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

Securing Africa's future through capacity development

Annual Report 2016

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Securing Africa's future through capacity development

This Annual Report captures the strategic, operational and corporate outputs of the African Capacity Building Foundation in its mission to steer Africa in the best possible pathway for sustainable development, for the year 2016.

ACBF at a Glance

Having spearheaded and robustly coordinated capacity development programs worth over 700 million US dollars across 45 countries and 8 regional economic communities (RECs) in Africa since 1991, ACBF has gathered the requisite experience that makes it the go-to institution for expert knowledge and human resources to advise and support African countries, regional economic communities and institutions on decisive steps to take to develop the practical skills urgently required for the continent's economic transformation.

ACBF builds human and institutional capacity for good governance and economic development in Africa. It supports capacity development through grants, technical assistance, and knowledge generation across the continent.

Vision

Africa capable of achieving its own development

Mission

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

Membership

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

The following international organizations and countries have honored ACBF with their support:

African Partners (as at 31 December 2016)

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, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

Bilateral Partners (as at 31 Dec 2016)

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

Multilateral Partners (as at 31 December 2016)

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Part I
Introductory Messages

Letter of Transmittal to the Board of Governors

22 August 2017

Dear Chair,
ANNUAL REPORT 2016

I have the honor of presenting to the ACBF Board of Governors the Annual Report of the ACBF Executive Board for the period 1 January 2016 to 31 December 2016.

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

Charlotte Osei (née Kesson-Smith)
Vice-Chair, ACBF Executive Board

Abbreviations and Acronyms

AACES	Australia Africa Community Engagement Scheme
ACBF	African Capacity Building Foundation
ACI	Africa Capacity Index
ACR	Africa Capacity Report
AEC	African Economic Community
AERC	African Economic Research Consortium
AFAWA	Affirmative Action on Finance for Women in Agriculture
AfCoP	African Community of Practice
AfCoP-MfDR	African Community of Practice on Managing for Development Results
AfDB	African Development Bank
Afreximbank	African Export-Import Bank
AfriK4R	Africa for Results Forum
AGO	African Governance Outlook
APTA	Asia-Pacific Trade Agreement
ARC	Africa Risk Capacity
ASEAN	Association of Southeast Asian Nations
ATAF	African Tax Administration Forum
ATTN	Africa Think Tank Network
AU	African Union
AU-CAP	African Union Capacity Building Project
AUC	African Union Commission
AUD	Australian Dollar
AUST	African University of Science and Technology
AWDF	African Women's Development Fund
BMGF	Bill and Melinda Gates Foundation
BIDPA	Botswana Institute of Development Policy Analysis
CABRI	Collaborative African Budgets Resources Initiative
CADERDT	Centre Autonome d'Etudes et de Renforcement des Capacités pour le Développement au Togo
CAMERCAP-PARC	Cameroon Policy Analysis and Research Centre
CAN	Capacity Needs Assessment

CAP	Common African Position
CAPEC	Cellule d'Analyse de Politiques Economiques du CIRES
CAPES	Cetre d'Analyse de Politiques Economiques et Sociales
CAR	Central African Republic
CD	Capacity Development
CDCSP	Country Delivery Capacity Support Programme
CEPA	Centre for Policy Analysis
CEPOD	Centre d'Etudes de Politiques pour le Développement
CERCAP	Centre d'Etudes et de Renforcement des Capacités d'Analyse et de Plaidoyer
CIRES	Centre Ivorien de Recherches Economiques et Sociales
CMT	Core Management Team
CODESRIA CBP	Council for the Development of Social Science Research in Africa Capacity Building Project
COMESA	Common Market for Eastern and Southern Africa
CPIA	Country Policy and Institutional Self-Assessment
CREAM	Centre de Recherches, d'Etudes et d'Appui a l'Analyse Economique à Madagascar
CSO	Civil Society Organization
CTCA	Centre for Tobacco Control in Africa
CTFK	Campaign for Tobacco Free Kids
DFAT	Department of Foreign Affairs and Trade
DRC	Democratic Republic of the Congo
DRM	Domestic Resource Mobilization
EAC	East African Community
EAC-CBP	East African Community Capacity Building Project
EB	Executive Board
ECCAS	Economic Community of Central African States
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
EDRI	Ethiopian Development Research Institute
EFTA	European Free Trade Association
ENA	Ecole National d'Administration
EPA	Economic Partnership Agreement
EPM	Economic Policy Management
ESA	Eastern and Southern Africa
EU	European Union
EVD	Ebola Virus Disease
EWA	Empowering Women in Agriculture

FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
FARDC	Forces Armées de la République Démocratique du Congo
FAS	Femmes Africa Solidarite
FCTC	Framework Convention on Tobacco Control
FfD3	Financing for Development Conference
GDP	Gross National Product
GIMAC	Gender Is My Agenda Campaign
GIMI	Galilee International Management Institute
GIMPA	Ghana Institute of Management and Public Administration
GoSS	Government of South Sudan
HESPI	Horn Economic and Social Policy Institute
HCA	Host Country Agreement
IASB	International Accounting Standards Board
ICT	Information and Communication Technology
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IGAD	Intergovernmental Authority on Development
IMS	Information Management System
IPAR	Institute for Policy Analysis and Research
ISSER	Institute of Statistical, Social and Economic Research
KGSP	Knowledge Generation and Sharing Programme
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KM	Knowledge Management
LensCD	Learning Network on Capacity Development
LTSV	Long Term Strategic Vision
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MEFMI	Macroeconomic and Financial Management Institute
MfDR	Managing for Development Results
MINDS	Mandela Institute for Development Studies
MOU	Memorandum of Understanding
MPRAP	Malawi Policy Research Analysis Project
MTEF	Medium-Term Expenditure Framework
MWECS	Mathiwos Wondu-Ye Ethiopia Cancer Society
NCIC	National Cohesion Integration Commission

NEPAD	New Partnership for Africa's Development
NGO	Nongovernmental Organization
NILS	National Institute of Legislative Studies
NILS-CBP	National Institute of Legislative Studies Capacity Building Project
NPCA	NEPAD Planning and Coordination Agency
NPTCI	Nouveau Programme de Troisième Cycle Inter-universitaire en Economie
OPD	Operations Department
PEP	Partnership for Economic Policy
PFM	Public Financial Management
PFNCD	Parliamentary Forum on Non-Communicable Diseases
PIC	Policy Institute Committee
PM&D	Performance Management and Development
PPRC	Programme-Pays de Renforcement de Capacités
PRLRP	Project Rehabilitation and Loan Recovery Process
PSCS	Private Sector and Civil Society Contributions Programme
PSL-CBP	Parliament of Sierra Leone Capacity Building Project
PSMTP-ENA	Public Sector Management Training Program, Ecole Nationale d'Administration
PSMTP-GIMPA	Public Sector Management Training Program, Ghana Institute of Management and Public Administration
REC	Regional Economic Community
SADC-PF	Southern African Parliamentary Forum
SAYWHAT	Students And Youths Working on Reproductive Health Action
SCI	Social Cohesion Index
SDGs	Sustainable Development Goals
SEPARC	Swaziland Economic Policy Analysis and Research Centre
SIDA	Swedish International Development Agency
SMTP	Strategic Medium Term Plan
SNEEG	Strategy for Gender Equality and Equity 2015-2025
SPLA	Sudan People's Liberation Army
SPLM	Sudan People's Liberation Movement
SSC	South-South Cooperation
SSCAP	South Sudan Capacity Building Project
SSG	Strategic Studies Group
STEM	Science, Technology, Engineering and Mathematics
STI	Science and Technology Information
STPC	Strategic Transformation and Policy Centre

STRIP	Sustainable Transformation and Regional Integration Program
TAC	Treatment Action Group
TC	Tobacco Control
TCP	Tobacco Contro Program
TOR	Terms of Reference
TPSF	Tanzania Private Sector Foundation
TTCSP	Think Tanks and Civil Societies Program
UAT	User Acceptance Test
UCT	University of Cape Town
UMA	Union du Maghreb Arabe
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
WAEMU	West African Economic and Monetary Union
WAIFEM	West African Institute for Financial and Economic Management
WAIFEM-CBP	West African Institute for Financial and Economic Management Capacity Building Project
WAMI-CAP	West African Monetary Institute Capacity Building Project
WCA	West and Central Africa
WCTOH	World Conference on Tobacco or Health
WHO	World Health Organization
YP	Young People's Program
ZEPARU	Zimbabwe Policy and Analysis Research Unit

Board of Governors

Country/Institution	Governor
Malawi	Hon. Goodall Gondwe (Chair)
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Burkina Faso	Hon. Rosine Coulibaly/Sori
Burundi	Hon. Domitien Ndihokubwayo
Cabo Verde	Honorable Olavo Avelino Garcia Correia
Cameroon	Hon. Louis Paul Motaze
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World Bank	Mr. Makhtar Diop
Zambia	Hon. Alexander B. Chikwanda
Zimbabwe	Hon. Patrick Anthony Chinamasa

Executive Board

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Prof Emmanuel Nnadozie

Message from the Chair of the Board of Governors

Hon. Goodall Gondwe,
Chair, ACBF Board of Governors,
Minister of Finance of Malawi

In 2016 the African Capacity Building Foundation (ACBF or Foundation) celebrated 25 years of being the premiere capacity building institution on the continent. To celebrate this milestone achievement, we organised the 3rd Capacity Development Forum at which meeting we reviewed the progress made in developing capacity in African countries, assessed the capacity deficits that still exists and reflected on the role ACBF has to play in addressing the various dimensions of the developmental challenges we face.

I am pleased to report that ACBF has successfully established itself as a thought leader and reliable partner in promoting transformative change in many of our countries. The Foundation has invested in strategic engagement along the entire policy value chain and in building human and institutional capacity across Africa encompassing over 321 capacity development projects and a commitment of more than USD700 million to date.

Through its 25 years of operation, our Foundation has helped us achieve significant results in terms of increasing macroeconomic stability, fiscal management and debt sustainability; enhancing our capacity for economic policy analysis and management thanks to the training of over 50,000 economists and public sector managers as well as the creation of more than 40 think tanks and policy institutes; enhancing our accountability systems through supporting national parliaments, regional parliamentary institutions and government oversight bodies; contributing to advancing regional integration through support to the African Union and Regional Economic Communities, *inter alia*.

Despite the notable achievements, we are still confronted with persistent capacity deficits as revealed by our authoritative annual flagship publication, The Africa Capacity Report (ACR), which measures and examines capacity in relation to the development agenda in African countries. More specifically, the ACR has consistently shown over the years that capacity, more than financial resources, is the missing link and the critical impediment to effective implementation of projects and programs spelled out in continental, regional, and national development strategies. This lack of capacity explains the huge implementation gap on the continent, which has impeded even good development strategies from producing desirable development outcomes. The information gathered by the Foundation through rigorous policy-oriented research unequivocally confirms the need to intensify efforts towards building capacity on the continent in such areas as

regional integration, domestic resource mobilization, natural resource management, agricultural transformation, science technology and innovation as well as transformative leadership.

The capacity challenges that we face dictate that we invest in securing the long-term sustainability of the Foundation. In this regard, I have observed that over the years there has been increased continental ownership of the Foundation by African member states. To date, ACBF has 39 African member countries. The support by African countries at the Pledging Conference in June 2016 is proof that the shareholders of the Foundation remain convinced of the continued relevance and importance of the Foundation. Indeed, many of our countries still must enhance skills, strengthen institutions and improve their capacity to formulate, implement and evaluate effectiveness of their development policies. To achieve sustainable growth, we should promote regional integration, knowledge generation and sharing across Africa.

We note that success and growth on the continent is very differentiated. In such circumstances, it is incumbent upon us to align interventions with the continental development priorities including looking at the special needs of conflict and crisis affected countries. Supporting these countries in achieving tangible development results will make significant contribution in closing the gap between the rich and the poor – a goal that is at the centre of the new ACBF Strategy (2017-2021) which this Board approved last year. This effort requires collective action. To this end, we must go beyond the traditional development partners and harness private sector and civil society contributions in supporting inclusive economic development while leveraging knowledge and learning to increase development effectiveness.

We recognise the mammoth task that lies ahead in mobilising resources to secure the future of this great continent but we cannot afford to fail. It is our collective responsibility: African member states, multilateral and bilateral partners, Foundations, the private sector and indeed non-state actors, to mobilize the political and financial support needed to sustain the much-needed capacity development interventions. I therefore call upon leaders in Africa to set the tone by availing the financial resources needed to enable the Secretariat to effectively implement the new strategy. In line with what was agreed at the Board of Governors meeting held in Libreville in June 2013, we need to be able to mobilise resources to cover all the institutional costs of the Foundation while inviting our development partners to join us in funding the programmatic activities.

I conclude by restating my appeal for action in intensifying political and financial support for the Foundation. Africa cannot achieve its developmental objectives without visionary leaders, strong institutions and capable people needed to design and implement the various dimensions of the African Union Agenda 2063 and Sustainable Development Goals (SDGs). ACBF is the central cog in unlocking the unrealised potential in many of our countries. It is now time for action, let us support ACBF support our efforts in bringing about sustainable growth on the African continent.

Let us build an Africa capable of achieving its own development!

Hon. Goodall Gondwe,
Chair, ACBF Board of Governors,
Minister of Finance of Malawi

Message from The Vice-Chair of The Executive Board

Charlotte Osei (née Kesson-Smith)
Vice-Chair, ACBF Executive Board

It is with a profound sense of loss and sadness that the ACBF family ended the year 2016, with the beginning of the ailment that eventually caused the passing on of the Chair of the ACBF Executive Board, Prof. Callisto Enias Madavo. Callisto was a respected pan Africanist, a man who committed his life to the development of our continent. The visionary leader he was, he was acutely aware of the changing landscape of capacity development in Africa and called on the Foundation to reposition itself to remain relevant to our beneficiaries, effective in program delivery and efficient in how we do business. The ACBF Strategic Plan 2017-2021 bears testimony to both the responsiveness and nimbleness of ACBF interventions in an increasingly changing environment. Today we are more visible that we have ever been, and we are strategically positioned to produce impactful results. I convey this message in honour of Callisto's exemplary leadership of the Executive Board.

2016 marked the final year of implementation of the third Strategic Medium-Term Plan. In the circumstances, this was the year we had to commence preparation for the transition to a new five-year strategic plan. The transition from one strategy to another is occurring in an environment characterised by shifting donor priorities and changes in modalities of engagement. This reality presents several challenges; aligning donor priorities to the priorities identified by our African member countries, identifying the key capacity challenges to be prioritised ("scratching where it itches most") and mobilising resources to finance the strategy.
In response to the changing landscape for capacity development and its funding and the unwieldly demand for capacity development services, the Secretariat's approach of widely consulting ACBF's stakeholders, starting with you the Governors, was particularly effective in developing the ACBF Strategy 2017-2021 in which the requisite responses are identified. In the process, the Foundation also reflected on its own repositioning to become more service-oriented. Informed by 25 years of experience, the successful implementation of the new Strategy will further consolidate the Foundation's position as leader in capacity development in Africa and more effectively respond the continent's need at various levels and using several service lines.

Another significant development of the year 2016 is the heightening of our Foundation's strategic partner-

ship with the African Union leading to the assessment of the capacity imperatives for the implementation of Agenda 2063 and the identification of the critical skills that Africa requires to transform among others, and ACBF membership of the highest continental coordination mechanisms along the African Union Commission, the African Development Bank, the Economic Commission for Africa and the Regional Economic Commissions.

At the corporate level, the Executive Board is pleased that the Foundation is becoming more efficient and effective as new ways of doing business and new policies are adopted to make the best possible use of scarce resources, and maintain the highest possible ratings from both internal and external auditors.

I am also pleased to report that the Executive Board is building a stronger partnership with the Secretariat in order to help tackle the resource mobilization challenges that the Foundation faces. It is the hope of the Executive Board that this increased involvement of the Executive Board in resource mobilization will amplify and lead to most needed results for the Foundation.

In conclusion, I express my gratitude to all the Executive Board members for their stewardship of the Foundation as we usher in the new Strategy in 2017 and hope for even bigger accomplishments for the Foundation under the capable leadership of the Executive Secretary. I count on our shareholders (the Board of Governors) and indeed the funding partners, to unlock the resources needed to implement the new strategy.

Charlotte Osei (née Kesson-Smith)
Vice Chair, ACBF Executive Board

Message from the Executive Secretary

Prof Emmanuel Nnadozie,
Executive Secretary, ACBF.

The year 2016 marked the conclusion of the implementation of the third in the series of the African Capacity Building Foundation's Strategic Medium-Term Plan. The year also marked the 25th anniversary of the Foundation, an event that was hosted by the Government of Zimbabwe. The event attracted more than 800 delegates, coming from governments, the development partners, business community, civil society, academia, as well as ACBF's former and current Executive Secretaries and former and current staff members, etc.). The Forum provided an opportunity for stakeholders to acknowledge ACBF's contribution to Africa's development, especially in supporting evidence-based policy formulation, implementation, and evaluation.

In 2016 the Foundation continued to enhance its organizational efficiency and effectiveness following the profound reforms it conducted in 2014, with the support of its multilateral members. The Foundation's operations sought to further enhance the effectiveness and efficiency of continental, regional and national development institutions, including parliaments, government ministries and departments, women's groups, youth development initiatives, and university institutions specializing in critical capacity building areas, including science, technology, engineering and mathematics. Through knowledge generation and dissemination, the Foundation continued to support evidence-based policy formulation and implementation. A major milestone in this regard was the production and dissemination of the 2017 Africa Capacity Report (ACR2017) on *"Building Capacity in Science, Technology, and Innovation for Africa's Transformation"*. In parallel of which several development memoirs and policy briefs were produced.

The results of these efforts are reflected in the Foundation's progress in the achievement of the 16 indicators of its Project Development Objective translating into significant output level achievements including: (i) a substantial increase in the number of requests for ACBF products and services; (ii) improvement in the monitoring, evaluation and peer review processes of ACBF's implementing

partners ; (iii) amplified engagements of ACBF's implementing partners with policymakers and improved participation in ACBF-sponsored training programs; and (iv) improved uptake of ACBF knowledge products and services (increased downloads and , citations). The results it has achieved and the partnerships it has built over the years have further consolidated ACBF's position as a leader and the "go-to" institution for capacity development.

At institutional level, the disbursement rate of 80% agreed with the funding partners was fully achieved while the staff costs ratio continues to improve, with 14.5% against a target of 17%. Reviews by the Foundation's Internal Audit Department and External Auditor, and evaluations conducted internally or by external assessors did not reveal any material concerns. The Foundations also reduced travel costs – one of its main cost drivers given the need to supervise its operations across the continent – by implementing a new and stringent travel policy adopted by the Executive Board in August 2016.

Another key milestone in the year under review was the development of ACBF's new Strategy, which will guide its work for the next five years (ACBF Strategy 2017-2021). The Strategy is built around four key strategic pillars and five service lines: (1) enabling effective delivery of continental development priorities; (2) supporting countries to achieve their development results; (3) enhancing private sector and civil society contribution to sustainable development, and; (4) leveraging learning and knowledge to reach greater development effectiveness on the continent. These strategic pillars express the goals that ACBF will strive to achieve through a combination of five services; f(i)

resource mobilization services (ii) Knowledge services; (iii) capacity development advisory services; (iv) innovation in Capacity Development and (v) Investments in Capacity Development. The key aspect of the Strategy is it introduces a new business model for the Foundation to help it better adjust to the dynamic funding environment, in the wake of increasingly scarce resources but still achieving results with even higher impact.

In 2016, the Foundation also continued to consolidate its position in the Africa development architecture and support Africa's engagement with the World. Once again, ACBF reaffirmed its position as a leading partner of the African Union for capacity development while widening its collaboration with the other pan-African development institutions such as the NEPAD Planning and Coordination Agency, the United Nations Economic Commission for Africa and International IDEA among others.

The support of African countries continued to be strong in 2016, with the confirmation of the Third Strategic Medium-Term Plan (SMTP III) as the most funded by African countries since the inception of ACBF. As of 31 December 2016, African countries had indeed contributed US$20.3 million out of a total pledged of US$ 28.15 million. . This show of ownership was decisively accompanied by the World Bank, the Bill and Melinda Gates Foundation and the United Nations Development Programme which continued the disbursement of their already approved support. It is to be noted that ACBF continued to consolidate its partnership with the Bill and Belinda Gates Foundation in 2016 with the launch of an institutional development initiative in addition to the investment in tobacco control.

The significant results achieved at both operational and institutional levels in 2016 provide an excellent springboard for the launch of the ACBF Strategy 2017-2021 which has support to the achievement of results in the First 10-Year Implementation Plan of Agenda 2063 and the Sustainable Development Goals as its leitmotiv.

Finally and most importantly, it takes a great team to build a great organization. None of the accomplishments referred to in this message would have been achieved without the dedication of the staff and the extraordinary collaboration between the Board of Governors, the Executive Board and the Secretariat. I have no doubt that our joint commitment will take ACBF to greater heights through the Strategic Plan 2017-2021.

Prof Emmanuel Nnadozie,
Executive Secretary, ACBF.

Part II:
Year in Retrospect – 2016 Highlights

The year 2016 was a year of great achievements for ACBF. Key highlights of the Foundation's performance during this period at strategic, operational and corporate levels are outlined here.

Strategic Level

Strengthened partnerships to better meet Africa's needs

1. Following extensive consultations with all its stakeholders, ACBF in 2016 developed a new 5-year Strategic Plan covering the period 2017-2021. The Plan aims to support the emergence of Skilled People and Strong Institutions to Transform Africa and is developed around 4 pillars (enabling effective delivery of continental development priorities, supporting countries to achieve tangible development results, enhancing private sector and civil society to contribute to sustainable development and leveraging knowledge and learning to increase development effectiveness) and 5 service lines (resource mobilization, knowledge generation and sharing, capacity development advisory, innovation in capacity development and investments in capacity development initiatives.

2. During the year, ACBF started another important phase of negotiations with the AfDB, seeking a new dynamic between their cooperation that would benefit the African continent in greater ways. The Foundation sought to contribute meaningfully to the operations of the Bank, especially the achievement of its landmark "High Fives" policy.

3. Recognizing that the capacity building landscape has completely changed, ACBF decided in 2016 to diversify the sources of its funding. Moving away from total reliance on the core funding from its traditional financing partners - the World Bank, UNDP, AfDB and European countries – the Foundation opened up new horizons "to adjust to the changing priorities of traditional donors and the evolving interests and objectives of the donor community. ACBF, thus, established contacts with institutions and countries that had never been part of its traditional funding structure, such as the Gulf States and China, as a way of balancing its resource mobilization strategy. So far the responses have been very positive.

Operational Level

Improved human and institutional capacities to leverage development throughout Africa

4. In terms of program delivery, ACBF achieved a high success rate in 2016 as its funded projects and programs carried out more productive activities to enhance the effectiveness and efficiency of continental and national development institutions. These included parliaments, government ministries and departments, women's groups, youth development initiatives, and university institutions specializing in critical capacity building areas especially in science, technology, engineering and mathematics (STEM).

Some of the most successful programs were:

- The West African Institute for Financial and Economic Management (WAIFEM), enhancing critical economic and financial management skills of relevant institutions across the sub-region;
- The National Institute for Legislative Studies (NILS) based in Nigeria providing capacity building services for better economic oversight to its Parliament;
- The University of Zambia's courses in Economic Policy Management (EPM) which upgraded its portfolio to eventually help improve sound economic policy analysis and formulation in the country and in six other countries with participating universities in the program;
- The Programme-Pays de Renforcement de Capacités (PPRC), in Cote d'Ivoire, to improve the quality of the curricula of the Ecole Nationale d'Administration (ENA) as part of its 2015-2020 Strategic Plan;
- Tobacco Control projects across several countries in Africa with funding from the Bill and Melinda Gates Foundation;
- Mauritania's National Statistics Office to extend poverty mapping exercises to local governments for better development planning;

- The African University of Science and Technology (AUST) in Abuja for inclusive high-skills tertiary education for women;
- The Public Sector Management Training Program of the Ghana Institute of Management and Public Administration (PSMTP-GIMPA) for improved training to eventually ensure better efficiency in government operations;
- The Empowerment of Women in Agriculture (EWA) initiative to achieve more results for women in agriculture in several African countries;
- The West African Monetary Institute's Capacity Building Project (WAMI-CAP), to create a trade index for the West African Monetary Zone in order to boost trade integration in the region; and,
- The Kenya Institute for Public Policy Research and Analysis (KIPPRA), which conducted a tracer study revealing a 60% job progression of beneficiaries of its Young People's Program (YP).

Knowledge imprints for better development policies

5. During the year, ACBF celebrated its 25th anniversary from 3-5 May 2016, a high-level event organized as part of the Third African Capacity Development Forum held in Harare that attracted over 800 delegates from across Africa. The Forum was held under the theme: "Developing Capacity for Africa's Economic and Social Transformation". The Forum's communiqué "noted with satisfaction the significant contribution by ACBF in addressing the continent's development priorities, in particular the evident achievements in establishing and supporting evidence-based policy formulation, implementation, and evaluation."

6. The Foundation produced and widely disseminated cutting edge research results to better equip African countries for more effective development policies. Key amongst the knowledge products delivered was the African Capacity Report for 2017 (produced in 2016) under the theme: Building Capacity in Science, Technology, and Innovation for Africa's Transformation. The report which is based on surveys carried out in 44 countries across the continent makes a clear case for better ways of pursuing financing for development through STI, developing regional strategies for the development of the sector; revolutionizing capacity development; and, investing substantially in higher education/research with the right tools. In fact, the publication says African countries must commit to honoring the one per cent of GDP pledge for research and development (R&D) investment they made in 1980 and 2005, and even take it further, to about three per cent of GDP.

7. ACBF also produced and disseminated several Policy Briefs based on the 2015 Africa Capacity Report to further equip African countries and institutions with knowledge on resource mobilization for development programs. The Foundation conducted groundbreaking studies on the capacity imperatives for implementing Agenda 2063 and published the insightful Survey of the Capacity Needs of Africa's Regional

Economic Communities (RECs) and strategies for addressing them. All of these reports have become reference documents for African leaders trying to implement various continental development agendas.

8. ACBF also used its convening power to prod African think tanks to be actively involved in the implementation and domestication of both Agenda 2063 and Agenda 2030 in member countries by providing well-researched and evidence-based reports on what works and what does not work, and why. This was during the Third Africa Think Tank Summit held in Victoria Falls, Zimbabwe, from 8 to 9 April 2016, judged to be very successful by high-profile representatives of African Governments.

Corporate Level

Streamlined business processes for organizational effectiveness

9. A major achievement of 2016 was the completion of the Foundation's new 2017-2021 Strategy, which will guide its work for the next five years. The Strategy is built around four key strategic pillars: (1) enabling effective delivery of continental development priorities; (2) supporting countries to achieve their development results; (3) enhancing private sector and civil society contribution to sustainable development, and; (4) leveraging learning and knowledge to reach greater development effectiveness on the continent.

10. The Foundation implemented a plan to equip staff with new skills for the 2017-2021 Strategy as well as for ways of doing business more efficiently within the Foundation as a whole. A streamlined business environment and new HR policies put in place in 2016 yielded results by the end of the year with savings on duty travel. During the year under review, ACBF achieved a disbursement ratio of 80%, meeting the target agreed with partners, and, even better, its financial statement was given given a clean audit.

TOWARDS CONCRETE ACTIONS
• Establishing framework for collaboration while maintain separate and unique mandate
• Maintain own accountabilities
• Each party accepts full and sole responsibility for costs relating to or incidental to activities implemented under the MOU
• Agreement Non exclusive in character

Part III
Enhancing Capacity For Increased Development Impact In Africa

The year under review (2016) was one of great achievements for ACBF's conceived and supported projects for enhancing the effectiveness of continental and national development institutions, parliaments, state ministerial departments and youth development initiatives. University institutions specializing in the crucial areas of science/ technology/engineering/ mathematics and women's development initiatives were also among the categories of partners supported by the Foundation. All across Africa, ACBF's impact grew as projects and programs funded by the Foundation achieved impressive results. On the following pages are the results of the key programs supported during the year.

1. Improving Economic and Financial Management/ Oversight

WAIFEM trainings extended to French-speaking beneficiaries in West Africa

The West African Institute for Financial and Economic Management (WAIFEM) is funded by the central banks of the five Anglophone West African countries, and Guinea. Besides the central banks funding, ACBF has been the main donor partner of the Institute.

Through ACBF support in 2016, WAIFEM was able to provide support to fragile countries such as Sierra Leone, Liberia and The Gambia to train their public and private sector officials in macroeconomic policy management, financial analysis, and debt management. This support enabled WAIFEM to introduce a French language course and other e-learning programs (comprising the institution's basic and intermediate level courses), resulting in exponential increase in access to the Institute's programs across West Africa.

NILS continues to support MPs in Nigeria

The National Institute for Legislative Studies (NILS) in Nigeria is the leading legislative capacity building institution in the West African region. ACBF support and engagement contributed to the establishment of the Institute, after it transitioned from project status in 2012.

With ACBF funding, the Institute has provided capacity building support to Members of Parliament (MPs) as well as their administrative/support staff, and the media. A major achievement of the ACBF intervention in 2016 was the expansion of NILS' programs to Francophone West African countries. This feat has given NILS the standing of a true regional organization.

NILS is also involved in research and in assisting the committees support of Nigeria's National Assembly. It made a total of 15 Committee appearances in 2016 to offer expert analysis and advice to MPs.

Trade Index Created via the West African Monetary Institute (WAMI)

One of the key achievements of the ACBF-supported West African Monetary Institute Capacity Building Project (WAMI-CAP) in 2016 was the construction of a trade index for the West African Monetary Zone (WAMZ). The index was to assess each member state's performance with regard to the trade integration goals of ECOWAS, which is critical to the determination of the extent of trade integration in the Zone.

This trade index was adopted at a meeting of WAMZ trade ministers held in Liberia in 2016, during which it was recommended that the index should be updated and published annually to inform decision making in the Zone.

In addition, the College of Supervisors of the West African Monetary Zone (CSWAMZ) meetings organized by WAMI with the support of ACBF in 2016, contributed to the drafting of a Model Banking Act for the Zone. This will be presented for adoption after it has been reviewed by the Zone's Legal Institution and Issue Committee. When adopted, the Act will contribute to boosting trade and businesses in the Zone.

2. Improving Development planning

Improved poverty mapping in Mauritania for better local government planning

During the period under review, ACBF supported the National Statistics Office of Mauritania to streamline the gathering of data on poverty across the whole country for evidence-based policy decisions in fighting it. Support was given to the Office to extend its Permanent Household Conditions Surveys (EPCV) to communal levels. Before then, data-collection for the surveys were limited to national and regional levels only.

Thanks to this mapping, central and local governments now have at their disposal poverty data and poverty analysis, which will enable them to target the poorest communities in the country. This intervention succeeded through an adapted econometric model in creating crucial and reliable information for development actors in Mauritania.

3. Promoting the Participation of Women and Youths in Development

Training in science and technology for women boosted

ACBF's support for the African University of Science and Technology (AUST) in Abuja, Nigeria, continued to register tangible results in 2016. As a young institution, the University faced challenges that included the provision of appropriate infrastructure to support teaching and research, the attraction and retention of high caliber resident/visiting lecturers, the capacity enhancement of its staff to discharge their functions efficiently, and access by students.

With ACBF support, the university was able to engage 38 PhD students as teaching assistants. This reduced the gap in the student-faculty ratio, thus enhancing quality of education at the university.

For the 2016/17 academic year, ACBF funded full scholarships for 12 female students to pursue various Masters

Degree programs. Most of these students would have been denied high quality science education if not for the ACBF support.

Transforming agriculture with women – the EWA Program

Convinced that African women are crucial to agricultural transformation, ACBF, in partnership with *Femmes Africa Solidarité* (FAS), Gender Is My Agenda Campaign Network (GIMAC), and the Mo Ibrahim Foundation coordinated the establishment of the Empowerment of Women in Agriculture (EWA) initiative.

EWA aims to address the lack of integration of women farmer's interests in programs for agricultural transformation in Africa, leaving gender to remain on the periphery of the growth process instead of being at the heart of it, given the critical role of women in the continent's agriculture.

The EWA Initiative has been focusing on various aspects of Women in Agriculture issues such as information sharing, research and advocacy) developed a regional strategic document referred to as the EWA Regional Project Document, which is a compilation of the national program documents in the pilot countries.

On 27-28 April 2016, a Technical Validation Meeting was organized in Dakar with Femmes Africa Solidarité (FAS) with the support of the International Finance Corporation (IFC), to brainstorm and validate the project document.

The outcomes of the validation workshop were presented to the Champions of EWA during a High-Level Breakfast Meeting held on the sidelines of the 27th Session of the AU General Assembly on 16 July 2016. This was held under the distinguished leadership of Presidents Ellen Johnson-Sirleaf and Paul Kagame. Also in attendance were the president of the AfDB, Dr. Akinwunmi Adesina, the Executive Secretary of the United Nations Economic Commission of Africa (UNECA), Dr. Carlos Lopez, and several other leaders and partners of Africa's development.

One key outcome of the breakfast meeting was the partnership and collaboration that was struck between the AfDB and the Affirmative Action on Finance for Women in Agriculture (AFAWA). This was due to the recognition of the close alignment of the EWA Program and the AFAWA Program, in that both initiatives aim to prioritize agricultural projects that target gender inequality and enable women to have equal access to opportunities throughout the agricultural value chains.

An action plan reinforcing the partnership between EWA and AFAWA has been developed along with a Joint Implementation Framework.

Advancing Young Professionals for Excellence in Policy Research in Kenya

A key feature of ACBF's work to boost youth development in 2016 was through leveraging the Young Professionals (YP) Program in Kenya as part of its support to the Kenya

Institute for Public Policy Research and Analysis (KIPPRA). It is an annual capacity building program, which aims to enhance technical policy research competencies for young professionals in the public and private sectors.

KIPPRA has been training 12 YPs each year with ACBF support. A Tracer Study of 85 YP graduates who benefited from this program indicated that all of the respondents reported improved research and analysis skills, and analytical knowledge and innovation skills, while 60% reported job progression after graduation. Over 76% of the graduates were employed by the public sector, with roles in policy-making, implementation, and review. A high 95% of employers reported that the graduates had highly enhanced skills with better productivity.

Women's rights bolstered via support to AWDF

One of the areas of focus of the ACBF support to AWDF is to build credible and well-informed African women's organizations and leaders to accelerate the respect and realization of women's rights in Africa. In 2016, AWDF strengthened governance frameworks and human resource capacity of women's rights organizations, using coaching, grant making, and technical skills support.

By December 2016, 65 African women leaders from 43 organizations in Africa had received various forms of technical and leadership training designed to meet their requirements, needs and capacity.

Vimbai Mlambo from Zimbabwe, who benefited from the Chief Executive Officers' Forum, which was followed by individual coaching sessions for the women leaders, was promoted to the position of Executive Director of her organization – Students and Youths Working on Reproductive Health Action Team (SAYWHAT). She was later invited by UN Women to join a women's leadership group on women and HIV & Aids in Zimbabwe, where she will bring young women's voices and concerns for action in this space.

Vimbai had this to say: *"The AWDF coaching project has truly been inspirational and contributed hugely to my personal development and prepared me for my new leadership position".*

Other women leaders who benefited from the AWDF coaching project have reported enhancement in assertiveness, communications skills, knowledge, and critical consciousness on women's rights issues. These leaders are now active participants in discussions on women's rights.

For example, Cynthia Coredo, Program Manager, Boxgirls, Kenya, who attended the AWDF coaching project, has been speaking about how her organization uses boxing to ensure girls' safety and security in slum communities in Nairobi. This and other engagements have increased her organization's visibility and earned it international recognition and increased donor support, enabling Boxgirls to expand to other communities. According to Cynthia: *"These speaking sessions were opportunities for me to contribute to approaches used by Boxgirls to engage and support girls realize their dreams. I am now confident and I feel a part of the process of change".*

4. Improving curricula in crucial modules at higher institutions of learning

ACBF continues to help GIMPA's mid-level trainees

The Public Sector Management Training Program of the Ghana Institute of Management and Public Administration (PSMTP-GIMPA) is mainly focused on training mid-level officials in public sector management in Anglophone West Africa.

With ACBF support, the program is ongoing with 28 participants for the 2016-2017 academic year. Twelve of the participants are under ACBF full scholarships, whilst 16 are fee-paying.

PPRC addressing governance capacity challenges in Côte d'Ivoire

The *Programme-Pays de Renforcement de Capacités* (PPRC) was developed in 2013 to improve on the economic governance capacity of Ivorian civil servants. It is funded by the Government of Cote d'Ivoire and ACBF.

PPRC is supporting the Ecole Nationale d'Administration (ENA) of Cote d'Ivoire for the implementation of their Strategic Plan for 2015-2020.

The project supports advocacy for the establishment of ENA's Scientific Council and the preparation of an ENA Manual of Procedures. The ACBF support for the stated period, which includes 2016, contributes to the improvement of the quality of the curricula of the ENA's degree programs. It also strengthens ENA's reputation and governance.

Economic Policy Management in Zambia and across Africa

The University of Zambia's Master's degree program in Economic Policy Management (EPM), heavily supported by ACBF in 2016 as part of a portfolio that started years earlier, upgraded its portfolio in view of eventually \ strengthening sound economic policy analysis and formulation in Zambia and in the six other countries with universities participating in the program.

The EPM-Zambia project is one of the seven EPM programs supported by ACBF that contribute to capacity building for economic policy analysis and management in Africa. The EPM program was launched in 1998 by ACBF and the World Bank Institute.

African universities participating in the program in 2016 included: University of Yaoundé, Cameroon; University of Cocody, Cote d'Ivoire; University of Ghana, Ghana; Makerere University, Uganda; University of Kinshasa, DR Congo; University of Eduardo Mondlane, Mozambique; and University of Zambia, Zambia. By the end of the year, the Foundation granted about US$32,700,000 to the EPM Programs.

Masters' Training Program at Makerere University

ACBF has been supporting the Economic Policy Management (EPM) Program at Makerere University under the College of Business and Management Sciences since November 1997. The project is currently in its fourth phase. A tracer study was started in 2016 using a sample of 209 program alumni and their employers after graduation.

The study will be concluded in 2017.

5. Tobacco Control for health, social and economic gains

The Bill and Melinda Gates Foundation (BMGF) granted funding to ACBF to advance evidence-based Tobacco Control policies in Africa. The purpose is to strengthen the capacity of African Civil Society Organizations (CSOs) capacity to institute strong and well-implemented Tobacco Control policies across the region, and ensure that CSO's work is better coordinated and more targeted.

Increase in portfolio size

During 2016, ACBF worked with five institutions to roll out this program across Africa. This included the African Tobacco Control Alliance (ATCA), Senegal's Ministry of Health (MOH), Mathiwos Wondu-YeEthiopia Cancer Society (MWECs), Anti-Tobacco Network (ATN) Botswana, and Sefako Makgatho Health Sciences University (SMU) South Africa. The total Tobacco Control (TC) sub-grantees of ACBF increased from 10 to 15.

The Foundation continued to support TC initiatives in Africa in three ways. First, the advocacy work of Civil Society Organizations (CSOs) in 9 countries for the passage and implementation of strong TC policies.

Second, the Center for Tobacco Control in Africa (CTCA) and the Economics for Tobacco Control Project (ETCP) at the University of Cape Town (UCT) continued to provide technical assistance to governments for tobacco control policy implementation.

Third, the institutional capacity of the African Tobacco Control Alliance was progressively enhanced to support TC initiatives in Africa in general, and more specifically in four target countries.

Quality control missions and coordination with the Gates Foundation and other Partners

To ensure effective roll out of the projects under each grantee's portfolio, ACBF conducted six supervisory missions to the said institutions and served as convener of two Gates Foundation Core Partners meetings with tobacco control partners. The two Core Partners meetings were held in Kampala Uganda, and Abuja Nigeria. The Core Partners included the Campaign for Tobacco Free Kids (CTFK), ACBF, and The World Health Organization (WHO). The Core Partners shared updates on priority countries and new developments in tobacco control. The meeting agreed on expanding TC stakeholders' base in Africa by identifying new partners beyond the current ones and re-enforcing the capacity of existing partners.

Johns Hopkins Global TC Leadership Program

ACBF participated in the 2016 edition of the Johns Hopkins Global TC Leadership Program, which resulted in deepening knowledge and skills of African agents on tobacco control, improving leadership, and engaging others to share ACBF's vision and objectives.

Participation in WHO High Level Meeting

ACBF was part of the Kigali High Level meeting organized by WHO on taxation for tobacco products from

23-24 August 2016. The main objective of the meeting was to raise awareness on the role of tax and price measures in meeting public health objectives of the WHO's Framework Convention on Tobacco Control (FCTC).

Participants were drawn from ministry of finance and revenue authorities of 12 African countries, regional and international economic institutions (WAEMU, ECOWAS, ATAF, and WCO) and NGOs (CTFK, FCA). The meeting was insightful for ACBF and provided a better understanding of the challenges faced by African countries in reforming the tobacco tax system.

Networking and Participation in COP7 meetings on tobacco control

ACBF participated in the preparatory meeting for the 7th Conference of Parties (COP7) and the second High Level meeting on implementation of the WHO Framework Convention on Tobacco Control (FCTC) held in Algiers, Algeria from 10 to 13 October 2016. The participants included government representatives from 47 countries of the WHO African region.

The objective of the pre-COP7 meeting was to prepare and harmonize Africa's positions on the items of the COP7 agenda. This was important given the vital role that Africa played in the negotiations of the FCTC.

The second High-Level Meeting for the implementation of the FCTC in the African region made an inventory of the implementation of key provisions of the FCTC and facilitated experience-sharing among the countries present. ACBF made a presentation during this meeting on "Building capacity for the implementation of the WHO FCTC in the African region".

During the COP7 held in India from 7 to 12 November 2016, ACBF provided support to African government delegates, and especially those from Zimbabwe for whom it was the first participation as party to the Convention.

In addition, ACBF presented its work in tobacco control to various stakeholders attending the COP. The meeting provided an opportunity for ACBF to network and interact with key partners present and to explore areas of collaboration with various African government delegates as well as organizations present.

Research Workshop for Think Tanks on Tobacco control

A research workshop was conducted for ACBF-supported Think Tanks on Economics of Tobacco Control from 7 to 9 December 2016, in Nairobi Kenya. The main objective of the initiative was to increase and share the body of knowledge and methodology of research on the economics of tobacco control in Africa in order to promote tobacco control evidence for policy making. The workshop facilitation was led by ACBF, UCT, and Economics of Tobacco Control Project (ETCP).

After the workshop, the think tanks were tasked to develop research studies on the economics of TC and disseminate findings to key stakeholders to be used as evidence to improve policy dialogue and decision making related to TC.

Part IV
Promoting a Knowledge-based Development Process in Africa

1. Knowledge production and dissemination

Production of flagship on building capacities for science, technology and innovation in support of continental development frameworks

Most work for the production of the 2017 edition of ACBF's flagship publication – ***The Africa Capacity Report (ACR2017)*** was done in 2016, to pave the way for publishing in early 2017. The said edition of the report was on the theme: *Building Capacity in Science, Technology, and Innovation for Africa's Transformation*. The decision to publish this 2016 work in 2017 was taken to give the Foundation enough time to follow up and support countries with implementation of the Report's recommendations. Henceforth, this method would be used for subsequent reports.

ACR2017 recognizes that Science, Technology and Innovation (STI) have become very vital, especially after the adoption of the AU's Agenda 2063 and the commitment of Africa to the UN Sustainable Development Goals (developed within the framework of Agenda 2030 that also has 169 development targets) and the continent's own industrialization strategy.

In an effort to bring new partners to assist in the production of the flagship report, the Islamic Development Bank (IsDB) agreed to provide financial support supplementing contributions from ACBF's traditional financiers - the World Bank, UNDP, AfDB and African governments.

Policy Briefs based on the 2015 Africa Capacity Report: Capacity Imperatives for Domestic Resource Mobilization in Africa

In a bid to ensure greater uptake and implementation of the findings of the 2015 edition of its flagship *Africa Capacity Report* on Capacity Imperatives for Domestic Resource Mobilization, the Foundation published four policy briefs in 2016. Each brief targeted specific group of stakeholders - namely African governments, civil society, private sector, and development partners - to motivate them into action.

Apart from the briefings being made available on the ACBF virtual library and resource center, they were also disseminated widely during conferences, at High Level Forums, and various knowledge-sharing events organized by ACBF and its partners. Stakeholders found the briefings very useful and there was a high demand for the briefings.

Technical Review of the Africa Capacity Index

After 6 years of the Africa Capacity Report (ACR), a critical technical review of its data collection instrument was necessary in order to take into account the new develop-

ments related to both Agenda 2063 and Agenda 2030 as well as the capacity development landscape itself. In this regard, a workshop with experts drawn from universities, think tanks, and governments was held in Dar es Salaam, Tanzania, on 27 October 2016 to determine the continued relevance of the ACR in tracking the progress of capacity development on the continent.

The workshop came out with recommendations on how to improve the data collection instrument while recognizing the relevance and importance of the ACR in Africa's development landscape. The revised data collection tool will be used in producing *ACR2018* and subsequent reports.

Groundbreaking studies related to the capacity imperatives of Agenda 2063

To ensure a successful implementation of the first 10-Year Plan of Agenda 2063, the AU Commission requested ACBF to conduct studies on capacity imperatives that have to be domesticated in AU member countries. These were compiled in three volumes, titled: (1) *The Capacity Requirements for the New African Vision*. (2) *The Capacity Development Plan Framework*. (3) *The African Critical Technical Skills: Key Capacity Dimensions Needed for the First 10 Years.*

The studies were useful in enlightening the AU Commission and member countries on the capacities that are to be built to effectively implement Agenda 2063. The studies also engendered discussions on the reforms required within the AU itself (an issue being principally handled by a pan-African task team headed by President Paul Kagame of Rwanda). This led, in the main, to the ACBF being accorded the status of Specialized Agency of the African Union for Capacity Development. It was in recognition of the Foundation's work and potential to support the AU in the implementation of the continent's development frameworks and agenda.

Survey of the Capacity Needs of Africa's Regional Economic Communities (RECs) and strategies for addressing them

This survey, which was published in 2016, is an update and further improvement on the original survey of the capacity needs of Africa's Regional Economic Communities (RECs), which ACBF conducted in 2006. The new survey showed that all the RECs were deficient in capacity in the four assessment areas – safety and rule of law; participation and human rights; sustainable economic opportunity; and human development – particularly in policy and strategy, monitoring and evaluation, statistics, budget, resource management and human resources.

The report of the survey was structured to help the RECs to deal with their capacity needs.

Strategic studies produced as Occasional Papers for greater policy impact

As a strategic network of ACBF, the Strategic Studies Group (SSG) assists the Foundation in identifying key policy and emerging issues requiring the attention of the Foundation and its stakeholders. Through the network, three research products (also called the SSG Papers or Occasional Papers) were published on (a) *Infrastructural Development Financing in Sub Saharan Africa*; (b) *The Challenge of Youth Unemployment in Africa*; and (c) *The Policy and Institutional Dimensions of Africa's Political Economy*.

Apart from being available on the ACBF virtual library and resource center, the Occasional Papers have also been

disseminated widely to universities and during conferences, seminars, and various knowledge-sharing events organized by ACBF and its partners. The Papers have been a hit for conference goers, especially academics, leading to positive feedback on how they have helped and enhanced the work of researchers, and also as a teaching aide.

Development memoir series

ACBF's Development Memoirs Series is a key instrument in the Foundation's knowledge management strategy aimed at harnessing the knowhow and experiences of eminent senior policymakers and development managers. In 2016, the Foundation produced its 9th series of the development memoirs, titled *The Role of Information and Communication Technology (ICT) in Africa's Sustainable and Inclusive Development: Understanding the Capacity Challenges*.

This series had the great fortune of having Dr. Saulos Chilima, Vice President of the Republic of Malawi, who is an expert in the area covered by the memoir, contributing and enriching the contents with his expertise.

The memoir found that the continent still lagged way behind other parts of the world in reaping ICT's benefits. For example, connectivity in Africa is limited by the high costs of devices and data, thus putting access out of the

reach for many of the continent's poor.

Additionally, low computer literacy, inadequate infrastructure, and weak ICT institutional capacity pose challenges to growth potential and development. As a result, the memoir recommended that the digital divide between Africa and the rest of the world must be a priority area for both governments and the private sector as the continent strives for economic growth and the reduction of poverty.

Third Capacity Development Forum

The Third Capacity Development Forum, held concomitantly with ACBF's 25th anniversary, in Harare, Zimbabwe, from 3-5 May 2016, was held under the theme: *"Developing Capacity for Africa's Economic and Social Transformation"*. The event brought together policymakers, senior government officials, representatives of multilateral and bilateral institutions, private sector and civil society delegates, as well as the media to discuss the capacity needs of Agenda 2063 and Agenda 2030 both of which ACBF is supporting to ensure that Africa achieves the goals of the two agendas.

A key outcome of the Forum was that ACBF should continue to provide a coordinated and strategic approach to developing capacity if Africa were to achieve the goals of Agenda 2063 and Agenda 2030. The Forum's final communiqué highlighted the need for Africa to build: (a) operational capacity for holistic and effective results; (b) change and transformative capacities; and (c) critical, technical and sector-specific skills needed for implementing the flagship projects under the First 10-Year Plan of Agenda 2063.

The recommendations have since informed ACBF's interventions, and have been reflected in the theme, *"Developing Transformative Leadership for Africa's Socio-economic Leap-forward"* as the title for the 2018 Africa Capacity Report.

2. Support for Networks and Communities of Practice

Supporting the African Think Tank Network

Under the African Think Tank Network, the Third Africa Think Tank Summit was held in Victoria Falls, Zimbabwe, from 8 to 9 April 2016 under the theme, *"Creating a Sustainable Future for African Think Tanks in Support of SDGs and Agenda 2063 Implementation"*. It was organized by ACBF, in partnership with the AU Commission, UNECA and NEPAD.

A key recommendation from the Summit was the call for think tanks to be actively involved in the implementation and domestication of both Agenda 2063 and Agenda 2030 in member countries by providing well-researched and evidence-based reports on what works and what does not work, and why.

The Summit's communiqué generally focused on the following: (a) the role think tanks should play in the implementation of various agendas, including Agenda 2063 and Agenda 2030; (b) the necessity to assist think tanks for their sustainability; and (c) the need to support the key supporters of think tanks in Africa, such as ACBF.

The feedback from participants was very encouraging, with one high-ranking government official saying: *"The Third Think Tank Summit organized by ACBF was a huge success. It is my opinion that ACBF should*

organize annual think tank summits as one of its flagship projects because think tanks are becoming increasingly important as agents for transforming countries, regions, and the African continent as a whole. It therefore requires a high profile organization such as ACBF to take charge of this initiative."

Achieving greater policy impact through the Consultative Forum of the Policy Institutes (PIC) Committee

In line with ACBF's commitment to improve the delivery and impact of its policy-oriented interventions in Africa and enhance peer learning among its supported think tanks, the Sixth Consultative Forum of the PIC was held in Victoria falls, Zimbabwe, on 10 April 2016. The Forum deliberated on issues related to the capacity for the utilization of knowledge products, and was therefore held under the theme, *"Effective utilization of knowledge products for policy impact in Africa"*.

The key messages that emerged from the Forum enjoined think tanks to: (a) combine research with capacity building by including government officers in the inception and execution of studies; (b) create appropriate partnerships with state and non-state actors, including the media, for effective uptake of their knowledge product recommendations; and (c) use ICT to disseminate their knowledge products.

Tapping into the Strategic Status Group Network for impactful strategic studies

As one of the knowledge networks that help the Foundation to advance its vision, the ***Strategic Status Group*** (SSG), which is a network of global experts, assists and guides ACBF on key strategic policies and emerging issues. In 2016, the SSG Network served the Foundation by reviewing and providing inputs in all the strategic studies undertaken by ACBF, especially those related to Agenda 2063 and the Occasional Papers.

The Network also supported all the key reports produced by ACBF and also served as resource persons in major ACBF knowledge forums – such as ACBF's 25th Anniversary celebrations and the Third Capacity Development Forum.

Sharing knowledge on management for development results

Since 2012, the ACBF, with the financial support of the African Development Bank (AfDB), has been supporting the African Community of Practice (AfCoP) on Managing for Development Results (MfDR). In particular, ACBF has facilitated knowledge sharing among 5,000 AfCoP members, which include governments, regional bodies, and non-state actors.

In 2016, ACBF also facilitated a number of online discussions on various development topics related to MfDR, including gender, energy, business environment, agriculture, trade, climate change, and regional integration.

To widen knowledge sharing, the online discussion notes were transformed into knowledge briefs, which were published and disseminated. The discussions helped to increase members' knowledge and understanding of the MfDR discourse, real-life challenges, and the experience of their home regions.

In addition to the knowledge briefs, ACBF published over 50 MfDR knowledge products, including case studies, guidelines, and tools. The production and dissemination of knowledge products have been critical in supporting

learning and the replication of MfDR best practices in targeted countries and RECs. The knowledge products provide development practitioners with the "what" and "how" to do things in order to achieve results and impact.

From 13-15 July 2016, in Nairobi (Kenya), ACBF co-organized with the AfDB the "Africa for Results Annual Forum" on the theme, *"Mobilizing domestic resources for Africa's transformation"*. The forum enabled a fertile exchange of ideas, experiences, good practices, and strategies aimed at addressing the poor performance of countries in domestic resource mobilization (DRM).

The forum stressed that with the right capacities, African countries could increase mobilization of domestic resources. Institutions such as the AfDB, ACBF, UNECA, the Collaborative African Budget Resources Initiative (CABRI), and the African Tax Administration Forum (ATAF) should ensure that these capacities are in place. The need to support the informal sector, improve financial inclusion, and curb illicit financial flows was also highlighted.

The forum further recommended that AfCoP should support DRM on the continent as it has a unique comparative advantage to leverage efforts in DRM through mutual learning, exchange of experiences, and knowledge to build national and regional capacities.

ACBF also jointly organized with the West African Economic and Monetary Union (WAEMU) and the Common Market for Eastern and Southern Africa (COMESA) two knowledge-sharing workshops on the domestication of regional policies related to business environment, trade facilitation, and public financial management.

The workshops strengthened the capacities of AfCoP members in the use of MfDR tools to advance the implementation of targeted policies at regional and national levels. It was an occasion to share experiences on challenges, successes, best practices, and results achieved in the implementation of key policies at the REC and member state levels.

The knowledge-sharing activities (online discussions, development, and dissemination of knowledge products and forums) have enabled the easy linkage between producers of and consumers of knowledge on key development issues. These activities also include the mainstreaming of results-based management of African development, and discussions on the challenges, opportunities, and lessons in the implementation and domestication of regional policies and strategies.

3. Online platforms (expert database) and Help Desk

In 2016, ACBF, widely acknowledged as Africa's knowledge and capacity building service provider of choice, engaged in the process of establishing appropriate systems and mechanisms to enable national, regional, and international development organizations to easily source expertise and knowledge on issues related to capacity development in Africa. Two initiatives - an expert database, and a help desk - were launched in this respect.

The ***expert database*** aims to create and maintain a single point of relevant individual expertise on various development topics. In total, the database covers 71 areas of expertise relevant to development in Africa. Experts across the continent and outside can self-register on the database through ACBF's website.

The database serves as an easily accessible resource for institutions (public, private, development partners, and other non-state actors) and expedites the identification and utilization of capacity development experts.

The ***helpdesk on capacity development*** is based on ACBF's long experience and mandate to support and pool resources together for capacity development interventions in Africa. The helpdesk provides a direct and rapid service to stakeholders in need of the best available current knowledge, evidence, experience, and lessons in capacity development.

The helpdesk also facilitates conversations between stakeholders and relevant experts and organizations capable of providing technical assistance to advise on and support the implementation of continental development priorities. Thus, the helpdesk seeks to strengthen the key development issues on capacity development so that stakeholders can design, implement, monitor, and evaluate evidence-based policies, strategies, and institutional arrangements. The helpdesk became operational in 2017 through a pilot phase.

4. Learning and innovations in capacity development

Portfolio reviews

Annual and semi-annual portfolio reviews were conducted in 2016. The aim of the semi-annual review was to help the Foundation's management and program officers to assess the progress of the implementation process of ACBF-supported projects at mid-year, so that immediate corrective measures could be taken.

The annual reviews, on the other hand, look at the performance and health of the portfolio during the previous year in order to draw lessons for the coming year and beyond. These reviews have been useful as the health of the portfolios have continued to improve over time due to the corrective measures taken, based on results of the reviews.

Partnership as an innovation for ensuring enhanced policy impact

In June 2016, ACBF signed a Letter of Intent to collaborate with the Africa and West Asia Program of the International Institute for Democratic and Electoral Assistance (AWA/IDEA), in recognition of the strategic goal of inclusive and sustainable development in Africa, as described in both Agenda 2063 and Agenda 2030.

Recognizing that these goals cannot be achieved without a robust

participatory and accountable democratic framework, the two institutions have become partners to enhance policy impact and ensure sustainability of interventions coming out of the knowledge generated over decades.

One of the identified areas of collaboration is enhancing the governance of natural resources by building capacities of senior government officials and members of parliament under a New Development Approach (NDA) to natural resource governance that emphasizes accountable and inclusive methods.

In this regard, a consultative forum on the theme, "*Inter-party Dialogue and Natural Resources Governance*", was held for Central African countries in Brazzaville in November 2016 as a start of a series that would cover other regions in subsequent years.

Building on its 2013 Africa Capacity Indicators Report, ACBF was central in providing the background information relating to the capacities required in natural resource management. Follow-up interventions in 2017 will include developing a natural resource governance index, a curriculum and training material on NDA to natural resource governance, and the training of parliamentarians and technical staff supporting parliamentary committees on natural resource governance.

Insightful Articles on Capacities required for Africa's Socio-economic transformation

In a quest to draw lessons on the works that the Foundation has done over the years, especially in the knowledge generation field, efforts are being made to document these lessons for various audiences. One of the targets has been policy-oriented capacity development journal papers targeting the academic community. The first was on "*Domestic resource mobilization in Africa: state, capacity imperatives, and policy actions*". This insightful piece will be published in 2017 in a peer-reviewed journal, the *African Journal of Management*.

This paper looks at the capacity dimensions of domestic resource mobilization, which have received relatively little attention in the development arena and literature. The paper analyses and provides key lessons on the capacity challenges associated with the effective mobilization and utilization of domestic resources in Africa, largely drawing on the 2015 Africa Capacity Report whose focus was on the capacity imperatives for domestic resource mobilization.

The paper also aims at sharing the experience and work of ACBF to diverse audiences worldwide while paying attention to the Foundation's role in building and strengthening capacities for effective domestic resource mobilization.

5. Results: evidence from the Knowledge Resource Centre (KRC)

This library continues to empower ACBF staff and stakeholders through the provision of a one-stop shop virtual library on capacity development that provides access to ACBF's knowledge products and over a million external resources in the form of e-books, e-journals, databases, portals and gateways. This online platform enables staff and clients to do their work in an easy, quick and affordable manner, which is effective and efficient, irrespective of physical location.

ACBF's knowledge products continue to be in high demand, recording a total of 346,500 downloads in 2016. Close to 22,000 people visited the virtual library during the same period. The online visitors came from a total of 146 countries worldwide, with all African countries represented. Africa had the highest number of visitors (53.73%), Europe (28.23%), Americas (7.55%), Asia (7.92%), Oceania (0.79%), while the location for (1.78%) is not shown.

ACBF's knowledge products were cited 23,000 times against an annual target of 10,500. The increased citations of ACBF's knowledge products are attributed partly to the heightened awareness created by the Foundation among development actors across Africa and beyond.

ACBF has enhanced access and user-friendliness of its knowledge products and the rollout of collaborative arrangements with other institutions to expand and disseminate the knowledge products, especially among academic communities, research, and development organizations. This has resulted in the linkage of the ACBF's virtual library to websites of over 20 universities and portals.

Mr. Mikhail Goldovski who coordinates the London-based Hogarth Representation Library Services expressed appreciation on receiving ACBF's knowledge products by saying: *"… The [shared books are very good] and will be deposited with the relevant departments of Africana libraries in the USA, Canada, England, France and Germany"*.

Similarly, Mr. Nevermore Sithole, the librarian at the Africa University, was equally grateful for the contribution of ACBF's knowledge products to the learning process at his institution, indicating "… *the publications [are adding so much value] to our collections, particularly for our post graduate students.*"

ACBF has also embarked on outreach activities aimed at increasing the visibility and access to the Foundation's knowledge products by showcasing and disseminating knowledge products at all national, regional, and international knowledge events and engagements in which ACBF staff and its partners participate.

Part V
Continuous Improvement in Institutional Effectiveness

In 2016, ACBF achieved milestones in conducting its business from an operational standpoints. This included streamlining its modus operandi leading to more productive performance with far less staff than the previous year, boosting its own human capacity, upgrading its staff rules and regulations, improving the working environment and group cohesion and keeping a good handle on budget utilization and control to obtain great value for money especially in travel planning and general procurement. Below is an account of the conduct of administrative matters at ACBF.

Streamlining human resources management

In the past years between 2012 and 2014, ACBF has had to reduce its core staff complement from 86 to 46 in 2016. Despite the almost 50% staff reduction, ACBF made great strides in 2016 in implementing its business plan and notably, ACBF staff achieved the following milestones Development of the 2017 – 2021 strategy

- Organization of the Capacity Development Forum that included ACBF's 25th anniversary celebrations

In 2016, a Human Resource planning exercise was undertaken alongside the 2017 – 2021 strategy to ensure that human resources needs for the immediate and the long-term requirements were timely and well-planned. This exercise enabled ACBF to do a skills audit and determine the skills needed now and in future.

The human resource planning has placed ACBF in a better position to implement its strategy with the right number and competence of staff needed at the right time.

From 2016 a robust staff learning and development plan was rolled out to build the capacity of staff in line with the skills requirements needed to deliver on the Foundation's strategy. Among others, staff have been trained in the following areas:

- Capacity development through online studies
- Change management
- Staff wellness
- Health and safety

Considering the new business model, ACBF has adopted an organizational structure of 46 core staff members. The core staff are complemented by staff who are hired on flexible staffing arrangements under temporary and/or project support appointments.

The Foundation created a work environment that is engaging to staff. This is attributed to a number of initiatives that were implemented on the HR front, as well as the engagement of staff in a number of key organizational processes. Staff Rules and Regulations and the Code of Conduct, Disciplinary and Grievance procedures were revised with the active participation of all staff resulting in their ownership of these initiatives. In addition, a number of HR policies have been put in place. The Staff Association has become more vibrant and

engaging both management and staff. A sense of camaraderie has developed among the staff, which has resulted in greater teamwork, collaboration and better client service orientation. Staff commitment to the Foundation has also been revitalized to the extent that they have been able to mobilize resources and create more partnerships as evidenced by new projects to manage on behalf of partners.

Staff now feel a better sense of belonging.

Improved control over operating costs

A number of cost control measures were put in place in 2016, including a revised travel policy that streamlined travel and brought more enforcement in terms of staff travel and the lead time in making travel requests. By so doing, ACBF was able to get cheaper tickets than wait till the last minute when tickets tend to be more expensive.

The better travel planning and enforcement of travel planning, which was approved in July 2016 and implemented in the third quarter of the year, led to a lot of cost cutting and huge savings.

Other measures taken in 2016 to improve operational spending included creating cost consciousness in the staff, and ensuring that procurement processes for internal purchases of goods and services were streamlined to give clarity on procedures and take into consideration economy and quality. This has resulted in further savings and efficiency.

Regarding the monitoring of budget utilization and internal control, the Foundation did not just maintain costs in 2016, it also mobilized resources, because the more the staff became more efficient and responsive, the more ACBF attracted funding from external sources.

The cost saving of 2016 has enabled the Foundation to use less financial resources for admin-related areas, and this has helped to invest more in program activity. This is, in fact, part of the pulling power that attracts partners to work with the Foundation because they know they get value for money with ACBF, as most of the Foundation's resources go toward investing in capacity development initiatives.

As a result, ACBF's disbursement ratio stood at 80% at the end of 2016, which was the target agreed upon with partners. Regarding the staff costs ratio, ACBF achieved 15.7 in 2016, which was way better than what had been agreed with the World Bank – one of the principal funders of the Foundation's work.

Over and above all, the Foundation's financial statements obtained an unqualified opinion from the independent External Auditor, which is not just a matter of pride for all staff but an indication of good financial management.

Part VI
Milestones in Partnerships

Strategic Partnership with the African Union

The ACBF launched the negotiation of three main partnership agreements in 2016 with the African Union (AU), the African Development Bank (AfDB), and consolidated its partnership with the Bill & Melinda Gates Foundation.

ACBF engaged the African Union for a more strategic partnership that will enable the Foundation to provide capacity development support to all the major priorities of the continental organization and reinforce the African ownership of the Foundation in terms of financial and political support from the continent's member States.

For a long time in its 25-year history, the Foundation had operated under some kind of an "is-it-a-bird-or-is-it-a-plane" syndrome – where the status of the Foundation was not clearly spelt out. Certainly, the Foundation was an independent organization, but in some quarters around the world it was difficult for people to understand who or what the ACBF really was. A more formal relationship with the African Union and African countries will help rectify this perception.

A new relationship with the African Development Bank Group

In 2016, ACBF started another important partnership negotiation with the African Development Bank one of the Foundation's major funding institutions since its creation in February 1999. After 25 years of faithful collaboration, ACBF now wants a completely new relationship with the AfDB, one that is more dynamic than a mere grantor-grantee relationship that exists between the two institutions in order to give Africa the most benefit out of it.

With the experience the Foundation has accumulated over the last quarter century, and the expertise and

network it has acquired across the continent, ACBF feels tooled to provide an effective support to the African Development Bank Group's operations, so that it can actively contribute to the achievement of its laudable objectives, and particularly its landmark High Fives, which are: *(1) Light Up and Power Africa; (2) Feed Africa; (3) Integrate Africa; (4) Industrialize Africa;* and *(5) Improve the Quality of Life for the People of Africa.*

ACBF wants to bring a capacity development element to the High Fives, and also to the AfDB's other worthy policies and programs whose implementation by beneficiary countries has been lagging behind because of capacity deficits.

Consolidating Partnership with the Bill and Melinda Gates Foundation

ACBF became a partner of the Bill and Melinda Gates Foundation in 2014. Since then the partnership has grown by leaps and bounds, leading to negotiations for a new partnership agreement by the two institutions. The current partnership covers a tobacco control program rolled out by ACBF in African countries, funded by the Bill and Melinda Gates Foundation.

For years, studies have shown that though the financial benefits of tobacco to national economies may be immediate, the long term costs in treating the increased diseases linked to tobacco consumption are much higher. Figures show that every year tobacco consumption kills about 6 million people globally. It is a hidden statistic but it is true.

As a result, industrialized countries that know the real harm tobacco consumption does to their citizens, have imposed stringent control measures that are forcing the global tobacco industry to move to other parts of the world, such as Africa, the Middle East and Asia, where tobacco control is lax.

The Gates Foundation's program is therefore targeting Africa and the other vulnerable parts of the world where tobacco control is lax. Its current agreement with ACBF makes it possible for the Foundation to work with African countries to enact tobacco control laws and actually enforce them.

Under this program, ACBF works with governments and civil society organizations to diversify their sources of revenue by using new ways of doing business that move the countries away from becoming

overly dependent on tobacco revenues, among other strategies.

A Renewed Partnership with African Member Countries

The Government of Côte d'Ivoire hosted, in Abidjan on 30 June 2016, ACBF's Pledging Conference for the financing of ACBF's new five-year Strategy that runs from 1 January 2017 to 31 December 2021. The Conference was chaired by the Ivorian Minister of Finance, Mr. Adama Kone and led to the raising of $50 million in pledges, made up of $20 million from African member countries and $30 million from the AfDB.

The enthusiasm at the pledging conference was a continuation of what had happened to the Foundation's then expiring 2012-2016 Strategy where African member countries had their highest contribution to any ACBF Strategy since its creation – $21 million.

Following the Pledging Conference, the Foundation continued to work with its non-African partners to mobilize the additional resources necessary for the successful implementation of its new Strategic Plan.

Part VII
Transitioning into a new Strategy

Under its new 2017-2021 Strategy, ACBF has resolved not to do business as usual any longer. Since its creation 25 years ago, the Foundation had been regarded more as a provider of funding than as a provider of expertise in capacity building. In this, the Foundation accepts some culpability as its penchant for providing funding for a large number of programs lent credence to the wrong perception. But not any more! Effective from 2017, the Foundation will be changing the way it does business because the whole capacity development landscape worldwide, and in Africa in particular, has completely changed, most especially the funding part of it.

In the past, ACBF used to receive core funding from its traditional financing partners - the World Bank, UNDP, AfDB and European countries - who would provide funding for capacity building programs and give the Foundation the latitude to deploy the funds as it liked across Africa. The Foundation therefore added value to these grants by providing supervision during the implementation stage of those programs, making sure beneficiary countries/institutions used the money for the intended purposes.

Today, however, the terrain has totally changed, to the point where ACBF's traditional partners now provide funding and instruct it to invest it in specific areas named by the funders in consultation with the Foundation. In response to the new conditions, the Foundation naturally has to change its ways to do business. This will be done at five levels.

Level One: From hence, the Foundation will take advantage of its strategic partnership with the African Union to support the coordination of capacity building at the continental level, particularly in support of the First Ten-Year Plan of Agenda 2063.

When it was launched in 2013, Agenda 2063 received a lot of skepticism from people who did not have faith in Africa's long-term development plan. Today, everyone has understood that although Agenda 2063 is a long-term vision, it is the way Africa should go to guarantee its sustainable development.

As such, ACBF - being one of the leading institutions providing capacity development support to Agenda 2063 whose input at the planning stage helped fashion the

continental development framework – is going to do even more to support the implementation of Agenda 2063 by ensuring that capacity exists at the continental and regional levels to move the Agenda's First Ten-Year Plan forward.

Level Two: Empirical evidence shows that over the last two decades, Africa has made a lot of progress in socio-economic development and although some problems still persist, the evidence is clear that the continent has generally made good ground in terms of policy formulation. What is missing is implementation as those policies gather dust on shelves without being implemented.

Therefore, under its 2017-2021 Strategy, the ACBF is going to focus more on improving implementation capacity across the continent in order to ensure that African countries take the good policies off the shelves and implement them. The plan is to create implementation capacity at country level with the view of helping the countries to achieve some results during the lifespan of both the First Ten-Year Plan of Agenda 2063 and the UN Sustainable Development Goals (SDGs).

Level Three: As governments do not exist in a vacuum, the ACBF is going to work more deeply with civil society and the private sector (two important components of any society) to ensure that both civil society and the private sector play effective roles by contributing to national and continental development.

This has become imperative because the objective of the private sector should not only be to make profits, but also to ensure that the populations that contribute to private sector profits should have their lives improved as well. It is therefore in the supreme interest of the private sector to contribute to make this possible; otherwise their profits will not be sustainable.

Regarding civil society, the ACBF proposes to increase their capacity in order for them to take up their responsibility to society more seriously. Being both a watchdog and a partner of governments, civil society has an important role to provide input in the planning, implementation, and evaluation of policies and programs, so that at every level of the development chain their voice is heard. From hence, the ACBF will play a catalytic role to make this happen.

Level Four: Since African independence in 1960, knowledge sharing has been one of the weakest points of the continent. Even though many good things are happening in Africa, they are not known outside their local confines. Thus, in most African countries if a good idea or thing is not coming from outside Africa, it is not good enough to be replicated. Therefore under the 2017-2021 Strategy, the ACBF is going to put more emphasis on knowledge sharing to encourage African countries to acknowledge, share, and replicate the good things happening in Africa.

As Africa has not taken advantage of its strengths for decades, the ACBF is going to take a lead role in knowledge sharing by working closely with the AU so that in every AU department and partnerships, capacity building will become a prominent feature. It will also be important that Africa goes beyond the kind of capacity building where scholarships are given to a few Africans to go and study abroad. Rather it will be the kind of capacity building where foreign experts and expertise are

brought to Africa to benefit thousands of Africans at a time.

Level Five is about resource mobilization. As part of the new way of doing business, the ACBF has decided to diversify the source of its funding to mitigate the risk caused by changing priorities of its traditional donors and generate additional resources.

The Foundation is therefore opening up new horizons by establishing contacts with countries that have never been part of its traditional funding regime to ensure that it balances the sources of its funding. ACBF is, in this regard, grateful to new partners such as the Bill and Melinda Gates Foundation for their investment in capacity development in Africa.

ACBF has also found a new way of getting access to funding by responding to tenders for capacity building projects. Of late, donors and institutions who want to fund specific projects in capacity building in Africa have resorted to the practice of calling for proposals from capable organizations, such as ACBF, that can implement their programs in beneficiary countries on behalf of the funders.

Finally, ACBF will work closely with its African member countries to design capacity development programs along their priorities for which countries and ACBF will jointly mobilize resources. The Foundation will, in this regard, act as implementation support agency for its member countries. It intends to offer similar services to its multilateral partners such as the African Development Bank, and the World Bank to help accelerate the implementation of their programs in Africa through building implementation capacity at country level.

Annex

The African Capacity Building Foundation
Financial Statements For the year ended 31 December 2016

THE AFRICAN CAPACITY BUILDING FOUNDATION
FINANCIAL STATEMENTS
For the year ended 31 December 2016

STATEMENT OF AUDIT AND RISK COMMITTEE 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 3 and 4.

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 the Directors' to indicate that the Foundation will not be a going concern for the foreseeable future.

The financial statements set out on pages 5 to 20 were approved by the Executive Board on the 28th of April 2017 and are signed on its behalf by :-

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EXECUTIVE SECRETARY

DIRECTOR FINANCE AND ADMINISTRATION

Deloitte.

PO Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

Tel: +263 (0) 8677 000261
+263 (0) 8644 041005
Fax: +263 (0) 4 852130
www.deloitte.com

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") set out on pages 5 to 20, which comprise the statement of financial position as at 31 December 2016, 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 2016, 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.

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 the Directors' either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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' 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 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 Brian Mabiza.

Deloitte & Touche

Deloitte & Touche
Per: Brian Mabiza
Partner

PAAB Practice Certificate Number 0447
Registered Auditor
28 April 2017

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 US$	2015 US$
ASSETS			
Non-Current Assets			
Property and equipment	5	2 594 202	2 647 154
Current Assets			
Inventories	6	72 947	89 814
Accounts receivable	7	40 143	28 761
Amounts due from staff	8	187 106	261 103
Advances to projects	9	5 337 728	6 561 080
Other assets	10	171 462	177 988
Bank balances and cash	11	23 074 413	30 019 187
Total Current Assets		28 883 799	37 137 933
TOTAL ASSETS		**31 478 001**	**39 785 087**
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated Funds		28 688 906	37 065 309
Current Liabilities			
Accrued expenses	12	77 596	69 746
Provisions	13	1 106 018	1 629 312
Other liabilities	14	1 605 481	1 020 720
Total Current Liabilities		2 789 095	2 719 778
TOTAL ACCUMULATED FUNDS AND LIABILITIES		**31 478 001**	**39 785 087**

EXECUTIVE SECRETARY

DIRECTOR FINANCE AND ADMINISTRATION

28 April 2017

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	2016 US$	2015 US$
INCOME			
Grant financing		16 638 983	26 588 280
Direct contributions		2 436 854	6 097 479
Restricted income		3 006 146	4 599 277
Other income received		167 968	378 436
Total Income		**22 249 951**	**37 663 472**
EXPENDITURE			
Project expenses:			
Enhance Critical Capacities to:			
- Promote Political & Social Stability for Transformational Changes		6 111 061	8 023 834
- Engage and Regulate the Productive Sectors		5 125 156	4 345 472
- Track Policy Impact		4 754 038	5 845 013
- Movement in Accrued Project Expenditure		(2 574 935)	(1 201 760)
Special Projects and Partnerships	15	8 098 411	6 302 645
Bank Charges on Disbursements		-	-
Project/Program Development Expenses	16	3 533 859	3 327 675
Knowledge and Learning Expenses		1 658 331	3 858 713
Total Expenditure on Projects and Programs		**26 705 921**	**30 501 592**
Administration and board expenses	17	3 920 433	4 234 822
Total Expenditure		**30 626 354**	**34 736 414**
(Deficit)/Excess of Income Over Expenditure		**(8 376 403)**	**2 927 058**

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	2016 US$	2015 US$
Cash flows from operating activities		
(Deficit)/Excess of income over expenditure	(8 376 403)	2 927 058
Adjustment for:		
Loss/ (profit) on disposal of property and equipment	202	(25 515)
Depreciation of property and equipment	193 209	219 351
Interest earned	(5 408)	(133 206)
Operating cash (outflows)/ inflows before working capital changes	(8 188 400)	2 987 688
Decrease / (increase) in advances to projects	1 223 351	(552 376)
(Increase) / decrease in accounts receivable	(11 382)	22 378
Decrease / (increase) in amounts due from staff	73 998	(25 302)
Decrease in other assets	6 526	116 961
Decrease in inventories	16 867	1 547
Increase in current liabilities	69 316	919 655
Cash (used in)/generated by operating activities	(6 809 724)	3 369 551
Cash flows from investing activities		
Proceeds on disposal of property and equipment	1 225	27 135
Purchase of property and equipment	(141 683)	(125 768)
Interest received	5 408	133 206
Cash (used in)/ received from investing activities	(135 050)	34 573
Net (decrease)/ increase in bank balances and cash	(6 944 774)	3 404 124
Bank balances and cash at beginning of year	30 019 187	26 615 063
Bank balances and cash at end of year	23 074 413	30 019 187

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
For the year ended 31 December 2016

	Accumulated Funds US$
Balance at 1 January 2015	**34 138 251**
Excess of income over expenditure	2 927 058
Balance at 31 December 2015	**37 065 309**
Excess of expenditure over income (deficit)	(8 376 403)
Balance at 31 December 2016	**28 688 906**