



THE AFRICAN CAPACITY
BUILDING FOUNDATION

FONDATION POUR LE RENFORCEMENT
DES CAPACITES EN AFRIQUE



2022
ANNUAL REPORT

Letter of Transmittal to the Board of Governors

RE: Annual Report 2022

15 May 2023

Dear Honorable Chair and Members of the Board of Governors

I have the honor of presenting the Annual Report of the African Capacity Building Foundation for the period 1 January 2022 to 31 December 2022.

Kindly accept, Honorable Chair and Members of the Board of Governors, the assurances of my highest consideration.

H. E. Erastus J. O. Mwencha

Chair, Executive Board

African Capacity Building Foundation



MESSAGE

FROM THE CHAIR OF THE BOARD OF GOVERNORS

The year 2022 brought unprecedented challenges, as well as hope. The conflict in Ukraine, which broke out early in the year, caused geopolitical tensions. These, in turn, brought about a new round of economic uncertainties around the world, including for us in Africa. Many of our economies were just emerging from the impact of the COVID-19 pandemic, only to find themselves facing new difficulties.

While the war in Eastern Europe was thousands of miles away, its impact was felt locally in Africa. Ordinary people at markets across the continent, and around the world, found rising food prices. The cost of fuel rose, while prices for many other goods and services also went up as global supply chains were disrupted.

Because Africa relied heavily on food imports, especially of grain, from Russia and Ukraine, the impact was significant for many African economies.

“

*To achieve the goal of
self-sufficiency, we must
work closer together
to strengthen our
institutions.*

”

In all this, there was a strong lesson. The African Union declared 2022 as the Year of Nutrition, a call to strengthen food security through investing in our agriculture, health, and social protection systems. The impact of the Russia-Ukraine war should spur us to make sure that this is not just a slogan but a strategic roadmap for our economies to transit away from dependence to self-sufficiency. After all, this is what Agenda 2063, our guiding compass, calls us to do.

To achieve the goal of self-sufficiency, we must work even closer together to strengthen our institutions. This is why the mandate of the Africa Capacity Building Foundation is now more important than ever. Our new strategic plan covering 2023-2027 is an opportunity to accelerate our efforts to build a stronger, more self-reliant Africa.

The new strategy emerged from consultations with Member States to ensure that it is aligned with their priorities and expectations. From these consultations, the 2023-2027 Strategic Plan is anchored on the four strategic priorities of our Member States:

- Climate Change and Energy for productive use
- Agribusiness and food security

- Trade as an engine of economic development
- Economic and Social Governance

Reaching our capacity development targets in these areas will take the cooperation of our Member States and our network of strategic partners. I again commend all Member States that continue to support our Foundation by paying their contributions and call on all members to fulfill their pledges. I would also like to express appreciation to our partners for their trust and continuing cooperation, especially in advancing institution building to support tobacco control, women's empowerment, climate adaptation, and biomedical research in Africa.

I have no doubt that implementing our new strategic plan will add to the value we bring to the continent in efforts to achieve positive transformation and sustainable and inclusive development.

Hon. Ken Ofori-Atta

Chair, ACBF Board of Governors

Minister for Finance, Republic of Ghana



FOREWORD

FROM THE CHAIR OF THE EXECUTIVE BOARD

The African Capacity Building Foundation (ACBF) recorded commendable progress during 2022, despite a new set of challenges. The year under review was the final year of the 2017-2022 Strategic Plan, and I am delighted with the progress in meeting the goals under the strategy.

“

The Foundation played a central role in the evaluation of the First Ten-Year Implementation Plan of the African Union’s Agenda 2063 and the formulation of the Second Ten-Year Implementation Plan.

”

The 2017-2022 Strategic Plan was focused on five strategic pillars:

- Enabling effective delivery of continental development priorities,
- Supporting countries to achieve tangible development results,
- Enhancing private sector and civil society contributions to sustainable development,
- Leveraging knowledge and learning to increase development effectiveness and
- Positioning ACBF as a high-performing and sustainable organization.

To sustain funding for programs, the Foundation stepped up engagement to secure consistent subscriptions from Member States, while deepening existing partnerships and engaging new ones. Supporting the African Union in monitoring the impact of its programs, the Foundation was central to the evaluation of the First Ten-Year Implementation Plan of Agenda 2063 and the formulation of its Second Ten-Year Implementation Plan.

The last two years have seen internal transformation in the Foundation. The Secretariat effected institutional reforms, stretching from human capital to technology systems. These reforms were challenging but necessary to improve operational efficiencies. I am pleased that these changes were instrumental to the Foundation's ability to make progress on programming in an environment of uncertainty throughout 2022. With the reforms, we became nimbler in executing our programs, and at a lower cost. I commend the Board and Secretariat for their vision and foresight.

The new 2023-2027 Strategic Plan focuses on economic governance through programs that enhance the governance of public finance

management. Under the strategy, the Foundation will contribute to African food security through activities that empower women and youth entrepreneurs in agriculture. We look forward to the trade and business acceleration programs for female entrepreneurship in Africa, which will also be at the core of the five-year plan.

The reforms that have been successfully implemented underscore our commitment to prudent management of resources, and this should reassure Member States, as well as existing and potential partners.

During the year, ACBF welcomed Mr. Mamadou Biteye as the new Executive Secretary. He succeeded Professor Emmanuel Nnadozie who had completed his two allowable terms (8 years) at the helm of the Foundation. Mr. Biteye brings with him over 30 years of field experience in capacity - building across the continent and around the world. His experience in the private and public sector, as well as with leading international development agencies, will be key in driving forward the Foundation's mandate to enhance capacity across Africa, at a time of rapid transformation around the world.

With a leaner, more efficient organization, we are confident that the Foundation is better prepared to tackle the next strategic plan and any new challenges that may arise.

H. E. Erastus J. O. Mwencha

Chair, Executive Board

African Capacity Building Foundation



INTRODUCTION BY THE EXECUTIVE SECRETARY

At the global level, 2022 witnessed the Russia-Ukraine war with its impact on food security and global supply chains, the removal of nearly all Covid-19 restrictions, and the reopening of international borders with the wide rollout of Covid-19 vaccines.

For African countries, the trajectory of socioeconomic development in 2022 was shaped by the United Nations Climate Change Conference or Conference of the Parties (COP27) agreement to compensate the most vulnerable countries for the damage caused by climate change, implementation of the African Continental Free Trade Area, and rapid digitalization across the continent.

For ACBF, 2022 was marked by:

- implementation of the final year of the 2017-2022 Strategic Plan,
- the launch of a customized enterprise resource planning system for optimized business processes, and
- the development of the new 2023-2027 Strategic Plan.

“
I am humbled to lead the African Capacity Building Foundation (ACBF) at this critical time for the world, for African countries, and for the institution.
”

This annual report on the work of ACBF, which captures the eight months of my term as Executive Secretary and the last few months of my predecessor's term, offers a candid view of ACBF's achievements in 2022 and the strategic direction we will take in the next few years to deliver on the promise of strengthening human and institutional capacities.

Impact of ACBF work

One salient characteristic of ACBF is its ability to use its internal expertise and extended knowledge networks to enhance the capacity of institutions and actors to deliver on their mandates.

The broad reach of its activities is evident in the benefits that they bring to all African countries.

We strengthened the capacities of various institutions under two projects - Strengthening African Leadership in Climate Adaptation and Strengthening Capacity of Strategic Partner Institutions in Africa - by addressing leadership and governance, financial and human resource management, gender responsiveness, monitoring and evaluation (M&E),

communications and branding, and other key issues.

Through our interventions, the targeted organizations have become more versatile and results oriented in delivering on their mandates.

ACBF, through the Local Partners Identification Project, developed a platform to identify credible local partners and grantees in Sub-Saharan Africa for development partners to collaborate with. The outcome was an increase in the number and quality of local partners. To execute the project, we leveraged our network of research centers, think tanks, and individual researchers to collect, process, and analyze data.

We also strengthened the technical and organizational capacity of civil society organizations working on health issues (mainly tobacco control policies) by building the long-term sustainability of targeted organizations.

Some key outputs from these programmatic activities include:

- training sessions in M&E, governance, and
- organizational strengthening.

This support has extended the impacts of these beneficiary organizations and enabled them to better serve and represent communities in their ecosystem.

Main challenges ahead

Along a continuum of capacity development priorities, ACBF is called on to address the most immediate and pressing challenges in Africa.

This comes with its own challenges, such as mobilizing resources and investments to build the institutional infrastructure to implement ACBF's ambitious programs. To boost their impact, the planned activities are being carefully coordinated to bring together the various stakeholders and align priorities. This complex process will require stronger cooperation between ACBF and its partners.

Addressing challenges will create a springboard for the continent's success and transformation. This is reflected in the Strategic Plan 2023-2027 and the four identified impact areas: economic governance, agribusiness and food security, climate change and energy for productive use, and trade as an engine of economic

development. Implementing the 2023-2027 Strategic Plan will be a key priority in 2023 and beyond, necessitating close attention to the key developmental issues faced by African countries with different capacities. Implementing this new strategy will require adequate resourcing, enhanced commitment and ownership by African countries and institutions, and unwavering support of our development partners.

Continuous ACBF value-addition is essential

ACBF has achieved results in improving human capital development and strengthening institutional capacities in different countries. However, we now stand at a pivotal moment. Today, our structure and practices must be innovative and sufficiently fit-for-purpose to respond rapidly to the current challenges facing African countries. We will need to demonstrate results, impacts, and, most important, clear value to our partners and member states.

I have no doubt that, with dedicated and competent staff, we can pursue this exciting and vital work on capacity development and deliver results.

In this way, we will ensure that ACBF will continue to fulfill its mission and contribute to achieving results for the Sustainable Development Goals and the Second Ten-Year Implementation Plan of the African Union's Agenda 2063.

Mamadoe Biteye

Executive Secretary

African Capacity Building Foundation



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LIST OF ACRONYMS

ACBF	African Capacity Building Foundation
AfCFTA	African Continental Free Trade Area
Afreximbank	African Export Import Bank
AU	African Union
AUC	African Union Commission
BADEA	Arab Bank for Economic Development in Africa
CoDA	Coalition for Dialogue on Africa
Covid-19	Corona virus disease
ECCAS	Economic Community of Central African States
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
IsDB	Islamic Development Bank
M & E	monitoring and evaluation
SFA	Science for Africa

EXECUTIVE BOARD



Erastus J.O. Mwencha
Chair



Louka T. Katseli
Vice Chair



Roselyn Akombe
UNDP



Jonas Aklesso Daou



Mamour Malick Jagne



Jessie Rose D. Mabutas



Pauline Paledi-Mokou



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Mamadou Biteye
Ex-Officio



Hambani Masheleni
AUC



Graham Stegmann



Kevin Uramah
AfDB

INDEPENDENT MEMBERS OF THE AUDIT AND RISK COMMITTEE



J. Graham Joscelyne



Verasak Liengsrirawat

BOARD OF GOVERNORS

COUNTRY OR INSTITUTION

Ghana
African Development Bank
African Union Commission
Benin
Botswana
Burkina Faso
Burundi
Cabo Verde
Cameroon
Central African Republic
Chad
Comoros
Congo (Republic)
Congo (Democratic Republic)
Côte d'Ivoire
Djibouti
Eswatini
Ethiopia
Gabon
The Gambia
Guinea Bissau
Guinea

GOVERNOR

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Albert Muchanga
Abdoulaye Bio Tchané
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Seedy K. M. Keita
Ilídio Vieira Té
Moussa Cissé

COUNTRY OR INSTITUTION

Kenya
 Liberia
 Madagascar
 Mauritius
 Malawi
 Mali
 Mauritania
 Namibia
 Niger
 Nigeria
 Rwanda
 São Tomé and Príncipe
 Senegal
 Sierra Leone
 Sudan
 Tanzania
 Togo
 Uganda
 United Nations Development Programme
 World Bank
 Zambia
 Zimbabwe

GOVERNOR

Njuguna Ndung'u
 Samuel D. Tweah
 Rindra hasimbelo Rabarinirinarison
 Renganaden Padayachy
 Sosten Gwengwe
 Alousséni Sanou
 Ousmane Mamoudou Kane
 Obeth M. Kandjoze
 Rabiou Abdou
 Zainab Shamsuna Ahmed
 Uzziel Ndagijimana
 Tavares dos Santos Vaz
 Oulimata Sarr
 Francis M. Kaikai
 Gibril Ibrahim
 Mwigulu Lameck Nchemba
 Sandra Ablamba Johnson
 Matia Kasaija
 Ahunna Eziakonwa
 Victoria Kwakwa
 Situmbeko Musokotwane
 Mthuli Ncube



01

PART I

THE AFRICAN CAPACITY BUILDING FOUNDATION AT A GLANCE

The African Capacity Building Foundation (ACBF) is a pan-African organization established in 1991 by African countries with the support of their bilateral and multilateral partners to build human and institutional capacity for Africa's sustainable development.



VISION

A prosperous, resilient,
and inclusive Africa.



MISSION

To develop the human capital
and institutions required to
enable Africa's inclusive and
sustainable development.



AFRICAN MEMBER STATES

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

PARTNERS





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PART II

HIGHLIGHTS OF 2022

Fiscal year (FY) 2022 was another year of great transformation, both internally at the African Capacity Building Foundation (ACBF) and in the countries that we serve.

During the year, ACBF welcomed Mr. Mamadou Biteye as the new Executive Secretary. He succeeded Professor Emmanuel Nnadozie who had completed his two allowable terms (8 years) at the helm of the Foundation.

Mr. Biteye's three decades of experience in capacity building and developing strategic partnerships was immediately instrumental in supporting ACBF's targets for the year.

The scope of ACBF's interventions is illustrated by the highlights from 2022, as described in the following pages.

BUILDING STRATEGIC PARTNERSHIPS

ACBF accelerated engagement with Member States to uphold their commitment to funding programs. Resource mobilization was reinforced by engaging new partners, including in the private sector and in other foundations. These included the Rockefeller Foundation, OCP Group, Visa Foundation, and others. Re-engagement was stepped up with traditional partners such as the World Bank, the European Union, Australia, France, and Japan. A new grant was secured from the Bill & Melinda Gates Foundation for a program to enhance public finance management.

CREATING PLATFORMS FOR AFRICAN DIALOGUE

ACBF provided and supported platforms for dialogue to seek out innovative strategies for Africa's growth. It worked with the Rockefeller Foundation Innovation Team on *"The Future of Institutions,"* a series of targeted conversations on transforming African institutions into globally competitive units. ACBF extended a partnership with the African Export Import Bank (Afreximbank) to collaborate in knowledge sharing, advocacy, and promotion of trade and economic development in AU Member States.

TOWARD AN AFRICA THAT FEEDS ITSELF

In line with the African Union's 2022 theme on food security, ACBF and the Food, Agriculture, and Natural Resources Policy Analysis Network (FANRPAN) organized the 2022 FANRPAN Regional Multi-Stakeholders Dialogue, bringing experts together to brainstorm on African food systems. ACBF also partnered with the Global Green Growth Institute and the African Union on the AU Transformative Climate Finance program on building resilient and low-carbon economic prosperity for all populations in AU Member States.



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PART III

IMPLEMENTATION OF THE 2017-2022 STRATEGIC PLAN IN 2022

The year 2022 marked the end of the Strategic Plan that began in 2017 to support state and non-state actors, regional and continental institutions, and other key actors addressing capacity deficits for effective delivery of Africa's development agenda. In 2022, ACBF implemented multiple interventions around its five strategic pillars that resulted in the following achievements.

PILLAR 1:

ENABLING EFFECTIVE DELIVERY OF CONTINENTAL DEVELOPMENT PRIORITIES

This pillar targets engagement with AU organs, regional economic communities, and other pan-African institutions to deepen the continental development agenda and frameworks for effective implementation across the continent and successful delivery of results. The key achievements made under this pillar during 2022 are discussed below.

Supported the final evaluation of the First Ten-Year Implementation Plan of AU Agenda 2063 and formulation of the Second Ten-Year Implementation Plan

As a member of the M&E Technical Working Group of Agenda 2063, ACBF contributed to designing and conducting the evaluation of the First Ten-Year Implementation Plan and development of the Second Ten-Year Implementation Plan, led by the AU Commission (AUC). ACBF contributed to the development of the evaluation methodology and tools and engaged in diverse data collection and analysis.

ACBF, with other partners prepared the Evaluation report and contributed to its validation by key stakeholders, including Member States and AU policy organs. The lessons from implementation of the First Ten-Year Implementation Plan and the main recommendations that emerged from the evaluation will inform key development priorities in the next ten-year plan.

Supported the African Union Commission and regional economic communities in the development of the 2022 African Integration Report

ACBF was part of the experts group invited to provide quality delivery of the 2022 Africa Integration Report, which assessed integration processes at the regional and continental levels. The report also evaluated African security integration in the context of emerging security crises such as terrorism, industrial integration as a means of success for the African Continental Free Trade Area, and benefit-cost analysis of the integration process in Africa.

Enhanced collaboration with the Secretariat of the AU High Level Panel on Illicit Financial Flows from Africa

ACBF supported the technical review of the draft report on the Status of Ghana's implementation of the AU Assembly Special Declaration on Illicit Financial Flows held in Accra. The event was jointly organized by the Ministry of Finance and Economic Planning of Ghana and the Coalition for Dialogue on Africa (CoDA) serving as the Secretariat of the High-Level Panel on Illicit Financial Flows. In addition, ACBF supported CoDA in finalizing the African Financial Integrity and Accountability Support Project, a proposal funded by the African Development Bank for advancing the agenda to stem illicit financial flows in Africa.

Supported the AU Council in developing the AU Transformative Climate Finance Program

ACBF supported the African Union's framework for the continent's recovery from the Covid-19 pandemic and its transition toward a greener and more prosperous future, the African Union Green Recovery Action Plan.

With funding from Global Affairs Canada, ACBF collaborated with the Global Green Growth Institute and the African Union to develop the AU Transformative Climate Finance program, with the overarching outcome of enhancing *"resilient and low-carbon economic prosperity for all populations of the AU countries, including women, girls, and youth."*



PILLAR 2:

SUPPORTING COUNTRIES TO ACHIEVE TANGIBLE DEVELOPMENT RESULTS

This pillar focuses on enhancing the capacity of state actors (government ministries, departments, and agencies) to deliver on national development agendas and align policies with regional community directives and continental development goals. ACBF achieved the following during 2022.

Enhanced Member States' capacity to monitor and report on progress for Agenda 2063

In collaboration with the M&E Technical Working Group of Agenda 2063, ACBF completed training in monitoring and reporting on Agenda 2063 for 15 representatives from six Member States of the Economic Community of Central African States (ECCAS): Cameroon, Central African Republic, Congo, Democratic Republic of Congo, Equatorial Guinea, and Gabon. The training enabled ACBF to identify key factors accounting for the low submission rate of country reports from ECCAS Member States. In addition, participants were equipped with the knowledge and tools to prepare and submit country progress reports on Agenda 2063, contributing to the development of Agenda 2063 Continental Biennial Reports.



ACBF completed training in monitoring and reporting on Agenda 2063 for 15 representatives

PILLAR 3:

ENHANCING PRIVATE SECTOR AND CIVIL SOCIETY CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT

This pillar targets the capacity of non-state actors and institutions, including civil society and the private sector, to deliver on development priorities. Key achievements under the pillar during the reporting period are discussed below.

Strengthened capacity in African countries for formulating and implementing evidence-based tobacco control policies that comply with the Framework Convention on Tobacco Control

ACBF has been implementing a tobacco control capacity building program in partnership with the Bill & Melinda Gates Foundation to expand tobacco control expertise, systems and process of tobacco control organizations, and the policy

environment to reduce tobacco use in Africa. The program helped tobacco control partners improve the skills of their staff in key areas such as project management, monitoring and evaluation, resource mobilization, and communications.



As a result of the program, about

70%

of partners' staff demonstrated the knowledge and skills required for their work, and the number of evidence-based tobacco control policies and programs increased in several countries, including Benin, Gambia, Kenya, and Mauritania.

In addition,

91%

of partner organizations indicated that their organizational capacity had improved, and

65%

of supported sub-grantees reported having implemented functional operating systems. National tobacco control programs are funded under the national budget in nine countries: Côte d'Ivoire, Ethiopia, Gabon, Kenya, Nigeria, Senegal, South Africa, Togo, and Uganda.

Strengthened leadership in climate and environmental sustainability in Africa

There was significant progress in 2022 in implementing the first phase of the Strengthening African Leadership for Climate Adaptation Program, which is meant to improve the organizational performance of key climate actors.

A rigorous selection process identified the following beneficiary institutions for the program based on their work in climate adaptation and their potential regional impact:

- Centre d'Actions pour l'Environnement et le Développement Durable,
- Horn Economic and Social Policy Institute,
- Centre for Research in Economic Analysis and Policy, and
- Inclusive Climate Change Adaptation for a Sustainable Africa.

A comprehensive capacity needs assessment guided programming for areas in which gaps were identified, including resource mobilization, climate adaptation interventions, governance, strategic planning, and results management.



Strengthened capacity of African biomedical science research institutions

During the Covid-19 pandemic, Africa depended heavily on external support for supplying personal protective equipment and vaccines. This exposed the need for stronger health infrastructure to prepare Africa for future health crises and advance the continent's health and science research agenda. With a wealth of experience in capacity building and support from the Bill & Melinda Gates Foundation, ACBF identified the delivery capacity within key African science institutions working in biomedical

science research as an area needing strengthening. Starting with the Science for Africa (SFA) Foundation, a Nairobi-based international nonprofit that supports, promotes, and strengthens science and innovation in Africa, ACBF bolstered SFA's human capacity and operational processes. This intervention supported science researchers and enhanced ACBF's capacity to mobilize resources and coordinate strategic partnerships.

Enhanced entrepreneurship skills of women and youth in agriculture

ACBF, Arab Bank for Economic Development in Africa (BADEA), and Islamic Development Bank (IsDB) collaborated to empower women and youth in agriculture and entrepreneurship. Phase I covered Burkina Faso, Gabon, and Sierra Leone, focusing on women and youth umbrella associations and their members. Implementation strategies included research, skills-building, institutional strengthening, and support to

business creation and development. Scoping studies on the participation of women and youth in agriculture were completed in Burkina Faso and Sierra Leone. Data from these studies will be key in implementing capacity development activities for women and youth in the two countries. Phase II will extend project activities to four other countries.

PILLAR 4:

LEVERAGING KNOWLEDGE AND LEARNING TO INCREASE DEVELOPMENT EFFECTIVENESS

This pillar seeks to increase access to knowledge to improve capacity development strategies and programming in Africa. In 2022, ACBF advanced its efforts toward knowledge promotion in critical development areas and emerging issues facing the continent. Key achievements in 2022 are discussed below.

Enhanced structured dialogues on the future of institutions

As part of a series of dialogue events initiated by the Rockefeller Foundation, ACBF partnered with the Rockefeller Foundation Innovation Team to convene two dialogue sessions. The first focused on institutional options and capacities to support transformative climate adaptation in Africa, and the second focused on identifying the institutions needed to enable Africans to harness the power of the digital economy. Through intimate conversations among experts and

leaders, the sessions explored ideas for creating new institutions, transforming existing ones, and making progress on global challenges, including ongoing efforts to come to grips with current and future climate challenges. The dialogue provided the Rockefeller Foundation with the basis to advance some of the most promising ideas and actions to pilot projects, knowledge-building, and a Bellagio convening.



Supported knowledge-sharing events on “Resilient African Food Systems: Solutions for Climate Change, Livelihoods, Food, and Nutrition Security”

During the 2022 FANRPAN Regional Multi-Stakeholders Dialogue, ACBF partnered with FANRPAN to convene a session on increasing the resilience of African food systems through solutions related to climate change and livelihood, food, and nutrition security. The session brought together representatives of international and regional institutions and state and non-state actors. The panel session resulted in enhanced awareness and engagement among a broad spectrum of African food systems

stakeholders and identification of policy options and innovative approaches for early action to accelerate food system transformation in Africa. In addition, the panel developed clear recommendations for Africa's United Nations Framework Convention on Climate Change negotiators on Africa's position on food systems and climate change related to the United Nations Climate Change Conference or Conference of the Parties (COP27).

Enhanced access to finance, markets, and e-commerce for small and medium businesses

As the African Union's specialized agency for capacity development, ACBF partnered with ImpactHER, a nonprofit organization, to conduct training sessions for small and medium enterprises (SME) under the auspices of the Africa SME Annual Forum, organized by the AUC. The training focused on access to markets, particularly e-commerce, for African SMEs.

The objectives were to promote, upskill, and strategize for a better, more inclusive African SME sector, thereby advancing Africa's industrialization in an integrated market.

The AUC developed an SME Development Strategy and Action Plan to:

"develop competitive, diversified, and sustainable economies underpinned by dynamic, entrepreneurial and industrial sectors that generate employment, reduce poverty, and foster social inclusion."

The training gave participating SMEs hands-on experience and tips on conducting business in the digital era by leveraging e-commerce. Participants acquired skills related to 10 strategies to boost sales and left with a good understanding of the most common types of e-commerce models. Moreover, the training provided an opportunity to demonstrate ACBF's technical expertise and the support it can provide to SMEs in enhancing their skills related to trade.

PILLAR 5:

POSITIONING ACBF AS A HIGH-PERFORMING AND SUSTAINABLE ORGANIZATION

This pillar focuses on positioning ACBF as a high-performing and sustainable organization by improving the quality of its capacity needs assessments and its assessments of organizational sustainability. Key achievements recorded under the pillar during the reporting period are discussed on the next page.



Improved quality of ACBF's capacity needs assessments

ACBF upgraded its organizational capacity needs assessment tool to ensure consistency in its application. This upgrading enabled conducting comparative analyses among supported organizations: SFA Foundation, Centre d'Actions pour l'Environnement et le Développement Durable, Horn Economic and Social Policy

Institute, Centre for Research in Economic Analysis and Policy, and Inclusive Climate Change Adaptation for a Sustainable Africa. The new tool enabled internal ACBF staff to complete five capacity needs assessment exercises with little external resources, breaking from the past.

Improved assessment of organizational sustainability

The sustainability of partners remained a critical issue for ACBF in 2022. ACBF developed a Sustainability Index tool to be used to enhance assessments of the sustainability of its interventions at systems and organizational

levels. A successful pilot phase with tobacco control partners paved the way for final changes to the tool, enabling it to be applied to other ACBF programs. ACBF plans to use the tool in assessing the performance of its partners.



04

PART IV

HIGHLIGHTS OF THE 2017-2022 STRATEGIC PLAN

As the Foundation looks ahead towards the implementation of the 2023-2027 Strategic Plan, it is imperative to take stock of the highlights and lessons of the 2017-2022 Strategic Plan. The previous plan was designed to address capacity deficits in Africa through a range of innovative strategies and collaborative activities.

Implementation of the strategy faced many obstacles, including funding, the Covid-19 pandemic, and the global impact of the conflict in Ukraine. However, ACBF showed its resilience in ensuring progress on key targets. The strategy scored successes under the five key pillars, as summarized below.

PILLAR 1.

Enabling effective delivery of continental development priorities

Efforts to encourage Member States and institutional members to honor their annual subscriptions increased pledge fulfillment. Resource mobilization was stepped up by engaging new partners, including the private sector and other foundations such as Rockefeller Foundation, OCP Group, and Visa Foundation.

Agenda 2063 contains the guiding principles for ACBF programming. During the 2017-2022 period, ACBF ran successful projects to build the capacity of African institutions to deliver on regional integration and achieve the continent's developmental targets.

Toward the goal of an Africa able to support its own programs, projects were undertaken to deepen the reporting capacity of African institutions.





These efforts included training for ECCAS Member States in monitoring and reporting on Agenda 2063 in collaboration with the M&E Technical Working Group of Agenda 2063. ACBF also co-led the evaluation of the First Ten-Year Implementation Plan of Agenda 2063 under the coordination of the M&E Technical Working Group led by the AUC. Supporting African trade bodies and government institutions in building capacity to prepare for the launch of the AfCFTA was a key highlight of the 2017-2022 strategy period.

PILLAR 2.

Supporting countries to achieve tangible development results

A central theme of the 2017-2022 Strategic Plan was modernizing and transforming the quality of public leadership in Africa. Under the Enhancing Leadership and Governance in Public Finance Management program, the AFCB partnered with the Bill & Melinda Gates Foundation to enhance leadership skills for senior African public finance officials and foster policy ownership in ministries of finance. Interventions in Member States included Ghana, Kenya, Nigeria, Senegal, and Zimbabwe.

To meet the African Union's goal of building low-carbon economic prosperity for all populations in AU Member

States, including women, girls, and youth, ACBF collaborated with the Global Green Growth Institute and the African Union to develop the AU Transformative Climate Finance program under the AU Green Recovery Action Plan.

Covid-19 provided a key test of the robustness of ACBF's work, hitting African countries at a time when they were working toward closer integration and greater independence. ACBF collaborated with African states on Covid responses. ACBF aims to increase the capacity of African states to achieve self-sufficiency in disease control by domesticating vaccine manufacturing capacity.

PILLAR 3.

Enhancing private sector and civil society contributions to sustainable development

In 2022, ACBF led projects to enhance the growth of the private sector through programs that worked to build economies from the ground up. Recognizing the importance of agriculture in building Africa's industrial base, ACBF partnered with BADEA and IsDB on projects to enhance support to women and youths in agriculture across the continent. The program supported women and





youth operating in the agricultural sector in Burkina Faso, Gabon, and Sierra Leone. These projects mirrored similar interventions in diverse economies, such as supporting women-led cooperatives in Rwanda and developing a modern commodity exchange for farmers in Ethiopia.

PILLAR 4.

Leveraging knowledge and learning to increase development effectiveness

ACBF fulfilled its mandate as the continent's thought leader through interventions that brought together African think tanks to dialogue and develop evidence-based solutions to some of Africa's most pressing challenges. In partnership with the Rockefeller Foundation Innovation Team, ACBF convened a dialogue series on creating modern, robust African institutions and helping existing institutions to step up to solve new global challenges. Dialogue on *"Resilient African Food Systems: Solutions for Climate Change, Livelihoods, Food and Nutrition Security"* with FANRPAN reflected ACBF's efforts to find the best pathways for Africa to respond to climate change.

ACBF's knowledge products in 2022 were in high demand, recording 730,225 downloads by visitors from 133 countries compared with 695,864 in 2021.

The increased demand is attributed partly to heightened attention to selective dissemination through targeted mailings of ACBF knowledge products to stakeholders registered on ACBF's mailing list. ACBF has enhanced the access of higher learning and research institutions to its knowledge products by linking its virtual library to the websites of over 73 universities and research portals.

The increase in downloads from the e-library is evidence of ACBF's role as Africa's repository of knowledge.

PILLAR 5. **Positioning ACBF as a high-performing and sustainable organization**

During the 2017-2022 Strategic Plan period, ACBF renewed itself through capacity needs assessment processes and internal reforms to deliver programming more efficiently and cost-effectively.

These internal process reforms included upgrading human and financial resources, enhancing risk management, strengthening procurement and logistical support, and deepening good corporate governance practices. The governance organs of ACBF were further capacitated to support their statutory obligations to provide strategic policy guidance and oversight.





Enhanced digital capacity for effective service delivery

The year 2022 marked the AFCB's adoption of an integrated business processing system and corporate-wide intranet system. The Microsoft Dynamics 365 ERP (enterprise resource planning) system brought 11 core business processes together into a single platform available to users at any time from anywhere and on any device. The automation serves three key business purposes:

- aligning ACBF business processes to industry best practices;
- integrating core business data and processes into one system, improving simplicity, productivity, and security; and

- enhancing organizational digital capacity to scale up and accommodate changing business requirements and growing automation needs.

The intranet system utilizes Microsoft SharePoint Online and Yammer platforms to provide an always-on communication and collaboration environment within ACBF and across its beneficiaries. The digital transformation journey in 2022 also included the upgrading of key infrastructure systems, strengthening of digital capacity through digital skills training, and adoption of an electronic learning management system.

Enhanced visibility and communication with the world



ACBF continued to enhance its visibility by mounting social media campaigns, disseminating bulletins, and engaging with media outlets in the Southern, Eastern, and Western Africa Regions.

It held television interviews with CNBC Africa, South African Broadcasting Corporation, The Mail and Guardian, Ghana Broadcasting Corporation, Ghana Business News, East African News, and Channels Radio.

Ensuring effective coverage of its events generated discussion on social media platforms and enhanced ACBF's visibility through print and audiovisual media.

Enhanced control and assurance systems

The annual external financial audit for fiscal year 2022 received an “*unqualified opinion*,” indicating that the financial statements were fairly and appropriately presented, without any identified exceptions and in compliance with generally accepted accounting principles.

The overall control environment remained robust throughout 2022, with no significant issue being flagged. The audit function continued to provide assurance and advisory service support to ACBF Management and Executive Board.

The highest standards of corporate governance were observed in processes to fill vacancies in the Executive Board and in senior leadership positions at the Secretariat. As a result, ACBF has retained the appropriate skills set to deliver on its mandate.

Throughout 2022, risk management activities continued to improve the control environment at both corporate and project levels. Risk and assurance remained robust to support Management and the Audit and Risk Committee of the Executive Board.



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PART V

LESSONS FROM IMPLEMENTING THE 2017-2022 STRATEGIC PLAN

The following lessons were drawn from experience implementing the 2017-2022 Strategic Plan. These lessons informed development of the 2023-2027 Strategic Plan and will guide its implementation through innovative programs and delivery modalities, full engagement of Member States, and a flexible and need-based staffing structure.

Flexibility is critical to adapt to shocks, such as conflicts, major economic crises, natural disasters, and pandemics

By strengthening ACBF's ability to deliver remotely in a fluid work environment shaped by global shocks, such as the outbreak of the Covid-19 pandemic and global insecurity, ACBF can sustain its operations and those of implementing partners across the continent.

Member States' role is vital to ACBF's sustainability and relevance

ACBF has leveraged Member States' contributions to raise significant funds for investment in programs. An increase in the level of funding by Member States is crucial to enable ACBF to invest in more programs.

Anchoring partnerships to their impact makes them more relevant

To maximize impact, anchoring partnerships to the focus areas in which ACBF works is critical. Such anchored partnerships are more sustainable than ad hoc partnerships, which can lead to scattered approaches, programs, and service offerings.

A flexible staffing model is key to sustainability

Maintaining a lean core staffing structure while responding to additional needs through project-based staffing is essential to institutional sustainability for organizations such as ACBF. It is prudent to explore alternative schemes such as a fee-for-service model to diversify funding sources.

Monitoring and evaluation should focus on achievement of impact rather than delivery of outputs

Insufficient documentation of programs in the 2017-2022 Strategic Plan underlines the importance of an M&E system that continuously tracks and assesses the performance of ACBF programs based on their impacts, not just outputs.



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PART VI

LOOKING AHEAD TO 2023: INTRODUCING THE NEW STRATEGIC PLAN

Through a robust consultative process involving stakeholders, ACBF reviewed its vision and mission statements and developed a new strategy for the next five years, the 2023-2027 Strategic Plan.

ACBF's vision is *“A prosperous, resilient, and inclusive Africa”* and its mission is *“To develop the human capital and institutions required to enable Africa's inclusive and sustainable development.”*

ACBF will continue to operate under the following value propositions: accountability, innovation, excellence, partnership, and communication.

The 2023-2027 Strategic Plan

aims to build human capital and institutional strength for transformative change in four priority impact areas:



ACBF will work to strengthen the ability of public and private sector entities in target countries to prepare bankable climate projects that can attract funding to implement their Nationally Determined Contributions. To achieve this, ACBF will bridge capacity gaps in target institutions. On energy, ACBF will promote activities that support green energy, such as off-grid and mini-grid power including solar, biofuel, and wind.



ACBF will focus on boosting private sector investment in agriculture and promoting value creation in Africa by supporting human capital development and strengthening of institutions in charge of agriculture. The interventions are designed to address food insecurity and low agricultural productivity by promoting private sector investment in agriculture and increasing value addition in agricultural products.



The goal is to fully integrate trade agreements into country laws, regulations, and playbooks and thus to increase trade competitiveness and industrial policy implementation. An important focus is to expand the access of micro, small, and medium enterprises to opportunities offered by intra-African and global trade.



ACBF will support Member States to enhance their capacity for domestic resource mobilization, public finance management, and the formulation and implementation of purpose-driven economic policies.

The 2023-2027 Strategic Plan also incorporates attention to four cross-cutting areas: gender, youth employment, digitalization, and data talent. The Strategic Plan will be implemented using a unique product offering centered on an institutional accelerator model for institution building, the African Capacity Building Academy for skills development, and the Capacity Knowledge Hub for knowledge services.



07

PART VII

FISCAL YEAR 2022

FINANCIAL STATEMENTS

THE AFRICAN CAPACITY BUILDING FOUNDATION**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Management of The African Capacity Building Foundation (“the Foundation”) is responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the Financial Statements and related information. The Foundation's independent auditors, PricewaterhouseCoopers have audited the Financial Statements and their report appears on pages 53 to 57.

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

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

The Financial Statements and related notes set out on pages 58 to 64 were approved by the Executive Board on the 5 May 2023 and are signed on its behalf by:



.....
MAMADOU BITEYE

Executive Secretary



.....
GRACE KAIMILA-KANJO

Director Finance and Administration

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

Report on the Audit of the Financial Statements for the year ended 31 December 2022

Our opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of The African Capacity Building Foundation as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The African Capacity Building Foundation Financial Statements and the related notes set out on pages 58 to 64 comprise:

- The statement of financial position as at 31 December 2022;
- The statement of comprehensive income for the year then ended;
- The statement of cash flows for the year then ended;
- The statement of changes in accumulated funds for the year then ended; and
- The notes to the Financial Statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of Financial Statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of Financial Statements in Zimbabwe.

Material uncertainty related to going concern

We draw attention to Note 21 in the Financial Statements, which indicates that there are significant unpaid contributions from some Member States from the previous strategy pledges which might impact the Foundation's program implementation. Management intends to closely monitor operating costs based on available resources and has indicated that the Foundation is expecting receipt of these unpaid pledges as well as additional resources from a few Member States as bridging finance in anticipation of their pledges and contributions to the new strategy. As stated in Note 21, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Foundation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the information included in the document titled "African Capacity Building Foundation Annual Report 2022". The other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

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

Responsibilities of management for the preparation of Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

We also provide management and the Audit and Risk Committee of the Executive Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The logo for PricewaterhouseCoopers, featuring the company name in a blue, cursive script font.

ESTHER ANTONIO

Registered Public Auditor

Partner for and on behalf of

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

Public Accountants and Auditors Board, Public Auditor Registration Number 0661

Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 255940

22 May 2023

Harare, Zimbabwe

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<u>Notes</u>	2022 US\$	2021 US\$
ASSETS			
Non Current Assets			
Property, Plant and equipment	5.1	2,130,390	2,334,776
Right of use asset	5.2	430,437	663,881
Total Non-Current Assets		2,560,827	2,998,657
Current Assets			
Inventories	6	26,307	35,125
Accounts receivable	7	807	1,366
Amounts due from staff	8	207,452	134,213
Advances to projects	9	377,027	1,313,127
Other assets	10	462,659	479,816
Cash and cash equivalent	11	8,766,705	10,554,248
Total current assets		9,840,957	12,517,895
TOTAL ASSETS		12,401,784	15,516,552


THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF FINANCIAL POSITION (Cont..)

AS AT 31 DECEMBER 2022

	<u>Notes</u>	2022 US\$	2021 US\$
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds		10,480,289	13,012,512
Current liabilities			
Provisions	12	588,599	435,523
Other liabilities	13.1	1,028,535	1,576,236
Financial lease liability	13.2	258,361	233,921
Terminal gratuity	13.3	46,000	-
Total current liabilities		1,921,495	2,245,680
Long term liabilities			
Financial lease liability	13.2	0	258,360
Total long-term liabilities		0	258,360
TOTAL ACCUMULATED FUNDS AND LIABILITIES		12,401,784	15,516,552



MAMADOU BITEYE
 Executive Secretary



GRACE KAIMILA-KANJO
 Director Finance and Administration

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Notes</u>	2022 US\$	2021 US\$
REVENUE			
Member States contributions	14.1	1,225,685	4,708,913
Special contributions	14.2	6,276,435	6,145,749
Other income	14.3	421,101	603,882
Total revenue		7,923,221	11,458,544
EXPENDITURE			
Project expenses			
Project expenses Strategic Pillars 1-4 and program expenses	15.1	5,599,486	4,396,509
Project/Program Development Expenses	15.2	2,551,949	2,270,606
Total Expenditure on Projects and Programs		8,151,435	6,667,115
Administration and Board expenses	16	2,304,009	2,659,309
Total expenditure		10,455,444	9,326,424
Excess/(deficit) of revenue over expenditure	20	(2,532,223)	2,132,120

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Notes</u>	2022 US\$	2021 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess/(deficit) of revenue over expenditure	20	(2,532,223)	2,132,120
Adjustment for:			
Disposal of property and equipment		-	(1,425)
Depreciation of property and equipment	16	461,886	340,176
Financial Interest		55,921	71,420
Interest income	14.3	(20,556)	(20,843)
Operating cash outflows before working capital changes		(2,034,972)	2,521,448
Decrease in advances to projects		936,100	128,772
Decrease in accounts receivable		559	-
(Increase)/Decrease in amounts due from staff		(73,238)	(23,645)
Decrease /(Increase) in other assets		17,157	(143,173)
Decrease in inventories		8,819	3,222
(Decrease)/Increase in current liabilities		(348,624)	(480,406)
Cash used in operations		(1,494,199)	2,006,218
Financial interest paid		(55,921)	(71,420)
Cash generated/(used in) from operating activities		(1,550,120)	1,934,798

THE AFRICAN CAPACITY BUILDING FOUNDATION
STATEMENT OF CASH FLOWS (Cont..)
 FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Notes</u>	2022 US\$	2021 US\$
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property and equipment		-	2,070
Purchase of property and equipment		(24,057)	(13,759)
Interest income	14.3	20,556	20,843
Cash used in investing activities		(3,502)	9,154
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease principal payment		(233,921)	(237,322)
Nairobi lease rent freeze		-	16,267
Net (decrease)/increase in bank balances and cash		(1,787,543)	1,722,897
Bank balances and cash at beginning of year	11	10,554,248	8,831,352
Bank balances and cash at end of year	11	8,766,705	10,554,249

THE AFRICAN CAPACITY BUILDING FOUNDATION

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Accumulated Funds US\$
Balance as at 1 January 2021	10,880,392
Excess of revenue over expenditure	2,132,120
Balance as at 31 December 2021	13,012,512
Deficit of revenue over expenditure	(2,532,223)
Balance as at 31 December 2022	10,480,289

THE AFRICAN CAPACITY BUILDING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21. GOING CONCERN

The Foundation's Financial Statements are prepared on a Going Concern basis, which contemplates the realization of funds and the satisfaction of obligations related to program and operational activities in the normal course of business. However, there are significant unpaid contributions from some Member States associated with the previous strategy pledges 2017-2022 which might impact the Foundation's financial situation and program implementation.

Management intends to closely monitor operating costs based on available resources. In addition, management is confident of collecting additional funds from Member States' unpaid pledges from the last strategy 2017-2022. The Foundation is also expecting resources from a few Member States for bridging funding of operations in anticipation of their expected pledges and contributions to the new strategy (2023- 2027) that is expected to be approved by the Board of Governors in May 2023 and the first pledging conference planned before end of June 2023. The strategy will map the direction of the Foundation including a new organizational structure.

A new Executive Secretary assumed office in May 2022 and is spearheading the development and subsequent implementation of programs and activities in the new strategy 2023-2027.

ACBF operates a 5-year strategic cycle. Strategic plans are prepared by Management and approved by the Board of Governors. Each strategic plan comes with a budget required for implementation of activities including a resource mobilization strategy.

Over the next 12 months, the annual business plan will guide the implementation of programs and

THE AFRICAN CAPACITY BUILDING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Cont..)

FOR THE YEAR ENDED 31 DECEMBER 2022

activities in consideration of available resources. The Foundation is already implementing fully funded Programs which fit in the new key impact areas in the proposed new strategy 2023-2027, hence there is no gap in the implementation of ongoing programs between the last strategy and the proposed new one. New programs will be immediately initiated for implementation as soon as the new strategy is approved. In the meantime, the programs under implementation are fully funded and are progressing well.

With the proposed new strategy, the Foundation anticipates better financing prospects both for restricted and unrestricted funding due to the new business model for resource mobilization and programming. There is already an indication of good buy in of the proposed strategy from partners and Member States.

Management believes that the actions and activities reported above provide adequate assurance of the Foundation's financial situation and its ability to continue as a going concern.

2022 IN PICTURES















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

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