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From the Executive Secretary

Dear Friends,

Welcome to the fifth edition of Africa Capacity. ACBF acknowledges the importance of partnerships in building capacity in Africa. In September, the Foundation and the Australian Department of Foreign Affairs (DFAT) agreed on a partnership to strengthen knowledge sharing and learning with the Australia Africa Community Engagement Scheme (AACES). The two organizations agreed that there are future opportunities for closer collaboration in the implementation of the AACES as well as other Australian Government's development initiatives in Africa.

ACBF participated in the 2014 Annual Meetings of the World Bank Group and the International Monetary Fund held in Washington DC on 11-

13 October 2014. The mission provided an opportunity to engage officials of the Bank at operational and Board levels and to update them on the status of the Foundation's operations, especially on the implementation of its set of reforms. So far, the Foundation has implemented reforms that have resulted in a more focused, more efficient and better governed organization that pays serious attention to results and to its sustainability.

The 2014 annual summit of the group of 20 (G20) developed and emerging economies met in November at the Australian city of Brisbane. This year, the grouping addressed the global growth challenge in an ambitious and meaningful way, by focusing, among other things, on empowering development so that developing countries can attract infrastructure investment, strengthen their tax base and improve their people's access to financial services. Among the concerns from Africa is the poor representation of the continent at the summit. South Africa is the continent's sole member, meaning that Africa's views are not adequately canvassed and G20 commitments to Africa are not always kept. At the summit, Africa

had a duty to convince the grouping to address its major concerns, particularly the strengthening of productive capacity, increasing productivity, value addition and accelerated industrialization.

ACBF has been instrumental in putting capacity development at the center of Africa's development agenda and achieved tangible results across the continent in this regard. As a result, capacity building has become a priority in the development strategies of most African countries today. The Foundation has championed the building of human and institutional capacity in the public sector and for non-state actors. ACBF produces

the Africa Capacity Report (formerly, Africa Capacity Indicators Report), an annual report that gauges the state of capacity development on the continent and addresses a capacity-related theme of critical importance to the continent. The 2014 ACR focuses on building capacity to accelerate regional integration in Africa.

The 2013 Africa Capacity Indicators Report produced by ACBF is now free and can be downloaded from the ACBF website www.acbf-pact.org/aci2013. Past issues (2012 and 2011) are also available.

PARTNERSHIPS

Leveraging ACBF resources to support the Australian Africa Community Engagement Scheme (AACES)

The ACBF and the Australian Department of Foreign Affairs and Trade (DFAT) have agreed on a strategic partnership to strengthen knowledge sharing and learning in the Australia Africa Community Engagement Scheme (AACES). Both parties agreed that by leveraging ACBF resources, including ACBF-funded research organizations and networks, there is a strong potential for collaboration to strengthen knowledge sharing in AACES. It was also agreed that links be created with ACBF funded research institutions and civil society organizations.

During a meeting at the ACBF headquarters on 15 September 2014, the DFAT delegation from Nairobi met with the Executive Secretary and the management team and also discussed opportunities for closer collaboration with ACBF in the implementation of the AACES as well as other Australian Government's development initiatives in Africa.

On capacity building for AACES African partners, ACBF will work with DFAT to examine ways the AACES programme can benefit from training that is regularly offered to ACBF grantees on monitoring and evaluation, procurement procedures, among others. ACBF will also support DFAT in organizing media coverage of AACES activities and visits to

AACES project sites.

AACES is a partnership of the Australian Government, 10 Australian non-governmental organizations (NGOs) and their Africa-based partners. AACES contributes to Australia's aid strategy for Africa through community-based interventions across the sectors of water and sanitation, food security, and maternal and child health.

ACBF first managed the AACES as the Resource Facility manager for two years starting January 2012. The contract was further extended for six months to 15 July 2014. An amendment for final extension to 15 September 2016 was signed at the end of this period. The Resource Facility supports communication, coordination and management of the AACES.

The DFAT team comprised of the First Secretary, Development Cooperation, Leisa Gibson, Second Secretary, Development Cooperation, Daniel Kark, Senior Program Manager-Civil Society, Alice Oyaro and the Coordinator, AACES Resource Facility Manager, Ernest Etti.

Read more on the AACES program from the ACBF website.

ACBF on course towards completing reforms agreed with the World Bank

The ACBF secretariat has become more efficient and more effective in building capacity in Africa as a result of significant progress made in ongoing reforms agreed with the World Bank. The ACBF

Executive Secretary presented the progress achieved in the implementation of the reforms and the overall current status of ACBF at the 2014 Annual Meetings of the World Bank Group and the International Monetary Fund from 6th October to 13th October 2014.

He reaffirmed the resolve of ACBF to fulfill commitments made while paying attention to results. According to him, the ACBF has now become more effective in capacity development in Africa having become more focused, more efficient, better governed and paying more attention to results and its own sustainability. For instance, ACBF will pay serious attention to scaling up and prioritizing for success.

Thanks to the reforms, the Foundation now has a simpler, flatter and leaner management structure and will increase the use of ICT to enhance efficiency in programme delivery. The Executive Board of the Foundation will meet more frequently and project design has been improved and grantees capacity enhanced for effective implementation and monitoring of their projects for better results. Also, the Foundation will ramp up its knowledge and learning activities to underpin its support to capacity development efforts at the continental, regional and country levels for the public, private and civil society sectors. Finally, the Foundation has made significant progress in mobilizing African stakeholders, especially its member States who are now contributing more to the Foundation than at any other time in its 24-year history.

The update on reforms was delivered during the Executive Secretary's first official visit to the World Bank. At the invitation of the Africa Region of the World Bank, ACBF participated in the 2014 Annual Meetings of the World Bank Group and the International Monetary Fund from 6th October to 13th October 2014. This mission provided the Executive Secretary the opportunity to engage World Bank officials and Executive Directors and to update them on the status of the Foundation's operations, especially on the implementation of its set of reforms.

RESULTS

ACBF champions human and institutional capacity development in Africa

ACBF has been instrumental in putting capacity at the heart of Africa's development agenda and demonstrated that building capacity makes economic sense. As a result, capacity building has become a transversal priority in the development strategies of most African countries today. The Foundation has championed the building of human and institutional capacity in the public sector and for non-state actors, including media and civil society and African regional and subregional organizations.

In particular, the Foundation has been involved in building capacity for evidence-based policy making and development planning, debt management programmes and budgeting and macroeconomic management. Also, it has significantly contributed in building the capacity of non-state actors to engage in the design, implementation and monitoring of development policy. The Foundation further supports the media and civil society's participation in the policy value-chain.

In its effort to enhance effective policy formulation and management, ACBF has invested significantly in strengthening the capacities of African policy institutes/think-tanks and universities. The Foundation has also created dialogue spaces for citizen engagement aimed at bolstering ownership and commitment to national policies and programs at the country level via its Policy Institutes Committee – a network of think-tanks.

ACBF has developed a number of capacity building toolkits such as its results measurement frameworks, country capacity profiles, country policy institutional assessment. Since 2011, ACBF has published the Africa Capacity Indicators Report, which measures and empirically assesses capacity in relation to the Africa's development agenda.

Last but not least, the Foundation's support to statistical capacity building is intended to improve measurement and evaluation capacity.

At the regional level, ACBF provides capacity building support to the African Union Commission and implements a successful partnership with most of the Regional Economic Communities (RECs) (COMESA, EAC, ECCAS, ECOWAS and SADC) either through capacity building of their Secretariats or Parliamentary Forums or in specific areas such as trade negotiation and regional integration. In like manner, ACBF provided support to the formulation and implementation of key African initiatives, such as the New Partnership for Africa's Development (NEPAD) and the African Peer Review Mechanism (APRM).

ACBFs, 24-year investment in capacity development has yielded many results...

- 35 think tanks created or strengthened; 15 ranked among top performers in Africa, including the Economic Policy Analysis Unit for ECOWAS and other RECs.
- 3000 middle-level managers trained in ACBF-created Public Sector Management Training Program (PSMTP) an initiative tailored to equip African countries with a critical mass of public sector managers with the requisite skills and capabilities to advance development.
- Scores of leaders of African Universities trained as the Foundation has also supported the Association of African Universities to train the leaders of Africa's higher education institutions.
- An online repository of thesis/research papers from all over the continent established.
- Developed African Capacity Profiles and indicators and country capacity strategies.



FEATURE

ACBF enhancing critical capacities for transformational change

Interview with Barassou Diawara, a beneficiary of an ACBF-supported higher learning program

Kindly give us a brief background of yourself?

I work as a Knowledge and Learning Officer at the African Capacity Building Foundation. I am from Senegal. At the ACBF, among other tasks, I support the production of the Africa Capacity Report which is the flagship publication of the Foundation, measuring and assessing capacities in relation to the development agenda of African countries. I also assist in the activities of the Policy Institutes Committee and the Strategic Studies Group initiatives. The PIC is a network of ACBF-supported policy institutes and think tanks created to foster knowledge and experience-sharing in the management of think tanks and policy issues facing African countries. The SSG is a strategic network of the Foundation made up of global knowledge experts from various institutions that assists in identifying key policy and emerging issues requiring the attention of ACBF and its stakeholders. I hold a Master's degree in Economics from Cheikh Anta Diop University in Senegal, and a Ph.D. in Economics from Kyushu University in Japan, where I was also a research fellow before joining the ACBF.

How did you benefit from ACBF funding?

From 2002 to 2004, I benefited from an ACBF training program called the Programme de Troisième Cycle Interuniversitaire en Economie (the Interuniversity Graduate Program in

Economics). The PTCL is an ACBF-funded program which promotes through competition the training of high-level economists, in order to make them internationally competitive and directly operational. The program operates through five campuses in Francophone African countries: in Ouagadougou (Burkina Faso), Dakar (Senegal), Abidjan (Cote d'Ivoire), Libreville (Gabon) and Yaoundé (Cameroon). Studying at the Dakar campus, the program helped me to earn my Master's degree in Economics with specialization in Applied Macroeconomics in March 2005. The Program fully financed my participation in the Common Campus for Specialized Courses held in Niamey (Niger) in 2004. The CCCO is a set of advanced courses offered at the CCCO designed to meet international scientific standards, taking into account the most recent advances in the discipline of economics. Every course is divided into two parts: one taught by a Professor from an advanced country and the other by a Professor from a developing country.

How has that changed your capacity as a professional?

The ACBF-funded program has changed my capacity in at least two ways. First, it has given me a very strong background in economics, enabling me to understand the dynamics of African and world economics with strong analytical skills. Second, thanks to the program, I became internationally competitive. Right after completing the Master's program, I was able to get a scholarship from the Japanese government to continue my studies in Japan and work in an international environment without any problem. An important and interesting outcome of the program is that it has strengthened my network throughout the continent in the sense that during the period I was able to meet and build a strong relationship with 92 students from 15 African countries. Now I have a professional and working relationship with all of them in their respective countries.

In your opinion, what are some of the urgent capacity needs for upcoming professionals in Africa?

The urgent capacity needs for individuals remain education and training and research which

underline the capacity to tackle issues such as employment, structural transformation of the economies of Africa and regional integration, and allow people to understand the issues and take the required actions in a timely manner. Secondly, a conducive environment with relatively good incentives so that professionals can be retained and stay innovative and competitive. I am very glad that the ACBF is paying attention to both issues, namely through its various training programs and via the Africa Capacity Report which assesses capacity in relation to the development agenda in African countries.

How should the ACBF through its partners address the urgent capacity needs?

Through its partners, the ACBF needs to firstly continue to financially support the institutions it helped to create because some of them may not be able to function and deliver without ACBF grants. Secondly, creating think tanks and training programs where needed, given the Foundation's good understanding of the capacity development landscape and the development agenda of the continent, and thirdly, providing technical assistance to key actors and bodies across the continent and a platform to share its over 20 years' experience in the field of capacity development and allow peer-learning.

Your parting shot?

I would like to express my gratitude to the Foundation for giving me the opportunity to get a world-class training, and to discover and face the world with confidence.

KNOWLEDGE & LEARNING

Infrastructure financing is key to West Africa's revitalization, ACBF advises

Africa's future lies in its ability to generate its own finance to develop the infrastructure needed to eradicate poverty and promote economic transformation. Despite the various benefits of infrastructure development, West African countries and the rest of Africa suffer from poor investment in the sector. But Africa has the resource base to

support the development and implementation of viable domestic finance instruments, Prof. Emmanuel Nnadozie, Executive Secretary of the African Capacity Building Foundation, said at a recent dialogue session held in Accra, Ghana, and organized by the National Institute of Legislative Studies, based in the Nigerian capital, Abuja.

Youth and unemployment

Africa has a youth bulge that could either become a demographic dividend or demographic trouble. Unemployment and poverty are the greatest challenge, coupled with a historically unprecedented rate of urbanization driven neither by a green nor industrial revolution. Creating two million jobs a year for the 200 million young people in Africa will not happen without structural transformation based on massive industrialization and agricultural revolution.

“Neither industrialization nor agricultural revolution will take place without massive investment in infrastructure—electricity, railroads. Infrastructure has been responsible for more than half of Africa’s recent improved growth performance and has the potential to contribute even more in the future. Infrastructure development in Africa can raise GDP by 2 percent and develop the backbone for rapid industrialization, which in turn will boost the capacity to generate more domestic resources,” Prof. Nnadozie said. “African governments finance about \$45 billion through the mobilization of domestic resources and regional financing mechanisms. There is still a financing gap of about \$48 billion a year.

Electricity supply

Power is by far Africa’s largest infrastructure challenge, with 30 countries facing regular power shortages and many paying high premiums for emergency power. The infrastructure challenge varies greatly by country type—fragile states face an impossible burden and resource-rich countries lag despite their wealth.

Alternative resources for Africa

While the funding gap is huge and Africa needs to look outside, the continent could comfortably draw resources from domestic sources such as pension funds, Diaspora remittances, earnings

from minerals and mineral fuels, said Prof. Nnadozie. International reserves, liquidity in the banking sector, the growing private equity funds market and the potential flow from securitization of remittances offer additional avenues, he said. The potential to raise more domestic resources from tax is equally high. Tax revenue to GDP ratio is as high as 20% in some cases, he said, saying there is “no need for tax increases; only better tax administration and expansion of the tax base.

Parliaments will play a critical role

A large share of Africa’s infrastructure is domestically financed, with the central government budget being the main driver of infrastructure investment. In view of these challenges, West African and indeed African parliaments need to ensure thorough discussions and review of loans contracted by their governments. According to the Executive Secretary, they have a role to play in ratifying international agreements, including loans for infrastructure, and to effectively oversee the executive arm’s expenditure, in order to ensure optimal use of internally generated resources. “The procurement process within a country requires oversight by the legislature to minimize the incidence of corruption. This is where the functions of bodies such as the Public Accounts Committees of Parliament become critical.

“There is need to intensify efforts to transform the parliament of the Economic Community of West African States into a full-fledged legislative body that is capable of performing legislative functions like the European Parliament.”

Presently, the ECOWAS Parliament serves mainly as an advisory body, without full legislative powers. It is important that the legal framework with which the body operates should be reviewed to make it more relevant. The ECOWAS Parliament needs to prioritize infrastructure development, especially cross-national infrastructure. In this regard, the ECOWAS Parliament is expected to review the sourcing and utilization of infrastructure funds for projects undertaken by the regional body. To be able to effectively perform its functions as a regional legislative institution, Prof. Nnadozie believes there is need for capacity building of the members of the ECOWAS Parliament. The

lawmakers and their supporting officials need to have appreciable knowledge of the issues and dynamics of infrastructure financing. African governments equally need to intensify efforts to ensure availability of resources for infrastructure on the continent. Among other things, they have to:

- Curtail illicit financial flows (IFF) from Africa
- Rapidly grow pension assets
- Boost mineral earnings, international reserves, and Diaspora remittances
- Extend the catchment area for mobilization of savings, expansion of the tax base and improvement of the capital markets.

- Promote domestic savings, grow the banking pool, and reach out to the large informal sector with appropriate financing instruments.

For 50 years the continent looked outside for help in building its infrastructure. It didn't get much. Africa should continue to look for external financing but it needs to look inside more. Even when the funding is available, one important challenge the continent is facing in building its infrastructure is the serious inadequate capacity for infrastructure project preparation and management. As the premier capacity building organization in Africa, ACBF is supporting the efforts of African countries in developing and sustaining this capacity.



Events

3-6 November

Meeting of the ACBF Board of Governors (BOG) Resources

Mobilization Committee. Lomé, Togo

08 November

Business Roundtable on Ebola. Addis Ababa, Ethiopia

11 November

African Community of Practice (AfCOP) Annual Meeting, Kigali

12-14 November

Special Meeting of the Board to discuss the Draft AERC Strategic Plan 2015-2020. Nairobi, Kenya

17-19 November

Growth and Resilience, The G20 and Africa organized by South African Institute of International Affairs (SAIIA), South Africa

17-21 November

2014 High Level forum of Directors General for Development Cooperation at the GSSD Expo

24-25 November

Coordination for effective Tobacco Control in Africa, Harare Zimbabwe

26-28 November

The Forum for Agricultural Research in Africa (FARA). Johannesburg. South Africa

1-9 December

33rd COMESA Policy Organs Meetings, Kinshasa, Congo

02 December

Third Annual African G-20 Conference. Johannesburg, South Africa

4-6 December

Global Think Tank Summit. Geneva Switzerland

8-10 December

ACBF Executive Board meeting, Harare Zimbabwe