

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, Ethiopia

P. O. Box 3243

Telephone: 5517 700

Fax: 5517844

Website: www.au.int

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**ACTIVITY REPORT OF THE AFRICAN CAPACITY BUILDING
FOUNDATION (ACBF)**

**REPORT OF THE AFRICAN CAPACITY BUILDING FOUNDATION
SPECIALIZED AGENCY OF THE AFRICAN UNION**

(For the reporting period: January – December 2018)

I. SUMMARY

Article 7 of the Memorandum of Understanding signed on 20 February 2018 between the Chairperson of the African Union Commission (AUC) and the Executive Secretary of the African Capacity Building Foundation (ACBF) to operationalize ACBF's status as Specialized Agency of the African Union requires ACBF to report on its activities to the AU Organs. This report has been prepared in compliance with this obligation and presents a summary of the key activities conducted by ACBF from 1 January to 31 December 2018. The activities are presented along the four pillars of ACBF's Strategic Plan for the period 2017-2021 as adopted by the Board of Governors, of which the AU is an Honorary Member, on 1 July 2016. These pillars are the following: *Strategic Pillar 1 - Enabling Effective Delivery of Continental Development Priorities; Strategic Pillar 2 - Supporting Countries to Achieve Tangible Development Results; Strategic Pillar 3 - Enhancing Private Sector and Civil Society to Contribute to Sustainable Development and Strategic Pillar 4 - Leveraging Knowledge Learning to Increase Development Effectiveness*

II. BACKGROUND

1. The African Capacity Building Foundation (ACBF) was created in 1991 in response to the shortage of capacity to build indigenous human and institutional capacity to promote sustainable development in Africa. The Foundation was designed to serve as a coordinating mechanism for donor support to capacity building in Africa, through the pooling of resources and a common governance and reporting system. To date, 40 African countries have become members of ACBF. ACBF has, however, continued to avail its support to all African countries regardless of their membership status. In recognition of its effective support to African countries, ACBF was designated by African Heads of States and Government a Specialized Agency of the African Union by Decision *Assembly/AU/Dec.621 (XXVIII)* of the 28th Assembly in January 2017.

III. MAIN ACTIVITIES OF THE PERIOD

2. ACBF currently implements its Strategic Plan for the period 2017-2021, which was approved by its Board of Governors composed of the Ministers of Finance or Planning of its 40 African Member States. This report presents the main activities of the period along the four Strategic Pillars of the Plan.

Strategic Pillar 1: Enabling Effective Delivery of Continental Development Priorities

3. ACBF supported the ongoing institutional reforms at the African Union Commission (AUC) through contributing to three major studies on (i) policy coherence between AUC and AU organs, (ii) a baseline consultation study with regional economic communities assessing convergence and coherence with flagship projects of Agenda 2063 and (iii) an evaluation of the AU's specialized agencies. These studies provided solutions for policy coherence towards rationalizing and improving the operations of the AUC, the organs, the RECs and the specialized agencies towards effective contribution to the implementation of Agenda 2063.

4. At regional level, the Foundation supported capacity building for debt management, gender policy formulation, macroeconomic policy financial sector management and good governance in partnership with regional institutions such as the Macroeconomic and Financial Management Institute (MEFMI), the West African Institute for Financial and Economic Management (WAIFEM) and the National Institute for Legislative and Democratic Studies (NILDS) of Nigeria.

5. ACBF guided the development of four regional projects in 2018, namely a regional training program on Trade Finance in partnership with Afreximbank and the Trade Policy Training Centre in Africa (TRAPCA), a training program on regional integration in partnership with the Ghana Institute of Management and Public Administration (GIMPA), a COMESA Trade Policy Analysis and Research program and a program for Promoting the Participation and Influence of Women Farmers in Policy Processes in collaboration with the Food Agriculture and Natural Resources Policy Analysis Network (FANRPAN).

Strategic Pillar 2: Supporting Countries to Achieve Tangible Development Results

6. During the year 2018, ACBF finalized country capacity needs assessments in Cameroon, Central African Republic, Republic of Congo and The Gambia. As a result, these countries are now in better position to develop capacity development plans and strategies required to address the challenges identified. In some instances, the assessment served as a tool for resource mobilization. Capacity needs assessment was also conducted on women entrepreneurship in Chad, Republic of Congo, Malawi, Mali, Liberia and Rwanda, as part of the Foundation's partnership with the Arab Bank for Economic Development in Africa (BADEA). This exercise led to the identification of priority training needs that will inform the design of training plans to be rolled out in 2019 in the respective countries.

7. ACBF conducted a feasibility study for the creation of a school of public administration (SPA) in The Comoros to address the acute capacity challenges facing the public service in the country. The Foundation also developed the projects for two policy think tanks in Gabon and Cameroon and launched the implementation of organizational capacity building initiatives at the Public Service Institute of Nigeria and at the Department of Livestock and Fisheries of the Ministry of Agriculture and Natural Resources in Ethiopia.

8. ACBF contributed to improved economic management and policy formulation and implementation in Côte d'Ivoire, The Gambia, Guinea, Central African Republic, Chad, Comoros, Liberia, Sierra Leone, Togo and Zimbabwe. ACBF also continued to partner with the African Development Bank (AfDB) in supporting the implementation of several initiatives in Zimbabwe including *Youth and Women Empowerment*, *Strengthening Institutions of Transparency and Accountability* as well as *Building capacity for Public Finance and Economic Management*

Strategic Pillar 3: Enhancing Private Sector and Civil Society Contribution to Sustainable Development

9. During the year 2018, ACBF continued to enhance public health in Africa through the implementation of its Tobacco Control initiative in partnership with the Bill and Melinda Gates Foundation. The key results of the year included the adoption of a tobacco control legislation in Mauritania and the award received by the Government of Senegal for its best practices on pictorial graphic warning at the 2018 World Conference of Health.

10. ACBF contributed to building the skills of women in Liberia, Malawi and Rwanda in the areas of leadership and entrepreneurship as part of its partnership with BADEA on Empowering Women in Agriculture (EWA) program. The program enables women to advocate for policies that will enhance the role and increased income of women farmers.

Strategic Pillar 4: Leveraging Knowledge Learning to Increase Development Effectiveness

11. The survey of the 2019 edition of ACBF's flagship report, the Africa Capacity Report on "Transformative Leadership for Africa's Transformation" was done in the course of the year 2018. The findings and recommendations of the Report are based on data from 46 countries and 9 country case studies. The Report calls for strengthening of the capacity of leaders in all sectors, if Africa is to achieve socio-economic transformation. It will hence be important in coalescing stakeholders' support towards development of a leadership capacity development programme to be coordinated by ACBF.

12. The *African Financial Governance Outlook on "Effective Public Financial Management for Sustainable Development"* was published in partnership with the African Development Bank (AfDB). The publication explains the drivers of change over time in financial governance across 10 pilot countries. The Report is a diagnostic instrument in the design, monitoring and evaluation of development partners' operations in financial governance, including for results reporting. This report is already becoming a reference point for the AfDB and other partners in evidence-based programming and policy dialogue.

13. In FY2018, ACBF also conducted several strategic studies to support Africa's socio-economic transformation. Key among them are the following:

- Occasional Papers and Reports were produced on "Brain Drain in Africa: The Case of Tackling Capacity Issues in Malawi's Medical Migration"; and "Tackling Africa's

Youth Unemployment Challenge: Innovative Solutions from Think Tanks”. These are already influencing discussions on the issues and are being demanded by countries and universities as important reference materials.

- Report on the “Capacity Imperatives for the SDGs In line with African Union’s Agenda 2063” which provides countries with a comprehensive set of capacity development priorities for meeting the continental development goals in a way that benefits all Africans. This report will be instrumental to African Governments, development partners and ACBF around evidence-based programming in support of SDGs’ implementation in Africa.

14. As part of its role as Specialized Agency for Capacity Development of the African Union, ACBF continued to provide timely advisory services to African governments and multilateral institutions through development of issues/discussion papers that included the following:

- “Sustainability of the African Economic Platform: Opportunities and Options” to advise the African Union Commission on the mechanisms for the sustainability of the African Economic Platform and its programs to enable the Forum to meet its set objectives and deliverables.
- “How Africa Can Benefit from the Belt and Road Initiative (BRI)” to recommend specific arrangements and incentives as well as the capacities required to ensure that the Belt and Road Initiative is beneficial to Africa.
- “World Bank Priorities in Africa: How to better Support the Development Priorities of the Continent?” to support the African Union Commission in efficiently working with the World Bank for coordinated support toward the continent’s socio-economic transformation.
- Lessons Notes on Capacity Development, produced in partnership with the World Bank, aimed at sharing experiences around capacity development done by ACBF in Africa over the years. These will inform future capacity building interventions.

15. In strengthening its strategic partnership with key continental stakeholders, ACBF developed various strategic studies mostly with support from the African Development Bank. These include case studies on the “Implementation of the African Growth and Opportunity Act by African countries”; “Innovative Methods for Financing Regional Infrastructure” and “Regional Trade Policy Guidelines for Cross-border Infrastructure”

16. ACBF also contributed to disseminating good practices through the following platforms:

- a. The annual “Africa Think Tank Summit” was co-hosted by the Government of Ghana on the theme “Tackling Africa’s Youth Unemployment Challenge: Innovative Solutions from Think Tanks.” An important recommendation was an Africa-wide study to document the experiences, solutions and lessons on youth employment strategies, in specific sectors such as agriculture and mining, to complement existing studies and ensure coordinated future capacity building efforts.
- b. The annual Meeting of the ACBF Board of Governors was held under the theme “Youth employment in Africa: A Focus on Developing the Critical Skills.” One key

outcome of the High-Level Forum was commitment made in the Communiqué especially by the private sector and Ministers of Finance to support scaling-up of skills development in their countries.

IV. RECOMMENDATIONS

1. To ensure that Africa's capacity development priorities are addressed in a sustainable manner and less dependent on unpredictable donor support, it is recommended that Africa takes ownership and leadership of its capacity development effort by scaling up its financial contribution to ACBF. This could be achieved through an annual financial contribution of the AU to the operations of ACBF.
2. ACBF is willing and has the expertise and experience to continue its support to the capacity development effort of the African Union Commission, the AU Organs and the RECs. It is recommended that these institutions preferably use ACBF for the implementation of their capacity development initiatives.
3. To better serve the African Union in its capacity as Specialized Agency, ACBF is negotiating a Host Country Agreement with the Government of Ethiopia. The support of the African Union is recommended to accelerate this process.

**DRAFT DECISION ON THE ACTIVITY REPORT OF THE AFRICAN CAPACITY
BUILDING FOUNDATION, SPECIALIZED AGENCY OF THE AFRICAN UNION**

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The Executive Council:

1. **WELCOMES AND TAKES NOTE** of the Activity Report of the African Capacity Building Foundation (ACBF) together with the recommendations contained therein;
2. **ACKNOWLEDGES** the effective contribution made by ACBF to Africa's development since its inception in 1991 and note that the overwhelming part (94%) of the resources used by ACBF to make this contribution since its inception has been provided by non-African sources;
3. **NOTES** the significant reduction in support from the historical donors to ACBF at a time when its services is needed the most to support economic transformation and sustainable development in Africa;
4. **REQUESTS** the Commission to work with ACBF to assess the annual financial contribution that the AU could make to the operations of ACBF and submit a report for the Executive Council's consideration at the next Summit;
5. **ENCOURAGES** ACBF to continue engaging the Government of Ethiopia, with the support of the Commission, on the Host Country Agreement for an ACBF Office in Addis Ababa and invite the Government of Ethiopia to give this request a favorable consideration in line with the privileges and immunities accorded to the African Union.

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