



Annual Report 2019



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

Securing Africa's future through capacity development

Specialized Agency for the African Union

Letter of transmittal to the Board of Governors

RE: Annual Report 2019

March 2020

Dear Chair

I have the honor of presenting to the ACBF Board of Governors, the Annual Report of the Foundation for the period 1 January 2019 to 31 December 2019.

Mr. Chair, please accept the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read 'Erastus J. O. Mwencha', with a stylized flourish at the end.

Erastus J. O. Mwencha

Chair, Executive Board

African Capacity Building Foundation

Message from the Chair of the Board of Governors



As we mark the mid-point of our Strategy 2017-2021, I am encouraged by the tremendous effort made by the Foundation to address the most pressing capacity constraints on the continent. However, despite the commendable effort, demand for capacity development initiatives at regional and national levels is growing, and in an evolving global context, new challenges are emerging.

I am pleased to report that for the period under review, the Foundation has strengthened strategic linkages with key stakeholders that are concerned about sustainability of results of capacity building programs on the continent. In this regard, the Foundation is now poised to deliver more effectively on a more focussed niche of attending to the capacity imperative for development. The approach taken to partner and scale up interventions with better coordination and alignment with other key interlocutors such as the African Union Commission are likely to yield very positive results in the very near future.

Program implementation slowed down during the reporting period due to low levels of disbursement on pledges by funding partners. Notwithstanding the

challenges, I am pleased to report that the Foundation has focused on delivering on matters of key national and continental importance. More specifically, ACBF has undertaken initiatives such as provision of comprehensive technical assistance and advisory support to countries in preparation for implementation of the AFCFTA. The innovation and commitment which has been shown by the Foundation in building synergies to addressing capacity imperatives for sustainable development in a coordinated manner is encouraging.

The Secretariat deserves commendation for sustained efforts made thus far to engage partners and mobilise resources for capacity development. The Foundation can only make meaningful impact if it continues

to scale up its programs in priority areas of intervention identified by member countries.

The internal controls at the Foundation remain robust and effective, with strong governance and oversight functions being exercised by the Executive Board. On behalf of the Board of Governors, I extend my gratitude to the Executive Board and the Executive Secretary, Prof. Nnadozie, for their stewardship and oversight of the activities of the Foundation.

Commendable work has been done in navigating the organisation through a

challenging period and yet impactful results have been recorded. Let us all lend a hand in **supporting the Foundation and ensuring that it is adequately financed. I call on all partners to fully honour pledges made to the Foundation without delay, thus ensuring that the Foundation remains capacitated to deliver on the vision** of an Africa capable of achieving its developmental goals.

Hon. Ken Ofari-Atta

Chair, ACBF Board of Governors

Foreword from the Chair of the Executive Board



2019 marks the halfway point of the Foundation's *2017-2021 Strategy* and bears witness to significant achievements made by ACBF in supporting sustainable development on the continent. Although some progress has been made, there are significant resource constraints that threaten to reverse gains achieved over the years. This is a matter that requires urgent attention.

I am pleased that the Foundation has been able to deepen existing partnerships with continental and regional partners engaged in capacity development interventions as well as prioritise knowledge and learning activities that have potential for impactful results. In this regard, the Foundation has been working closely with Policy Centres and Think Tanks as well as Training Institutions to address implementation challenges to ensure sustainable development on the continent.

The 2019 flagship *Africa Capacity Report on Fostering Transformative Leadership for Africa's Development* provided a glossary of data on leadership capacity in Africa. This report addresses the capacity dimensions of transformative leadership both in public and private

sectors. One of the key conclusions of the Report was the need for African countries to earmark dedicated resources for developing leadership capacity as a priority. This is a strategic decision which will have potential to enhance prospects for Africa's development and good governance. Evidently, ACBF continues to distinguish itself as a thought leader on the continent.

The governance framework at the Foundation has remained robust and consistent with internationally accepted best practices, ultimately ensuring efficient and effective use of resources. In response to the evolving business context, the Executive Board has consistently engaged the Secretariat to provide guidance and address implementation issues by reviewing and amending the Rules &

Regulations under which the Foundation operates to ensure the organisation remains fit for purpose.

On the resource mobilisation and partnership front, diligent efforts have been made towards establishing new partnership opportunities, for which the Secretariat must be commended. I am encouraged by ongoing discussions with some of the traditional partners who have supported the Foundation over the years and continue to do so. However, given that we are at the mid-point of the Strategy, I am concerned that many member countries are yet to honour their pledges. I implore the member countries to demonstrate continental ownership of the Foundation by committing the much needed resources to effectively implement the approved strategy.

In conclusion, I express my sincere gratitude to the members of the Executive Board for their dedication and commitment to serve the Foundation by providing strategic direction and guidance

as well as ensuring that the oversight function remains effective. I am equally grateful to our various partners for their commitment to supporting sustainable capacity development on the continent. Considering the continued relevance of capacity development interventions, I therefore call on funding partners and the member countries to commit resources to ACBF to facilitate effective implementation of the Strategic Plan 2017-2021.

To the Board of Governors of ACBF, I implore you to be proactive and vigilant campaigners and ambassadors of the Foundation. It is your ultimate responsibility to ensure that the Foundation is sustainable so it can continue to serve in addressing the diverse capacity challenges that our countries face.

Erastus Mwencha
Chair, Executive Board of ACBF

Introductory Remarks from the Executive Secretary



Africa's development efforts, including the implementation of the First Ten Year Plan [2014–2023] of Agenda 2063 and the Sustainable Development Goals, continue to be hobbled by severe capacity deficits often in the form of shortage of critical skills, lack of leadership capacity, inhibiting mindsets, and weak institutions. In implementing the third year of its 2017–2021 Strategy, ACBF's focus in 2019 was on consolidating the Foundation's footprint in Africa through the provision of capacity development services relevant to country, regional, and continental development priorities. The intention was to support and influence African countries to better translate their strategies and policies into desirable development outcomes, including sustained economic growth, structural transformation, productive employment, greater equality, and poverty eradication.

In 2019, ACBF published some strategic knowledge products, key among them our flagship *Africa Capacity Report 2019* on Fostering Transformative Leadership for Africa's Development. The report attracted the attention of a number of African leaders, and its policy briefs and spinoffs help countries better understand the critical role of leadership in achieving development goals. ACBF gained a lot of publicity and visibility from the report and its clear message to African leaders: Addressing implementation capacity

deficits in Africa will require considerable effort in developing leadership and critical skills, catalyzing changes in mindset, and building or strengthening key institutions at country, regional, and continental levels and among state and nonstate actors.

The Foundation supported the African Union in developing the Agenda 2063 Monitoring and Evaluation [M&E] Framework, updating the Core Indicator Handbook for the SDGs and Agenda 2063, and providing

comprehensive M&E support to the Illicit Financial Flows initiatives. It also conducted an organizational performance assessment of COMESA and recommended a leaner fit-for-purpose business structure that will drive its efficiency.

The Foundation's thrust in all these activities has been to unlock implementation bottlenecks, promote accountability in African Institutions, and enhance the capacity to deliver on agreed goals and objectives. The Think Tank Summit on Tackling Implementation Challenges for Africa's Sustainable Development, convened by the Foundation in Nairobi, helped increase understanding of the human and institutional capacities and the enabling environment for effective implementation of policies and programs. The Summit also proposed practical recommendations for successfully implementing policies and programs in Africa.

The Foundation made strategic interventions in 2019 to promote public health and empower women and youth. It also implemented a skills-building program for women entrepreneurs in Chad, Republic of Congo, Liberia, Malawi, Mali, and Rwanda. This exercise was part of the Foundation's programs for Empowering Women in Agriculture and Promoting Women's Entrepreneurship,

with skills developed in planning, organizing, marketing, and financial management.

For organizational effectiveness, we counted once again on the support of our African Member States to sustain activities during FY2019 despite a slowing rate of contributions. We also made progress in securing funding from the African Union while continuing the support of partners including the African Export-Import Bank, the Arab Bank for Economic Development in Africa, and the Bill & Melinda Gates Foundation.

I would like to express my sincere gratitude to African Member States for their continued support in driving the ACBF vision of an Africa capable of achieving its own development—and to our bilateral and multilateral partners for believing in us.

The outstanding oversight of our ACBF Executive Board and the Board of Governors cannot be overemphasized. The Secretariat remains grateful for their active engagement in Foundation activities and the wisdom they proffer in moving the Foundation's vision, mission, and strategy.

Professor Emmanuel Nnadozie
Executive Secretary



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Abbreviations

ADI	African Development Institute
AfCoP	African Community of Practice
AfDB	African Development Bank
AU	African Union
AUC	African Union Commission
ILO	International Labour Organization
M&E	Monitoring and Evaluation
MfDR	Managing for Development Results
OAU	Organisation for African Unity
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals

Executive Board



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Niranjan Pant

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[THE] WORLD BANK	Hafez Ghanem
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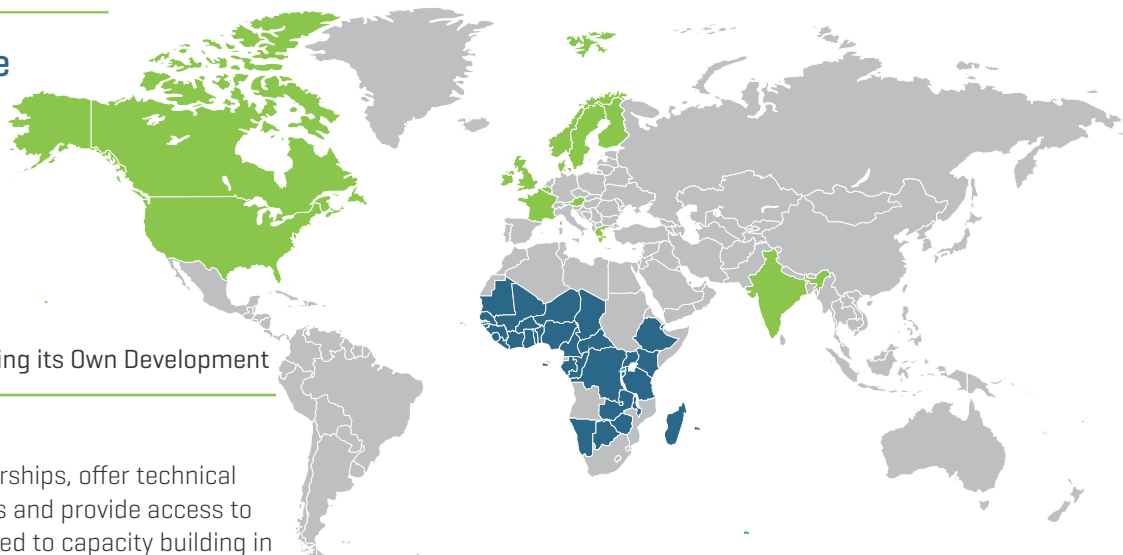
SUSTAINABLE DEVELOPMENT



PART I:
ACBF AT A
GLANCE



ACBF at a glance



Vision

Africa Capable of Achieving its Own Development

Mission

To build strategic partnerships, offer technical support and investments and provide access to relevant knowledge related to capacity building in Africa.

ACBF Builds Capacity and Responds to Africa's Capacity Needs through...

- ✓ Skills development
- ✓ Knowledge generation and sharing
- ✓ Project management
- ✓ Institutional and organizational development
- ✓ Technical assistance and advisory
- ✓ Fund administration

Partners

ACBF's cutting-edge work in developing human and institutional capacity for Africa's transformation has so far received worthy support from its member countries, bilateral partners, international organizations, etc. since its founding in 1991.

African Member States [as at 31 December 2019]

Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Namibia, Niger, Nigeria, Republic of Congo, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Sudan, Eswatini, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

Non-African Partner Countries

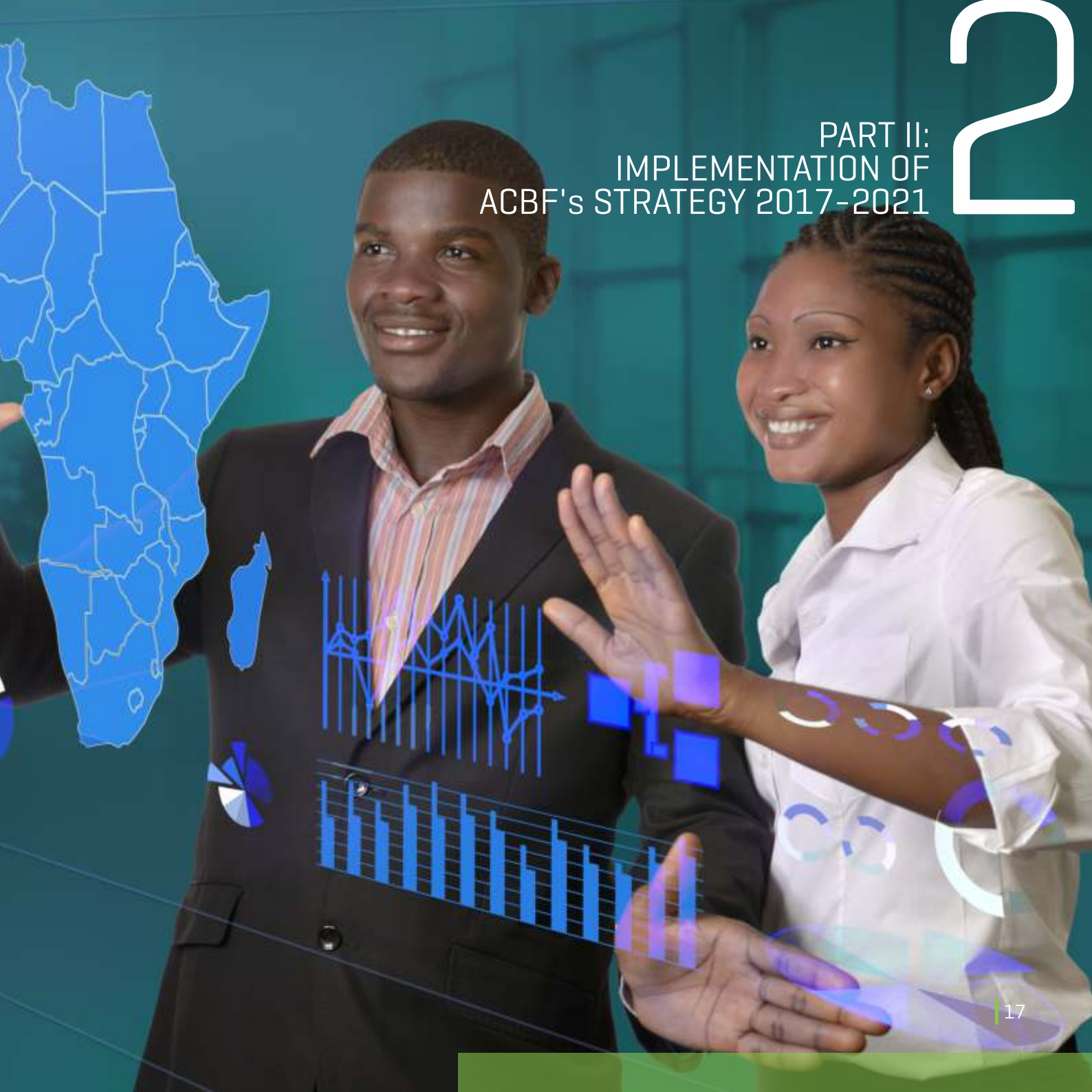
Austria, Canada, Denmark, Finland, France, Greece, India, Ireland, the Netherlands, Norway, Sweden, the United Kingdom and the United States of America.

Multilateral Partners



PART II:
IMPLEMENTATION OF
ACBF's STRATEGY 2017-2021

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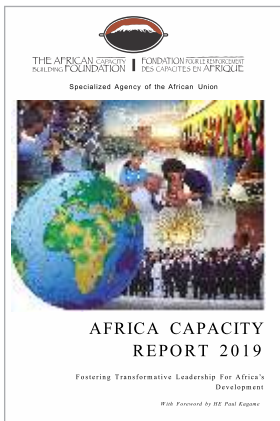
PART II

IMPLEMENTING ACBF's STRATEGY 2017–2021

During FY2019, the Foundation continued to raise its profile by implementing continental, regional, and national operations. Focusing mainly on bridging the gap between policymaking and policy implementation, ACBF developed institutional and human capacities in Member States to help them translate policies and strategies into desirable development outcomes. And through its Strategic Pillars and Service Lines as guides for programs it retained its focus on ensuring measurable returns for its interventions.

Strategic Pillar 1

Enabling effective delivery of continental development priorities



Fostering transformative leadership in Africa

The Foundation added to the number of strategic knowledge publications during the year, in line with its mission to increase access to knowledge related to capacity building.

During the year, ACBF produced the Africa Capacity Report 2019, *Fostering Transformative Leadership for Africa's Development*. The report was launched

during the Ministerial meeting of the AU's Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning, and Integration, on 4–8 March 2019. The report's key findings and recommendations were shared with Ministers and delegates from all African countries, enhancing understanding of transformative leadership and increasing visibility for ACBF as a primary source for relevant knowledge.



Tackling implementation challenges in Africa

As African economies seek faster and more inclusive growth, bridging the gap between policymaking and policy implementation is now more critical than ever. During the year, ACBF convened the 2019 Africa Think Tank Summit in Nairobi, Kenya, on “Tackling Implementation Challenges for Africa’s Sustainable Development.” The Summit provided a platform for proposing practical solutions on how to increase the capacity of African institutions to implement policies more effectively in Africa. To cement the Foundation’s status as a key player in capacity development in Africa, the Summit ended with a communique calling on ACBF, as the specialized

Agency of the African Union for Capacity Development, to coordinate the development of a capacity development program on implementing of policies and programs in Africa.

In furthering the African Union’s push towards closer regional cooperation, ACBF was central in producing the 2019 report on the *Status of Regional Integration in Africa*, which provided a candid exposé of the challenges and weaknesses related to integration processes in Africa. The report was well received by the African Heads of State and Government at the AU Summit during the year, with a commitment to align national development plans with regional and continental programs to maximize effectiveness.





Monitoring and evaluation of Agenda 2063

ACBF extended its support to the African Union Commission in developing the Agenda 2063 Monitoring and Evaluation Framework and the Core Indicators Profiles required for a harmonized tracking and reporting on the progress of the First

Ten Year Implementation Plan for Agenda 2063. With ACBF technical inputs, the *Core Indicators Handbook* for Agenda 2063 was updated and prepared for use by Regional Economic Communities and Member States. The M&E Framework has since been validated by Member States and will use it to prepare their first country progress reports on Agenda 2063.

Monitoring Africa's economic dynamics

At the request of the African Union Commission (AUC), ACBF contributed to the production of the Africa's Development Dynamics 2019 [with the AUC and the Organisation for Economic

Co-operation and Development]. This is one of the flagship reports that draws lessons from the five African regions—Central, East, North, Southern, and West—to share best practices and solutions applicable to the unique needs of African economies.



Enhancing COMESA's organizational performance

Continuing its role in bringing sustainable reform to African institutions, ACBF conducted organizational and operational performance assessments of COMESA. The overall objective was to map and redesign information and workflows to achieve measurable operational efficiency, and to strengthen performance management. The exercise identified gaps in capacity for human resource management, organizational management, procurement, information systems, performance management, and monitoring and evaluation. In each of these critical areas, ACBF made recommendations to improve capacity.

ACBF also proposed an organizational performance management improvement plan, which provides an opportunity for COMESA leadership, management, and staff to fully embrace and progressively introduce performance

management principles in the day-to-day running of the organization. The COMESA Secretariat welcomed the ACBF assessment.

In addition, the Foundation led a review of COMESA's organizational structure through the assessment of its Shared values, Strategy, Structure, Systems, Staff, Skills, and Style. This was done to understand how COMESA is organized and how it operates in relation to its functions and activities, its reporting relationships and authority structures, and its legal framework and mandate, which empowers it to operate as an intergovernmental entity.

Based on the findings, ACBF recommended a leaner more fit-for-purpose business structure that can respond to emerging issues and drive effectiveness and efficiency within the organization.

Strengthening the Centre for Ticks and Tick-Borne Diseases

The Centre for Tick and Tick -Borne Diseases is a vaccine production firm based in Lilongwe, Malawi. It was established as an entity of the Organisation for African Unity [OAU] in 1978 but was not integrated into the African Union structures during the transformation of the OAU to the AU. In 2012, the AU Assembly resolved to officially integrate the Centre into the AU structures. The Assembly then requested the AUC to undertake investigations regarding the legal, institutional, structural, and financial implications of integrating the Centre into the AU structures.

The AUC commissioned ACBF to conduct an independent study of the Centre's sustainability and to determine how it can be more efficiently integrated into AU structures. The organizational assessment included legal status and governance structure reviews, financial management and financial analysis, human resource management, procurement, and strategic and operational planning. Well received by the AU Specialized Technical Committee on Agriculture, Rural Development, Water, and Environment, the study's report will guide AU Assembly decisions about the Centre's future.



Strategic Pillar 2

Supporting countries to achieve tangible development results



Establishing Comoros's first think tank

As part of its strategy to enhance and widen knowledge source, ACBF assisted the Union of the Comoros in establishing the Centre for Analysis and Research on Public Policy in FY2019. The Foundation is pleased

that the Government and other development partners have expressed interest in supporting the Centre. This is testament to the progress in ACBF's strategy to build linkages with governments and key stakeholders to sustain capacity building programs.

Launch of The Gambia's Capacity Development Strategy

In July 2019, the Government of the Republic of The Gambia launched the country's Capacity Development

Strategy, developed with ACBF. The Strategy is being used by the Government and other partners in the country's capacity development efforts and in mobilizing resources for implementation.

Supporting Nigeria's financial sector

The Foundation supported a capacity building project for senior officials at the Nigeria Ministry of Finance. The project contributed to enhancing the capacity of senior officials to perform their duties effectively.

Enhancing farmers' productivity and access to markets in Ethiopia

An organizational capacity building project was successfully launched in the Ministry of Livestock and Fisheries of the Federal Democratic Republic of Ethiopia, with the objective of enhancing farmers' productivity and market access for livestock products.

Enhancing absorptive capacity and M&E in Zimbabwe

ACBF facilitated the management of the African Development Bank Group's support to several projects in Zimbabwe. The collaboration proved very effective in accelerating disbursements to these projects and in reporting on the use of the resources allocated. ACBF also trained Zimbabwe's evaluation professionals in the use of the ATLAS.ti software for qualitative data analysis.

Promoting domestic resource mobilization in Malawi

ACBF produced an Advisory Note on Domestic Resource Mobilization, drawing from the outcomes of its *Africa Capacity Report 2019*. The National Planning Commission of Malawi adopted the Note, which was critical in supporting the Government's adoption of a strategy to mobilize resources from online payment systems.



Skills Development

- ✓ Trained hundreds of women entrepreneurs in Chad, Mali, Republic of Congo, Liberia, Malawi and Rwanda
- ✓ Trained evaluation professionals in Zimbabwe
- ✓ Enhanced farmers' productivity and access to markets for livestock products in Ethiopia

Strategic Pillar 3

Enhancing private sector and civil society contribution to sustainable development



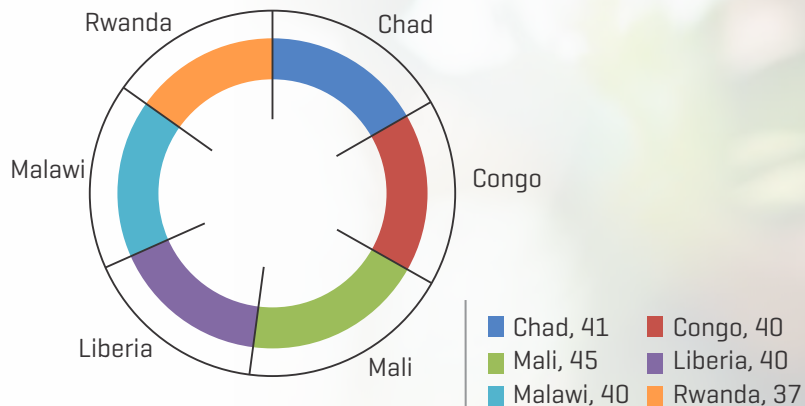
Empowering women in agriculture and business

The Foundation completed an extensive skills building program for selected women entrepreneurs in Chad, Republic of Congo, Liberia, Malawi, Mali, and Rwanda. This exercise was done under the Foundation's programs for Empowering Women in Agriculture and Promoting Women's

Entrepreneurship. Key focus areas were skill development in planning, organizing, marketing, and financial management. The training is being followed by the provision of targeted start-up capital to allow participants to put their new skills into practice. The program is run in partnership with the Arab Bank for Economic Development in Africa.



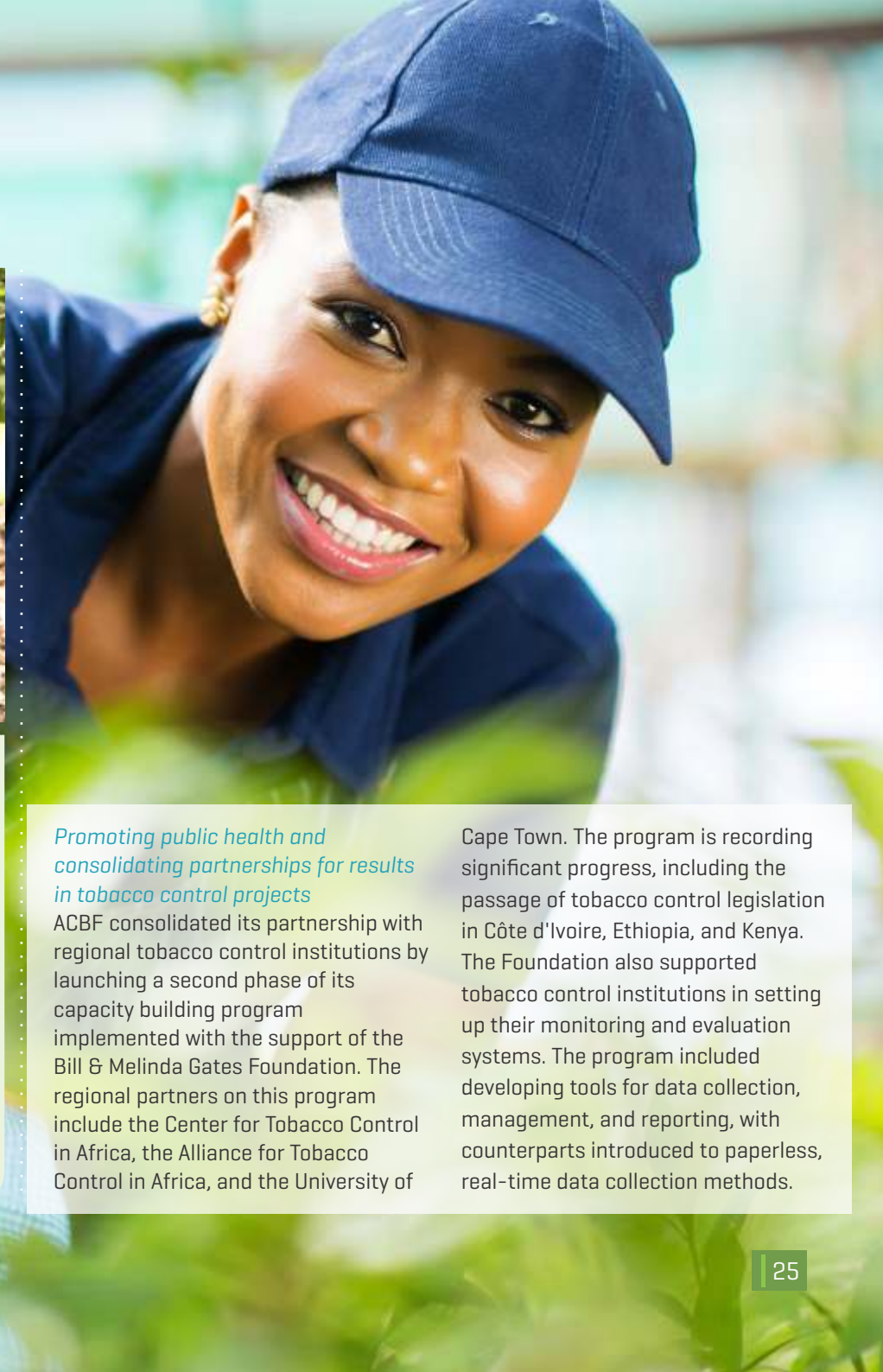
Women Entrepreneurship Program





Project Management

- ✓ Empowering Women in Agriculture project in partnership with the Arab Bank for Economic Development in Africa [BADEA]
- ✓ Women Entrepreneurship Program in partnership with the Arab Bank for Economic Development in Africa [BADEA]
- ✓ Tobacco Control Program in partnership with the Bill & Melinda Gates Foundation
- ✓ Economic and Financial Management and Governance Program in partnership with Afreximbank
- ✓ Organizational Capacity Development Program in partnership with the Bill & Melinda Gates Foundation



Promoting public health and consolidating partnerships for results in tobacco control projects

ACBF consolidated its partnership with regional tobacco control institutions by launching a second phase of its capacity building program implemented with the support of the Bill & Melinda Gates Foundation. The regional partners on this program include the Center for Tobacco Control in Africa, the Alliance for Tobacco Control in Africa, and the University of

Cape Town. The program is recording significant progress, including the passage of tobacco control legislation in Côte d'Ivoire, Ethiopia, and Kenya. The Foundation also supported tobacco control institutions in setting up their monitoring and evaluation systems. The program included developing tools for data collection, management, and reporting, with counterparts introduced to paperless, real-time data collection methods.

Strategic Pillar 4

Leveraging knowledge and learning to increase development effectiveness



Enhancing networks for generating and sharing capacity development knowledge

The 2019 Africa Think Tank Summit was convened by ACBF in partnership with the Government of Kenya and the Kenya Institute for Public Policy Research and Analysis, together with various partners. The Summit was held in Nairobi during the period 24–26 April 2019 under the theme “Tackling Implementation Challenges for Africa’s Sustainable Development.”

The Summit helped increase understanding of the human and institutional capacities and the enabling environment required for implementing policies and programs—and produced practical recommendations. It ended with a communiqué calling on ACBF, as the Specialized Agency of the African Union for Capacity Development, to coordinate the development of a capacity development program for implementing policies and programs in Africa.

Entrenching the results culture in development policy

ACBF co-convened the 2019 Forum on Managing for Development Results with the African Community of Practice (AfCoP), Managing for Development Results (MfDR), the Republic of Senegal, and the African Development Bank. The theme was “Looking back at the MfDR road in Africa: Celebrating successes and drawing lessons for the future.”

The objective of the Forum was to reflect on AfCoP achievements so far and reach a consensus on a shared vision and common principles of MfDR

in African countries to guide AfCoP’s next actions. As a key partner implementing the knowledge component of the AfCoP Project, ACBF was fully involved in the Forum’s design and delivery. The main results included the successful organization of the 2019 MfDR Forum in line with the planned agenda; the delivery of six draft papers aimed at revisiting the MfDR pillars; unanimously recognizing ACBF and its expertise in supporting AfCoP; nurturing institutions to deliver on their mandate; and increasing the visibility of ACBF as a key player for AfCoP.

Translating capacity development knowledge and learning into relevant methods and practices

During the year under review, ACBF partnered with the World Bank to produce nine Lesson Notes on Capacity Development. These were aimed at sharing experiences of capacity development interventions and the work by ACBF in Africa over the years. The notes are practical knowledge products that will inform future capacity building interventions while providing additional motivation and support for continued learning and progress on capacity development across Africa and beyond.

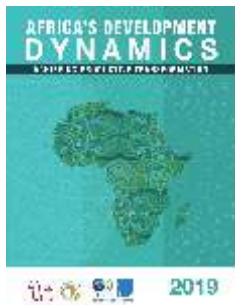
Building fragility assessments into development interventions

As the threats posed by climate change and instability increase, building country resilience has become even more imperative. At the invitation of the African Development Bank, ACBF participated in the AfDB Training for Regional Institutions on Applying a Fragility Lens in Building Regional Resilience, on 21–25 October 2019 in Nairobi.

The training ensured that country fragility assessments are built into future interventions and that regional organizations enhance their understanding of the impact of fragility and its spillovers to regional trade, investment, and integration.



- ✓ Africa Capacity Report on Fostering Transformative Leadership for Africa's Development
- ✓ Capacity Imperatives for SDGs: In line with Agenda 2063
- ✓ The Core Indicator Handbook for SDGs and Agenda 2063
- ✓ Lessons Notes on capacity development
- ✓ Knowledge Networks & communities of practice, ATTN, AfCop
- ✓ Technical Assistance and Advisory Support
- ✓ Supporting the AU Commission in the production of:
 - Africa's Development Dynamics 2019
 - The 2019 Report on Regional Integration in Africa



Recognizing ACBF as a reliable source of capacity development knowledge and learning

ACBF, as requested by the AUC, contributed to drafting and producing flagship continental reports such as Africa's Development Dynamics 2019 [with the AUC and OECD]. The report draws lessons from five African regions—Central, East, North,

Southern, and West—to develop recommendations and share good practices adapted to the specifics of African economies.

ACBF also took part in drafting and producing the 2019 report on the Status of Regional Integration in Africa, presented to the African Heads of State and Government in Niamey, Niger in July 2019.



Supporting parliaments in Africa

In line with its status as a Specialized Agency of the African Union for Capacity Development, and in recognition of ACBF's support to parliaments and members of parliaments in Africa during the past 28 years, the Foundation was invited to provide technical expertise during the Professional Development Seminar of the Society of Clerks-At-The-Table

Africa on 7–8 June 2019 in Livingstone, Zambia.

ACBF presented a paper on “Capacitating the Parliamentary Bureaucracy toward Supporting National Parliaments in Achieving the Objectives of the SDGs and Agenda 2063,” further entrenching its position as a provider of credible advisory services and technical assistance.

Promoting decent work for the transformation of the informal economy

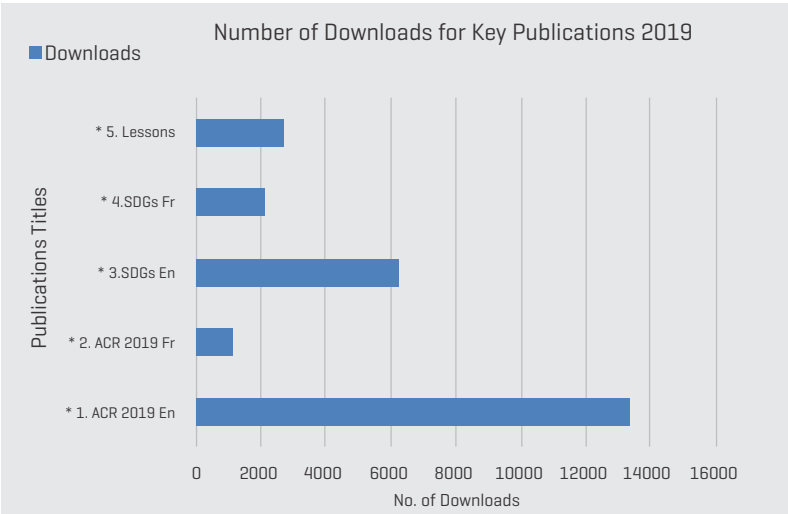
ACBF contributed to preparing and finalizing the AU–ILO project on decent work for the transformation of the informal economy in Africa [2020–2024]. It developed and presented a capacity building matrix

on decent work for micro, small, and medium enterprises, including outcomes, outputs, activities, and target groups. ACBF's participation in the capacity-building component of the project was an opportunity for the AUC to draw on ACBF expertise in developing capacity-building programs with a new partner [ILO].

Providing advisory services to governments

In 2019, the Foundation launched the report on the “Capacity Imperatives for the Sustainable Development Goals: In Line with African Union's Agenda 2063” in partnership with the SDGs Advisory Unit in the Office of the President of Ghana. The report identified the capacities African countries need to seize the opportunities presented by the SDGs within the framework of Agenda 2063. The report

found that limited human and institutional capacity are a major obstacle to implementing the SDGs. Implementation agencies and ministries often lack people with the skills to achieve results, and public resource allocations to build capacity are often inadequate, unpredictable, and irrational. The report recommended how countries can increase their capacities to implement the SDGs within the framework of Agenda 2063.



- Publications Titles Key
- *1. Africa Capacity Report 2019: Fostering Transformative Leadership for Africa's Development [English version]
 - *2. Africa Capacity Report 2019: Fostering Transformative Leadership for Africa's Development [French version]
 - *3 Capacity Imperatives for the SDGs: In line with African Union's Agenda 2063 [English version]
 - *4 Capacity Imperatives for the SDGs: In line with African Union's Agenda 2063 [French version]
 - *5 Lessons Notes on Capacity Development in Africa

Extending ACBF's reach through technology

The ACBF Virtual Library on Capacity Development continued to disseminate ACBF knowledge products across Africa and the world. People who accessed ACBF knowledge products through the library

came from 135 countries, with all African countries represented along with the Americas, Asia, Europe, and Oceania. The timeliness, relevance, and quality of the knowledge products have remained high, as reflected in feedback from user satisfaction surveys.

Strategic Pillar 5

Enhancing organizational and operational effectiveness

Institutional and Organizational Development



- ✓ Enhanced COMESA's organizational performance
- ✓ Strengthened the Center for Ticks and Tick-Borne Diseases in Malawi
- ✓ Established and operationalized the Center for Analysis and Research on Public Policy [CNARPP] in Comoros

Partnerships and resource mobilization

In 2019, ACBF continued to focus its partnership effort on five categories of partners: African Member States, the African Union, selected non-African countries, multilateral partners, and foundations.

African countries continued to sustain the operations of the Foundation through their membership contributions, albeit at a slower pace. The Secretariat continued to work with Member States to ensure that contributions were paid in good time to allow effective planning for ACBF capacity development activities.

In addition to Member State efforts, ACBF continued to work with the African Union on operationalizing Decision EX.CL/Dec.1049[XXXIV] of February 2019, which “acknowledges the effective contribution made by ACBF to Africa’s development since its inception in 1991” and “requests the Commission, in collaboration with ACBF, to assess the annual financial contribution that the AU could make to the operations of ACBF and report to the Executive Council.” The assessment was conducted in August

and September 2019, and a decision is expected on the amount of the contribution for 2020. Beyond building a financing relationship, ACBF consolidated its strategic partnership with the African Union, supporting the Commission in many activities and being associated with all strategic activities as a specialized agency.

The Foundation continued to engage with its non-African bilateral partners, including Canada, France, Ireland, Netherlands, Sweden, United Kingdom, and United States, in addition to the European Union, Germany, and Japan. The Foundation engaged with Japan through participation at the TICAD7 in Yokohama and with Sweden through meetings with the Regional Cooperation Adviser based in Addis Ababa.

More targeted engagements were held with the Peoples Republic of China, particularly on the follow-up discussions for implementing the pledge made under the 2018 Forum on China–Africa Cooperation framework to construct and establish the Africa Capacity Development Institute at ACBF headquarters in Harare, which ACBF will manage. The Foundation also



Technical assistance and advisory services

- ✓ Capacity Development Strategy for The Gambia
- ✓ Concept for the Capacity needs assessment and capacity development program for the Sahel Region.
- ✓ Capacity development program for labor and migration governance.
- ✓ Technical support to various Departments of the AU Commission

established a cooperation agreement with the International Cooperation Center of the National Development and Reform Commission aimed at creating a collaborative framework to support capacity development in Africa.

The signing in April 2019, of a Joint Work Plan with the African Development Institute, signaled progress toward building a strategic partnership with the African Development Bank Group. The ADI and ACBF are jointly implementing this plan. The Foundation also continued its engagement with the African Export-Import Bank, the Arab Bank for Economic Development in Africa, the Bill & Melinda Gates Foundation, and the World Bank.

Strengthening the Foundation's governance and oversight

The ACBF Board of Governors has remained actively engaged in supporting the activities of the Foundation and securing its long-term sustainability. The Resource Mobilization Committee of the Board of Governors agreed on a road map to rally Member Countries and partners to honor their pledges for financial support to the Strategic Plan 2017–2021.

The Search Committee of the Board of Governors also convened to select independent members to fill vacancies on the Executive Board, ensuring that the oversight function of the activities of the Foundation remains robust.

The Executive Board remained at full complement and has been overseeing the internal control framework and financial management processes at the Foundation remain robust.



Looking ahead in 2020

Sustainable change in Africa will demand long-term investments in human and institutional capacity to ensure the design, implementation, monitoring, and evaluation of development policies and programs. Consequently, in 2020 the Foundation will continue investing in capacity development, providing technical support and capacity development

services and sharing knowledge for Africa's transformation, capitalizing on the lessons of its 29 years of capacity development in Africa. Aligning with continental, regional, and national priorities—and guided by its 2017–2021 Strategy—the Foundation will continue to implement targeted capacity development programs with a focus on results and impact.

PART III:
2019 FINANCIAL STATEMENTS

3

PART II

2019 Financial Statements

THE AFRICAN CAPACITY BUILDING FOUNDATION

FINANCIAL STATEMENTS

For the year ended 31 December 2019

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management of The African Capacity Building Foundation ("the Foundation") is responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the Financial Statements and related information. The Foundation's independent auditors, Deloitte & Touche, have audited the Financial Statements and their report appears on pages 4 to 5.

The Financial Statements have been prepared in accordance with and comply with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRSIC).

Management is also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect material misstatement and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of management to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the reporting period under review.

These Financial Statements have been prepared on a going concern basis. Nothing has come to the attention of Management to indicate that the Foundation will not be a going concern for the foreseeable future.

The Financial Statements and related annexure set out on pages 6 to 50 were approved by the Executive Board on the 26/02/2020 and are signed on its behalf by:



EXECUTIVE SECRETARY



DIRECTOR FINANCE AND ADMINISTRATION



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INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE BOARD OF THE AFRICAN CAPACITY BUILDING FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of African Capacity Building Foundation ("the Foundation" or ACBF) set out on pages 6 to 24, which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and the notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of Financial Statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the statement of management's responsibility and the Report of Project Advances which we obtained prior to the date of this auditor's report. The other information does not include the Financial Statements and our auditor's report thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

A full list of partners and directors is available on request.

Association of Justice Africa is a Member of the Africa Justice Foundation Limited

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE EXECUTIVE BOARD OF THE AFRICAN CAPACITY BUILDING FOUNDATION

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Charity Mtswazi.

Deloitte & Touche

Deloitte & Touche

Per: Charity Mtswazi

Partner

PAAB Practice Certificate Number 0585

Registered Auditor

Date 20 / 02 / 20

THE AFRICAN CAPACITY BUILDING FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
ASSETS			
Non-current assets			
Property and equipment	5.1	2 548 000	2 453 131
Right of Use Asset	5.2	1 070 776	-
Total Non-Current Assets		3 618 965	2 630 131
Current assets			
Inventories	6	38 562	67 714
Accounts receivable	7	2 473	15 391
Accounts due from staff	8	196 021	249 286
Advances to projects	9	1 158 268	169 261
Other assets	10	106 713	374 257
Bank balances and cash	11	9,307,092	14 775 741
Total current assets		11 721 007	15 950 740
TOTAL ASSETS		15 339 972	18 580 871
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated Funds		11 051 181	10 857 722
Current liabilities			
Accrued expenses	12	32 850	114 884
Provisions	12.1	211 771	334 609
Other liabilities	13	887 438	656 228
Financial lease liability	13.1	152 586	-
Total current liabilities		1 325 025	1 303 780
Long Term Liabilities			
Financial lease liability	13.1	650 947	-
Retirement Benefits	13.2	501 375	419 375
Total Long-Term Liabilities		1 152 322	419 375
TOTAL ACCUMULATED FUNDS AND LIABILITIES		15 339 972	18 580 871

EXECUTIVE SECRETARY

DIRECTOR FINANCE AND ADMINISTRATION

26 February 2020

THE AFRICAN CAPACITY BUILDING FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	<u>Notes</u>	<u>2019</u> US\$	<u>2018</u> US\$
REVENUE			
Direct contributions		3 355 666	4 082 679
Special contributions	14	3 654 388	12 118 278
Other income received	14.1	505 435	472 422
Total revenue		7 525 489	16 673 379
EXPENDITURE			
Project expenses			
Project expenses Strategic Pillars 1-4	15	5 168 997	12 598 135
Project/Program Development Expenses	15.1 & 18	3 413 035	3 531 124
Total Expenditure on Projects and Programs		8 582 032	16 127 259
Administration and Board expenses	16 & 18	3 250 054	3 417 407
Total expenditure		11 792 126	19 544 666
Excess of expenditure over income	20	(4 266 637)	(2 871 287)

THE AFRICAN CAPACITY BUILDING FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	<u>2019</u> J\$	<u>2018</u> US\$
Cash flows from operating activities		
Excess of expenditure over revenue	(4 266 637)	(2 871 287)
Adjustment for:		
Depreciation of property and equipment	333 162	112 555
Financial interest	98 413	-
Interest earned	(23 689)	(17 361)
	<u> </u>	<u> </u>
Operating cash outflows before working capital changes	(3 858 751)	(2 776 093)
(Increase)/decrease in advances to projects	(1 289 008)	1 575 226
Decrease/ (increase) in accounts receivable	13 572	(5 552)
Increase/ (decrease) in amounts due from staff	50 263	(81 843)
(Increase)/decrease in other assets	(33 462)	117 132
Decrease/ (increase) in inventories	13 634	(2 422)
Decrease in current liabilities	(89 121)	(387 152)
	<u> </u>	<u> </u>
Cash used in operations	(5 192 923)	(1 556 704)
	<u> </u>	<u> </u>
Financial interest paid	(98 413)	-
	<u> </u>	<u> </u>
Cash used in operating activities	(5 291 336)	(1 556 704)
	<u> </u>	<u> </u>
Cash flows from investing activities		
Purchase of property and equipment	(28 354)	(229 505)
Interest received	23 689	17 361
	<u> </u>	<u> </u>
Cash used in investing activities	(4 665)	(212 144)
	<u> </u>	<u> </u>
Cashflows from financing activities		
Lease principal payment	(178 787)	-
	<u> </u>	<u> </u>
Net decrease in bank balances and cash	(5 474 783)	(1 768 848)
Bank balances and cash at beginning of year	14 776 741	16 545 589
	<u> </u>	<u> </u>
Bank balances and cash at end of year	9 301 953	14 776 741
	<u> </u>	<u> </u>

THE AFRICAN CAPACITY BUILDING FOUNDATION

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
For the year ended 31 December 2019

	Accumulated Funds US\$
Balance at 1 January 2018	19 729 009
Excess of expenditure over revenue	(2 871 287)
Balance at 31 December 2018	16 857 722
Excess of expenditure over revenue	(4 266 537)
IFRS 16 adoption impact on accumulated funds*	263 400
Balance at 31 December 2019	12 854 485

*US\$263 400 is the IFRS 16 effect on the right of use asset and the initial recognition of the liability on leases.