Workshops. In 2003, the Foundation sponsored, organized or participated in various conferences, seminars and workshops aimed at boosting its stature, visibility and collaborative bonds with other stakeholders. These forums included the following:

- 4th Pan-African Conference of Ministers of Public Service and Regional Workshop on Public Service Performance Measurement and Enhancement, 4 – 7 May 2003, Cape Town, South Africa
- International Policy Dialogue: “A New Dawn for Africa? – Who is Supporting the New Partnership for Africa’s Development (NEPAD)?”, 14 – 15 January 2003, Inwent, Berlin, Germany
- International Symposium on Capacity Development and Aid Effectiveness, 14 – 16 January 2003, Manila, The Philippines
- Fourth Annual Global Development Network Conference on Globalization and Equity, 16 – 21 January 2003, Cairo, Egypt
- Workshop on the SADC Regional Indicative Strategic Development Plan, 14 February 2003, Johannesburg, South Africa
- Second National Development Plan Donor Roundtable Conference, 17 – 19 February 2003, Swakopmund, Namibia
- Meeting of the Steering Committee of AFRITAC East, 28 January 2003, Dar-es-Salaam, Tanzania
- Inauguration of AFRITAC West, 28 – 29 May 2003, Bamako, Mali
- 2nd Pan-African Consultative Forum on Corporate Governance, 21 – 23 July 2003, Nairobi, Kenya

- Conference on NEPAD and Sustainable Development, 21 – 24 July 2003, Dakar-La Somone, Senegal
- Meeting of the Panel of Eminent Personalities of the African Peer Review Mechanism, 27 July 2003, Cape Town, South Africa
- Meeting of the Working Party of the African Governors and Executive Directors of the World Bank and the International Monetary Fund, 30 July - 1 August 2003, Kampala, Uganda
- MEFMI Combined Forum on Growth with Equity, 14 – 15 September 2003, Brunei
- Evaluation Workshop of the Project on Capacity Building for Civil Society in Sahelian Countries, 3 – 5 November 2003, Midrand, South Africa
- Technical Meeting on Detailed Criteria and Indicators for the African Peer Review Mechanism, 5 – 7 November 2003, Midrand, South Africa
- Workshop on the Economic Impact of HIV/AIDS and its Impact on Governance, 21 November 2003, Pretoria, South Africa
- Brainstorming Session at the African Union on “Building an African Union in the 21st Century, 21 – 23 November 2003, Addis-Ababa, Ethiopia
- Third International Investors’ Roundtable Meeting, 24 November 2003, Ngorongoro, Tanzania
- Workshop for the Development of a Regulatory Policy Framework for Zimbabwe, 25 November 2003, Harare, Zimbabwe
- Seminar on Financial Sector Development and Financial Integration in Africa, 10 – 12 December 2003, Tunis, Tunisia
- 27th Ordinary Summit of the Authority of Heads of State and Government of ECOWAS, 19 December 2003, Accra, Ghana.

F. Projects and Programs

ACBF expanded its scope of activities during 2003. In this connection, the Foundation adopted new approaches and strategies for building partnerships with projects, donors, government authorities, the private sector, civil society, academia and other stakeholders. These included the conduct of upstream activities such as preparatory country capacity profiles and strategy missions to create

opportunities for engaging governments, consolidating dialogue with development partners and stakeholders, and maintaining an active pipeline of projects and programs.

Thus, although a number of countries such as Burundi, the Central African Republic, Congo, Côte d’Ivoire, Guinea-Bissau and Liberia were plunged into crises, which created environments that were not conducive to effective capacity-building operations, the Foundation made significant strides in the implementation of its Business Plan for 2003. By the end of the year, the Foundation had fully developed 14 new interventions. These raised the number of active operations in the portfolio as at 31 December 2003 to 80 full-fledged projects and programs, 26 national focal points and 19 SAFEWIND interventions. In addition, the Foundation took forward appreciably the implementation of its emerging knowledge management strategy. A summary of the Foundation’s operational performance against Business Plan projections for 2003 is presented in Table 3.

The cumulative disbursement level as at 31 December 2003 was US\$ 109.67 million, which represented an increment of US\$ 19.83 million or 18.08% over the 2002 level. This achievement reflected the progress made by ACBF- funded operations in implementing their work plans as well as advances recorded by the Foundation in dealing with issues relating to project organization and management.

Direct Operations

Projects and Programs

During 2003, the Foundation undertook activities, which led to the development and approval of 14 projects and programs consisting of 5 refinanced operations in the Economic Policy Analysis and Management core competency area; 7 new national operations in three core competency areas (Strengthening and Monitoring of National Statistics, Financial Management and Accountability and Professionalization of the Voices of Civil Society and the Private Sector); and 2 Country-level Knowledge Networks in Burkina Faso and Ghana. The distribution of the projects and programs along core competency areas is set out below:

Figure 2. Portfolio Distribution

Figure 2a.

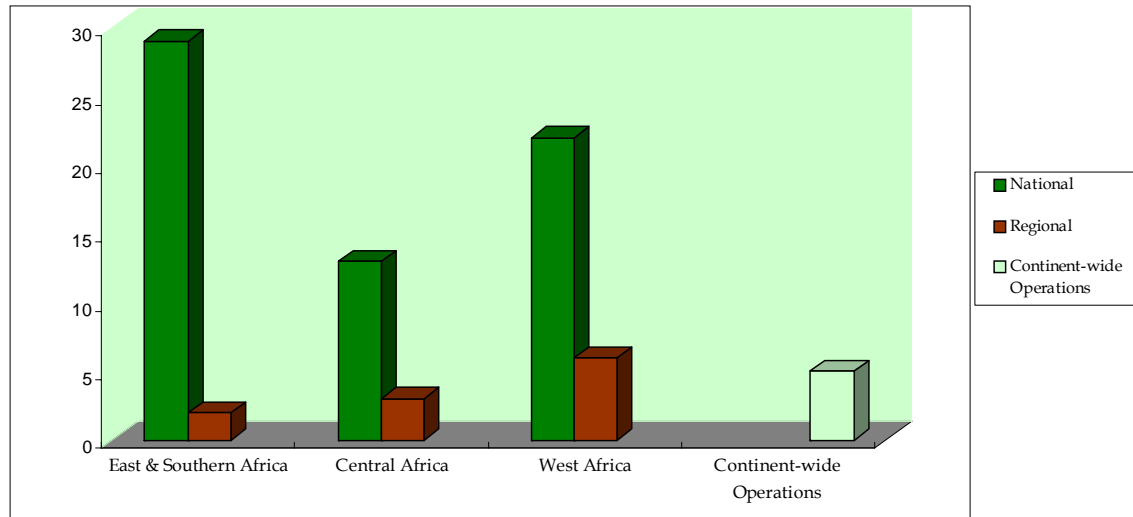
Regional and Country Coverage of Active ACBF-funded Operations, 2003
(Cumulative Number of Active Projects and Programs)

Figure 2b.

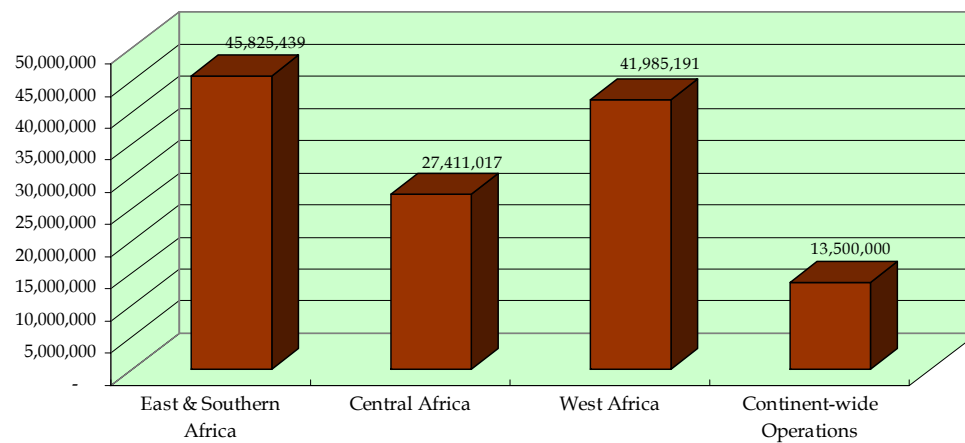
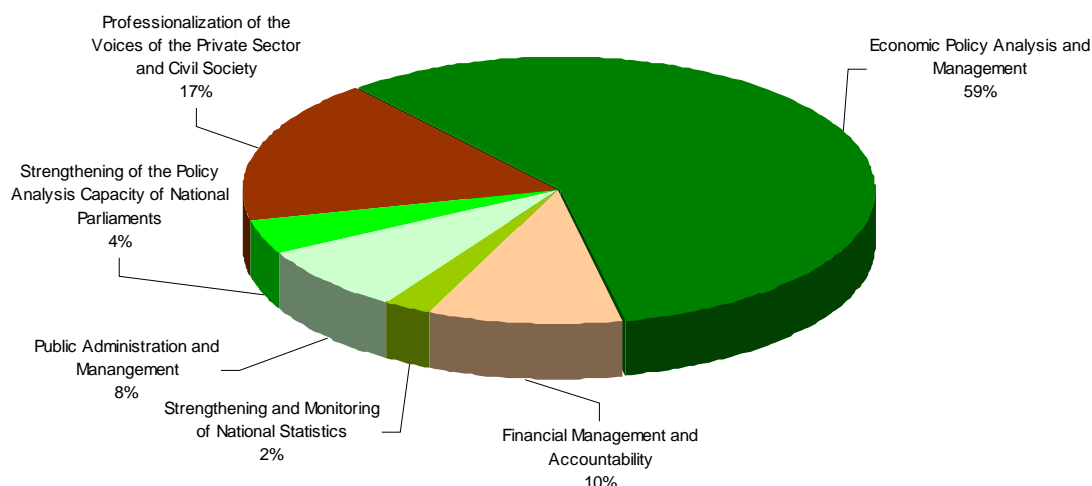
Geographical Coverage of Active ACBF-funded Operations by
Grant Size(US\$), 2003 (Cumulative Grant Amounts)

Figure 2c.

Distribution of Active Portfolio of Projects and Programs by Core Competency Area, 2003



Refinanced Projects

Economic Policy Analysis and Management

- *Cellule d'Analyse de Politique Economique (CAPE)*, Phase II, Benin
- Economic Policy Research Centre (EPRC), Phase III, Uganda
- Economic and Social Research Foundation (ESRF), Phase III, Tanzania
- Kenya Institute for Public Policy Research and Analysis (KIPPRA), Phase II, Kenya
- National Centre for Economic Management and Administration (NCEMA), Phase III, Nigeria

New National Projects and Programs

Financial Management and Accountability

Capacity Building Project on Financial Governance and Control, Djibouti

Professionalization of the Voices of Civil Society and the Private Sector

- Strengthening of Civil Society, Private Sector and their Interface with the Government (PARCOSIT), Chad
- *Projet de Renforcement des Capacités des Réseaux de Femmes pour Lutter Contre la Pauvreté en République de Cameroon (CAREF)*, Cameroon.
- *Projet de Centre d'Appui aux Réseaux des Organisations de Femmes du Gabon (CENAF)*, Gabon
- Strengthening of Civil Society and the Private Sector and their Interface with the Public Sector (PARECAP), Burkina Faso

- Public Sector-Private Sector- Civil Society Interface Capacity Building Project, Democratic Republic of Congo

Strengthening and Monitoring of National Statistics

- *Projet de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo (RESPEC)*

Country Level Knowledge Networks

- Network on the Economy of Ghana (NEG), Ghana
- *Réseau de Gestion des Connaissances (RGC)*, Burkina Faso

Country Program

Activities were launched towards establishing a multi-sector Capacity Building Program (MSCBP) in Rwanda with a focus on:

- Public Sector Pay Reform
- Strategic Human Resource Development
- Improving Institutional Environment
- Integrated Capacity and Performance
- Improvement in Ministries, Departments, Agencies and Local Authorities

Capacity Needs Assessment and Second Round of Project Development Missions. During the year, the Secretariat launched a second round of project and program development missions to bring greater focus to

Box 4. ACBF - AFRITAC Partnership: Guiding Principles

At the inaugural ceremony of AFRITAC West, held in Bamako, Mali, on 29 May 2003, the Executive Secretary set out the following principles that would guide the implementation of the Foundation's co-operation with the AFRITACs:

Non-substitution. AFRITACs should not in any way crowd out any organization or initiative already in existence in Africa. Rather, the regional centres should be seen as new mechanisms for adding value in the form of supplementary financial and technical resources to human capacity-building efforts in sub-Saharan Africa.

Synergy and complementarity. AFRITACs should work in close partnership with existing organizations and initiatives - including, very importantly, ACBF and its network of projects and programs, and continental, regional and sub-regional capacity-building initiatives.

Utilization of African expertise and training institutions. Instead of acting as channels for technical assistance in the usual sense, AFRITACs must use high-quality African expertise as well as African learning and training institutions when designing and implementing their training programs.

Design of short-term training activities. This approach should be carried out within the context of a long-term process of endogenous human and institutional capacity building - as opposed to traditional technical assistance.

African leadership and responsibility. AFRITACs should allow for African leadership in defining needs and determining priorities in training. All capacity-building initiatives would be in vain if they are not defined by the true needs of the beneficiary countries. African governments and other decision-makers will need to demonstrate increased willingness to assume responsibility for Africa's growth and development. They need to cultivate a state of mind and professional stature that will position them to become "masters" of their economic and financial policies and programs.

Leveraging the role of NEPAD. Through NEPAD, Africa has created a collective vision of development and renaissance in the context of a rapid globalizing world. The translation of this vision into a program of concrete and credible action in the fight against poverty can only be achieved by the availability of a critical mass of African development management professionals as well as sound institutions capable of steering the development process.

ACBF Facilitation. ACBF will ensure that its partnership with the AFRITACs will help to cultivate and consolidate the principles of African ownership and leadership in partnership with the global development community to enable the joint programs to assist in the development of world-class technical experts for the efficient management of the economies of African countries.

responses to the Continent's capacity needs. The missions commenced in June 2003 and by the end of the year a total of 32 countries and one regional institution (SADC) had been covered. The countries covered included: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Madagascar, Malawi, Mauritania, Mozambique, Namibia, Niger, Rwanda, Sao Tome & Principe, Senegal, Swaziland, Tanzania, Uganda and Zambia.

The missions supported the development of 15 project proposals, 14 of which were approved by the Executive Board.

Partnership Programs. In 2003, the Secretariat highlighted the emerging significance of partnership programs in its growing portfolio. These were joint programs with the Canadian International Development Agency (CIDA), the IMF African Regional Technical Assistance Centers (AFRITACs) and a joint study with the Organization for International Migration (IOM).

The CIDA program focused on support to strengthen

staff competencies, program development strategies and performance management, access by the Foundation to Canadian expertise and technical advice in the development of country programs and specific targeted interventions, and support for the Foundation's emerging knowledge management programs.

In March 2003, ACBF and the IMF agreed on a joint program of activities that included the delivery of 8 courses targeting professionals from Eastern and Southern Africa as well as the UEMOA countries in West Africa.

AFRITAC West was launched in May 2003 and kicked off its activities in the second half of the year. The training activities for AFRITAC West became operational in December 2003 with the delivery of a workshop on fiscal decentralization held in Bamako, Mali. The Bamako workshop registered the participation of 30 officials from ministries of finance, the interior and decentralization. AFRITAC West offered the course jointly with regional institutions such as UEMOA, BCEAO, MDP and the Central Bank of Guinea.

For the Eastern and Southern Africa Region, the training activities were delivered in partnership with MEFMI and AFRITAC East. The four workshops organized for Eastern and Southern Africa registered the participation of 93 officials from 15 countries. The target groups included Accountants-General, Revenue Commissioners as well as senior banking officials and regulators from ministries of finance.

The selection of topics covered by the 8 training activities was in line with countries' ongoing capacity-building programs and reforms.

ACBF encouraged the utilization of regional experts, and arrangements are being made to increase the number of courses to be delivered under the responsibility of regional institutions. Other areas envisaged in the collaborative program included the following: (i) support by the IMF for the Foundation's evolving knowledge networks in Africa; (ii) the setting up of user-friendly hyperlinks between the IMF external website and that of the Foundation by topics (such as fiscal and monetary policies, and banking supervision) as well as by regions and beneficiary countries; (iii) provision of electronic access to IMF databases that were in the public

domain; (iv) provision of access to published reports on Standards and Codes data modules through user-friendly hyperlink to the Foundation's web site; (v) notification of the Foundation, on a systematic basis, of all major research activities that are to be organized by the IMF; and (vi) provision of complimentary copies of IMF publications to the Foundation's library. The Foundation will provide the IMF access to its Technical Advisory Panels and Networks (TAP-NETs) and facilitate IMF 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 exercise was agreed upon by the Secretariat and IOM and detailed Terms of Reference developed.

Project Supervision and Appraisal Missions. As at 31 December 2003, the Secretariat had undertaken 208 project supervision and appraisal missions. The target for the year was 209, based on the needs of the project portfolio for 2003. The missions, which comprised field visits to all active projects in the portfolio and financial supervision missions, constituted vital inputs in the project management process and contributed immensely toward the strengthening of project implementation.

Mid-term Reviews. Fourteen mid-term reviews of project performance were planned and conducted during the year. By the end of the year, performance reviews had been conducted for 8, namely: *BEAC/BCEAO Pôle Dette*, Civil Service Department (CSD), Tanzania; National Economic Council (NEC), Malawi; National Institute for Economic Policy (NIEP), South Africa; Namibian Economic Policy Research Unit (NEPRU), Namibia; Non-Governmental Organization Coordination Committee (NGOCC), Zambia; *Chambre des Comptes et de Discipline Budgétaire (CCDB)*, Djibouti; and the *Projet de Renforcement des Capacités en Gestion Economique et Financière (PRECAGEF)*, Gabon.

Project Completion Reports. In 2003, 9 projects were due to submit project completion reports. The reports for 5 (Centre for Policy Analysis, Phase I, Ghana; Economic Policy Management Training Program, Phase I, Côte d'Ivoire; Economic Policy Management Training Program, Phase I, Cameroon; Economic Policy Management Training Program, Phase I, Uganda; and the *Unité de Politique Economique*,

Table 6. List of ACBF-AFRITAC Courses/ Workshops in 2003

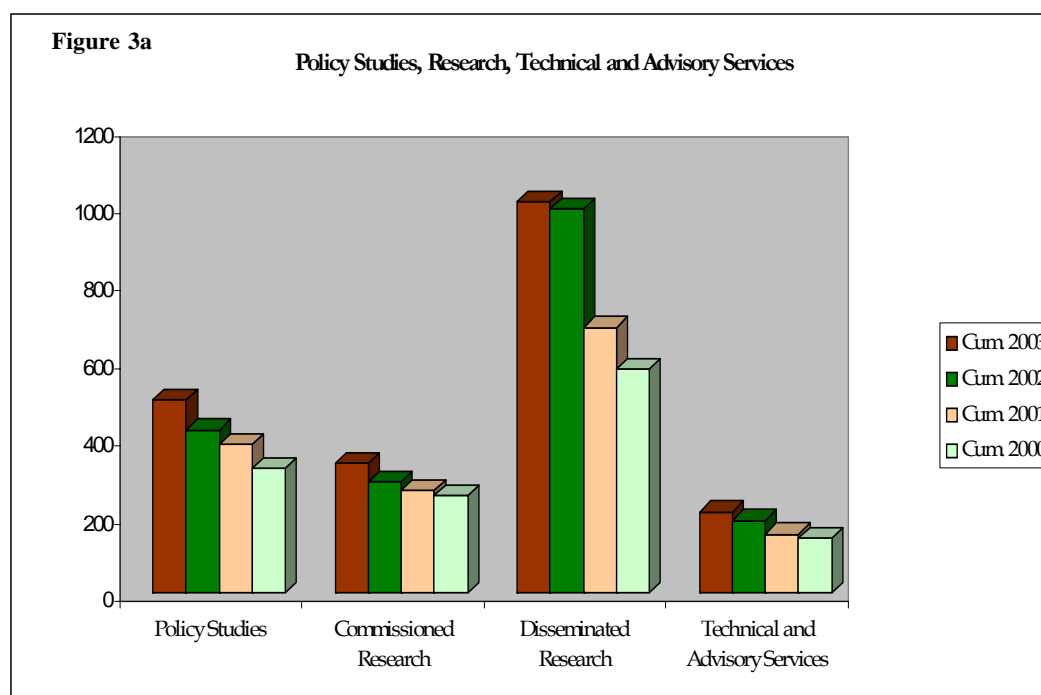
| | TITLE OF COURSE / WORKSHOP | DATE OF WORKSHOP | VENUE OF WORKSHOP |
|----|--|-----------------------|---------------------|
| 1. | Course on Risk-based Supervision | 17 – 18 November 2003 | Windhoek NAMIBIA |
| 2. | Course on Non-Performing Loans | 17 – 18 November 2003 | Windhoek NAMIBIA |
| 3. | Workshop on Revenue Modernization and Information Technology | 24 – 28 November 2003 | Nairobi KENYA |
| 4. | Workshop on Treasury Reforms | 1 – 5 December 2003 | Nairobi KENYA |
| 5. | Workshop on Decentralization and Local Finance | 15 – 19 December 2003 | Bamako MALI |

Ministère de l'Economie et des Finances, in Senegal) have been received.

Grant Agreements Negotiated and Signed. It was projected that 20 Grant Agreements would be negotiated and signed in 2003. A total of 22 were ultimately negotiated and signed.

Knowledge-based Activities

During the year, the Secretariat made notable progress in the implementation of its knowledge management strategy. The principal achievements included the following: (i) launch of TAP-NETs on parliamentary and statistical capacity building (PARLIANET and STATNET, respectively); (ii)

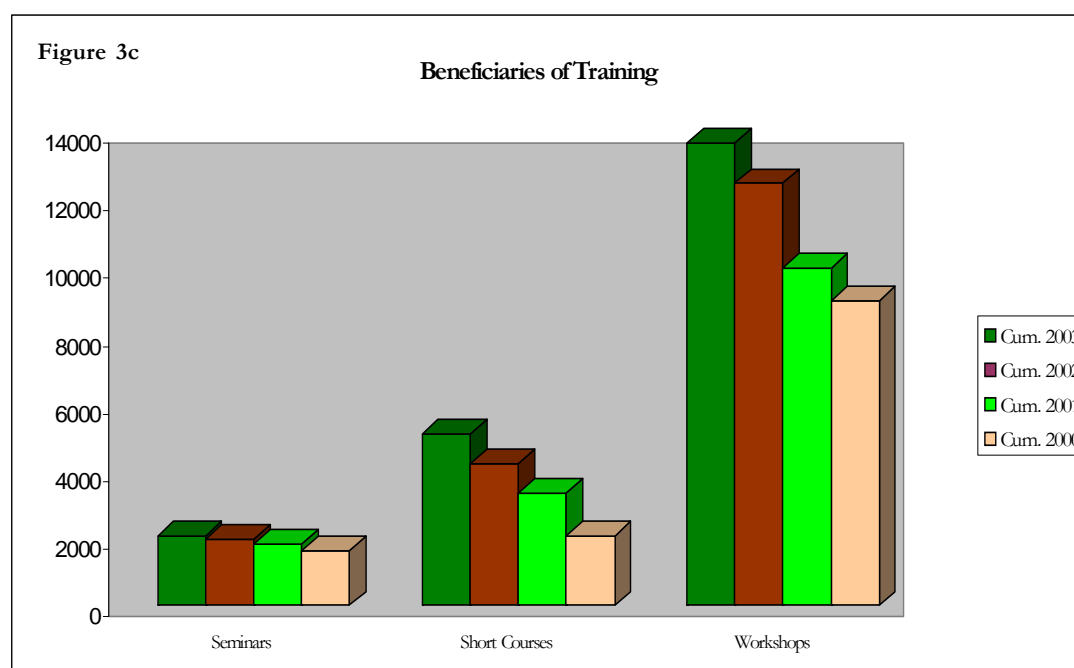
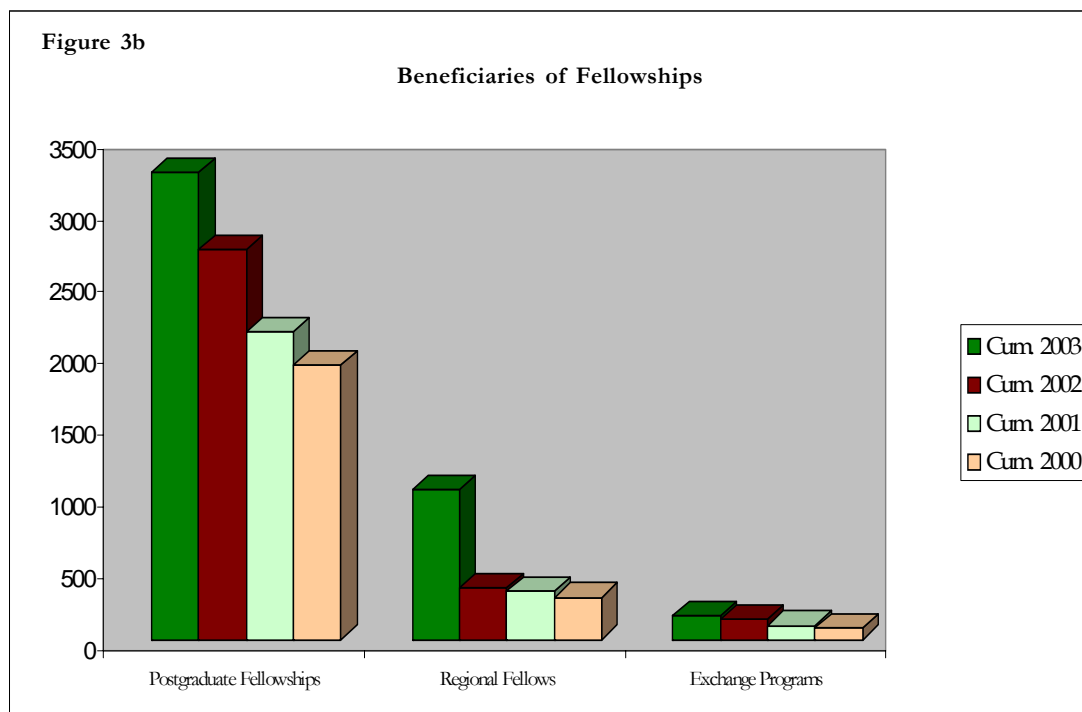
Figure 3. Portfolio Operations: Output Performance, 2000-2003

take-off of the four existing TAP-NETs; (iii) conclusion of operations and thematic research on national focal points, the impact of AIDS on public sector capacity, the market for development policy professionals, and capacity building in post-conflict environments; (iv) launch of a Senior Policymakers and Development Managers Knowledge Sharing Program; (v) approval of two CLKNETs (in Burkina Faso and Ghana); (vi) publication of a book, an Occasional Paper and three Lessons

Notes; (vii) website, portal and database development; and (viii) regular production and dissemination of the *ACBF Newsletter*. A detailed discussion of the Foundation's knowledge management activities is carried in Section E of this Chapter.

Program Support Activities

The Secretariat also made significant progress in its



Box 5.**CAPEs: At the Core of Capacity Building in Burkina Faso**

The *Centre d'Analyse des Politiques Economiques et Sociales (CAPEs)* Project in Burkina Faso was approved by the ACBF Executive Board in March 1997. The Grant Agreement was signed in September 2000, and became effective in July 2001. The project launched its activities formally in April 2002. Despite its very slow takeoff, CAPEs has, within 18 months, succeeded in positioning itself firmly at the cutting edge of capacity building in Burkina Faso. The Centre therefore has the potential of emerging as one of the most promising policy-unit operations in the Foundation's portfolio. For example:

- CAPEs has conducted a capacity needs assessment in Burkina Faso, which underscored the central role of capacity building in the country's development process. The principal result was that the study contributed toward shaping a shared vision of the role of capacity building in Burkina Faso. The study also set out the elements of a capacity-building strategy for the country. The Government of Burkina Faso plans to present the study to the donors roundtable conference in March 2004.
- CAPEs organized a National Capacity Building Forum on 28 – 29 April 2003, which afforded a broad cross-section of development players (the state, the private sector, civil society and decentralized communities) an opportunity to reflect on a national capacity-building strategy. The Forum recommended the development of a national capacity building plan, and bolstered the profile of CAPEs as a critical think tank on capacity building. Specifically, it enabled CAPEs to roll out an important study it had conducted entitled "Exports, Growth and Poverty Reduction", which influenced policymakers on the underlying policy issues it uncovered.
- Through CAPEs, capacity building has been mainstreamed in Burkina's revised PRSP. The document now acknowledges that reduction of the capacity building deficit constitutes a component of the country's poverty reduction strategy. The revised PRSP outlines the necessity for a holistic approach to capacity building and recommends that CAPEs should spearhead the preparation of a national capacity building plan.
- Many other public agencies (e.g. The Office of the President and the Ministry of the Public Service) have sought support from CAPEs in the areas of policy research and training. Already, the requests for technical support are so numerous that the Centre is unable to meet the demand. This points to the leadership role it is already playing in the area of public sector reform.
- CAPEs has already been able to build partnerships with other institutions and initiatives in the area of capacity building such as other similar policy units in the UEMOA zone; the World Bank Institute, in the area of capacity needs assessment methodology; the MINMAP network, which might be housed in CAPEs; the OECD Development Centre, which collaborates with CAPEs each year in conducting prospective studies in Burkina; and ECDPM, with which CAPEs will work on trade policy issues between the European Union and ACP-EU countries.
- CAPEs is presently spearheading the implementation of a national knowledge management policy through the establishment in December 2003 of a national experts roster and the development of a country-level knowledge network (RGC-B) financed by ACBF and lodged in CAPEs. In addition, the centre plays an active role in promoting national dialogue on capacity building issues through publication of a quarterly (*CAPEs infos*) Working Papers (10), as well as participation in numerous workshops, forums and radio/television programs. Lastly, CAPEs has accomplished notable strides in the development of its Documentation and Information Centre (CDI) by acquiring a significant number of high-quality materials. The centre is open to the public (at least 20 researchers visit the CDI every day). CAPEs also has a fully functioning website (www.capes.bf).

program support activities in 2003 (see Section E of this Chapter).

Overview of the Performance of ACBF-Funded Operations

The performance of the operations in the portfolio is presented along the six core competency areas in order to highlight their contributions to the achievements of global and national development goals aimed at reducing poverty, promoting growth

and employment, and reducing gender inequalities.

Economic Analysis and Management: Influencing the Policy Process

Policy Units. ACBF-funded public policy research centers have enhanced their technical role in supporting the policymaking process at the national as well as regional levels. In the Eastern and Southern Africa and West Africa regions, policy units have achieved professional experience in servicing the

implementation needs of reform programs due to a better enabling environment obtaining in those countries and the regions. In Central Africa, the experience with policy units is relatively new and the enabling environment has made it difficult for them to have a visible impact on economic management. The range of policy research undertaken by the policy units is quite broad. Overall, ACBF-funded operations have made strategic contributions to the transformation of the MDGs into actionable programs of poverty reduction through PRSPs and HIPC processes by providing informed-policy advice and participation in relevant government task forces responsible for managing those processes.

In most cases, policy centers working closely with governments have been more successful in generating research outputs through government White Papers on critical issues or sectors such as fiscal policy, agriculture, trade, health and education. In at least two countries efforts have been made to put the issue of engendering the budget on the policymaking agenda. Through interactions with heads of policy units, it has been noted that the agenda setting of major policy reforms requires strategies and actions that are not always within the reach of the mandates of policy centers. The policy centers have begun to engage more broadly a variety of policy actors - including parliaments, private sector organizations and civil society.

Training Programs. The Foundation is sponsoring training programs aimed at addressing core capacity gaps in economic management through degree-awarding programs as well as support to skills enhancement initiatives required for improving operational efficiency through short-term training. Both types of training programs have continued to produce impressive results. Building on the successful experiences of master's degree programs offered by the AERC, EPMs, PTCI and CESAG, the Foundation has supported AERC in developing a Ph.D. program that will meet the requirements of most advanced degree training institutions worldwide. This program has a considerable potential to strengthen the training and research capacity of African universities.

In addition to short-term training programs offered by MEFMI, BCEAO/BEAC and WAIFEM at the regional levels, the Foundation has started implementing workshops and courses in the area of financial management through its partnership with MEFMI and

AFRITAC. At the national level, training activities were undertaken by projects targeting mainly the public sector and, to a certain extent, parliamentarians.

Financial Management and Accountability

One capacity-building project was approved in Djibouti. However, activities aimed at enhancing financial management through short-term training as well as technical and advisory missions were undertaken by regional organizations such as MEFMI, WAIFEM, BEAC-BCEAO (*Pôle Dette*) and the AFRITACs. The training programs have addressed needs in areas ranging from debt and financial management to public expenditure and revenue administration.

National Parliaments

Besides the three full-fledged operations (CAPAN, Benin; PARP Nigeria; and PCP, South Africa) being supported by the Foundation, two SAFEWIND grants were approved in support of the establishment of parliamentary networks for the SADC and East African Parliaments as well as for a resource center in the Parliament of Zimbabwe.

CAPAN has already begun to make its mark as an innovative and dynamic vehicle for transforming the National Assembly of Benin into a more effective actor in the policy formulation, implementation and advocacy processes in the country. The PARP project became operational in September 2003 and is presently involved in the recruitment of its staff and procurement of equipment and operational facilities. The PCP operation took off toward the end of 2003, and stands to contribute much-needed support to the various technical committees of the Parliament of South Africa.

Interface Operations

The provision of support toward the design and implementation of interface projects has enabled non-state actors to have a voice on major development policy and governance issues. Interface projects have successfully engaged governments and international institutions on trade and debt policy issues. Indeed, civil society organizations have been active in advocacy work for debt cancellation in a number of countries supported by the Foundation. For instance, in Ghana, civil society organizations played a significant advocacy

role in global campaigns for debt cancellations owing to their improved knowledge of debt reduction issues acquired through advice from CEPA as well as through interactions with their Southern and Northern counterparts.

At the regional level, the PRIECA/AO operation has successfully established an effective forum for business leaders, governments and donors to discuss agricultural policies. PRIECA/AO is serving the region as the technical unit responsible for formulating development strategies for the agricultural sector for NEPAD and ECOWAS. It has enhanced its visibility by convening a major conference of ECOWAS ministers of agriculture, business leaders and farmers associations. PRIECA/AO published a comprehensive report on the negative effects of farm subsidies by the North on agricultural exports from Africa. The report was widely circulated and commented upon.

Lessons of Experience in the Implementation of Projects and Programs

During the year, the Foundation added a few more lessons to its stable of experience in the development, implementation and monitoring of projects and programs. These consist of the following:

- There is need to raise further the level of interaction with countries' existing institutional frameworks in the development of country capacity programs. Indeed, the Secretariat has come to the realization that a strong NFP or a proxy institution playing such a role remains an invaluable instrument for coordinating capacity building at the country level. Equally important is the level and capacity for effective participation of stakeholders, especially the private sector and civil society, in the design, implementation, monitoring and evaluation of country programs. ACBF program officers sought to ensure that Governments provided political support to NFPs and adopted participatory frameworks to enhance stakeholders' capacity to participate in the design of country programs. For example, in the case of Benin and Mauritania, the Foundation persuaded the Government to bring together the NFP, ACBF-supported policy units, the national PRSP team and the key representatives of umbrella organizations of civil society to form a

nucleus of the institutional support needed for implementing the relevant country program.

- In countries engaged in the implementation of pro-poor and growth-oriented development policies, policy units have been successful in assisting relevant government agencies in improving their capacity for economic policy formulation and monitoring. For instance, CMAP-Mauritania, UPE-Senegal, BIDPA-Botswana, EPRC-Uganda, ESRF-Tanzania and KIPPRA-Kenya and NEPRU-Namibia are widely recognized by government, the private sector, civil society and donors as reference points on matters of economic policy and management. The level of economic governance prevailing in those countries has created the appropriate conditions for growth in the demand for policy analysis works. All of the more successful policy units have managed to develop close working relationships with government, the private sector, civil society and donors. They have also succeeded in securing acceptance in important policy formulation processes such as membership on National Planning Commissions/Authorities, PRSP Task Forces, etc.
- The experience of policy units also illustrates that effective demand for policy analysis is not necessarily contingent on donor-funded activities, as it could be the case for Uganda and Tanzania. In Mauritania, Senegal, Botswana and Namibia, a significant number of requests for policy advice is generated by governments and private sector organizations. However, for most projects and programs, financial sustainability is still a challenge even though they have succeeded in reducing their dependency on donor funding for a substantial part of their recurrent operations. Indeed, the income generated by policy institutes through commissioned studies has been on the increase through studies aimed at supporting the implementation of the PRSPs, private sector development, trade and regional integration. Despite these positive developments, core funding from the Foundation has provided the needed boost for those institutions in their efforts to diversify their sources of income.
- Regional training programs have continued to enjoy strong support from donors and government agencies. Indeed, the AERC, BCEAO/BEAC (Macro) and MEFMI programs have continued to

attract interest from donors, other training institutions and regional bodies on the Continent. The marketing strategies pursued by these operations have made it possible for their services to gain wide visibility, which has, in turn, enabled them to maintain a successful record in attracting funding for their activities. The regular consultative forums organized by these three institutions have also created an effective framework for the exchange of experiences among stakeholders. However, experience continues to indicate the necessity to link training to career advancement. Due to the absence of a systematic nexus between the two, projects and programs continue to face difficulties in attracting top-grade executives for training.

- The institutional anchoring of a policy unit has an important bearing on its potential impact. As the cases of CAFPD in Mali and CEPEC in Guinea-Conakry illustrate, Offices of the President or Prime Minister may not necessarily be the best location for a policy unit. The design of these two operations was premised on two assumptions: (a) the proximity of the unit to the Office of the Prime Minister, which has general responsibility for policy coordination, and makes possible high-level visibility; and (b) the Office of the Prime Minister offers access to the most important decision-makers in the government. However, experience has shown that the urgency and multiplicity of short-term problems and the immediacy of political pressures tend to make it difficult for such policy units to command much of a President's or Prime Minister's priority attention – which results in the exercise of inadequate oversight or guidance.

G. Independent Mid-Term Evaluation of PACT

In February 2003, the World Bank completed an independent evaluation of the Partnership for Capacity Building in Africa (PACT) implemented by the Foundation. The PACT Memorandum of the President of May 1999 to the World Bank Board of Executive Directors required that an independent evaluation of progress in the implementation of PACT be conducted prior to the release of the third tranche of US\$ 30 million of the PACT grant. The Development Grant Facility (DGF) Committee of the World Bank commissioned an independent evaluation of PACT and appointed a team of three consultants led by Dr. Jerry Silverman.

The scope of the review was to assess ACBF's performance in the implementation of PACT. The evaluation was participatory as it involved interactions with members of the ACBF Secretariat, interviews with members of the Executive Board and Board of Governors, grant recipients and questionnaires sent to internal and external stakeholders. The review addressed issues relating to policy and strategy, management of the internal environment (including the governance structure), and how the Foundation was dealing with its external environment affecting its potential to mobilize resources for capacity building as well as new initiatives affecting development priorities on the Continent.

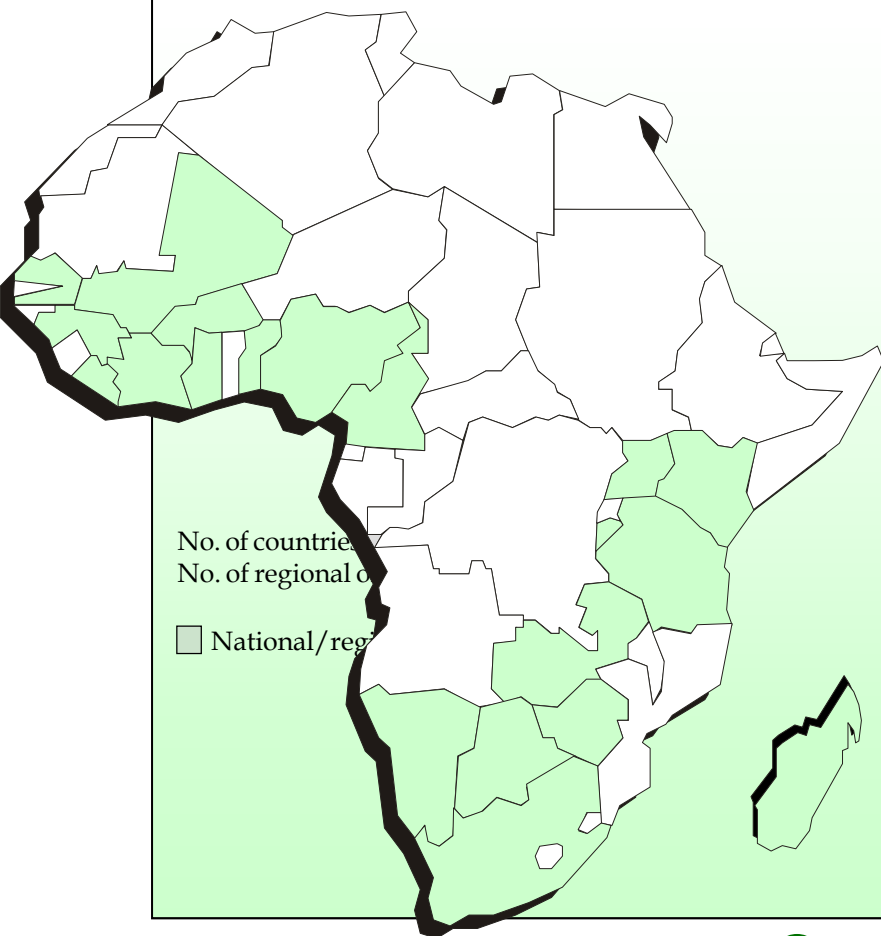
The evaluation confirmed that ACBF is an organization that strives to respond effectively to the expectations of its constituencies on capacity-building issues in its core competency areas. ACBF-supported interventions are indeed demand-driven and recognize the leadership of its African stakeholders in setting development goals and achieving national ownership in the implementation of projects and programs. The evaluation however suggested the need to rethink the rationale for the Foundation's involvement in all six core competency areas set out in the SMTP, 2002 – 2006.

While the Foundation can find satisfaction in the positive feedback received from its clients and supporters, it still has 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. The review revealed that, 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, its credibility.

The Report concluded that the Foundation is a success story in the recent annals of African development efforts. In a space of less than 12 years, ACBF has matured to the point that it now has

Map 1.

ACBF Country Coverage 1991 - 1999



Map 2.

a credible professional reputation of being the premier African institution providing long-term support to the development of human and institutional capacity for development policy analysis and management in Africa. The Report noted further that this is a remarkable achievement especially when the amount of financing available to ACBF has been infinitesimal as a share of the total resources provided by donors to technical cooperation in Africa.

H. Operational Challenges Confronting Capacity-Building Operations in the Field

Project development and implementation are fraught with many challenges that affect not only the prospects of successful implementation but also the quality and impact of outputs. Experience has shown that one of the main challenges faced at the project development stage is the degree of understanding and clarity by stakeholders of the issues or capacity gaps that the proposed project will address. Conflicting priorities, an imprecise or inaccurate assessment of the environment and the essential components involved as well as a lack of clear vision hamper the process of project/program development. To facilitate the development process, the Foundation provides both financial and technical support in recognition of the importance of this stage of the project cycle.

During project or program implementation, there are a number of constraints to consider. Although many of them arise on a case-by-case basis, there are recurring ones. For example, there is the challenge of recruiting skilled and experienced staff to manage the project or program adequately as these may be in short supply. This is often the main cause of delays in project implementation in the early stages. Related to this challenge is the ability of the staff to manage the project or program.

The capacity or willingness to comply with ACBF procedures is another challenge that the Foundation faces in the field. Indeed, the need for rigorous financial management, the use of competitive, transparent and open procedures for the procurement of goods and services as well as timely and informative reporting are not always well appreciated by beneficiaries. This goes to the heart of

compliance with the provisions of ACBF Grant Agreements and the need to seek no-objection from the Foundation when required. Indeed, many stakeholders often have difficulty appreciating the need to implement Grant Agreements as signed. Indeed, the Grant Agreement is a contract between two parties that sets out the framework for collaboration by its signatories. Failure to comply with its provisions can thus lead to the suspension of the grant. To avoid such a situation and improve the performance of the operations in its portfolio, the Foundation organized in 2002 and 2003 workshops for its project directors and finance officers. The workshops not only clarified the Foundation's rules and procedures but also provided guidance as to the design and implementation of project management tools.

Another concern is level of the effectiveness of the leadership of projects and programs. Governing bodies should be equipped to provide guidance and policy advice to the unit responsible for the daily management of the project or program. Thus, the composition of project steering committees and boards, the existence of clear terms of reference and a good understanding of the project or program and its objectives by steering committee members are critical factors. Equally important is the degree of commitment and continuity of the membership. The high turnover within government ministries and departments often results in changes in the membership of governing bodies, which can ultimately affect the performance of the operations concerned. Successful implementation requires a strong, committed and representative leadership that possesses the heft and credibility to build consensus and drive initiatives to fruition, especially in the case of interface operations. The Foundation has consistently monitored closely the decision-making processes of projects and programs in its portfolio in order to entrench the culture of commitment, consensus and consistency in their operations.

The degree of autonomy of the project or program in carrying out its activities is a challenge common to many operations. This applies in particular to those that are located in government ministries and regional organizations. Indeed, projects and programs need some independence to operate effectively and efficiently. They bring together various interests and parties and need to be able to

CHAPTER TWO

strike the appropriate balance among contending interests in order to achieve their objectives. This is particularly true of interface operations, which the Foundation started developing in 2000. Although a project or program is not a stand-alone entity and needs to receive input from its various stakeholders and beneficiaries, it is critical not to divert it from its

objectives or deviate the use of its resources toward other purposes. This is not always well understood by host institutions or the parties involved, which at times attempt to micro-manage the project for their own benefit. Close monitoring by the Foundation is therefore required in these cases.



A. Poverty Reduction Strategies

Since 1999, the World Bank and the IMF have jointly unveiled the Poverty Reduction Strategy Papers (PRSPs) as a new approach for accessing debt relief by Highly Indebted Poor Countries (HIPC) and for providing concessionary funding for low-income, poor countries. The Enhanced Structural Adjustment Facility (ESAF) of the IMF was renamed the Poverty Reduction and Growth Facility (PRGF) and the Structural Adjustment Credit (SAC) of the World Bank became the Poverty Reduction Strategy Credit (PRSC). Hence, most African governments have poverty reduction at the top of their policy agendas. As of December 2003, twenty-three PRSPs and I-PRSPs of African countries were completed and approved by the Executive Boards of both the World Bank and the IMF.

However, in practice, the process of the PRSP has suffered from a huge lack of capacity. It has been observed that many development practitioners in Africa, who are involved in poverty reduction initiatives, have little or no specialized training or skills in policy analysis and management for poverty reduction. As a result, Governments, national institutions and international organizations are beginning to take up this challenge with more innovative initiatives.

ACBF, in implementing its expanded mandate, plays a notable role in enhancing the capacity of African countries to embrace the challenge of poverty reduction. As a result, the Foundation designed its own initiative - the *Poverty Reduction Implementation, Monitoring, and Evaluation (PRIME)* program. The Foundation has also recommended that the projects in its portfolio should play a key role in national PRSP activities. In addition, the Foundation participates in many meetings and forums aimed at assessing strategies and programs.

ACBF's Strategy in Building Capacity for Implementing Poverty Reduction Strategies

In line with its mandate, ACBF is playing a supporting role in the of PRSP process on the

Continent. Firstly, in 2000, the Foundation identified some of the urgent needs that African governments and their development partners had to address.

Secondly, the Secretariat designed a new initiative, dubbed the “PRIME Initiative”, to enhance the PRSP process in Africa aimed at developing and strengthening sustainable relevant capacities on the Continent. It was recognized that this could be achieved by empowering the various domestic stakeholders in the PRSP process and improving institutional performance in addressing poverty issues, formulating pro-poor macroeconomic policies, and designing strategies for planning and implementing poverty reduction programs.

ACBF, through its portfolio of operations, has contributed to ongoing national PRSP processes in Africa. In 2000, the Executive Secretary, in a circular to ACBF Project Directors, urged them to adjust their work plans with a view to making their organizations more relevant to the issues involved in the design of the PRSP in their respective countries. The projects and programs in the Foundation's portfolio have made noteworthy progress in this regard. For instance:

- DMPA in Zambia is the technical secretariat for the national task force under the Ministry of Finance and Economic Development spearheading the poverty reduction strategy papers process.
- ESRF in Tanzania has been commissioned by the Government to be the local institution providing technical support to the Government in the preparation of the national PRSP.
- MEFMI has, through its courses, incorporated components designed to raise awareness and stimulate discussions among member states on the important role of poverty reduction strategies in economic management.
- AERC in Kenya, through his collaborative research project, entitled “Poverty, Income Distribution and Labor Market Issues”, has

addressed several interrelated components consisting of poverty, employment, labor markets, human capital, and the fiscal role of Government with respect to human resources.

- MEFMI, the BEAC/BCEAO Debt Management Program and WAIFEM have contributed to the implementation of the Enhanced HIPC Program of the IMF.
- PNRC-CMAP in Mauritania launched its research program by convening a national forum on the PRSP process. PNRC-CMAP has recorded some good results with its research agenda, which was in line with the priorities highlighted in the PRSP document.
- EPRC in Uganda has played an important role in the PRSP process, called the “Poverty Eradication Action Plan” (PEAP). EPRC worked on “Costing the Millennium Development Goals”. It assessed the feasibility and the costs of achieving the MDGs through the strategic sector plan aimed at realizing specific goals in the PEAP. It found that, on the basis of progress made to date towards achieving national economic and human development goals, Uganda could attain its international income poverty targets. Similarly, the main educational goal of 100% net enrolment rate at the primary school level by 2015 is achievable through the Universal Primary Education Program. Still, spending will have to double the current levels by 2015.
- In Benin, the Government commissioned the CAPE project to conduct two studies whose findings were used as inputs for the PRSP chapter on its poverty diagnosis. CAPE was also in charge of training activities relating to the Budget framework, MTEF, recommended for the PRSP. CAPE was able to train more than one hundred technical staff of the Ministries of Transport, Environment, Energy and Mines, and Justice on how to build a sector MTEF.

The Role of Capacity Building in Statistics

The preparation of the PRSP is a data-intensive process and focuses on the capacity of the national statistical system to deliver the data. It provides an important opportunity, not only to identify the

demand for poverty related data, but also to highlight areas where investment and improvement are needed. The PRSP process also focuses attention on data quality and thus requires an assessment of the different data collection systems and processes. The PRSP is a comprehensive approach, requiring data, information and analysis at the level of the macro-economy, individual sectors, including both productive and social sectors, and at the household or individual level.

Most African countries are characterized by weak national statistical capacity. This has resulted in poor quality and unreliable national statistics being used in the formulation and monitoring of development policies and programs. It is in light of this weakness, and the internationally recognized importance of reliable national statistics and indicators that, since January 2000, when ACBF expanded its mandate following the integration of the PACT Initiative into its fold, the Foundation has incorporated the strengthening and monitoring of national statistics as one of its six core competency areas. In doing so, the Foundation plans, in collaboration with African Governments, regional and sub regional institutions and other development partners, to re-build and strengthen inadequately staffed and poorly equipped systems of national accounts. This will involve developing a sustainable core of professionals and institutional structures (systems, processes, procedures and practices) that will, over time, generate and disseminate timely national accounts using agreed methodologies and formats based on the effective use of new information and communication technology.

Over the last three years, the Foundation has committed more than five million United States dollars in support of four major operations geared towards statistical capacity building. First, in collaboration with the International Labor Organization (ILO), the Foundation is supporting a sub-regional initiative to build capacity for the collection, analysis and monitoring of labour market statistics, with a view to generating poverty-related statistics for monitoring the performance of poverty reduction strategies and programs. The LMIS project, which is lodged at AFRISTAT, in Bamako, Republic of Mali, benefits Cameroon, Mali, Nigeria, Uganda and Zambia.

Second, the Foundation is financing the “*Projet de Renforcement des Capacités en Gestion Economique et Financière de la République Gabonaise (PRECAGEF)*” that is aimed at assisting the Government of Gabon to build and strengthen the human and institutional capacity of the Ministries of Finance and Planning, which are responsible for economic and financial data collection, storage, processing and dissemination for economic and financial policy research, analysis and formulation.

Third, the Foundation is supporting the “*Projet de Renforcement des Capacités en Gestion Economique et Financière de la République du Cameroun (CAMERCAP)*” to strengthen the institutional and human capacity of the departments and units in the Ministry of Economic Affairs and Finance that is responsible for statistics, vision formulation and modelling.

Fourth, the Foundation is supporting the *Projet de Renforcement des Capacités en Statistiques, Etudes Prospectives et Planification pour la Lutte contre la Pauvreté en République du Congo (RESPEC)* to enable the Government of the Republic of Congo to improve the performance of the Ministry of Economy, Finance and Budget (MEFB) and the Ministry of Planning and Economic Integration – two of the critical ministries responsible for the establishment of the requisite stable macroeconomic environment for sustainable reconstruction, rehabilitation and poverty reduction in Congo-Brazzaville.

Fifth, the Foundation is a member of the Board of the International Comparison Program (ICP).

Lastly, in order to make statistical capacity building an integral part of its core activities, the Foundation launched the Technical Advisory Panel and Network in Statistics (STATNET) on 23 - 24 October 2003. STATNET will focus on the sharing of best practices and contribute to the refinement of definitions, concepts, statistical analysis and the management of national accounts.

B. Regional Integration, Trade and Capacity Building in Africa

Increased regional cooperation/integration has been a long-standing goal in Africa. Despite the limited success of previous attempts, there is continued interest in the subject. In 1980, the OAU and

UNECA produced a major blueprint for the Continent’s economic and social development - the Lagos Plan of Action - with much emphasis on integration that was to culminate in the establishment of the Economic Community of African States by 2000. The plan focused on the development of economic cooperation among neighboring states as a stepping-stone towards the creation of the Community.

Since its inception, ACBF has provided support to regional co-operation on the Continent in various ways. Until 2000, such support was primarily directed towards operations that fostered indirectly regional co-operation by strengthening the countries’ capacity in macroeconomic, financial and debt management. The Foundation thus supported the development of a number of training programs, which today are models of training at the regional level in economics as well as economic and financial management. The PTCI, AERC, and EPM programs cover most of sub-Saharan Africa. Further, with the BCEAO/BEAC, MEFMI, and WAIFEM projects, the Foundation has helped to strengthen the capacity of African countries in macroeconomic, financial and debt management. The Foundation is supporting the PASU project at the OAU in support of the emergence of the African Economic Community (AEC). PASU continues to serve as a think tank and the primary capacity-building instrument in the Commission of the AU. PASU has participated in the formulation of various policies and programs within the AU and continues to carry out research and studies to support the AU’s efforts to promote greater integration on the Continent.

ACBF has committed up to US\$4.5 million for capacity building in the member countries of the *Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC)*, the Common Market for Eastern and Southern Countries (COMESA) and the Economic Community of West African States (ECOWAS). Also, in recognition of the critical and informed role that the consumer movement plays in the context of globalization, ACBF supports the African branch of Consumers International.

The deepening of globalization and the WTO trade liberalization program have imposed challenges on the member countries of the above regional economic groupings to: (i) better understand the rules of the multilateral trading system; and (ii) update

domestic legislation and expand programs of trade liberalization in order to capture opportunities arising from a relatively free trade regime that can set the pace for economic growth, social progress and poverty alleviation. Moreover, these regions have limited institutional and human capacity for evaluation and analysis that are necessary for effective trade negotiations and management. Often, participation of the private sector and civil society at large in the formulation of national and regional trade policy is also generally weak. Through its support, the Foundation seeks to provide not only institutional and human capacity to the member countries of these regions but also to create regional consultative frameworks for the public and private sectors on trade issues.

Indeed, capacity building in the area of trade constitutes an essential tool for reducing the

vulnerability of African countries to the impediments embedded in the global trading system to enable them to take advantage of the trading opportunities available on the world market. However, mainstreaming trade capacity building in a development strategy is both a complex issue and a resource consuming exercise that most developing economies cannot perform without external assistance. As a result, besides espousing the development of bilateral trade relations, the Doha Development Agenda has called for the international community to provide assistance in the area of capacity building for trade within a coherent framework such as the Doha Development Agenda Global Trust Fund, the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, and the Joint Integrated Technical Assistance Program.

Annexes



Annex A.1. 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 | 04/95 | 11/97 | 06/2003 | 1,600 |
| 3. | CAMERCAP | 04/2001 | Awaiting Effectiveness | 01/2007 | 1,708 |
| 4. | CAPE | 03/95 | 01/98 | 06/2003 | 1,500 |
| 5. | CAPE II | 12/2003 | Awaiting | Negotiation | 1,200 |
| 6. | CAPED | 12/2000 | Awaiting | 03/2007 | 1,500 |
| 7. | CAPEX | 03/97 | 08/2001 | 03/2005 | 1,600 |
| 8. | CEPA II | 04/2001 | 08/2001 | 12/06 | 1,700 |
| 9. | CEPOD | 12/2002 | 05/2003 | 11/2007 | 1,800 |
| 10. | CIRES-CAPEC I | 01/93 | 11/93 | 02/2000 | 1,750 |
| 11. | CIRES-CAPEC II | 05/2000 | 11/2001 | 04/2006 | 1,754 |
| 12. | CEPEC II | 11/99 | 5/2001 | 03/2005 | 1,500 |
| 13. | CREAM | 11/99 | 04/2003 | 06/2007 | 1,721 |
| 14. | DMPA | 05/95 | 02/96 | 12/2002 | 1,700 |
| 15. | DPC II | 12/2000 | 8/2001 | 11/2005 | 1,442 |
| 16. | EEA | 05/2000 | 5/2001 | 04/2006 | 1,030 |
| 17. | EDRI | 12/2001 | 05/2003 | 03/2007 | 1,500 |
| 18. | EPRC II | 05/98 | 05/98 | 05/2003 | 2,000 |
| 19. | EPRC III | 12/2003 | Awaiting | Negotiation | 1,802 |
| 20. | ESRF I | 10/92 | 03/94 | 10/98 | 1,700 |
| 21. | ESRF II | 05/98 | 06/99 | 06/2003 | 2,000 |
| 22. | ESRF III | 12/2003 | Awaiting | Negotiation | 1,500 |
| 23. | IDEC | 10/95 | 06/95 | 12/2006 | 2,000 |
| 24. | IPAR II | 12/2000 | 03/2002 | 08/2006 | 1,500 |
| 25. | KIPPRA | 04/95 | 05/98 | 03/2003 | 1,630 |
| 26. | KIPPRA II | 05/2003 | 12/2003 | 05/2009 | 1,700 |
| 27. | LIMPAC | 11/98 | Awaiting | Negotiation | 1,800 |
| 28. | NEPRU II | 12/2000 | 05/2001 | 11/2005 | 2,000 |
| 29. | PARCOSIT | 12/2003 | Awaiting | Negotiation | 936 |
| 30. | PRECASP | 12/2000 | 05/2001 | 10/05 | 1,100 |
| 31. | NIEP | 11/98 | 7/2000 | 07/2004 | 2,000 |
| 32. | PNRC-CAF | 12/2000 | 11/2001 | 02/06 | 1,300 |
| 33. | PNRC-CMAP | 12/2000 | 02/2001 | 03/2006 | 1,200 |
| 34. | RESPEC | 12/2003 | Awaiting | Negotiation | 1,517 |
| 35. | UPE | 04/93 | 07/94 | 12/2001 | 1,912 |
| 36. | ZEPARU | 12/2000 | Awaiting Effectiveness | 4/2006 | 1,500 |
| A.2. Public Sector Economic and Financial Management Training Programs | | | | | |
| 1. | AERC III | 4/2001 | 6/2001 | 12/2005 | 3,000 |
| 2. | CESAG | 12/2000 | 8/2001 | 4/2006 | 1,500 |
| 3. | EMPAC | 04/95 | 05/97 | 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 | 5/2002 | Awaiting Effectiveness | 5/2007 | 1,396 |
| 9. | MACROFOR | 12/2001 | 08/2002 | 12/2006 | 1,598 |
| 10. | NCEMA II | 11/98 | 07/99 | 12/2003 | 997 |
| 11. | NCEMA III | 12/2003 | Awaiting | Negotiation | 700 |
| 12. | PTCI II | 12/2000 | 12/01 | 06/2007 | 4,000 |
| 13. | SARIPS | 05/2000 | 06/2001 | 04/2004 | 1,500 |
| 14. | PROFESS | 04/2001 | 06/2001 | 12/2005 | 1,157 |
| 15. | 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 |

Annex A.1 Basic Data on ACBF-funded Projects and Programs (continued)

| Classification of Projects and Programs | | Approval Date | Effectiveness Date | Closing Date | Amount of Grant \$'000 |
|---|-----------------------|---------------------|--------------------|--------------|------------------------|
| 3. | CCDB | 04/2001 | 7/2001 | 01/2005 | 1,091 |
| 4. | IGE | 05/2003 | Awaiting | Negotiation | 998 |
| 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. | LMIS | 05/2000 | 10/2003 | 4/2007 | 2,000 |
| 2. | BCEAO/BEAC (MACRO) II | 12/2000 | 08/2001 | 11/2004 | 1,740 |
| 3. | BEAC/BCEAO (DEBT) | 11/99 | 9/2001 | 4/2004 | 1,650 |
| 4. | CEMAC | 12/2000 | 06/2002 | 5/2006 | 1,000 |
| 5. | ECOWAS | 05/2000 | 5/2002 | 2/2006 | 2,000 |
| 6. | IEF | 12/2000 | 07/2002 | 5/2006 | 3,000 |
| 7. | MEFMI | 11/96 | 02/98 | 01/2003 | 2,900 |
| 8. | PASU II | 12/2000 | 12/2000 | 06/2005 | 3,000 |
| 9. | WAIFEM | 5/2000 | 9/2000 | 04/2005 | 2,519 |
| B. Public Sector - Private Sector – Civil Society Interface Operations | | | | | |
| B.1. National Institutions | | | | | |
| 1. | CAREF | 12/2003 | Awaiting | Negotiation | 1,525 |
| 2. | CENAF | 12/2003 | Awaiting | Negotiation | 1,303 |
| 3. | CSD-PSF | 5/2000 | 04/2001 | 4/2004 | 1,335 |
| 4. | DRC-INTERFACE | 12/2003 | Awaiting | Negotiation | 1,498 |
| 5. | GICAP | 12/2001 | 06/2002 | 12/2006 | 850 |
| 6. | IDEG-CAP | 12/2002 | 04/2003 | 09/2007 | 1,500 |
| 7. | NEC | 12/2000 | 09/2001 | 12/2004 | 1,500 |
| 8. | NECF | 12/2000 | 06/2002 | 04/2006 | 2,000 |
| 9. | NGOCC | 5/2000 | 04/2001 | 04/2004 | 1,384 |
| 10. | NGO Council | 12/2001 | 08/2002 | 02/2007 | 850 |
| 11. | PARECAP | 12/2003 | Awaiting | Negotiation | 2,000 |
| 12. | PRIESP | 5/2000 | 01/2001 | 03/2005 | 723 |
| 13. | PSCGT | 5/2000 | 10/2001 | 12/2005 | 1,000 |
| 14. | SANGOCO | 5/2000 | 9/2001 | 12/2004 | 1,000 |
| B.2 Regional Organizations | | | | | |
| 1. | PRIECA/AO | 12/2000 | 2/2001 | 7/2005 | 1,431 |
| 2. | CONSUMERS INT. | 5/2000 | 10/2001 | 12/2005 | 1,000 |
| C. Special Interventions | | | | | |
| 1. | AMICAALL | 05/2000 | 09/2001 | 12/2005 | 1,000 |
| 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 | Negotiation | 300 |
| 2. | RGC-B | 12/2003 | Awaiting | Negotiation | 275 |

Annex A.3. Financing Status of ACBF-funded Projects and Programs as at 31 December 2003

| | Total Cost | ACBF's Share | Govt./Own Finance | Pledged Co-finance | Financing Deficit/ (Surplus) 2003 | Financing Deficit/(Surplus) 2002 |
|-----------------------|--------------------|--------------------|----------------------|-----------------------|---|--|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| AERC-CMAPI | 15,583,700 | 5,000,000 | - | 10,583,700 | - | - |
| AERC-CMAPI II | 12,267,124 | 3,000,000 | - | 9,267,124 | - | - |
| AERC-CMAPI III | 12,998,991 | 3,000,000 | - | 10,200,000 | (201,009) | - |
| AERC-PhD | 9,231,882 | 2,000,000 | - | - | 7,231,882 | 7,231,882 |
| 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) | 5,468,908 | 1,650,000 | - | 3,818,908 | - | - |
| 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 | - | - | - |
| CAFPD | 2,880,000 | 1,600,000 | 534,500 | - | 745,500 | - |
| CAMECARP | 2,173,850 | 1,708,850 | - | 465,000 | - | - |
| 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 | - |
| CAPED | 2,950,605 | 1,500,000 | 200,000 | - | 1,250,605 | 1,450,605 |
| CAPES | 3,215,256 | 1,600,000 | 321,526 | 1,293,730 | - | - |
| CAREF | 1,862,532 | 1,525,150 | 337,382 | - | - | - |
| 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 | - |
| 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 | - | - | 1,879,500 | 1,879,500 |
| CI | 4,000,000 | 1,000,000 | - | 3,000,000 | - | - |
| CIRES-CAPEC I | 1,750,000 | 1,750,000 | - | - | - | - |
| CIRES - CAPEC II | 2,192,500 | 1,754,000 | 438,500 | - | - | - |
| 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 | 577,693 |
| COMESA | 1,616,000 | 1,500,000 | 116,000 | - | - | - |
| CREAM | 2,371,270 | 1,721,270 | 200,000 | 450,000 | - | 650,000 |
| CSD | 29,084,709 | 1,335,903 | 2,200,000 | 19,353,923 | 6,194,883 | 6,194,883 |
| DMPA | 3,951,000 | 1,785,000 | 1,270,989 | 990,000 | (94,989) | (94,989) |
| DPCI | 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 | - |
| 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) |
| 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 | 762,451 |
| 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 | 580,167 |
| 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 | 961,888 |
| 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 | 1,152,717 |
| 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 | - |
| 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 | 1,056,497 | 564,000 | 1,959,503 | - |
| 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 |
| | 279,523,694 | 107,212,159 | 36,788,329 | 94,095,608 | 41,427,598 | 37,511,919 |

*Cancelled in July 1996

Annex A.3. Financing Status of ACBF-funded Projects and Programs as at 31 December 2003
(continued)

| | Total Cost 1 | ACBF's Share 2 | Govt./Own Finance 3 | Pledged Co-finance 4 | Financing Deficit/(Surplus) 2003 5 | Financing Deficit/(Surplus) 2002 6 |
|---|--------------------|----------------------|---------------------------|----------------------------|---|---|
| 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 | - |
| ILO | 1,500,000 | 1,500,000 | 457,113 | 455,660 | (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 | - |
| 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 | - | - |
| MEFM I | 25,000,000 | 2,900,000 | - | 22,100,000 | - | - |
| MEFM II | 18,343,132 | 2,500,000 | 11,556,000 | 10,055,000 | (5,767,868) | (5,767,868) |
| National Council of Non-Governmental | 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 | 4,697,845 |
| NEG | 349,700 | 300,000 | | | 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 | | - | - |
| NEPRU I | 3,665,000 | 2,400,000 | 1,265,000 | - | - | - |
| NEPRU II | 5,602,880 | 2,000,000 | 2,610,304 | 992,576 | - | - |
| NGOCC | 1,384,980 | 1,384,980 | - | - | - | - |
| NIEP | 5,565,044 | 2,000,000 | 1,817,869 | 1,747,175 | - | - |
| OAU/EDECO/PASU I | 3,000,000 | 3,000,000 | - | - | - | - |
| OAU/EDECO/PASU II | 7,709,074 | 3,000,000 | 4,709,074 | 1,716,000 | (1,716,000) | - |
| PARCOSIT | 1,040,422 | 936,380 | - | - | 104,042 | - |
| PARECAP | 3,097,308 | 2,000,000 | - | - | 1,097,308 | - |
| PARP | 3,536,925 | 2,000,000 | 1,536,925 | - | - | 1,536,925 |
| PDITPE | 2,000,000 | 2,000,000 | - | - | - | - |
| PNRC - CAF | 1,682,340 | 1,300,000 | - | 382,340 | - | - |
| PNRN - CMAP | 1,845,360 | 1,200,000 | 207,960 | 50,000 | 387,400 | 387,400 |
| PRECAGEF | 1,422,850 | 1,422,850 | - | - | - | - |
| PRECASP | 1,100,000 | 1,100,000 | - | - | - | - |
| PRIECA/AO | 3,346,154 | 1,431,594 | - | - | 1,914,560 | 1,914,560 |
| PRIESP | 901,365 | 723,330 | 78,035 | 100,000 | - | - |
| PROFESS | 1,538,450 | 1,157,090 | - | - | 381,360 | (912,430) |
| PSCGT | 3,090,858 | 1,000,000 | 1,460,000 | 200,000 | 430,858 | 6,000,000 |
| PSU | 3,164,500 | 1,859,100 | | 1,164,500 | 140,900 | 140,900 |
| PTCII | 12,400,000 | 5,000,000 | - | 4,789,800 | 2,610,200 | 2,610,200 |
| PTCIII | 12,742,365 | 4,000,000 | | 2,322,714 | 6,419,651 | 7,342,365 |
| Public Sector, Private Sector | 970,725 | 850,000 | 120,725 | - | - | - |
| RESPEC | 1,823,510 | 1,517,510 | - | - | 306,000 | - |
| RGC-B | 332,500 | 275,000 | - | | 57,500 | - |
| 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 | - | - | - |
| NFP (26) | 1,301,200 | 1,301,200 | | - | - | - |
| Safewind and Seed Grants (21) | 822,702 | 822,702 | | | | |
| | 537,892,017 | 200,997,184 | 80,960,434 | 180,420,678 | 75,513,721 | 68,859,257 |

Annex A.4. Status of Pledges and Contributions by Donors as at 31 December 2003 – 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 2003 - Phase II

| Organization/ Country | Amount Pledged US\$ (000) | Amount Paid-in US\$(000) | Remarks |
|--------------------------|------------------------------|-----------------------------|------------|
| African Development Bank | 6.000 | 3.027 | |
| Botswana | 0.300 | 0.300 | Fully Paid |
| Cameroon | 0.300 | - | |
| 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 Japanese contribution 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 2003 – ACBF-PACT Phase

| Country/ Organization | Amount National Currency US\$(million) | Pledged US Dollars USD (million) | Amount Paid in USD (million) | Remarks |
|--------------------------|--|--|------------------------------------|-----------------------|
| AfDB | | 12.000 | - | |
| Benin | | 0.500 | - | |
| Burkina Faso | | 0.250 | - | |
| Cameroon | | 0.750 | - | |
| Canada | C\$28.000 | 17.834 | 2.283 | |
| Denmark | | 5.000 | - | |
| Ethiopia | | 0.200 | - | |
| E.U. | •2.000 | 2.020 | - | |
| Finland | •2.000 | 2.020 | 0.704 | |
| France | | 5.051 | | |
| Gabon | | 0.800 | - | |
| IMF | | 4.000 | 0.400 | |
| Ireland | •4.000 | 4.041 | 1.061 | |
| Kenya | KSh50.000 | 0.700 | 0.079 | Funds in suspense A/C |
| Mali | | 0.750 | 0.300 | |
| Mauritania | | 0.250 | - | |
| Netherlands | •15.000 | 15.153 | - | |
| Nigeria | | 0.500 | 0.200 | Funds in suspense A/C |
| Norway | NOK75.000 | 10.393 | 2.139 | |
| Rwanda | | 0.200 | - | |
| Senegal | | 0.500 | 0.192 | |
| Sweden | SEK60.000 | 6.000 | 1.619 | |
| United Kingdom | £9.000 | 14.277 | 4.800 | |
| UNDP | | 1.000 | - | |
| USA | | 0.500 | - | |
| World Bank | | 55.000 | - | |
| Zambia | | 0.250 | - | |
| TOTAL | | 159.940 | 13.777 | |

Investment Income

3.255

Exchange Rates Used:

12/11/2002

USD1=CD1.57;

EUR=0.9899;

NOK=7.2164 ;

SEK=10 ;

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 National Currency | Pledged US Dollars | 2002 20% | 2003 20% | DRAWDOWN | | | 2006 20% | TOTAL 2006 |
|-------------------------|--------------------------------|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| AfDB | | 12.000 | 2.400 | 2.400 | 2.400 | 2.400 | 2.400 | 2.400 | 12.000 |
| Benin | | 0.500 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.500 |
| Burkina Faso | | 0.250 | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.250 |
| Cameroon | | 0.750 | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 | 0.750 |
| Canada | C\$28.000 | 17.834 | 3.567 | 3.567 | 3.567 | 3.567 | 3.567 | 3.567 | 17.834 |
| Denmark | | 5.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 5.000 |
| Ethiopia | | 0.200 | 0.040 | 0.040 | 0.040 | 0.040 | 0.040 | 0.040 | 0.200 |
| E.U. | •2.000 | 2.020 | 0.404 | 0.404 | 0.404 | 0.404 | 0.404 | 0.404 | 2.020 |
| Finland | •2.000 | 2.020 | - | 0.673 | 0.673 | 0.673 | - | - | 2.020 |
| France | •5.000 | 5.051 | 1.010 | 1.010 | 1.010 | 1.010 | 1.010 | 1.010 | 5.051 |
| Gabon | | 0.800 | 0.160 | 0.160 | 0.160 | 0.160 | 0.160 | 0.160 | 0.800 |
| Ireland | •4.000 | 4.041 | 0.808 | 0.808 | 0.808 | 0.808 | 0.808 | 0.808 | 4.041 |
| Kenya | KSh50.000 | 0.700 | 0.140 | 0.140 | 0.140 | 0.140 | 0.140 | 0.140 | 0.700 |
| Mali | | 0.750 | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 | 0.750 |
| Mauritania | | 0.250 | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.250 |
| Netherlands | •15.000 | 15.153 | 3.031 | 3.031 | 3.031 | 3.031 | 3.031 | 3.031 | 15.153 |
| Nigeria | | 0.500 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.500 |
| Norway | NOK75.000 | 10.393 | 2.079 | 2.079 | 2.079 | 2.079 | 2.079 | 2.079 | 10.393 |
| Rwanda | | 0.200 | 0.040 | 0.040 | 0.040 | 0.040 | 0.040 | 0.040 | 0.200 |
| Senegal | | 0.500 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.500 |
| Sweden | SEK60.00 | 6.000 | 1.200 | 1.200 | 1.200 | 1.200 | 1.200 | 1.200 | 6.000 |
| United Kingdom | £9.000 | 14.277 | 2.855 | 2.855 | 2.855 | 2.855 | 2.855 | 2.855 | 14.277 |
| UNDP | | 1.000 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 1.000 |
| USA | | 0.500 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.500 |
| World Bank | | 55.000 | 11.000 | 11.000 | 11.000 | 11.000 | 11.000 | 11.000 | 55.000 |
| Zambia | | 0.250 | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.250 |
| TOTAL | | 155.940 | 30.644 | 31.317 | 31.317 | 31.317 | 31.317 | 30.644 | 155.940 |

12/11/2002= USD1=CD1.57; EUR=0.9899; NOK=7.2164; SEK=10; BP=0.6304; BP=0.6304KSH = 71.43

* Technically, this table 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.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
FINANCIAL STATEMENTS
31 December 2003**

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The annual financial statements set out on pages 58 to 78 were approved by management on 27 April 2004 and are signed on its behalf by:



EXECUTIVE SECRETARY



MANAGER, FINANCE AND ACCOUNTS



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

We have audited the financial statements of the Fund set out on pages 58 to 78.

Respective responsibilities of directors and auditors

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

Basis of opinion

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

Opinion on financial statements

In our opinion the financial statements are properly drawn up in accordance with the provisions of the financial regulations of the African Capacity Building Foundation and in conformity with International Accounting Standards, so as to give, in all material respects, a true and fair view of the financial position of the Consolidated Capacity Building Trust Fund as at 31 December 2003 and of the results of the operations and cash flows for the financial year ended on that date.

DELOITTE & TOUCHE

27 April 2004

Annex B.1.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT
for the year ended 31 December 2003**

| | <u>2003</u> US\$ | <u>2002</u> US\$ |
|---|-----------------------------|-----------------------------|
| RECEIPTS | | |
| Receipts from Trust Funds | 28 509 590 | 21 088 988 |
| IMF Receipts | 400 000 | - |
| Interest earned | 33 448 | 55 689 |
| Miscellaneous | 192 | 7 122 |
| | 28 943 230 | 21 151 799 |
| EXPENDITURE | | |
| Core public sector projects | | |
| National economic policy analysis, research & training | | |
| Economic policy analysis & management programmes | | |
| Capital costs | 645 563 | 387 871 |
| Personnel | 2 828 011 | 2 765 355 |
| Research | 1 623 539 | 904 354 |
| Operation and maintenance | 932 075 | 521 455 |
| Training | 1 216 669 | 977 767 |
| Unallocated | 367 000 | 54 675 |
| Total economic policy analysis & management programmes | 7 612 857 | 5 611 477 |
| Economic & financial management training programmes | | |
| Capital costs | 618 394 | 235 745 |
| Personnel | 567 875 | 572 772 |
| Research | 147 748 | 212 051 |
| Operation and maintenance | 178 003 | 121 683 |
| Training | 2 286 720 | 3 032 871 |
| Unallocated | 101 281 | 141 584 |
| Total economic & financial management training programmes | 3 900 021 | 4 316 706 |
| Financial management & accountability | | |
| Capital costs | 163 034 | 75 535 |
| Operation and maintenance | 115 978 | 142 511 |
| Training | 162 421 | 38 316 |
| National Economic Policy: - Programmes | 518 | 25 426 |
| - Unallocated | 33 696 | 22 372 |
| Total financial management & accountability | 475 647 | 304 160 |
| Public administration and management | | |
| Capital costs | 72 056 | 84 025 |
| Operations and maintenance | 60 947 | 50 502 |
| Training | 21 591 | 43 759 |
| Unallocated | 13 676 | 10 327 |
| Total public administration and management | 168 270 | 188 613 |
| Total national economic policy analysis, research & training | 12 156 795 | 10 420 956 |

Annex B.2.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT (continued)
for the year ended 31 December 2003**

| | <u>2003</u> US\$ | <u>2002</u> US\$ |
|---|---------------------|---------------------|
| Core public sector regional organisations | | |
| Capital costs | 295 595 | 117 026 |
| Personnel | 434 415 | 359 537 |
| Research | 314 977 | 423 809 |
| Operation and maintenance | 262 726 | 276 181 |
| Training | 1 656 563 | 1 326 191 |
| Unallocated | 103 091 | 47 231 |
| Total core public sector regional organisations | 3 067 367 | 2 549 975 |
| Total core public sector projects | 15 224 162 | 12 970 931 |
| <u>Public, private sector, civil society interface</u> | | |
| National institutions | | |
| Capital costs | 75 167 | 175 352 |
| Personnel | 1 278 951 | 273 539 |
| Research | 172 020 | 110 435 |
| Operation and maintenance | 124 195 | 83 209 |
| Training | 451 228 | 128 052 |
| Programme activities | 587 081 | 931 052 |
| Unallocated | 145 302 | 61 275 |
| Total national institutions | 2 833 944 | 1 762 914 |
| Regional institutions | | |
| Capital costs | 47 823 | 75 822 |
| Personnel | 236 167 | 177 445 |
| Research | 41 441 | 84 584 |
| Operation and maintenance | 92 473 | 79 186 |
| Training | 283 416 | 131 632 |
| Total regional institutions | 701 320 | 548 669 |
| Total public, private sector, civil society interface | 3 535 264 | 2 311 583 |
| <u>Special intervention</u> | | |
| Capital costs | 40 858 | 35 731 |
| Personnel | 302 382 | 73 704 |
| Operation and maintenance | 114 855 | 57 433 |
| Training | 98 427 | 75 174 |
| Unallocated | - | 1 009 |
| Total special intervention | 556 522 | 243 051 |

Annex B.3.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
RECEIPTS AND EXPENDITURE STATEMENT (continued)
for the year ended 31 December 2003**

| | <u>Notes</u> | <u>2003</u> US\$ | <u>2002</u> US\$ |
|---|--------------|---------------------|---------------------|
| <u>National focal points</u> | | | |
| Capital costs | | 27 856 | 63 907 |
| Personnel | | - | 13 954 |
| Research | | 9 549 | 5 987 |
| Operation and maintenance | | - | 3 834 |
| Training | | 24 561 | 32 921 |
| Unallocated | | - | 6 123 |
| Total national focal points | | 61 966 | 126 726 |
| <u>Special Projects:</u> | | | |
| Safewind and seed grants | | 151 848 | - |
| <u>Partnership Arrangements</u> | | | |
| CIDA/ACBF Collaboration | | 41 889 | - |
| IMF/ACBF (AFRITACS) | | 364 944 | - |
| Total partnership arrangements | | 406 833 | - |
| Bank charges on disbursements | | 7 219 | - |
| Workshops | | 41 735 | (25 930) |
| (Recovery of)/Provision for doubtful advances | 10.1 | (236 403) | 897 018 |
| Total expenditure on programmes | | 19 749 146 | 16 523 379 |
| <u>Administration expenditure</u> | | | |
| <u>Direct project related expenditure:</u> | | | |
| Country capacity profiles | 10.2 | 34 331 | - |
| Country assessment and project identification | 10.3 | 38 128 | 35 040 |
| Project proposal preparation | 10.4 | 114 291 | 15 568 |
| Project appraisal | 10.5 | 41 752 | 24 177 |
| Project supervision and monitoring | 10.6 | 519 852 | 312 353 |
| | | 748 354 | 387 138 |
| Knowledge networking and programme support activities | | 485 382 | 447 002 |
| <u>Other administration expenditure:</u> | | | |
| Professional staff expenses | | 3 528 711 | 2 911 508 |
| Support staff expenses | | 276 707 | 260 937 |
| Consultants fees and travel costs | | 143 395 | 359 719 |
| Public relations and outreach | 10.7 | 58 079 | 40 972 |
| General expenses | 10.8 | 659 242 | 585 380 |
| Other | 10.9 | 176 824 | 228 333 |
| | | 4 842 958 | 4 386 849 |
| Total administration expenditure | | 6 076 694 | 5 220 989 |
| CONSOLIDATED EXPENDITURE ON PROGRAMMES AND ADMINISTRATION | | 25 825 840 | 21 744 368 |
| EXCESS OF RECEIPTS OVER EXPENDITURE/ (EXPENDITURE OVER RECEIPTS) | 4 | 3 117 390 | (592 569) |

Annex B.4.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
BALANCE SHEET
31 December 2003**

| | <u>Notes</u> | <u>2003</u> US\$ | <u>2002</u> US\$ |
|--|--------------|---------------------|---------------------|
| ASSETS | | | |
| Non current assets | | | |
| Property, plant and equipment | 5 | 341 071 | 383 441 |
| Current assets | | | |
| Inventory | 6 | 51 631 | 11 880 |
| Accounts receivable | 7 | 570 558 | 509 868 |
| Bank balances and cash | 8 | 6 867 154 | 4 341 161 |
| Unretired advances to projects | 9 | 10 453 332 | 9 920 710 |
| Total current assets | | 17 942 675 | 14 783 619 |
| TOTAL ASSETS | | 18 283 746 | 15 167 060 |
| ACCUMULATED FUNDS AND LIABILITIES | | | |
| Accumulated funds | 4 | 17 480 578 | 14 363 188 |
| Current liabilities | | | |
| Accounts payable | | 803 168 | 803 872 |
| TOTAL ACCUMULATED FUNDS AND LIABILITIES | | 18 283 746 | 15 167 060 |

Annex B.5.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
CASH FLOW STATEMENT
for the year ended 31 December 2003**

| | <u>2003</u> US\$ | <u>2002</u> US\$ |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Excess of receipts over expenditure/(expenditure over receipts) | 3 117 390 | (592 569) |
| Adjustments for: | | |
| Loss/(profit) on disposal of assets | 7 056 | (7 122) |
| Depreciation | 116 809 | 72 421 |
| Interest receivable | (33 448) | (55 689) |
| Operating cash flows before working capital changes | 3 207 807 | (582 959) |
| Increase in unretired advances | (532 622) | (1 498 052) |
| (Increase)/decrease in accounts receivable | (60 690) | 283 832 |
| (Decrease)/Increase in accounts payable | (704) | 285 722 |
| (Decrease)/ Increase in inventory | (39 751) | 1 140 |
| Cash used in operations | (633 767) | (1 510 317) |
| Cash flows from investing activities | | |
| Proceeds on disposal of motor vehicles | - | 7 122 |
| Purchase of property, plant and equipment | (81 495) | (128 374) |
| Interest received | 33 448 | 55 689 |
| Net cash used in investing activities | (48 047) | (65 563) |
| Net increase/(decrease) in cash and cash equivalents | 2 525 993 | (1 575 880) |
| Cash and cash equivalents at 31 December 2002 | 4 341 161 | 5 917 041 |
| Cash and cash equivalents at 31 December 2003 | 6 867 154 | 4 341 161 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
31 December 2003**

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.

3.2 Depreciation of fixed assets

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

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

3.3 Receipts

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

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2003**

3. Accounting policies (continued)**3.4 Grants**

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

3.5 Stock

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

3.6 Employee benefits

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

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

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

| | <u>2003</u> US\$ | <u>2002</u> US\$ |
|---|---------------------|---------------------|
| 4. Accumulated funds | | |
| Balance – 31 December 2002 | 14 363 188 | 14 955 757 |
| Transferred from receipts and expenditure statement | 3 117 390 | (592 569) |
| | <hr/> | <hr/> |
| Balance – 31 December 2003 | 17 480 578 | 14 363 188 |
| | <hr/> | <hr/> |

Annex B.6.

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2003**

5. Property, plant and equipment

| <u>Cost</u> | Balance <u>31 Dec 02</u> US\$ | <u>Additions</u> US\$ | <u>Disposals</u> US\$ | Balance <u>31 Dec 03</u> US\$ |
|---------------------------------|-------------------------------------|---------------------------------------|--------------------------|-------------------------------------|
| Library books | 38 178 | 7 533 | - | 45 711 |
| Motor vehicles | 86 712 | - | - | 86 712 |
| Computers | 465 791 | 38 162 | (7 173) | 496 780 |
| Furniture and equipment | 203 601 | 35 800 | (473) | 238 928 |
| | <u>794 282</u> | <u>81 495</u> | <u>(7 646)</u> | <u>868 131</u> |
| <u>Accumulated depreciation</u> | Balance <u>31 Dec 02</u> US\$ | Charge for <u>the year</u> US\$ | <u>Disposals</u> US\$ | Balance <u>31 Dec 03</u> US\$ |
| Library books | 5 815 | 2 005 | - | 7 820 |
| Motor vehicles | 27 453 | 17 342 | - | 44 795 |
| Computers | 276 523 | 79 254 | (478) | 355 299 |
| Furniture and equipment | 101 050 | 18 208 | (112) | 119 146 |
| | <u>410 841</u> | <u>116 809</u> | <u>(590)</u> | <u>527 060</u> |
| | Balance <u>31 Dec 02</u> US\$ | | | Balance <u>31 Dec 03</u> US\$ |
| Net book amount | <u>383 441</u> | | | <u>341 071</u> |
| Comprising:- | | | | |
| Library books | 32 363 | | | 37 890 |
| Motor vehicles | 59 259 | | | 41 916 |
| Computers | 189 268 | | | 141 480 |
| Furniture and equipment | 102 551 | | | 119 785 |
| | <u>383 441</u> | | | <u>341 071</u> |

Annex B.6. (continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

| | <u>2003</u> US\$ | <u>2002</u> US\$ |
|---|---------------------|---------------------|
| 6. Inventory | | |
| Consumables | 51 631 | 11 880 |
| 7. Accounts receivable | | |
| Amount due from staff gratuity/savings scheme fund | 37 247 | 8 585 |
| Staff loans | 112 649 | 109 457 |
| Staff advances | 10 936 | 5 764 |
| Travel advances | 224 998 | 174 224 |
| Prepayments | 2 041 | 6 125 |
| Other | 182 687 | 205 713 |
| | 570 558 | 509 868 |
| 8. Bank balances and cash | | |
| United States dollars- Standard Chartered Bank London | 6 262 413 | 4 058 162 |
| United States dollars- Stanbic Bank and Standard Chartered Bank | 535 480 | 332 510 |
| Foreign currencies- Stanbic Bank and Standard Chartered Bank | 69 261 | (49 511) |
| | 6 867 154 | 4 341 161 |

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

Annex B.7.

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003

9. Unretired advances to projects

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | <u>Cumulative grant expenditure</u> US\$ | <u>Unretired advance</u> US\$ |
|-----------------------------------|-----------------|-------------------------------|---|---|----------------------------------|
| Phase I | | | | | |
| AERC-CMAP I | Regional | 5 000 000 | 5 000 000 | 5 000 000 | - |
| AIPA I | South Africa | 150 000 | 150 000 | 150 000 | - |
| AIPA II | South Africa | 1 001 730 | 1 001 730 | 1 001 730 | - |
| BCEAO/BEAC | Regional | 1 050 000 | 950 900 | 950 900 | - |
| BIDPA | Botswana | 3 000 000 | 2 663 329 | 2 663 329 | - |
| CAFPD | Mali | 1 600 000 | 1 447 291 | 1 297 291 | 150 000 |
| CAPE | Benin | 1 500 000 | 1 334 114 | 1 194 114 | 140 000 |
| CAPES | Burkina Faso | 1 600 000 | 905 694 | 755 694 | 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 | 2 742 560 | 2 742 560 | - |
| EMPAC | Ethiopia | 1 410 000 | 445 589 | 389 482 | 56 107 |
| 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 | 1 803 505 | 1 792 327 | 11 178 |
| IPAR | Kenya | 2 525 000 | 2 530 806 | 2 530 806 | - |
| KIPPRA | Kenya | 1 630 000 | 1 630 000 | 1 629 916 | 84 |
| McGILL | Regional | 2 136 000 | 1 788 135 | 1 459 290 | 328 845 |
| MEFMI | Regional | 2 900 000 | 2 900 000 | 2 900 000 | - |
| NCEMA I | Nigeria | 990 000 | 990 000 | 990 000 | - |
| NEPRU | Namibia | 2 400 000 | 2 399 566 | 2 374 723 | 24 843 |
| OAU/EDECO/PASU | Regional | 3 000 000 | 3 002 676 | 2 727 013 | 275 663 |
| PDTPE | Zimbabwe | 2 000 000 | 1 901 512 | 1 901 512 | - |
| PTCI | Regional | 5 000 000 | 4 830 797 | 4 830 797 | - |
| UPE | Senegal | 1 912 200 | 1 725 855 | 1 651 312 | 74 543 |
| Total grant commitments - Phase I | | 61 849 895 | 56 961 216 | 55 417 769 | 1 543 447 |
| Phase II | | | | | |
| AERC-CMAP | Regional | 3 000 000 | 3 000 000 | 3 000 000 | - |
| BCEAO/BEAC (debt) II | Regional | 1 650 000 | 1 298 410 | 1 148 410 | 150 000 |
| CNPG -CEPEC II | Guinea | 1 500 000 | 491 783 | 391 783 | 100 000 |
| CREAM | Madagascar | 1 721 270 | 226 687 | 126 687 | 100 000 |
| EPM CAMEROON | Cameroon | 2 000 000 | 1 856 122 | 1 695 565 | 160 557 |
| EPM GHANA | Ghana | 2 000 000 | 1 713 576 | 1 713 576 | - |
| EPRC II | Uganda | 2 000 000 | 1 971 373 | 1 971 373 | - |
| ESRF II | Tanzania | 2 000 000 | 1 994 209 | 1 994 209 | - |
| LIMPAC | Liberia | 1 800 000 | - | - | - |
| NCEMA II | Nigeria | 997 940 | 954 143 | 854 134 | 100 009 |
| NIEP | South Africa | 2 000 000 | 1 368 790 | 1 263 679 | 105 111 |
| | | 20 669 210 | 14 875 093 | 14 159 416 | 715 677 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

9. Unretired advances to projects (continued)

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | <u>Cumulative grant expenditure</u> US\$ | <u>Unretired advance</u> US\$ |
|---|-----------------|-----------------------------------|---|---|--------------------------------------|
| EPM Abidjan | Cote d'Ivoire | 2 000 000 | 2 000 000 | 1 934 087 | 65 913 |
| EPM Uganda | Uganda | 2 000 000 | 1 866 471 | 1 578 798 | 287 673 |
| Sub-Total | | <hr/> 4 000 000 | <hr/> 3 866 471 | <hr/> 3 512 885 | <hr/> 353 586 |
| Total grant commitments - Phase II | | <hr/> 24 669 210 | <hr/> 18 741 564 | <hr/> 17 672 301 | <hr/> 1 069 263 |
| Total grant commitments - Phases I & II | | <hr/> 86 519 105 | <hr/> 75 702 780 | <hr/> 73 090 070 | <hr/> 2 612 710 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

9. Unretired advances to projects (continued)

Projects under expanded mandate

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | <u>Cumulative grant expenditure</u> US\$ | <u>Unretired advance</u> US\$ |
|-----------------|-----------------|-----------------------------------|---|---|--------------------------------------|
| AERC-CMAP III | Regional | 3 000 000 | 1 815 446 | 1 565 446 | 250 000 |
| AERC – PHD | Regional | 2 000 000 | 459 784 | 209 784 | 250 000 |
| AMICAAL | Swaziland | 1 060 000 | 515 328 | 415 328 | 100 000 |
| BCEAO/BEAC II | Regional | 1 738 857 | 886 913 | 686 913 | 200 000 |
| BIDPA II | Botswana | 1 500 000 | 745 021 | 595 021 | 150 000 |
| CAMECAP | Cameroon | 1 708 850 | 298 561 | 197 760 | 100 801 |
| CAPE II | Benin | 1 200 000 | - | - | - |
| CAFED | Niger | 1 500 000 | 360 147 | 210 147 | 150 000 |
| CAREF | Cameroon | 1 525 150 | - | - | - |
| CCDB | Djibouti | 1 091 310 | 593 023 | 493 023 | 100 000 |
| CEMAC | Regional | 1 000 000 | 444 245 | 344 245 | 100 000 |
| CENAF | Gabon | 1 305 933 | - | - | - |
| CEPA II | Ghana | 1 700 000 | 778 849 | 578 849 | 200 000 |
| CEPOD | Senegal | 1 800 000 | 233 235 | 33 235 | 200 000 |
| CESAG | Regional | 1 500 000 | 660 597 | 560 597 | 100 000 |
| CIRES-CAPEC II | Cote d'Ivoire | 1 754 000 | 613 097 | 463 097 | 150 000 |
| COMESA | Regional | 1 500 000 | 138 873 | 38 873 | 100 000 |
| Consumer Int. | Regional | 1 000 000 | 611 596 | 511 596 | 100 000 |
| DPC II | Nigeria | 1 442 210 | 222 637 | 122 637 | 100 000 |
| DRC – INTERFACE | DRC | 1 489 090 | - | - | - |
| ECOWAS | Regional | 2 000 000 | 207 803 | 4 833 | 202 970 |
| EDRI | Ethiopia | 1 500 000 | 207 994 | 57 994 | 150 000 |
| EEA | Ethiopia | 1 030 000 | 555 991 | 455 991 | 100 000 |
| EPM II | Cameroon | 2 000 000 | 306 499 | 106 499 | 200 000 |
| EPM II | Cote d'Ivoire | 2 000 000 | 393 983 | 193 983 | 200 000 |
| EPM II | Ghana | 2 000 000 | 200 000 | - | 200 000 |
| EPM II | Uganda | 2 000 000 | 375 531 | 275 269 | 100 262 |
| EPRC III | Uganda | 1 802 891 | - | - | - |
| ESRF III | Tanzania | 1 500 000 | - | - | - |
| IDEC II | Burundi | 2 000 000 | 516 838 | 416 838 | 100 000 |
| IDEG | Ghana | 1 500 000 | 153 443 | 2 770 | 150 673 |
| IEF | Regional | 3 000 000 | 273 708 | 73 708 | 200 000 |
| IGE | Djibouti | 998 985 | - | - | - |
| ILO | Regional | 1 500 000 | - | - | - |
| IPAR II | Kenya | 1 500 000 | 1 095 105 | 992 105 | 103 000 |
| KIPPRA II | Kenya | 1 700 000 | 250 000 | - | 250 000 |
| LMMP | Lesotho | 1 396 000 | - | - | - |
| MACROF | DRC | 1 598 164 | 545 096 | 445 096 | 100 000 |
| MEFM II | Regional | 2 500 000 | 1 173 618 | 873 618 | 300 000 |
| NC-NGO | Kenya | 850 000 | 230 776 | 130 776 | 100 000 |
| MCBP (PFMR) | Rwanda | 3 000 000 | 367 339 | 116 589 | 250 750 |
| NCEMA | Nigeria | 700 000 | - | - | - |
| NEC | Malawi | 1 500 000 | 911 307 | 811 307 | 100 000 |
| NECF | Zimbabwe | 2 000 000 | 514 243 | 414 243 | 100 000 |
| NEG | Ghana | 300 000 | - | - | - |
| NEPRU II | Namibia | 2 000 000 | 1 085 449 | 889 000 | 196 449 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

9. Unretired advances to projects (continued)

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | <u>Cumulative grant expenditure</u> US\$ | <u>Unretired advance</u> US\$ |
|--|-----------------|-----------------------------------|---|---|--------------------------------------|
| Projects under expanded mandate | | | | | |
| NGOCC | Zambia | 1 384 980 | 505 910 | 405 910 | 100 000 |
| OAU-PASU II | Regional | 3 000 000 | 1 703 259 | 1 603 259 | 100 000 |
| PARCOSIT | Chad | 936 380 | - | - | - |
| PARECAP | Burkina Faso | 2 000 000 | - | - | - |
| PARP | Nigeria | 2 000 000 | 150 000 | - | 150 000 |
| PNRC-CAF | Guinea Bissau | 1 300 000 | 519 631 | 319 631 | 200 000 |
| PNRC-CMAP | Mauritania | 1 200 000 | 671 216 | 521 216 | 150 000 |
| PRECAGEF | Gabon | 1 422 850 | 420 780 | 320 780 | 100 000 |
| PRECASP | Sao Tome | 1 100 000 | 612 303 | 512 303 | 100 000 |
| PRIECA/AO | Regional | 1 431 594 | 1 237 992 | 1 087 992 | 150 000 |
| PRIESP | Mali | 723 330 | 622 499 | 542 499 | 80 000 |
| PROFESS | Chad | 1 157 090 | 462 132 | 362 132 | 100 000 |
| PRSP (CSD) | Tanzania | 1 335 903 | 956 385 | 856 385 | 100 000 |
| PSCGT | Kenya | 1 000 000 | 802 852 | 702 852 | 100 000 |
| PSU | South Africa | 1 859 100 | 200 000 | - | 200 000 |
| PTCI II | Regional | 4 000 000 | 2 032 136 | 1 532 136 | 500 000 |
| Public Sector, Private Sector Interface | Gambia | 850 000 | 353 603 | 253 603 | 100 000 |
| RESPEC | Congo | 1 517 510 | - | - | - |
| RGC-B | Burkina Faso | 275 000 | - | - | - |
| SANGOCO | South Africa | 1 200 000 | 627 720 | 527 720 | 100 000 |
| SARIPS | Regional | 1 500 000 | 440 134 | 340 134 | 100 000 |
| UAPD (CAPAN) | Benin | 1 600 000 | 346 904 | 196 904 | 150 000 |
| UNAM MPPA | Namibia | 850 000 | 527 731 | 427 731 | 100 000 |
| WAIFEM | Regional | 2 519 000 | 1 414 263 | 1 307 702 | 106 561 |
| ZEPARU | Zimbabwe | 1 500 000 | - | - | - |
| Sub-Total | | 112 354 177 | 33 349 525 | 25 108 060 | 8 241 465 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | <u>grant expenditure</u> US\$ | <u>Unretired advance</u> US\$ |
|------------------------------|-----------------------------|-----------------------------------|---|--------------------------------------|--------------------------------------|
| National Focal Points | | | | | |
| CRC | Cape Verde | 50 000 | - | - | - |
| HRDA | Rwanda | 50 000 | 25 000 | - | 25 000 |
| PFRC | Mauritania | 50 000 | 37 637 | 12 637 | 25 000 |
| Senarec | Benin | 50 000 | 49 954 | 24 954 | 25 000 |
| NFP | Botswana | 50 000 | - | - | - |
| Senarec | Burundi | 50 000 | 25 000 | - | 25 000 |
| Senarec | Cameroon | 50 000 | - | - | - |
| Senarec | Central African Republic | 50 000 | 25 000 | - | 25 000 |
| Senarec | Chad | 50 000 | 40 623 | 30 874 | 9 749 |
| Senarec | DRC | 50 000 | 48 823 | 23 823 | 25 000 |
| Senarec | Guinea | 51 200 | 32 834 | 30 206 | 2 628 |
| Senarec | Guinea Bissau | 50 000 | - | - | - |
| NFP | Nigeria | 50 000 | - | - | - |
| Senarec | Sao Tome | 50 000 | 43 717 | 18 717 | 25 000 |
| NFP | Swaziland | 50 000 | - | - | - |
| NFP | Uganda | 50 000 | - | - | - |
| NFP | Zambia | 50 000 | - | - | - |
| SNRC | Cote d'Ivoire | 50 000 | 46 761 | 21 761 | 25 000 |
| NFP | Lesotho | 50 000 | - | - | - |
| NFP | Namibia | 50 000 | - | - | - |
| NFP | Malawi | 50 000 | - | - | - |
| NFP | Mali | 50 000 | - | - | - |
| NFP | Republic of Congo | 50 000 | - | - | - |
| NFP | Tanzania | 50 000 | - | - | - |
| NFP | Togo | 50 000 | 25 000 | - | 25 000 |
| Total national focal points | | 1 301 200 | 450 344 | 190 573 | 259 771 |
| Safewind & seed grants (21) | | 822 702 | 164 181 | 164 181 | - |
| Total grant commitments | | | | | |
| - expanded mandate | | 114 478 079 | 33 964 050 | 25 462 814 | 8 501 236 |
| Doubtful advances/debts | | | | 660 614 | (660 614) |
| GRAND TOTAL | | 200 997 184 | 109 666 830 | 99 213 498 | 10 453 332 |

Annex B.9. (continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003

| | | Cumulative grant expenditure 2003 US\$ | Unretired advance 2002 US\$ |
|------------------------|--|--|---|
| 10. Expenditure | | | |
| 10.1 | <u>(Recovery of)/Provision for doubtful advances</u> | | |
| | <u>Programme</u> <u>Coverage</u> | | |
| | CERDI-AUREDI Regional | (272 778) | 272 778 |
| | EMPAC Ethiopia | 36 375 | 19 732 |
| | McGILL Regional | - | 328 845 |
| | OAU/EDECO/PASU Regional | - | 275 663 |
| | | 236 403 | 897 018 |
| 10.2 | <u>Country Capacity Profiles</u> | | |
| | Consultants Fees | 9 406 | - |
| | Staff travel costs | 24 925 | - |
| | | 34 331 | - |
| 10.3 | <u>Country assessment and project identification</u> | | |
| | Consultants fees | - | 23 551 |
| | Consultants travel costs | 25 077 | 8 653 |
| | Staff travel costs | 13 051 | 2 836 |
| | | 38 128 | 35 040 |
| | | US\$ | US\$ |
| 10.4 | <u>Project proposal preparation</u> | | |
| | Consultants fees | 48 600 | 1 577 |
| | Consultants travel costs | 27 536 | 4 073 |
| | Staff travel costs | 38 155 | 9 918 |
| | | 114 291 | 15 568 |
| | | 2003 US\$ | 2002 US\$ |
| 10.5 | <u>Project appraisal</u> | | |
| | Consultants fees | 1 500 | - |
| | Staff travel costs | 40 252 | 24 177 |
| | | 41 752 | 24 177 |
| 10.6 | <u>Project supervision and monitoring</u> | | |
| | Consultants fees | 83 338 | 37 050 |
| | Consultants travel costs | 46 219 | 38 548 |
| | Staff travel costs | 390 295 | 236 755 |
| | | 519 852 | 312 353 |

Annex B.9. (continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

| | | Cumulative Grant <u>Expenditure</u> 2003 | Unretired <u>advance</u> 2002 |
|------|---|--|--|
| | | US\$ | US\$ |
| 10.7 | <u>Public Relations and Outreach</u> | | |
| | Production and dissemination of information | 9 092 | 9 630 |
| | Documentary on ACBF | 19 142 | 6 672 |
| | Public relations | 29 845 | 24 670 |
| | | 58 079 | 40 972 |
| 10.8 | <u>General expenses</u> | | |
| | Communication expenses | 26 772 | 31 752 |
| | Recruitment expenses | 91 086 | 54 529 |
| | Conferences and meetings travel costs | 94 845 | 109 595 |
| | Publications | 7 203 | 14 073 |
| | Board expenses | 288 386 | 250 463 |
| | Stationery/office supplies | 25 858 | 24 892 |
| | Office rent | 17 444 | 21 068 |
| | Other operating expenses | 107 648 | 79 008 |
| | | 659 242 | 585 380 |
| 10.9 | <u>Other</u> | | |
| | Depreciation costs | 116 809 | 72 421 |
| | Financial expenses | 47 698 | 150 255 |
| | Audit fees | 12 317 | 5 657 |
| | | 176 824 | 228 333 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

11. Grant commitments

The Foundation has entered into Grant agreements with a number of institutions to make available funds for projects. The funds will be made available from the Consolidated Capacity Building Trust Fund of the Foundation. The commitments have been grouped into commitments from the original mandate termed phase 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\$ | Total undisbursed balance US\$ |
|--|---------------|---------------------------|-------------------------------------|---|
| Phase I | | | | |
| AERC-CMAP I | Regional | 5 000 000 | 5 000 000 | - |
| AIPA I | South Africa | 150 000 | 150 000 | - |
| AIPA | South Africa | 1 01 730 | 1001 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 | 1 447 291 | 152 709 |
| CAPE | Benin | 1 500 000 | 1 334 114 | 165 886 |
| CAPES | Burkina Faso | 1 600 000 | 905 694 | 694 306 |
| 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 |
| ESAIDARM | Regional | 2 000 000 | 2 000 000 | - |
| ESRF | Tanzania | 1 700 000 | 1 577 113 | 122 887 |
| IDEC | Burundi | 2 000 000 | 1 803 505 | 196 495 |
| IPAR | Kenya | 2 525 000 | 2 530 806 | (5 806) |
| KIPPRA | Kenya | 1 630 000 | 1 630 000 | - |
| McGILL | Regional | 2 136 000 | 1 788 135 | 347 865 |
| MEFMI | Regional | 2 900 000 | 2 900 000 | - |
| NCEMA | Nigeria | 990 000 | 990 000 | - |
| NEPRU | Namibia | 2 400 000 | 2 399 566 | 434 |
| OAU/EDECO/PASU | Regional | 3 000 000 | 3 002 676 | (2 676) |
| PDTPE | Zimbabwe | 2 000 000 | 1 901 512 | 98 488 |
| PTCI | Regional | 5 000 000 | 4 830 797 | 169 203 |
| UPE | Senegal | 1 912 200 | 1 725 855 | 186 345 |
| Total grant commitments - Phase I | | 61 849 895 | 56 961 216 | 4 888 679 |

Annex B.9. (continued)

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

11. Grant commitments (continued)

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | Total undisbursed <u>balance</u> US\$ |
|--|-----------------|-----------------------------------|---|--|
| Phase II | | | | |
| AERC-CMAP II | Regional | 3 000 000 | 3 000 000 | - |
| BCEAO/BEAC II | Regional | 1 650 000 | 1 298 410 | 351 590 |
| CNPG-CEPEC II | Guinea | 1 500 000 | 491 783 | 1 008 217 |
| CREAM | Madagascar | 1 721 270 | 226 687 | 1 494 583 |
| EPM | Cameroon | 2 000 000 | 1 856 122 | 143 878 |
| EPM | Ghana | 2 000 000 | 1 713 576 | 286 424 |
| EPRC II | Uganda | 2 000 000 | 1 971 373 | 28 626 |
| ESRF II | Tanzania | 2 000 000 | 1 994 209 | 5 791 |
| LIMPAC | Liberia | 1 800 000 | - | 1 800 000 |
| NCEMA II | Nigeria | 997 940 | 954 143 | 43 767 |
| NIEP | South Africa | 2 000 000 | 1 368 790 | 631 210 |
| | | <hr/> | <hr/> | <hr/> |
| | | 20 669 210 | 14 875 093 | 5 794 117 |
| | | <hr/> | <hr/> | <hr/> |
| EPM (Japanese funded) | Uganda | 2 000 000 | 1 866 471 | 133 529 |
| EPM (Japanese funded) | Cote d'Ivoire | 2 000 000 | 2 000 000 | - |
| | | <hr/> | <hr/> | <hr/> |
| | | 4 000 000 | 3 866 471 | 133 529 |
| | | <hr/> | <hr/> | <hr/> |
| Total grant commitments - Phase II | | 24 669 210 | 18 741 564 | 5 927 646 |
| | | <hr/> | <hr/> | <hr/> |
| Total grant commitments - Phases I & II | | 86 519 105 | 75 702 780 | 10 816 325 |
| | | <hr/> | <hr/> | <hr/> |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

11. Grant commitments (continued)

| | | Grant | Cumulative | Total |
|--|---------------|-----------------|----------------------|--------------------|
| | Coverage | <u>approved</u> | <u>disbursements</u> | <u>undisbursed</u> |
| | | US\$ | US\$ | US\$ |
| Projects Under Expanded Mandate | | | | |
| AERC-CMAP III | Regional | 3 000 000 | 1 815 446 | 1 184 554 |
| AERC-PhD | Regional | 2 000 000 | 459 784 | 1 540 216 |
| AMICAAL | Swaziland | 1 060 000 | 515 328 | 544 672 |
| BCEAO/BEAC II | Regional | 1 738 857 | 886 913 | 851 944 |
| BIDPA | Botswana | 1 500 000 | 745 021 | 754 979 |
| CAMECAP | Cameroon | 1 708 850 | 298 561 | 1 410 289 |
| CAPE II | Benin | 1 200 000 | - | 1 200 000 |
| CAPED | Niger | 1 500 000 | 360 147 | 1 139 853 |
| CAREF | Cameroon | 1 525 150 | - | 1 525 150 |
| CCDB | Djibouti | 1 091 310 | 593 023 | 498 287 |
| CEMAC | Regional | 1 000 000 | 444 245 | 555 755 |
| CENAF | Gabon | 1 305 933 | - | 1 305 933 |
| CEPA II | Ghana | 1 700 000 | 778 849 | 921 151 |
| CEPOD | Senegal | 1 800 000 | 233 235 | 1 566 765 |
| CESAG | Regional | 1 500 000 | 660 597 | 839 403 |
| CIRES-CAPEC II | Cote d'Ivoire | 1 754 000 | 613 097 | 1 140 903 |
| COMESA | Regional | 1 500 000 | 138 873 | 1 361 127 |
| Consumer International | Regional | 1 000 000 | 611 596 | 388 404 |
| DPC II | Nigeria | 1 442 210 | 222 637 | 1 219 573 |
| DRC – INTERFACE | DRC | 1 489 090 | - | 1 489 090 |
| ECOWAS | Regional | 2 000 000 | 207 803 | 1 792 197 |
| EDRI | Ethiopia | 1 500 000 | 207 994 | 1 292 006 |
| EEA | Ethiopia | 1 030 000 | 555 991 | 474 009 |
| EPM II – Cameroon | Cameroon | 2 000 000 | 306 499 | 1 693 501 |
| EPM II – Cote D'Ivoire | Cote d'Ivoire | 2 000 000 | 393 983 | 1 606 017 |
| EPM II – Ghana | Ghana | 2 000 000 | 200 000 | 1 800 000 |
| EPM II – Uganda | Uganda | 2 000 000 | 375 531 | 1 624 469 |
| EPRC III | Uganda | 1 802 891 | - | 1 802 891 |
| ESRF III | Tanzania | 1 500 000 | - | 1 500 000 |
| IDEC II | Burundi | 2 000 000 | 516 838 | 1 483 162 |
| IDEG | Ghana | 1 500 000 | 153 443 | 1 346 557 |
| IEF | Regional | 3 000 000 | 273 708 | 2 726 292 |
| IGE | Djibouti | 998 985 | - | 998 985 |
| ILO | Regional | 1 500 000 | - | 1 500 000 |
| IPAR II | Kenya | 1 500 000 | 1 095 105 | 404 895 |
| KIPPRA II | Kenya | 1 700 000 | 250 000 | 1 450 000 |
| LMMP | Lesotho | 1 396 000 | - | 1 396 000 |
| MACROFOR | DRC | 1 598 164 | 545 096 | 1 053 068 |
| MEFI II | Regional | 2 500 000 | 1 173 618 | 1 326 382 |
| National council for | | | | |
| Non Governmental | Kenya | 850 000 | 230 776 | 619 224 |
| NCBF (PFMR) | Rwanda | 3 000 000 | 367 339 | 2 632 661 |
| NCEMA III | Nigeria | 700 000 | - | 700 000 |
| NEC | Malawi | 1 500 000 | 911 307 | 588 693 |
| NECF | Zimbabwe | 2 000 000 | 514 243 | 1 485 757 |
| NEG | Ghana | 300 000 | - | 300 000 |

Annex B.9. (continued)

THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003

Grant commitments (continued)

| <u>Coverage</u> | | <u>Grant approved</u> | <u>Cumulative disbursements</u> | <u>Total undisbursed balance</u> |
|---------------------------------|----------------------------|-----------------------|---------------------------------|----------------------------------|
| | | US\$ | US\$ | US\$ |
| Projects Under Expanded Mandate | | | | |
| NEPRU II | Namibia | 2 000 000 | 1 085 449 | 914 551 |
| NGOCC | Zambia | 1 384 980 | 505 910 | 879 070 |
| OAU PASU II | Regional | 3 000 000 | 1 703 259 | 1 296 741 |
| 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 |
| PNRC-CAF | Guinea Bissau ¹ | 3 000 000 | 519 631 | 780 369 |
| PNRC-CMAP | Mauritania | 1 200 000 | 671 216 | 528 784 |
| PRECAGEF | Gabon | 1 422 850 | 420 780 | 1 002 070 |
| PRECASP | Sao Tome | 1 100 000 | 612 303 | 487 697 |
| PRIECA/AO | Regional | 1 431 594 | 1 237 992 | 193 602 |
| PRIESP | Mali | 723 330 | 622 499 | 100 831 |
| PROFESS | Chad | 1 157 090 | 462 132 | 694 958 |
| PRSP (CSD) | Tanzania | 1 335 903 | 956 385 | 379 518 |
| PSCGT | Kenya | 1 000 000 | 802 852 | 197 148 |
| PCP (PSU) | South Africa | 1 859 100 | 200 000 | 1 659 100 |
| PTCI II | Regional | 4 000 000 | 2 032 136 | 1 967 864 |
| Public sector, Private | | | | |
| Sector, Civ | Gambia | 850 000 | 353 603 | 496 397 |
| RESPEC | Congo | 1 517 510 | - | 1 517 510 |
| RGC-B | Burkina Faso | 275 000 | - | 275 000 |
| SANGOCO | South Africa | 1 200 000 | 627 720 | 572 280 |
| SARIPS | Regional | 1 500 000 | 440 134 | 1 059 866 |
| UAPD (Capan) | Benin | 1 600 000 | 346 904 | 1 253 096 |
| UNAM MPPA | Namibia | 850 000 | 527 731 | 322 269 |
| WAIFEM | Regional | 2 519 000 | 1 414 263 | 1 104 737 |
| ZEPARU | Zimbabwe | 1 500 000 | - | 1 500 000 |
| Sub total | | 112 354 177 | 33 349 525 | 79 004 652 |

**THE AFRICAN CAPACITY BUILDING FOUNDATION
CONSOLIDATED CAPACITY BUILDING TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2003**

| | <u>Coverage</u> | <u>Grant approved</u> US\$ | <u>Cumulative disbursements</u> US\$ | <u>undisbursed balance</u> US\$ |
|--|--------------------------|-----------------------------------|---|--|
| NFPs | | | | |
| CRC-Cape Verde | Cae Verde | 50 000 | - | 50 000 |
| HRDA | Rwanda | 50 000 | 25 000 | 25 000 |
| PFRC | Mauritania | 50 000 | 37 637 | 12 363 |
| Senarec Benin | Benin | 50 000 | 49 954 | 46 |
| NFP Botswana | Botswana | 50 000 | - | 50 000 |
| Senarec Burundi | Burundi | 50 000 | 25 000 | 25 000 |
| Senarec Cameroon | Cameroon | 50 000 | - | 50 000 |
| Senarec CAR | Central African Republic | 50 000 | 25 000 | 25 000 |
| Senarec Chad | Chad | 50 000 | 40 623 | 9 377 |
| Senarec DRC | DRC | 50 000 | 48 823 | 1 177 |
| Senarec Gabon | Gabon | 50 000 | 49 995 | 5 |
| Senarec Guinea | Guinea | 51 200 | 32 834 | 18 366 |
| Senarec Guinea Bissau | Guinea Bissau | 50 000 | - | 50 000 |
| NFP Nigeria | Nigeria | 50 000 | - | 50 000 |
| Senarec Sao Tome | Sao Tome | 50 000 | 43 717 | 6 283 |
| NFP Swaziland | Swaziland | 50 000 | - | 50 000 |
| NFP Uganda | Uganda | 50 000 | - | 50 000 |
| NFP Zambia | Zambia | 50 000 | - | 50 000 |
| SNRC | Cote d'Ivoire | 50 000 | 46 761 | 3 239 |
| NFP Lesotho | Lesotho | 50 000 | - | 50 000 |
| NFP Namibia | Namibia | 50 000 | - | 50 000 |
| NFP Malawi | Malawi | 50 000 | - | 50 000 |
| NFP Mali | Mali | 50 000 | - | 50 000 |
| NFP | Republic of Congo | 50 000 | - | 50 000 |
| NFP | Tanzania | 50 000 | - | 50 000 |
| NFP | Togo | 50 000 | 25 000 | 50 000 |
| TOTAL NFP's | | 1 301 200 | 450 344 | 850 856 |
| SAFEWIND and Seed Grants | | 822 702 | 164 182 | 658 520 |
| Total Commitment Expanded Mandate | | 114 478 079 | 33 964 050 | 80 514 029 |
| Consolidated Grant Commitment | | 200 997 184 | 109 666 830 | 91 330 354 |

12. 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 2003)

| Member | Governor | Alternate |
|--------------------------|--|----------------------|
| United Kingdom | Barrie Ireton (Chair) | Richard Thomas |
| Gabon | Senturel Madougou (Vice-Chair) | |
| Zambia | Felix C. Mutati (Vice Chair) | |
| 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 | Heather Cameron | Denis Potvin |
| Chad | Mahamat Ali Hassan | |
| Congo (DRC) | André Phillipe Futa | |
| Côte d'Ivoire | Antoine Bohoun Bouabré | |
| Denmark | Bo Jensen | Gitte Hundahl |
| Finland | Pasi Hellman | Paula Koski |
| France | Mireille Guigaz | Laurent Fontaine |
| Ghana | Yaw Osafo-Maafo | |
| Ireland | Brendan Rogers | Aine Hearn |
| IMF | Abdoulaye Bio-Tchané | Claire Liuksila |
| Kenya | David Mwiraria | Anyang Nyong'o |
| Malawi | Friday Jumbe | Phillip Bwanali |
| Mali | Bassary Toure | Aboubacar A. Toure |
| Mauritania | Abdallah Ould Souleymane Ould Cheikh-Sidia | |
| Mauritius | G. Wong So | |
| The Netherlands | Roeland van der Geer | Gerda Dommerholt |
| Nigeria | Ngozi Okonjo-Iweala | Haruna U. Sanusi |
| Norway | Jon Lomøy | Kjell Storløkken |
| Rwanda | Donald Kaberuka | David Himbara |
| Senegal | Abdoulaye Diop | |
| Sweden | Lennarth Hjelmaker | Per Trulsson |
| Tanzania | Basil Mramba | |
| Uganda | Gerald Ssendaula | Isaac Isanga Musumba |
| UNDP | Abdoulie Janneh | Jacques Loup |
| United States of America | Wade Warren | |
| The World Bank | Callisto Madavo | |
| Zimbabwe | Herbert Murerwa | |

Annex C.2. Executive Board (as at 31 December 2003)

Independent Board Members

Mr. Emmanuel Tumusiime-Mutebile (Chairperson)*

Mrs. Joan Corkery (Vice-Chair)

Ms. Winnie Byanyima

Mr. Poul Engberg-Pedersen

Dr. Gloria Somolekae

Mr. John Loxley

Mrs. Elisabeth Tankeu

Mr. Kerfalla Yansane

Representatives of Sponsoring Agencies

Mr. Jean Barut , United Nations Development Programme**

Mr. Henock Kifle, African Development Bank

Mr. Jit Bahadur S. Gill, The World Bank* **

Executive Secretary

Mr. Soumana Sako

* Was appointed on 26 June 2003 in replacement of Mr. Kwesi Botchwey

** Was reassigned to a new position in the United Nations system in November 2003

*** Replaced Mr. Brain Levy in December 2003

Annex C.3. Management and Staff (as of 31 December 2003)

| | | |
|-----------------------------|---|---|
| Soumana Sako | - | Executive Secretary (Mali) |
| <hr/> | | |
| 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) |
| Edwin N. Forlemu | - | Special Assistant; Manager, Legal Services Department; and Manager, a.i., Administration and Human Resources Department (Cameroon) |
| Constantine Mandengu | - | Manager, Finance and Accounts Department (Zimbabwe) |
| Samba Ka | - | Program Team Leader, Operations Zone III (Senegal) |
| Jacques G. Katuala | - | Program Team Leader, Operations Zone II (Democratic Republic of Congo) |
| Mercy Bruce-Amanquah | - | Senior Human Resources Officer (Ghana) |
| Grace Ongile | - | Senior Program Officer (Kenya) |
| Adeboye Adeyemo | - | Program Officer (Nigeria) |
| Grace Banya | - | Program Officer (Uganda) |
| Anthony Barclay | - | Program Officer (Liberia) |
| Ernest Etti | - | Program Officer (Cameroon) |
| Sally Linda Mulalu | - | Program Officer (Zambia) |
| Coffi Rémy Noumon | - | Program Officer (Benin) |
| Claude Sinzogan | - | Program Officer (Benin) |
| Dieynaba Tandian | - | Program Officer (Senegal) |
| François Yao | - | Program Officer (Côte d'Ivoire) |
| Felix Yé | - | Program Officer (Burkina Faso) |
| Rosa Ongeso | - | Outreach Officer; and Public Relations and Media Officer, a.i. (Kenya) |
| Charlotte Ndlovu | - | Budget and Finance Analyst (Zimbabwe) |
| 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) |
| Jules Roger Ketcha Nzoundji | - | Disbursement Officer (Cameroon) |
| Grace Wamala | - | Disbursement Officer (Uganda) |
| Jasper Muvezwa | - | Library and Information Centre Assistant (Zimbabwe) |
| Chester Kwambana | - | Accounts Assistant (Zimbabwe) |
| Nomhle Veli Moyo | - | Central Registry, Meetings and Travels Assistant (Zimbabwe) |
| <hr/> | | |
| Ishmael Atanasi | - | Treasury Clerk (Zimbabwe) |
| Muchazowanei Tsiga | - | Accounts Clerk (Zimbabwe) |
| Cathrine Mlingwa | - | Senior Secretary (Zimbabwe) |
| Sophie Ncube | - | Senior Bilingual Secretary (Zimbabwe) |
| Marie-Thérèse B. Kadurira | - | Bilingual Secretary (Senegal) |
| Catherine Mwaba Meleka | - | Bilingual Secretary (Zambia) |
| Sitabile Rachel Matipano | - | Secretary (Zimbabwe) |
| Juliet Mucheki | - | Secretary (Zimbabwe) |
| Memory Munyurwa | - | Secretary (Zimbabwe) |
| Paddy Mutimusakwa | - | Secretary (Zimbabwe) |
| William Kazvidza | - | Administrative Services Clerk (Zimbabwe) |
| Thomas Sipapate | - | Web Consultant (Zimbabwe) |
| Rhoda Kawara | - | Receptionist (Zimbabwe) |
| Jonathan Sithole | - | Senior Driver/Messenger (Zimbabwe) |
| Bernard Hwatura | - | Driver/Messenger (Zimbabwe) |
| Barry Nyamadzi | - | Driver/Messenger (Zimbabwe) |
| Edmond Suluma | - | Driver/Messenger (Zimbabwe) |
| Rodreck Gwidiba | - | Messenger (Zimbabwe) |
| Godwin Makura | - | Messenger (Zimbabwe) |

Annex C.4. List of ACBF Publications

1. ACBF Annual Reports (1992 – 2002) Print / Online since 2000
2. Consolidated Strategic Medium-Term Plan (2002 – 2006)
3. 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

Databases & Directories (Online)

1. Directory of Universities in Africa
2. Directory of African Central Bank Governors
3. Directory of Finance Economic Planning Ministers
4. Major Web Sites and Links on Africa
5. Web Sites of African Countries

Newsletters Quarterly

1. ACBF Newsletter (Quarterly) 1993 - 2003 Print and online 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

LESSONS NOTES IN CAPACITY BUILDING

1. Lessons Note on Project Supervision
2. Lessons Note on Civil Society Organizations in Development
3. Lessons Note on Applying Best Practices in Procurement

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

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 October, Nos. 1 - 5 2003. Produced by ACBF Staff Association Panel (SAP).