



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

ACBF's THIRD STRATEGIC MEDIUM TERM PLAN (SMTP III) 2012-2016



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NOW TRADING

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ACBF	:	The African Capacity Building Foundation
ACI	:	Africa Capacity Indicators
AFD	:	Agence Française de Développement
AfDB	:	African Development Bank
AFRISTAT	:	L'Observatoire Economique et Statistique d'Afrique Subsaharienne
AFRITAC	:	Africa Regional Technical Assistance Centers
APRM	:	African Peer Review Mechanism
AU	:	African Union
AUC	:	African Union Commission
BCEAO	:	Banque Centrale des Etats de l'Afrique de l'Ouest
BEAC	:	Banque des Etats de l'Afrique Centrale
BRICS	:	Brazil, Russia, India, China, South Africa
CAADP	:	Comprehensive Africa Agriculture Development Programme
CEMAP	:	Centre Mauritanien d'Analyse de Politiques
CAPES	:	Centre d'Analyses de Politiques Economiques et Sociales
CAPOD	:	Conception et Analyse des Politiques de Développement
CEPA	:	Centre for Economic Policy Analysis
CEPOD	:	Centre d'Etudes de Politiques pour le Développement
CERCAP	:	Centre d'Etudes et de Renforcement des Capacités d'Analyse et de Plaidoye
CIDA	:	Canadian International Development Agency
COMESA	:	Common Market for Eastern and Southern Africa
DBSA	:	Development Bank of Southern Africa
EABC	:	East Africa Business Council
EAC	:	East African Community
ECA	:	Economic Commission for Africa
ECDPM	:	European Center for Development Policy Management
ECOWAS	:	Economic Community of West African States
ECOWAS-EPAU	:	ECOWAS Economic Policy Analysis Unit
EDRI	:	Economic Development Research Institute
ENA	:	Ecole Nationale d'Administration
EPAM	:	Economic Policy Analysis and Management
EPM	:	Economic Policy Management
EPRC	:	Economic Policy Research Center
EU	:	European Union
EuropEFE	:	Fundación Educación para el Empleo in Europe
FMA	:	Financial Management and Accountability
GDLN	:	Global Development Learning Network
GIMPA	:	Ghana Institute for Management and Public Administration
GTZ	:	Deutsche Gesellschaft für Technische Zusammenarbeit
HESPI	:	Horn of Africa Economic and Social Policy Institute
IDRC	:	International Development Research Centre
IDEG	:	Institute for Democratic Governance

IEF	:	Institut de l'Economie et des Finances
IGAD	:	Intergovernmental Authority on Development
IMF	:	International Monetary Fund
JA	:	Junior Achievement
KIPPRA	:	Kenya Institute for Public Policy Research and Analysis
MAP	:	Management Action Plan
MDG	:	Millennium Development Goals
MDTF	:	Multi-Donor Trust Fund
M&E	:	Monitoring and Evaluation
MEFMI	:	Macro Economic and Financial Management Institute
MISA	:	Media Institute of Southern Africa
MORIIC	:	Ministry of Regional Integration and International Cooperation
MOU	:	Memorandum of Understanding
NEPAD	:	New Partnership for Africa's Development
NGO	:	Non-Governmental Organization
OECD	:	Organization for Economic Co-operation and Development
PACT	:	Partnership for Capacity Building
PAM	:	Public Administration and Management
PARP	:	Policy Analysis and Research Project
PRSP	:	Poverty Reduction Strategy Paper
PSMTP	:	Public Sector Management Training Program
PVP	:	Professionalizing Voices of the Private Sector and Civil Society
SAFEWIND	:	Secretariat Approved Funding Window
SIDA	:	Swedish International Development Agency
SSA	:	Sub-Saharan Africa
SMTF	:	Strategic Medium Term Plan
SMS	:	Supporting Statistical and Monitoring Capacity
SPA	:	Supporting National Parliaments
RECs	:	Regional Economic Communities
RMF	:	Results Measurement Framework
TAP-NETs	:	Technical and Advisory Panels and Networks
TANZANET	:	Tanzania Knowledge Network
UEMOA	:	Union Economique et Monétaire OuestrAfricaine
UNDP	:	United Nations Development Programme
USAID	:	United States Agency for International Development
WAIFEM	:	West African Institute for Financial and Economic Management
WAJA	:	West African Journalist Association



ACBF'S STRATEGIC MEDIUM TERM PLAN FOR 2012-2016

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I. A DYNAMIC VISION FOR OUR TIMES

The African Capacity Building Foundation (ACBF) was created 20 years ago as a response to Africa's challenges in human and institutional capacity. The vision of the Foundation is to be the premier institution on the continent in the area of capacity development; a trusted advisor to the critical decision-makers at the country and regional levels; an effective and efficient partner to development stakeholders; the go-to place for ideas, innovation and testing on modalities for capacity development with a track record of results; and an exciting place to work for people with high ethics and integrity and the desire to effect the substantive change needed to achieve development results. The 20th Anniversary of ACBF coincides with the 50th anniversary of the independence of many African states as well as with the end of the decade of capacity building in Africa proclaimed by the African Union in 2002. As such it provides for an opportunity to look back and learn from what has worked and what hasn't and to look

forward to the challenges facing Africa, in order to position the Foundation to address these challenges.

This strategy has been developed to address the key challenges the continent will be facing in the coming years, refining and refocussing the operations of ACBF, and repositioning the Foundation as a leader, major partner, and centre of excellence for capacity building in Africa. The strategy is further informed by the evolution of ACBF's experience over time, the impact that the Foundation has achieved in the area of development, the demands that are forthcoming from members, and the resource envelope the Foundation expects to have available. ACBF needs to adjust its approach to emerging country-specific and regional contexts, and become more flexible in its response, as well as improve its effectiveness and develop capability to tackle new areas, to be ready for the challenges ahead.

II. A SHARPENED MISSION FOR CAPACITY DEVELOPMENT

The mission of the Foundation is to build human and institutional capacity for sustainable growth and poverty reduction in Africa--with a focus on achieving results that come from building effective institutions, accountable governance, sustained investment in individual skills and capabilities, as well as through effective tools and processes that lead to proven performance of public organizations at the country and regional level.

Since its creation in 1991, ACBF has experienced a major expansion of its mandate beyond its traditional focus on economic policy and management. The Foundation has made catalytic investments, as well as engaged in full-blown programs to support capacity for improved government effectiveness, providing support towards increasing accountability and transparency and to programs aimed at improving dialogue and participation.

ACBF's mandate in capacity building is defined by its constitution, adopted by its stakeholders in February 1991. It has a vision that covers aspirations for African countries, non-African stakeholders, and for ACBF as an organization.

For the African countries, ACBF is already seen as an important strategic institution that promotes

economic integration at the regional level, strengthens organizations with accountability for delivering, assessing, or judging development results such as planning departments of ministries, parliaments, statistical institutions within countries, as well as non-state actors that are important for successful capacity development.

For non-African stakeholders, ACBF aims to be a credible partner where external stakeholders--both sponsoring institutions and contributing countries from outside Africa--regard it as an institution that delivers and one with which doing capacity development work in Africa is inevitable.

For ACBF as an organization the vision is to have a solid reputation for integrity that comes from fiduciary compliant and financially sound operations; professional and ethical staff working in a dynamic and robust working environment that rewards achievement and challenges staff to do more; an engaged management team that strives for results, delivers on strategy, and demonstrates impact to its Board and client-groups at large; a Foundation that is known for its excellence, and that is flexible, dexterous and grounded in core capability yet sophisticated enough to handle increasing complexities.



we have something to say

CHILDREN IN
ZIMBABWE
SPEAK OUT

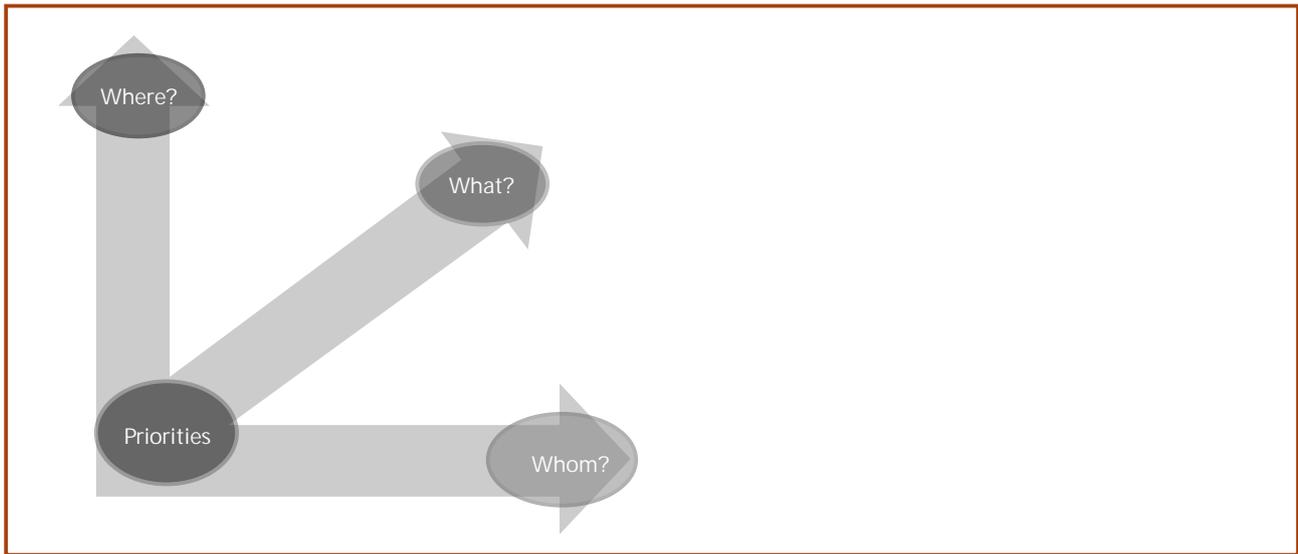


III. STRATEGIC SELECTIVITY FOR DEEPENED RESULTS

The Foundation has undertaken a process of reflection and selectivity to zero in on a set of strategic pillars for focused attention in its strategy for 2012-2016. Choices have been made along three dimensions as depicted in Figure 1.

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Figure 1 : Strategic Selectivity



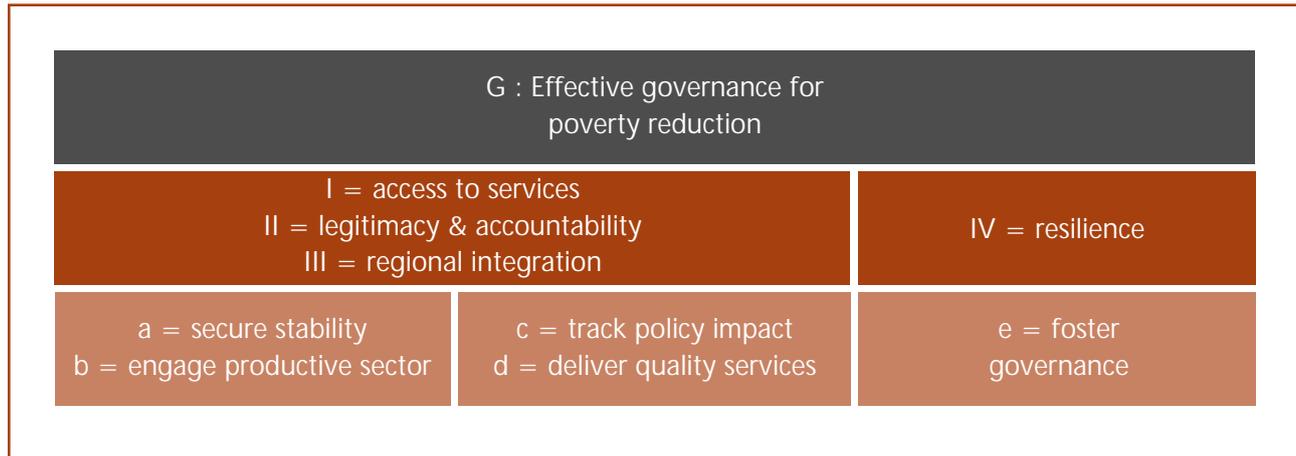
The choice entails an assessment of what activities ACBF seeks to engage in and their link to strategic drivers of transformational change, whom the Foundation wants to work with, and where it wants to focus its interventions. Reflection has also gone towards how the Foundation aims to deliver its objectives and how it hopes to deliver on the strategy.

WHAT TO DO? OVERLAPPING OBJECTIVES FOCUSED ON DRIVERS OF CHANGE

ACBF seeks to achieve results under a strategic framework with overlapping levels of influence, which drives what the Foundation chooses to do in a given setting. The overall goal of the Foundation is to support activities that lead to the achievement of effective governance for real poverty reduction by working to improve the capacity of country and regional organizations that are primarily responsible for development and poverty reduction. This goal is represented in the outermost level of impact G in Figure 2.

Within this outermost level of impact, the Foundation seeks to obtain results in four specific areas, which include: (I) improved public access to basic services that comes from effective economic governance; (II) improved legitimacy and accountability of the governance system; (III) improved regional integration and enhanced share of African economies in global trade; and (IV) improved responsiveness of African institutions in the management of uncertainty and risks, particularly from shocks (commodity and food prices, oil shocks and risks from globalization). These are labeled in the second level of influence in Figure 2.

Figure 2 : Overlapping Goals



Throughout its 20 years of existence, ACBF has learned that capacity building is a long term process, requiring patient capital, flexibility in the design of interventions, focus on knowledge and ownership and attention to tracking results. In carrying out its mission, ACBF works with a number of stakeholders, such as departments and ministries within governments, national and regional entities responsible for development policy and implementation, private sector associations and networks, universities and training institutes and civil society organizations. This

diversified approach to partnerships has allowed the Foundation to discover innovative ways of building capacity and has contributed to the sustainability of ACBF programs in difficult contexts, such as in fragile states and areas with limited capacity at entry.

Choices of where to intervene, whom to work with, what activities to support and how, are guided by a framework with three strategic priorities, represented as the third level of influence in Figure 2. They include:

(a) enhancing critical capacities to promote political and social stability for transform-ational change.

Activities to develop the types of leaders who can transform the environments in which they work are important aspects for achieving this objective and they relate to support for leadership development programs and efforts that build transparency and enhance accountability of processes guiding public resource allocation and use. Such investments are particularly important to enhance revenue management systems in resource rich but capacity poor countries. Activities that improve participatory and inclusive decision processes also fall under this strategic pillar, as would investment in skills, tools and policies that enhance results-based management skills in the public sector. Because of the importance of inclusive service delivery in enhancing social and political stability, the Foundation aims to support activities that strengthen the critical planning and implementing processes at the national level and municipal level that underpin service delivery. Attention will go towards activities that ensure the soundness of economic policy and planning approaches to managing in the public sector. Enhancing skills of individuals with service delivery responsibility and disseminating and sharing tools for efficient public sector administration and management through existing university partnerships will be of critical importance in achieving this strategic objective.

(b) enhancing capacity to engage and regulate the productive sector.

Interventions to enhance the ability of policy insti-

tutes and think tanks to analyze and research policies related to rule-based governance, inter-country and regional trade, complex infrastructure contract management across country borders, and economic policies that impact the agricultural sector would fall under this strategic pillar. Efforts that support skills building of ministerial staff responsible for implementing these policies would be given special attention for scaling up through restructured university partnerships that ACBF has developed over the years. Consultative dialogues to source ideas from the private sector and use them for supporting engagement in public private partnerships would be critical. An effective productive sector depends on the quality of inclusion and overall values of actors in the public and private sphere. The Foundation will pay specific attention to investing in dialogue and reflection on values that lead to good governance, working in collaboration with regional and country entities on a series of important themes. Individual skills building efforts that are focused on ethics, integrity, and accountable governance will get added priority. Work will go towards investing in partnerships for generating data to assess progress in governance and creating demand for analysis and data.

(c) enhancing capacity to track policy impact.

Attention in this strategic pillar will be paid to activities that support the assessment of capacity at the country and regional levels and to those that propose how to better utilize existing capacity in the areas of macroeconomic policy management, policy coordination and implementation capacities of economic and planning ministries. Special emphasis would go

to enhance long term and strategic planning in key ministries as well as support to the statistical requirements for tracking policy impact. Activities aimed at developing a culture of evaluating public programs will be given priority. Furthermore, programs aimed at strengthening policy advocacy capacity of non-state actors, intensification of effective oversight functions, and operationalizing efficiency of information disclosure and access systems would get support.

WHOM TO WORK WITH AND WHY?

ACBF's commitment to a transformational approach to capacity development requires a careful choice of whom to work with and why. The main agents of change are typically a select cadre of individuals, strategic organizations and critical institutions. The strategy of the Foundation includes selecting who are the key players to work with. To do so the Foundation engages in a thorough assessment of technical and political factors, in order to ensure that the Foundation remains a trusted broker, committed to African transformation and leadership.

Choices are made along the following categories of potential partners:

(a) public sector institutions, whose organizational capacity is important to make significant contributions to the emergence and growth of an effective developmental state. This would include public entities charged with service delivery, local authorities, and sub national entities who tackle core policy and service delivery needs as well as manage uncertainty and risk that comes from globalization and climate change. Critical actors in this sphere are

ministries of finance, and departments responsible for development and economic planning. The main purpose of focusing on this group is to enhance the culture of management for development results and improvement of service delivery. The choice of who specifically to work with in such entities would be guided by the potential to influence change in the governance system, by enhancing the legitimacy and transparency of public institutions;

(b) policy units and think tanks, that are autonomous or semi-autonomous and play a critical role in shaping research, analysis and thinking around policy decisions. ACBF will seek to scale up the capacity of existing policy units and support the creation of new ones. Particular effort will go towards strengthening their capacity to provide analytical and evaluative support to government in emerging areas of policy beyond their current focus on macroeconomics to include sectoral issues such as agriculture and rural productivity, and the myriad of policies needed to secure green growth;

(c) non-state actors-including specific dynamic groups, organizations and individuals in civil society and the private sector for long term results and impact, including support to umbrella organizations at the country and regional level;

(d) regional institutions-university departments, regional training institutes, and regional entities within regional economic communities that are responsible for cross country regulation and procurement, contract design and supervision for complex multiple-country infrastructure projects, cross-border

trade and regional procurement. Special attention will be paid to linking up statistical agencies to grow the demand for good data and analysis, knowledge and professional networks, and alumni of ACBF projects and programs;

(e) **universities and training institutions**-because of the central role that they have played in the last 20 years and that they will continue to play in the new strategy as partners and implementers. Universities and regional training institutes will serve as incubators for the development of a critical mass of leaders and drivers of change; and

(f) **dynamic individuals** who can evolve to become significant leaders and drivers of effective change for development results--through skills building in ethics and integrity, leadership, and specific technical skills in the sphere of accountable governance, economic policy and management, public sector management, science and technology, and agricultural policy. To foster dynamic coalitions for social change, the Foundation will aim to support specific individuals and the organizations they work in, to secure long-term results and enhance development impact. The support to "specific individuals" is an innovation as to date ACBF has focused only on institutions.

WHERE TO INTERVENE?

While ACBF is the sole African development organization devoted exclusively to capacity development in Africa, the field is very crowded. The diversity of Africa's challenges and opportunities and ACBF's strategic decision to focus on having a results management framework, demands that the Foundation

evolve a differentiated approach for working in countries that are resource rich but with weak capacity, those that are emerging from conflict, reformer states with a need to scale up implementation of key policies and programs, and middle income countries seeking dynamic entry into regional and global markets. The Foundation has evolved three distinct approaches of where to work, which include:

(i) **targeted and flexible support to countries emerging from conflict**-to date ACBF has committed more than US\$ 450 million to capacity development in 44 out of 54 African countries, and intervenes in 25 countries that are classified among fragile or post conflict countries according to the Organization for Economic Cooperation and Development (OECD) Report of 2008. ACBF has had successful experience in working in fragile and post conflict countries from which it can learn valuable lessons for application in other countries. The ACBF approach to working in post conflict countries will be based on intervening where there is a credible partner to work with on the ground, where there is interest to work on the core country development challenges, or where there is potential to respond to emerging global challenges like climate change, renewable energy or food security. The operational support to post conflict countries will be tailored to specific contexts, including the timing of support, areas of intervention, and types of institutions supported. As such, while there are multiple countries in post conflict states at any given time, ACBF interventions will focus on hot-button countries where the timing is right, there are clear areas of intervention which align to ACBF capabilities, and where the institutions to support

match the strategic choices of who to work with highlighted in the last section. Furthermore, for interventions in post-conflict countries to be effective, ACBF will work in countries where there is demonstrated commitment to transformational change and where there are credible partners on the ground;

(ii) **scaling up transformative change in reformer states**-in states that are going through an intense reform agenda, and even in middle income countries, where there is usually a lag in implementation. In such situations, a flexible but broad-based approach focused on country programs would be used to get to maximum impact. Efforts aimed at implementation capacity and attention to results by embedding M&E systems into key policy priorities will take on importance as well as those focused on accountable governance and support to strengthening country systems. ACBF's experience in implementing its Management Action Plan and results of pilots in Rapid Results Initiatives would be of particular relevance. Effort will also be made to leverage effective policy units and think tanks that have achieved results in their countries to support change in other policy units and countries. Think Tanks such as the Institute for Democratic Governance (IDEG) in Ghana would be supported to have impact regionally

as would policy institutes such as CAPES in Burkina Faso and CERCAP in Mali to support policy work in countries like Chad and Togo; and

(iii) **partnerships for leverage in resource rich but capacity poor countries and in middle income countries seeking effective regional and global integration**-where efforts will be made to identify and link strategic programs for effective impact. This includes working with entities such as think tanks, civil society institutions and the private sector to better utilize existing capacity for the purpose of inclusive and green growth. Attention will also go to training programs run by universities in these countries, and knowledge management programs aimed at uncovering innovations in effective regional integration and green growth. In these countries ACBF would target its activities on strengthening the ability of countries to track resource use through existing country systems, support improving controls in the allocation and reporting on public spending, and investing in capacity to track and monitor progress in areas that are critical for regional stability and integration, as well as inclusive service delivery. In addition, efforts will be made to raise resources in these countries to support interventions in less-resourced countries to set up think tanks and analytical support for policy work.



IV. WHY THESE STRATEGIC PRIORITIES?

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These three strategic priorities were selected on the basis of the unique niche the Foundation occupies. Assessment was made on how the unique value of ACBF could be applied to address the challenges facing Africa, the types of scenarios the continent could be faced with, and what countries request from the Foundation—all which represent the demand for ACBF. Added consideration went to what ACBF is good at—which represents the supply side of what ACBF could do. Figure 3 indicates the process of selecting the three strategic priorities.

ACBF'S UNIQUE VALUE

The unique niche of ACBF derives from many sources. First, there is the convening power of the Foundation, as a result of its governance structure, whereby African finance and planning ministers seat on its Board of Governors and take a key interest in the activities of the Foundation. Second, is the Foundation's role as a trusted advisor, because of its presence in Africa, its staff composition, and the cadre of people who lead the projects it finances. Third is its ownership structure with a steadily increasing membership over the years, drawing both African and non-African members, a sign of increased recognition of the contribution ACBF makes to capacity building in Africa. At present ACBF has 35 African members, 12 bilateral and 4 multilateral donors. In 2010 African members disbursed more to the Foundation than they have done throughout its 20 years of existence in a strong show of support for what ACBF contributes to their countries.

ACBF has also seen its reputation grow following the reforms under the recently completed Management Action Plan, attaining the label of "the best place to put your money in Africa" from remarks made by independent members of its Executive Board. The flexibility the Foundation exhibits in its approach to experimentation and piloting and its speedy response rate to country and regional requests was also cited as a differentiating quality during a recently concluded client satisfaction survey.

Lessons learned midway through the implementation of the second Strategic Medium Term Plan (SMTP II, 2007-2011) indicate a visible niche in ensuring capacity building programs are country owned, and that they support key processes of change and transformation in the country. ACBF has also succeeded in designing interventions that best utilize existing capacity at the country and regional levels, and that it has succeeded at building potential for tackling challenges of the future, and contributing to building the critical mass of skills, policies and tools needed for sustainable development. This is evidenced in the support that ACBF provided to strategic planning and implementation that has fed the successful outcomes of a few countries in achieving objectives of their Poverty Reduction Strategy (PRSP) processes.

Early support to regional institutions such as the New Partnership for Africa's Development (NEPAD) and the Africa Peer Review Mechanisms (APRM) are often

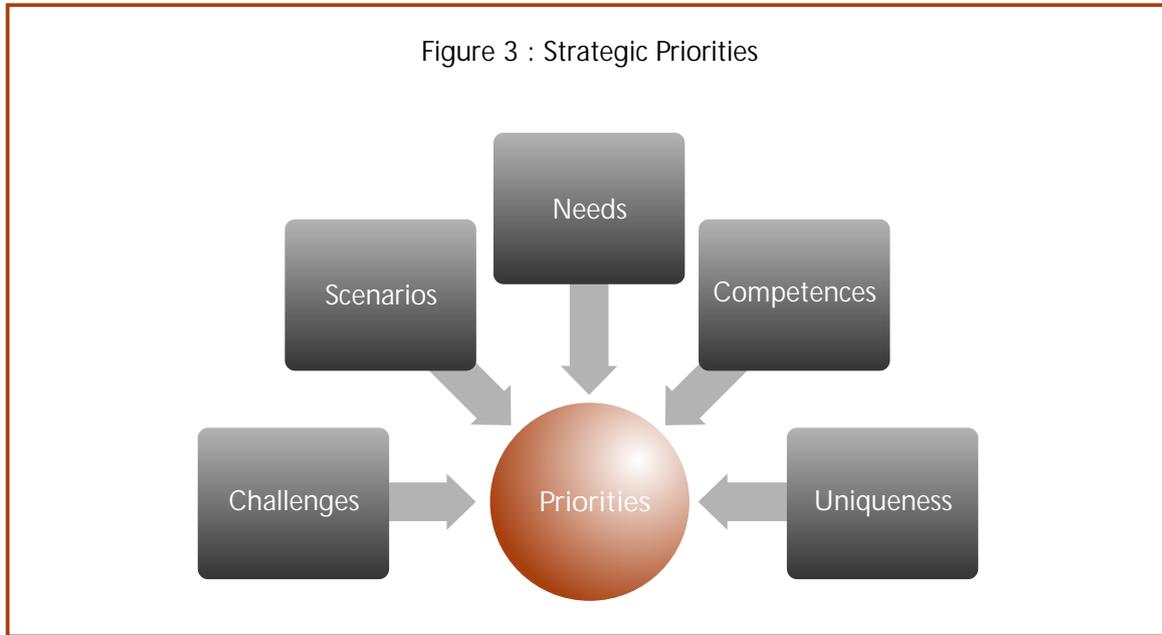
cited as examples of how easily and speedily ACBF can support regional initiatives. Such success has been extended to the advocacy and capacity building support ACBF has provided to the Regional Economic Communities (RECs) which is credited for getting policies implemented in the area of regional trade and integration. ACBF is also able to respond effectively to requests by Heads of State such as in its effective undertaking of a survey of the capacity needs of RECs following demand by Heads of State of the AU. ACBF designed the instrument, financed the data collection, and oversaw the analysis that resulted in a published book entitled "Survey of the Capacity Needs of Africa's Regional Economic Communities" which is in high demand even two years after it came out.

CHALLENGES FACING AFRICA

Africa has come out lightly impacted by the global financial and economic crisis, indicating that capacity to manage economic policy has been substantially built. The world needs Africa's natural resources but the continent needs to get better outcomes from negotiating effective agreements on extraction and exports of these resources. Furthermore, Africa needs to put in place the connecting infrastructure that allows the natural resources to be cheaply transported for intermediate processing and export, which depends on the capacity of regional institutions to design, implement and oversee cross-border infrastructure. Also needed is investment in industrial capacity for intermediate processing and for manufacturing for value addition and job creation. Doing all this while preserving and protecting the natural environment requires complex technical and engineering skill.

Africa is going through a youth bulge in its demographic transition. Among the key challenges is the need to provide education and employment opportunities for its burgeoning youth population. Multiple years of unemployment of the youth is a key risk factor leading to potential political instability and social tension. Job creation will depend on the ability to develop regional markets and enhance regional integration through investments in critical infrastructure. The ability of states in Africa to guarantee social and political stability also depends on how accountable and transparent public institutions are as well as how effectively policy makers work towards integration with regional and global markets.

The continent has made huge strides in embracing communication technologies. While a lot remains to be done, existing levels of connectivity, in parallel with cultural investments particularly in cinema and television, have rendered the educated youth in Africa more mobile and willing to shop across countries to seek better opportunities; however, their success in finding employment depends on inter-country migration and remittance policies and the functioning of regional labor markets. Critical regional institutions need to be functioning effectively to implement the cross-border policies and programs needed to put in place efficient markets, infrastructure networks, and financing arrangements.



Africa has enormous untapped potential in its cities and towns, with an urbanization rate as high as China and the continent having as many cities over a million people as Europe. Meeting the growing service delivery needs of a rising middle class in these cities, while catering to the needs of the rural poor, within overall resource constraints, all require investment in data collection and analysis, as well as monitoring and evaluation policies that support evidence based decision making, with clear assessment of what works and what doesn't. However, little progress has been made in the formulation and implementation of development policies especially at the sub-national level. Future prospects for the continent depend largely on how effectively Africa taps into urbanization, globalization and regionalization, and

particularly on how it creates an environment to unleash private sector potential. Focus on policy implementation at the sub-national level will also allow states to use effectively the limited resources for service delivery.

The continent has the largest share of underutilized arable land, estimated at more than 60% of the under-exploited croppable land of the world. Despite the importance of these natural agricultural endowments, only a fraction of it is used for farming and most of it at the subsistence level or for exporting agricultural commodities. The skills needed to transform agriculture and build manufacturing capability for agro-processing require investments in engineering and technical training, all which depend

on linking research to farmers and universities to the private sector to speed up the development of innovation systems. There is also room for more involvement of the private sector in policymaking and investment choices, to ensure investments go to the right priorities. The ability of universities to transform themselves and for the state to create platforms for dialogue that include the private sector is critical to meet these objectives.

The capacities to address the challenges highlighted above and to tap into their inherent opportunities are varied. They range from the ability of the leadership at the national and sub national levels to energize societies into common visions and to put in place strategic plans and implement them. The capacity to formulate, analyze and manage the implementation of policies and programs, not only at the macroeconomic level, but also more specifically at the sectoral, sub national and regional level, will be critical. Improving public sector delivery and the functioning of ministerial development agencies will be paramount to meet the gaps above. Also needed is to create a space for dialogue and support access to information and analytical capacity to non-state actors and parliaments so that they can exert influence on policymaking as well as provide the necessary oversight as required. How countries utilize the capabilities of civil society, business associations, policy units, key public institutions and universities would make a difference between high achievement of success and run of the mill outcomes in the coming years; particularly in the area of accountability and transparency in the management of public resources. The overall responsiveness of

African institutions in the management of risk and uncertainty would need to improve, as would the capability to put in place resilient strategies and policies.

POTENTIAL SCENARIOS FOR THE CONTINENT

In order to be poised to respond effectively to the challenges, the ACBF strategic framework is informed by three scenarios. The first scenario envisages a continent that enjoys a high degree of continental coherence with strong leadership on issues impacting the region. In this scenario, the polity owns the economic growth agenda, and Africans lead innovation. Homegrown democracies flourish and there is important leadership and representation of Africa in international institutions and debates. African standards of governance are homegrown and internationally accepted and Africa contributes to the international architecture in terms of trade, finance, environment, migration, and debt. Africans resolve conflicts and prevent violence and crime and have service solutions (health, gender, water, education) that are effective. This scenario is “optimistic” and depends on a number of capacities being available on the continent, specifically (a) the capacity to inspire and provide aspirational leadership; (b) the capacity to coordinate, integrate, and manage across sectors, geographies, and generations; and (c) the capacity to engage civil society, the private sector, and the international community on a continental and regional level.

The second scenario is “realistic” and expects a sub-regional mosaic with some models of success in a few Regional Economic Communities but limited

continental learning. There is variable quality of democratic and economic governance across countries, even though there are major improvements in a number of countries. There is differentiated performance across regions, with some Regional Economic Communities showing respectable performance, but others, not. Countries cooperate with each other but cooperation is ad hoc and driven mostly by bilateral strategies. There are few prominent countries on the continent driving the external agenda. Development outcomes are visible but uneven, with isolated success in service provision (health, education, gender, water). External aid is driven by external security needs and donor-based evaluations of capacity and need. This scenario is developed on the need for several critical capacities: (a) ability to achieve performance and results while managing interdependency and mastering strategic planning; (b) capacity to make choices and manage investment priorities across sectors and geographies; and (c) capacity to observe, collect, and analyze data.

The third scenario has externally driven states that are acting with little regional cohesion or cooperation. In this scenario, new technologies and business models on a global scale threaten domestic production. Governance standards for the continent are externally set and Africans are under-represented in international forums and debates. As such it depicts a “gloomy” picture and stability under this scenario depends on critical capacities to: (a) adapt to changing environments and external pressure, building resilience and the ability to muddle through; (b) capacity to manage risks, negotiate conflicts, and control violence, while coping with external shocks;

and (c) capacity to transform agriculture and manage food supply chains.

In light of the above, the Strategic Framework calls for an approach that allows for flexibility and regular review of effectiveness, adjusting on a timely basis to emerging regional and country contexts. Building broad-based capacity at the regional and country level, and investing in specific dimensions of capacity through targeted interventions is another area for increased attention under this framework.

There is also the institutional dimension to the context of the strategy, which requires a reinvention of ACBF and a re-profiling of its role in capacity development through an intensive change process. The changes in ACBF go towards: (a) investing in knowledge about capacity at the country level (capacity profiles) and across the region (Africa Capacity Indicators); (b) diligence in its follow through on financial and fiduciary issues (Financial Management capacity building); (c) enhanced quality of its portfolio with more focus on supervision missions and portfolio reviews; and (d) better definition of its niche and role with clear areas for piloting, innovation, partnering, and coordination or brokering at both the country and regional level.

WHAT DO COUNTRIES NEED FROM ACBF?

This Strategic Framework for 2012-2016 is informed by a round of consultations with a sample of member countries and organizations, conducted through surveys launched in October 2009. A scan of the environment in which ACBF operates was also conducted, looking at what other Foundations are

doing on the continent, as well as the areas of focus of bilateral and multilateral agencies in capacity development. The staff of the Foundation have also participated in a brainstorming and group work that has uncovered potential areas for ACBF to harness, relying on the core competencies and internal capabilities developed as a result of implementing the internal reforms under the Management Action Plan, as well as the track record of results discussed earlier. The surveys, brainstorming and scans of the Foundation's operating environment reveal that the basic premises on the role of capacity in development, and the main purpose for which ACBF was created 20 years ago remain very much relevant today.

There is high demand for ACBF in all types of countries, but the demand is extremely high in post conflict states and those with weak capacity. This is partly because of ACBF's reputation and track record, but also due to the fact that support to capacity development remains hugely concentrated and there are few players serving the development needs of post conflict countries. There is also high demand for ACBF in all six areas of competency but countries would like ACBF to stretch to support emerging areas like agricultural productivity policies and those impacting food security; leadership development and skills to manage under risk, uncertainty and in the face of shocks; embedding the challenges of climate change into policies for green economic growth; and dealing with the myriad of policy harmonization and implementation strengthening needed for effective regional integration.

Write-in comments from the survey also indicated that there is great potential for Africa in the coming

years, but the capacity needed to tap into such opportunities is lacking. Survey responses indicated the need to continue focus on skills building and developing the capacity of universities and training institutes to take on the emerging challenges in their curricula.

The satisfaction survey and scanning of what others are doing indicated that ACBF remains exceedingly relevant and in high demand, with proven effectiveness in key areas. At the same time, however, there are major shifts in the general environment for capacity development that require a shift in strategy. Today there are many more players providing capacity development, ranging from bilateral and multilateral agencies, universities, regional and country level organizations, private foundations, and the consulting industry. These players are however concentrated in a few countries and sectors, leaving a large number of areas un-served-namely post conflict states and those that are resource rich but capacity poor; areas related to ethics, integrity and leadership development; implementation capacity; accountable governance; and capacity in the productive sectors. This leaves room for ACBF to add unique value in the supply of capacity development services.

WHAT IS ACBF GOOD AT?

Since its creation, ACBF has experienced a major expansion in its mandate beyond its traditional focus on economic policy and management. ACBF investments take the form of grants, technical assistance, advice, knowledge and research products, and partnerships.

The Foundation has made catalytic investments as well as supported full-blown capacity development programs seeking improved government effectiveness, increased accountability and transparency, and enhanced dialogue and participation. The Foundation has also provided support to cover areas where it has not been active in terms of projects and programs. ACBF investments have differed considerably across countries, as the Foundation has sought effective models and approaches to capacity development. At present the Foundation has a geographical coverage of 44 countries with support in six key areas of competence: (1) economic policy analysis and management (EPAM); (2) public administration and management (PAM); (3) financial management and administration (FMA); (4) professionalizing the voices of the private sector and civil society (PVP); (5) support to parliaments (SPA); and (6) supporting statistical and monitoring capacity (SMS).

The Foundation aims to leverage these six areas of core competency to achieve results by using them to deliver on its strategic priorities. To do so, ACBF will use effective models and approaches to capacity development that have been tested over time and whose contribution has been documented by several independent evaluations as well as through a recently conducted demand assessment.

ACBF's biggest impact has been in the EPAM competency with its contribution to skills development in the area of economic policy, creating autonomous policy institutes and think tanks at country and regional level, as well as via its support for the introduction and use of effective tools for analysis and research in the

area of policy development and implementation. The Foundation has put 54% of its grant resources in the EPAM competency. To date the Foundation has supported the creation and growth of 28 autonomous and semi-autonomous policy institutes and think tanks. Their success in driving the policy agenda at the country and regional level has been recognized by others, including the "Think Tank Initiative" supported by the Hewlett and Gates Foundations and the International Development Research Center (IDRC) in Canada. ACBF-funded policy units and think tanks have also featured prominently in the Global Rankings of "go-to" think tanks in the world. Furthermore, the successes of the think tanks and policy institutes have helped improve performance in macroeconomic management and entrenching evidence-based policymaking and evaluation.

Policy institutes and think tanks supported by ACBF have been particularly active in their work on poverty reduction strategies, as well as providing seminal studies in the areas of agriculture and trade, and export diversification. Projects achieving documented success can be found in countries throughout the continent, such as Botswana, Burkina Faso, Ghana, Kenya, Mali, Rwanda, Senegal and Uganda.

The next big area of support has gone to professionalizing voices of civil society and the private sector (PVP), which received 9% of resources. ACBF-supported interventions in this area include the early support given to the African Peer Review Mechanism (APRM) process through technical advice and advocacy to mobilize the voices of civil society

representatives involved in the governance review process. Civil society projects in Botswana, Ghana, Mali, Swaziland and Zambia have successfully engaged governments and parliaments in the adoption of policies aimed at improving accountability in the use of public resources as well as gender mainstreaming of development programs.

Through tailored interventions at the country level, the Foundation has contributed to the improvement of governance, with visible results in strengthening voice, participation, and accountability. For instance, the support to parliament (SPA) accounts for 9% of the resources utilized during the period 1991-2009. Successes at the country level in this area are demonstrated by the case of the Policy Analysis and Research Project (PARP) in Nigeria. The Foundation provided a small grant, with the Government of Nigeria also putting in a small contribution at the start. Initially the project was funded 90% by ACBF and 10% by the Government of Nigeria. With this support PARP was able to grow its capacity for policy analysis and research and produce several outcomes. At the individual level the program trained several individuals and an assessment later indicated that 98% of the trainees had a high level of skills, attitudes, behaviors and performance. At the organizational level, results were obtained in the improvement in effectiveness of the National Assembly. Regarding institutional level results, the clearest example is the increased transparency and accountability of the National Assembly, with more visibility and accessibility to the public.

As a result of these recorded successes, allocations to EPAM and PVP have increased by 6% and 4%

respectively from their levels at the end of SMTP I, and SPA has seen an increase of 3% during the same period.

Support to strengthening statistical and monitoring systems (SMS) and financial management and accountability (FMA), while small, making up only 2% and 9% respectively, of grant allocations during the period 2007-2010, has been highly effective at the regional level. Entities such as the Macro Economic and Financial Management Institute (MEFMI) and the Kenya Monetary Institute (KMI), Institut de l'Economie et des Finances de l'Afrique Centrale (IEF-Libreville), and the "maro" and "pole dette" projects of the central banks of west and central Africa countries (BCEAO/BEAC-Macro-Pole dette) have been highly successful in bringing up capacities in the banking and financial sector. Investments in building statistical capacity at the regional level through ECOWAS and AFRISTAT has resulted in the creation of demand for good data and analysis across countries, and building a culture of accountability, compliance and results amongst ACBF member states and supported projects.

The Foundation has been less successful in the areas of public administration (PAM) that is a somewhat more difficult area to record achievements. Nevertheless, ACBF has been able to record success in the area of skills building through the short courses supported under the Public Sector Management Training Program (PSMTP) using university partnerships such as GIMPA and ENA-Libreville and through leveraging the cohort of project directors, finance directors, and participants in ACBF-supported

training and scholarship programs in order to broaden the sphere of influence in the area of public administration. Significant results were achieved by ACBF through training programs aimed at building a critical mass of leaders and skilled professionals who would become potential champions for change in the areas of economic management, finance, and public administration. Support to PAM during the period 2007-2010 accounts for 11% of the resources.

By the end of 2009 ACBF had trained a cadre of leaders numbering over 3,000 experts in economic policy at the PhD, Masters and Post Graduate Degree level. More than 15,000 people have had their skills improved through short courses and seminars aimed at addressing specific skills gaps. This cadre of people now makes up to 30% of the public sector in Western Africa and is a critical mass of change agents at the country and regional level.



V. FOCUS AREAS IN THE FIRST TWO YEARS

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Since its inception in 1991, the African Capacity Building Foundation has had a long term view and demand-driven approach to capacity building in Africa. As such, it received proposals for projects from a wide array of countries and institutions, some of which have enjoyed support from ACBF for nearly 20 years. While the view remains that responsiveness to demand is paramount to ensure country ownership, and there is a wide space for ACBF to intervene in the arena of capacity development, because the landscape has changed, the Foundation will phase in its strategy gradually over a five-year period.

To test and pilot ideas in achieving the objectives embedded in the five key strategic pillars, focus will go towards a streamlined two year program with scaling up to meet the full strategy over a five year period, as lessons are learned and approaches refined. The program for the first two years and areas for attention in the outer years are summarized below.

STRATEGIC PARTNERSHIPS WITH POLICY UNITS AND THINK TANKS

Support to Policy units and Think Tanks has been one of the most successful experiments that ACBF has been able to scale up, with support going to 28 autonomous or semi-autonomous entities so far. Some of the entities have enjoyed patient support for 18 years and have matured into highly respected places for thinking and analysis. The current strategic framework builds up on this success and aims in the first two years to transition policy units and think

tanks that are mature, into partners of ACBF and other development stakeholders; the partnership will formalize and enhance decentralized presence of ACBF in the respective countries through giving more responsibilities to Policy Institutes to represent ACBF or hosting out-posted ACBF staff. It will also provide a platform for operationalizing the objective of further engaging resource-rich but capacity poor countries in a peer learning scenario in which existing Think Tanks will assist in establishing new ones and in transferring knowledge.

SUPPORT TO POST CONFLICT AND FRAGILE STATES

At present ACBF works in 25 of the 29 countries listed as post conflict or fragile states by the Organization of Economic Cooperation and Development (OECD). In its strategy for 2012-2016, the Foundation hopes to continue its support to these 25, but to also test new approaches to post conflict states. Pilots in five post conflict countries will take on priority in the first two years. Lessons learned from these pilots will be used to define entry points in other post conflict and fragile states during the course of the five-year strategy.

In Sudan, the Foundation is planning a program that builds on the lessons learned in Rwanda to support an expedited skills building and organization strengthening program for the Government of Southern Sudan. The program will rely on leveraging the existing university partnerships (GIMPA and

Makerere) for skills building in economic policy and public administration and management; its network of regional training institutes like the Macroeconomic and Financial Management Institute (MEFMI) for skills building in macroeconomic policy and financial sector management; and its policy institutes (EPRC in Uganda and KIPPRA in Kenya) for specific policy and research support as well as to transfer lessons learned to Sudan. ACBF also aims to support a regional policy institute known as the Horn of Africa Economic and Social Policy Institute (HESPI) to work in the IGAD countries (IGAD stands for Intergovernmental Authority on Development and its members are Djibouti, Ethiopia, Kenya, Somalia, Sudan, Eritrea and Uganda) to develop coherent regional economic policy for these countries. The program in Sudan falls under the strategic pillars of (c) capacity to track policy impact and (a) capacity to secure social and political stability within a sub-regional setting in a post-conflict environment.

In Zimbabwe the Foundation will pilot a new instrument for achieving rapid results in a challenging political environment, starting with organizational strengthening in one ministry (Ministry of Regional Integration and International Cooperation MORIIC) and rolling out to other ministries as results are achieved. The Rapid Results Instrument will be rolled out in other countries over the five-year period of the strategy. The program in Zimbabwe falls under the strategic pillar (a) for enhancing critical capacities to promote political and social stability for transformational change.

In Cote d'Ivoire the plan is to experiment with a broad-based flexible country program that can be

adapted to shifting priorities on the ground. The country program is based on a completed country capacity assessment that was done from the bottom up using local expertise and research skills. Adjusting the program to political realities is one of the key features of this program that is also aimed at enhancing ACBF's capability to "go where others are not" and to experiment with new modalities for capacity development in fragile states. This program falls under the strategic pillar (c) capacity to track policy impact and (a) capacity to secure social and political stability.

In Togo, a country that is in the development phase post conflict, the Foundation will focus on creating a space for policy research, analysis and dialogue, through support to an autonomous policy unit and think tank in Lome. Lessons learned from Liberia and Rwanda will be particularly relevant in Togo as will be the networking of the policy unit to others in the sub-region like CAPES in Burkina Faso, CEPA in Ghana, CEPOD in Senegal and CAPOD in Benin. The program in Togo falls under the strategic pillar (c) capacity to track policy impact.

In Sierra Leone an approach to capacity development for decentralized governance will be piloted, with specific support to the policy and research capability of the oversight functions of parliament. This program will also be a test of how ACBF works in partnership at the country level, as the program will be developed jointly with the UNDP. The Sierra Leone pilot is aimed at testing how ACBF can get results at scale by "going where others are" to achieve significant impact. The program for Sierra Leone falls under the strategic pillar (a) capacity to secure social and

political stability with a special focus on fostering governance with support to the balancing power of parliament against the executive branch of government.

SKILLED LIONS IN REFORMING AND MIDDLE INCOME COUNTRIES

A number of countries in Africa have been growing above 5% and have a solid track record of policy reform implementation. Along with South Africa that has graduated into the list of BRICS these countries present an opportunity to emerge a series of skilled lions to compete with the tigers of Asia. To get there they will require investment in scaling up successes in service delivery to secure a stable, equitable, and green growth path, as well as to invest in capacity building for innovation and for regional and global trade. ACBF will work with this group of countries using its regional institutional partners like the African Union Commission (AUC) with which it has an MOU, to strengthen the RECs and their nodal countries in each sub-region of the continent, as well as work with the private sector and universities for idea evolution and refinement. Countries that are regional growth poles like Ethiopia, the Democratic Republic of Congo, Nigeria, and South Africa will receive special focus under this group.

RESOURCE RICH BUT CAPACITY POOR COUNTRIES

Oil rich and capacity poor countries present a particular problem for the Foundation. In the first two years of the strategy, ACBF will aim to develop approaches for these countries using its previous experience as a starting point. In Nigeria, the plan is

to focus on supporting the Policy Analysis and Research Project (PARP) which is engaged in developing tools for parliament to ensure effective oversight, including in the use of oil revenues and other public revenues. ACBF will also support research and thinking work in partnership with policy units and think tanks, to evolve approaches for capacity to design and manage high streams of resources that come from extractive and depletable resources. Programs will be developed to support policy analysis in the area of economic diversification and policies for green growth in at least four countries Congo Brazzaville, Equatorial Guinea, Ghana and Uganda. A key partner in carrying out this work is the AfDB.

INNOVATIONS IN BUILDING PRODUCTIVE CAPACITY

During the last three years of the strategic framework, ACBF will introduce innovations in how it approaches the area of productive capacity development. While ACBF will continue to support Regional Economic Communities (RECs) in their efforts at capacity for regional integration, attention will be paid to a select set of bodies within these regional institutions. First, attention will go towards strengthening the secretariats of the RECs as a key partner to ACBF, working in close collaboration with the African Union Commission (AUC).

Second, the Foundation will work with select RECs to pilot capacity development aimed at improving implementation results for cross-border investments and contracts in infrastructure (SADC partnership on PPP with the World Bank Institute (WBI) and the

Development Bank of Southern Africa (DBSA)); cross-country procurement and regulation (UEMOA); policy coordination for integrating regional markets (EAC); trade integration (COMESA); and regional economic policy analysis and management (ECOWAS-EPAU).

Third, work will go into continued support to NEPAD but with specific attention to building capacity for transforming agriculture in partnership with the European Union, and the European Center for Development Policy Management (ECDPM). Efforts will go in particular to support NEPAD in implementing its Comprehensive Africa Agriculture Development Programme (CAADP).

Fourth, the focus in the coming two years will leverage the ACBF university partnerships at the regional level, to bring in attention to curricula reform, training programs, and linkages between universities and the private sector in building the engineering and technical skills needed in Africa as well as supporting capacity for innovation in areas of relevance to Africa's development. This program is developed in partnership with the AfDB and the World Bank.

Finally, ACBF will pilot a program for capacity building in Northern Africa for entrepreneurship and job creation for the youth focused on Mauritania, but with participation of Algeria, Egypt, Libya, Morocco, and Tunisia. The program will be carried out in partnership with the ACBF-supported policy unit in Mauritania "Centre Mauritanien d'Analyse de Politiques" (CEMAP), Junior Achievement (JA), and

Europe Foundation for Education for Employment (EuropEFE).

CAPACITY FOR LEADERSHIP AND ACCOUNTABLE GOVERNANCE

The outer years of the strategy will seek to refocus the work of the Foundation in governance on three key entry points: (a) country-owned assessment of governance in partnership with African governance experts and the AfDB to collect data, analyze and publish annually the Africa Governance Outlook—learning from the ongoing pilot with 12 countries and scaling up the work Africa-wide; (b) ethical behavior through building skills needed in accountable governance with a focus on integrity, accountability, transparency and results--scaling up planned pilots in partnership with the Africa Institute for Governing with Integrity (AIGI); and (c) leadership development through skills building for effective leadership in a globalized world in partnership with GIMPA in Ghana, Makerere in Uganda, 2iE in Ouagadougou, and Sciences Po in Paris, extending the training to municipal leaders in partnership with Capetown University and the World Bank Institute. Through initial support to the Media Institute of Southern Africa (MISA) and the West African Journalist Association (WAJA) the Foundation hopes to scale up efforts to build demand for accountable governance and support the use of media organizations to improve accountability for policy implementation and transparency in public resource use, as well as grow demand for statistics and analysis. The Foundation hopes to collaborate with other bilateral donors who are active in this area.

PARTNERSHIPS FOR SCALED-UP RESULTS

To achieve its key strategic objectives ACBF has developed a set of strategic partnerships and hopes to build further on them in the course of implementing the strategy.

With regard to African stakeholders, the partnership approach is based on the principles of ownership of ideas and commitment to implementation. The Foundation will source ideas from a diverse set of stakeholders including thought leaders on the continent and in the Diaspora, experiences of critical regional institutions in implementation, and transportable ideas from the private sector and civil society in Africa and from other regions of the world. Interventions will be derived from country and regional capacity development assistance strategies. Interventions will be primarily demand driven but will be informed by their link to the strategic drivers identified in this framework. Support will be responsive to regional integration, governance reforms, focus on processes of inclusion including mainstreaming gender, and tackling emerging challenges such as climate change. Policy institutes and think tanks as well as university partnerships and engagements with country and regional training institutions will provide a solid starting point for building up partnerships with African stakeholders. ACBF will develop partnerships with bilateral and multilateral agencies to build capacity to monitor, track, and measure progress, as well as recognize patterns of change and quantify and assess impact of policies and programs. Joint learning with agencies that are advanced in the results agenda will get

particularly attention. The Foundation hopes to leverage its work in governance in a number of areas, such as effective ways of including perception assessments and enhancing collection of data for capacity assessment in a variety of sectoral dimensions including agricultural productivity and capacity for post-harvest food management. Similarly ACBF will seek lessons learned from the experiences of bilateral partners in oil rich but resource poor countries, in post conflict countries, and achieving results beyond the MDGs. Partnerships with universities will be done in collaboration with development partners at the bilateral and multilateral level who are engaged in supporting tertiary education, with ACBF seeking to leverage its efforts at building the core capabilities of university departments and relying on other stakeholders to finance expansion of particular programs. Some bilateral partners have an extensive program of decentralized support in Africa that ACBF wishes to learn from. Effort will be made to seek partnerships at the country level benefiting from the decentralized presence of bilateral agencies on the continent. Support in mainstreaming gender will continue to benefit from the experiences of a wide variety of stakeholders.

Working in collaboration with specific countries, ACBF aims to bring in partnerships with bilateral development partners and private foundations that are active in Africa but not currently partnered with ACBF. Effort will particularly go towards bringing lessons learned from successful capacity building in post conflict countries for application and adaptation in other environments including.

In the area of transforming agriculture the strategy envisages a series of partnerships to help speed up implementation of policies that will lead to improved productivity and security of food production. In the area of agriculture, the Foundation will also seek to build partnerships to support capacity to develop policies to aid agro-businesses, scaling up agricultural production, as well as supporting skills building and research programs of agricultural universities. Lessons learned from the ongoing evaluation of ACBF support to skills building will be used to enhance the types of partnerships that can speed up the capabilities needed to transform agriculture.

This strategic framework also envisages a different partnership with the institutional members who founded the ACBF.

With the AfDB, the strategic framework envisages a scaled-up relationship with a special focus on critical capacities in the areas of statistics and data collection particularly for assessing governance achievements at the national and decentralized levels and with regard to the role of universities in creating the needed skills for green growth. Another area of partnership with the AfDB is in seeking solutions to speed up capacity for handling complex cross border and multi-country infrastructure investment programs.

With the World Bank the Foundation aims for a scaled-up programmatic partnership with focus on achieving innovations for capacity building in post conflict and fragile states and in supporting critical regional institutions and policies, as well as working on the demand side for accountable governance and

piloting of new instruments for strategy at the country level. Also with the World Bank the Foundation aims to partner in the areas of platforms for dialogue including in leveraging the Global Development Learning Network (GDLN) at the regional level and become a GDLN node in Zimbabwe.

With the UNDP the ACBF will leverage the presence of the UNDP on the ground particularly in post conflict countries to carry out collaborative work, building on experiences with pilots such as the one in Sierra Leone. The use of UNDP offices for security coverage in post conflict countries will help the Foundation expand its country presence without decentralizing its staff. Partnerships in developing country capacity profiles will also take up importance in partnership with the UNDP under this strategic framework.

While the IMF is not a founding member, ACBF has a strategic MOU with the Fund aimed at scaling up capacity development in banking and financial sector issues with a special focus on post crisis financial and economic management in partnership with the AFRITACs.



VI. RESULTS MEASUREMENT FRAMEWORK

In its continuous effort to enhance the development effectiveness of its interventions, ACBF has developed a Results Measurement Framework (RMF). The framework provides a guide to strengthening the results –orientation of ACBF-operations. The RMF signals a strategic shift away from expanding the coverage of core competence areas and geographic spread towards a greater focus on results and a better quality portfolio of projects and programs. A series of tools have been developed to support the process of embedding Results Based Management in the Foundation's way of doing business. The RMF emphasizes the focus on development results as the central theme of the Foundation's reform agenda. The expected outcomes and outputs that allow tracking of results under this strategic framework are summarized in Annex II.

ACBF will assess its contribution to development results through operational results which reflect the performance and quality of its portfolio of projects and programs. Outputs and outcomes generated by ACBF operations will be aggregated to demonstrate progress towards the achievement of development results which will be assessed through evaluations against pre-determined set of indicators.

The design of an RMF applied to capacity development interventions has revealed the critical importance of properly identifying the development objectives of interventions, as well as the role of key stakeholders and potential champions who are

expected to lead the development process. Also, some weaknesses and gaps noted in the implementation of the SMTP II re-emphasized the need for the Foundation and others involved in capacity development to create and improve frameworks, spaces and platforms for learning, experimentation and innovation, thereby enabling the actors to embrace emerging ideas and issues and testing them through piloting, in order to learn from both failures and successes. The new ACBF program will, therefore, be based on approaches that enhance innovation and learning.

In order to ensure the relevance and effectiveness of ACBF-supported interventions, the experiences in the implementation of the SMTP II have underscored the need to adopt a differentiated approach to country and regional interventions, based on the diversity of the environment, as well as better integration in national coordination frameworks and country systems in order to achieve greater impact.

Long-term sustainability of operations requires autonomous entities such as policy institutes, or a subset of their interventions, to be positioned outside the main political battleground in order to allow for independence. Such independence requires resources, which guarantee that autonomy is preserved and allows for limited agency-capture. In addition, the identification of capacity development champions ensures key change entities are protected, in order to buffer against intrusions, especially in the

case of policy analysis and advice. Finally, effective roll-out ensures that there is a plan to achieve buy-in for change, with formal and informal mechanisms for implementation.

The ACBF Evaluation Policy and Guidelines are being revised and embedded in the project supervision and reporting by operational staff section of the Operations Manual to nurture a culture of accountability for results among Program Officers and continuous monitoring by Management of the results of ACBF interventions.

The ACBF-RMF has identified eight key performance areas where action was necessary to drive changes to ensure higher performance in the Foundation's internal management systems and business processes. These performance areas included the following: improving managing for development results at the country level; enhancing the quality of operations at design; improving operational management and delivery; improving project monitoring and evaluation; strengthening partnerships and coordination with other donors; promoting innovation and learning; strengthening financial management and control; and improving staff development and administrative efficiency. The Foundation is establishing and collecting baseline data for the KPIs which covers the six core areas of competency of ACBF. Work is ongoing to identify methods of capturing results in the emerging areas of support such as leadership development, policies for embedding climate change in economic policy analysis and planning, building capability to handle public private partnerships, and policies for transforming agricul-

ture. Concerted efforts will also go towards capturing the change trajectories and key aspects of results in fragile and post conflict countries.

The roles and responsibilities of M&E staff are being revised to remove the limitation they have at present by the current monitoring and evaluation practice of ACBF, which puts emphasis on evaluation by the M&E Department with monitoring being done by Operations Departments. The mandate of the M&E unit is being expanded to include: (i) upstream review of project proposals to ensure clarity in project objectives and adequacy of results monitoring arrangements; (ii) supporting project supervision and performance monitoring; and (iii) assuring the quality of the ACBF portfolio.

ACBF is also further refining and reinforcing the use of data collection and aggregation tools at both the project and corporate levels. The revision of these tools is based on the RMF attached in Annex II to allow for effective tracking of the performance and results of various interventions of ACBF.

A training plan for operational staff of ACBF and the staff of ACBF supported projects has been developed to incorporate training modules on project management and M&E data collection and reporting. Such training is aimed at disseminating and familiarizing staff and project personnel with the new tools and systems developed from the RMF in Annex II.

The Management Action Plan (MAP) has deepened the reform agenda of ACBFs management and governance system. The vigorous implementation of

the MAP has brought about significant improvements in ACBF work processes and established a performance-driven work environment. The successful implementation of the MAP has contributed significantly to re-positioning ACBF as an effective development partner in Africa and have oriented the Foundation to effectively tackle the challenges facing Africa in the next 20 years.

Monitoring and evaluating the performance of the Strategic Framework will be conducted rigorously at regular intervals in order to ensure that the Foundation's performance tracks set targets and generates expected outputs and outcomes. At the level of programs and projects, annual reviews will be undertaken, followed by a mid-term review. All projects and programs will undergo end of project evaluations. At the corporate level, the organizational results framework requires each department to develop key performance indicators (KPIs). An independent external evaluation of the Foundation's performance will also be conducted. This will focus on operational and organizational issues, in order to assess the effectiveness and efficiency, results and sustainability of the Foundation.

Assesing impact and appropriate attribution to the activities of ACBF will be part of the implementation and execution plan of the strategy. ACBF will use already existing Capacity Development indicators from other institutions such as the World Bank Institute and those developed by bilateral donors to assess the high level results (impact at the developmental level). Feedback obtained from consultation on ACBF's Results Management Framework will be incorporated into the revised approach for impact assessment during the course of this strategy, in order to embed a process of continuous improvement in impact assessment.

Annex II presents a matrix of the strategic objectives at the developmental and organizational level, the expected outcomes and outcome indicators.



VII. MANAGING THE TRANSITION BETWEEN STRATEGIES

ACBF will streamline its interventions to create room for adapting to the new strategy. First, the Foundation will transform its support to successful and mature policy units and think tanks (KIPPRA in Kenya, IDEG in Ghana, CAPES in Burkina Faso, CEPOD in Senegal and CERCAP in Mali) by working with them as partners rather than recipients of ACBF grants.

Second, support to policy units and think tanks will go towards helping them stretch to take on emerging areas like policies for transforming agriculture, instead of their current focus on economic policy. Third, the skills building programs targeted at public officials through the university partnerships will be restructured to introduce aspects of leadership development, risk management, innovation and science and technology. Lessons learned in building capacity for effective dialogue with the private sector will be used to ensure effective platforms to embed research ideas in universities make their way to the private sector.

Third, effort will go into narrowing the geographical spread of ACBF while deepening work on post conflict countries with special focus on piloting rapid results instruments to speed up implementation; focusing more on country programs to reduce operating costs and introduce flexibility; and supporting M&E systems for better results in all ACBF supported Programs to ensure that investments yield higher impact that can be tracked.

Fourth, ACBF will better link up Regional Training Institutions like MEFMI, WAIFEM, and others to Finance Ministries and Central Banks on the continent so they can become less dependent on ACBF for core funding.

Finally, the Foundation will continue to seek efficiencies in its internal administration to consolidate the gains achieved in 2009 and 2010 in reducing administrative costs. This transition to a new way of functioning with lower administrative costs and higher attention to long term impact will be a gradual process as the Foundation needs to adjust its internal processes and capacities to the new strategic pillars, although all align with the current core competencies.

For new interventions: in the first year of the plan, the "old" projects in the portfolio will overlap with the "new" pilots and designs. The ACBF pipeline will be grown around the three strategic pillars. Emphasis in growing the portfolio will be placed on where currently the Foundation has limited interventions and where it is achieving successful results.

For refinancing/continued collaboration with existing projects: priority will be given to projects that are in line with the new strategy and its strategic pillars and areas of intervention. This includes stretching existing project designs by changing their areas of intervention to cover issues such as agricultural policy and climate change, collaborating with new

stakeholders to support tripartite partnerships (government, private sector and civil society) and/or changing the nature of ACBF's relationship with key stakeholders. This will apply notably to policy units and universities, with whom ACBF has long-standing interventions.

Member states of ACBF will receive core support as the Foundation evolves its new strategy. All countries that are members of ACBF will be incorporated in the annual assessment of the status of capacity in Africa published as the Africa Capacity Indicators for each year. The inaugural version was launched on February 9, 2011 to coincide with ACBF's 20th Anniversary. In addition, member states will benefit from all research work done by the Foundation and by the knowledge networks and communities of practice it supports. Attendance at the annual Board of Governors

meeting will give member states access to key strategic work of the Foundation and allow them to learn from others present at the meetings. Finally, effort will be made to network entities previously or currently supported by ACBF in member states with each other to speed up learning. The monitoring and evaluation support of the Foundation will also be made available in member states to enhance their ability to better track policy and implementation performance. The products supported by ACBF at the regional level, including university partnerships and capacity building of the RECs will be of benefit to member states. Finally, the activities supporting statistical capacity building at the continental level will be made available to member states so they can improve their own statistics and ensure the data that feeds continental and regional data collection efforts is originating from a sound statistical basis.

VIII. CONCLUSION

While the Foundation will maintain regular oversight over its interventions in order to ensure timely and effective impact assessments, it is important to note that investment in capacity building has a long gestation period. Therefore effort has to be systematic, carefully targeted and sustained over a reasonable period of time, in order for desired results to be generated. Also, lessons from the evaluation of capacity development activities indicate that efforts of this nature are inherently risky, particularly in

politically unstable environments and post conflict situations. Consequently the Foundation will strive to minimize risks and ensure that there are adequate control mechanisms in its Operations Guidelines to protect its interventions, while remaining flexible and seeking out opportunities for innovation and piloting. The Foundation will continue to build on its growing experience and will endeavor to apply best practices in developing of capacity in difficult and risky environments.

ANNEX I: COST RATIOS UNDER DIFFERENT FINANCING SCENARIOS

Forecast Financials	Five Years 2012 -2016			
	2011- Budget	Low Case Scenario	Base Case Scenario	High Case Scenario
Performance Ratios				
1. Programming costs to Total cash outflow	84%	82%	81%	87%
Disbursements ratio	61%	48%	51%	64%
Operation program delivery ratio	19%	27%	23%	17%
KEL program delivery ratio	5%	7%	7%	5%
2. Total Admin.cost to Total cash outflow	15%	17%	19%	13%
Prof. Admin & Support Staff costs	9%	11%	11%	8%
Total Admin. Overhead Cost	6%	6%	8%	5%
3. Capital expenditure to total cash outflow	1%	1%	1%	0%
Total	100%	100%	100%	100%
4. Total Staff costs to Total Foundation Costs	52%	55%	52%	51%
Financial Data US\$'000				
Programming costs	46 394	110 586	175 958	299 147
Disbursements	33 268	64 961	110 389	222 011
Program delivery	13 125	45 625	65 569	77 136
Adminstration Staff Costs	4 874	14 622	24 369	26 259
Administration costs - Other	3 660	9 792	17 673	19 594
Resource Requirement	54 927	135 000	218 000	345 000

The financing strategy includes three scenarios:

- (1) a "back to basics" low case of USD 135 million which is the funding level when ACBF was created; The Foundation would need to undertake significant downsizing/ restructuring from the current 2011 approved structure, including reduction in staff, administration costs, and portfolio size with a resultant reduction in program delivery costs.
- (2) a "realistic" base case of USD 218 million which is determined from the actual paid in contributions to the Foundation in the last five years; At this level, the Foundation would maintain the existing organizational structure and on average have a zero growth in annual costs from its 2011 level. The total admin cost share goes slightly higher in the base case compared to the low case because of certain fixed costs related to program and admin staff needed to put in place additional controls. These include a procurement specialist, IT and physical security costs, a solid team of financial and risk control officers, and a fully operational and effective independent internal audit department. Also there are rigid and lumpsum fixed costs in terms of office

rent, security and guards, and other immovable costs that are driven by the number of floors the Foundation occupies and hence do not go down with a reduction in the number of staff or the number of programs. The investments in added controls were made under the Management Action Plan implemented over the last 18 months and are expected to attenuate in the high case as the value of the strengthened controls can be fully leveraged by disbursing higher amounts to programs. Effort is being made to hold down all other costs such that the base case and low case have the same ratio of staff costs and the base case has a lower cost of delivering operational programs.

- (3) a "probable" high case of USD 345 million which is based on indications of what different donors could provide following discussions and conversations to date. At this level disbursements and program delivery costs would have a compounded annual growth rate (CAGR) of 6% and 3% respectively whilst administrative and staff costs would have a CAGR of 1.5%.

ANNEX II: RESULTS MATRIX

1. Developmental Results Outcomes

Impact for the goal	Key Performance Indicators	Source
Effective governance for poverty reduction in countries and regional institutions covered under the plan	1. Real GDP Growth Rate	IMF/World Bank
	2. GINI Coefficient	IMF/World Bank
	3. MDG Indicators No. 1a) Prevalence of income poverty; and	UNDP MDG Country Reports
Impact for SO1	Key Performance Indicators	Source
Improved public access to basic services and effective economic governance	1. Public access to basic services	Human Development Report (UNDP)
	2. Gender inequalities in economic and social opportunities	UN Gender Related Development Index (UNDP)
Impact for SO2 Improved legitimacy and accountability of the governance system.	1. Transparency, accountability and corruption in the public sector	Transparency International's Corruption Perception Index (CPI) and ranking
	2. Public perception of change in incidence of corruption	Opinion Surveys by national statistical offices and other specialized institutions
Impact for SO3. Improved regional integration and enhanced share of African economies in global trade	1. Volume of food and non-food (other than fuel) commodities traded intra-regionally by origin	UNCTAD Handbook of Statistics
	2. Volume and share of African state contributions to World Trade	Annual report of Regional Economic Communities

2. Operational Results Outcomes

Strategic Objectives	Expected Outputs	Outcomes	Outcome Indicators
To enhance capacity to promote political and social stability for transformational change	Leadership development programs implemented	Improved participatory and inclusive decision making processes in the public sector	Increased frequency of discussions with non-state actors on public decisions in target countries
	Training programs on values and ethics, integrity and accountable governance implemented	Adoption of good governance practices	Level of satisfaction of the public with governance issues including access to information and behavior of government officials
	Capacity for oversight institutions strengthened		
	Activities to enhance assessment of progress in governance implemented		
	Policy advocacy capacity of non-state actors strengthened	Improved voice of non-state actors	Information disclosure and access policies revised/implemented
	Enhanced access and disclosure of information to the people		
	Projects to enhance accountability and transparency in public resource allocation and utilization implemented	Increased public trust with transparency and accountability of the government in public resource allocation and utilization	Level of alignment of the resources allocation with the National development priorities in target countries
	Programs to enhance Results-Based Management in the public sector implemented	Improved public sector management	Responsiveness of the public sector to the expectations of the public in target countries

Strategic Objectives	Expected Outputs	Outcomes	Outcome Indicators
	<p>Programs to strengthen capacity for public administration at national level and local/devolved governance levels implemented</p> <p>Skills enhancement programs for individuals responsible for service delivery implemented</p>	Improved service delivery	<p>Degree of inclusion of diverse populations in services delivered by the public sector increased</p> <p>Level of satisfaction of the public with governance issues including access to information improved</p>
To improve the capacity to engage and regulate the productive sector	<p>Programs to enhance capacity of policy units and think tanks to analyze and research policies in productive sector implemented (rule-based governance, inter country & regional trade, complex infrastructure contracts, economic policies impacting on agriculture sector)</p>	Capacity for policy formulation and implementation for productive sector enhanced	Strategies and regulatory frameworks to improve competitiveness of the productive sector implemented
	Number of economic policy researchers on productive sector completed in policy institutes supported by ACBF		Number of stakeholders engaged in innovation policy discussions and fairs organized by MDAs for the productive sector
	Skills improvement programs for ministerial staff responsible for policy implementation implemented		Percentage of ministerial staff responsible for policy implementation who have attended at least one skills improvement program over the past two years

Strategic Objectives	Expected Outputs	Outcomes	Outcome Indicators
	Enhanced dialogue between public and private sector for public-private partnerships (PPP)	Effective interface platforms and mechanisms established for strengthening PPP	Attendance rate of the private sector in government-led meetings on productive-related matters
To strengthen the capacity to track policy impact	Country and regional capacity assessment undertaken	Improved policy impact assessment	Quality of M&E system used for policy performance reporting
	MDA responsible for economic financial management and planning strengthened	Improved sector plans and budgets execution	Rate of budget execution
	National statistical systems strengthened for tracking policy impact	Increased awareness of policy impact	Frequency of information sharing on policy results
	Programs to develop a culture of evaluating public development programs supported	Increased focus on results for development interventions	same as above 'M&E system' indicator
	Skills enhancement programs for individuals responsible for service delivery implemented		
	Capacity for oversight institutions strengthened		
	Activities to enhance assessment of progress in governance implemented		
	Policy advocacy capacity of non-state actors	Improved voice of non state actors	Level of participation of non state actors in public decision making processes

Strategic Objectives	Expected Outputs	Outcomes	Outcome Indicators
	strengthened Enhanced access and disclosure of information to the people	Information disclosure and access policies revised/implemented	

3. Organizational Results Outcomes

Objective:	Outcomes	Outcome Indicator
Support effective delivery of ACBF's Capacity Building mandate	Improved operational efficiency and effectiveness of ACBF	1.1 % of new grants approved as per the annual business plan
		1.2 Percentage of projects in ACBF portfolio rated satisfactory and above
		1.3 Number of country programs implemented by ACBF
2. Institutionalize managing for development results at ACBF and country level	Improved Results orientation at ACBF, country and regional level	2.1 Number of Results Based Country Strategies
		2.2 Number of departmental performance plans aligned to the SMTP III
		2.3 Annual report on implementation of RMF at the Foundation
3. Strengthen partnerships and coordination	Increased number of partners collaborating with ACBF	3.1 Number of new partnership agreements.
		3.2 Additional resources mobilized from new partnerships (%)
4. To generate and disseminate knowledge products and services	Increased use of Knowledge products and services by ACBF and other stakeholders	4.1 Number of products generated and disseminated
		4.2 Number of functional community of practice supported by ACBF
		4.3 Extent of integration of knowledge and learning products into ACBF's operations

Objective:	Outcomes	Outcome Indicator
		4.4 Satisfaction with ACBF knowledge products & services by stakeholders (1-5)
5. Strengthen financial management and control	High standard financial management and control implemented	5.1 Unqualified financial audit of ACBF annual accounts 5.2 Ratio of administrative costs to total costs 5.3 Reduction in ACBF internal audit observations on financial management of operations
6. Improve staff development	Highly skilled staff	6.1 Level of staff development improved (working days per staff) 6.2 Level of staff retention rate improved
7. Improve administrative efficiency	Improved administrative efficiency at ACBF	7.1 Compliance with ACBF manuals, policies and procedures (%)