



**AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT**

Securing Sustainable Solutions to the African Debt and Development Crises



**Annual
Report
2013**

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1. EXECUTIVE SUMMARY

1.1 Purpose and Scope

This report provides progress on the implementation of AFRODAD's 2013 Annual Plans and budgets. 2013 is AFRODAD's second implementation year of its 2012-2015 Strategic Plan.

The report was developed with input from staff and partners and covers work under the programmatic portfolios on Domestic Debt, External Debt, Development Aid and Economic Governance. It further looks at developments under the Information and Communication, the Human Resources and Organisational Development, and the Finance Units.

The approved budget for the year 2013 was US\$1,299,225, but as at the end of the year 2013, income received exceeded by 15% to US\$1,487,853. With the balance brought forward from 2012 of US\$50,041, AFRODAD had this year resources amounting to US\$1,537,894. The organisation will bring forward US\$53,650 into 2014.

1.2 Summary Achievements

- Liberia, a country emerging from conflict, is using AFRODAD's Borrowing Charter as model as the country reforms its financial system. This was stated by President Ellen Johnson Sirleaf on 2nd September 2013 in Monrovia at the AfDB High Level Panel on Fragile States in which the AFRODAD Executive Director spoke on Debt and Fragility of African States.

- The Government of Malawi committed to renegotiate its mining contract with the Paladin Energy following AFRODAD's research lobby and advocacy on the Kayelekera Uranium Mining.

- Following the launch of AFRODAD's research study on Tanzania domestic debt, Parliament of Tanzania resolved on (a) Facilitation of debates focused on public debt in future parliamentary sessions, (b) Demanded that the AFRODAD study report on domestic debt be translated into Swahili and shared to the wider Tanzanian public, and also at Pan African Parliament level, and (c) that the ongoing constitutional reforms in Tanzania be informed by the AFRODAD Borrowing Charter and findings of the Domestic Debt study.

- Sussex University now has AFRODAD publications in its library. This exposes AFRODAD research and positions to a global pool of students and academicians.

- The Position Paper on Alternatives to the Devaluation and Floatation of the Malawi Kwacha which the Consumers Association of Malawi (CAMA) produced with technical and financial support from AFRODAD was debated in the Malawi Parliament. The Malawi government had devalued its local currency and floated the exchange rate as part of the IMF conditionality.

- Following the organisation's steering work on development effectiveness, AFRODAD secured the support of the New Partnership for Africa's Development (NEPAD), the United Nations Development Programme (UNDP), the UK's DfID and the government of South Africa, to host the "East and southern Africa Post Busan Implementation meeting." The conference contributed to the development of Africa's position to the 2014 Mexico Ministerial on Post 2015

1. EXECUTIVE SUMMARY

Agenda.

- Together with EURODAD and LATINDADD, AFRODAD facilitated the direct learning and lobby by Parliamentarians, experts and other civil society members from Africa, Latin America, and Asia in a Fact Finding Mission to the UN tax committee, OECD, the European Commission, the International Trade Union Confederation and representatives of the Government of Switzerland, France and Norway as well as respective members of civil society in the respective countries.



AFRODAD Executive Director,
Dr Collins Magalasi

2. THE POLITICAL AND ECONOMIC ENVIRONMENT

Zimbabwe, the host country for AFRODAD had Presidential, Parliamentary and Council elections on 31 July 2013. President Robert Mugabe and his ruling ZANU-PF was re-elected by more than two-thirds of the voters, giving ZANU-PF almost absolute power to run the country for the next five years. The election ended the power-sharing coalition with the opposition MDC-T and MDC-M, which was formed after the 2008 elections.

2013 in Zimbabwe was characterised by a number of difficult economic problems, including infrastructure and regulatory deficiencies, international economic sanctions, policy uncertainty, a large external debt burden, political tension, and a high unemployment levels. Both donors and investors played a 'Wait-and-See' approach in the run-up to the elections. As at the writing of this report, the same approach has existed after elections, with the West still disbelieving the claimed credibility of the elections.

The country's external debt burden grew to an estimated USD\$ 10.7 billion, a figure which needs to be confirmed by the government as different offices of the same government are proving differing figures. Early this year, the inclusive government decided to re-engage the multilateral institutions and agreed to an IMF Staff Monitored Programme (SMP) until December 31 2013. The SMP is a key component of the Zimbabwe Accelerated Arrears Clearance, Debt and Development Strategy and Zimbabwe Accelerated Re-engagement Economic Programme.

Growth in Zimbabwe has been rapidly fading. The 2013 growth projections have been reduced from 5% to 3%, and this is down from 4.4% realised in 2012. Commodity

prices eased in the first half of 2013 due to both increased supply and weaker demand, and this is expected to continue over the short to medium term. Increased volatility of commodity prices affected further Zimbabwe's export growth, worsening the current account deficit, shrinking fiscal revenues and upsetting the economic recovery process.

2.2 Africa

Africa in 2013 continued its extraordinary growth at an impressive 4.8% against the global average of 2.9%. The growth in Africa offered renewal of the continent as frontier for opportunity and a potential global growth.

However, as was the case the previous year, this was growth without employment. Africans under 30 years of age were estimated to constitute 70% of the continent's population. At least 60% of the unemployed in Africa are young adults. Seven of every ten youth in Africa live on less than \$2 a day. Nigeria, Ethiopia, Uganda and Zambia have 80% youth poverty levels. Africa's army of educated and unskilled youth in 2013 represented and will continue to represent a huge unknown risk for the continent in 2014 and beyond. Africa has enough examples of unemployed youth-inspired political uprisings.

The growth of emerging powers and their increasing projection of influence in Africa became apparent in 2013. The fifth annual gathering of BRICS leaders, held in March this year in Durban South Africa drew attention on reconfiguration of global geopolitics, showed South Africa as part of the new "south space" which seeks to achieve greater autonomy from the west.

3. PROGRESS ON PROGRAMME ACTIVITIES

3.1. EXTERNAL DEBT PORTFOLIO

3.1.1. New Debt Workout Mechanism – The case for Fair and Transparent Arbitration Mechanism on Debt (FTAM)

AFRODAD embarked on the FTA programme, in a bid to continuously influence debate on the setting up of a FTA mechanism and increase pressure on G8 and Bretton Woods Institutions. AFRODAD has continued to influence the debt workout approach through researches and conducting lobby and advocacy visits to the UN, civic groups and International Financial Institutions. The FTA mechanism seeks to enshrine the principle that basic human rights and socio-economic justice take precedence over creditor rights, ascertain legitimacy of creditor claims, identify those which may be odious and give the affected people a right to be heard. The adoption of a FTA mechanism would also help to make lending more responsible, as lenders would have to take responsibility for irresponsible or illegitimate lending, reduce the moral hazard and make debt reduction available to countries that need it rather than restricting it to arbitrary lists.

3.1.2 Progress and Results

Research was conducted on Debt - A case for a new fair and transparent debt work out mechanism on the Democratic Republic of Congo (DRC). An Occasional Paper on FTAM entitled New Debt-Workout Mechanism and a Newsletter article entitled AFRODAD's reflections on the Borrowing Charter to Parliaments' Role on Sovereign Borrowing were produced, with 200 copies being published and distributed. The DRC report will be used in 2014 for building CSOs capacity and basis for lobby of policy makers in DRC, SADC and at AU levels.

The External Debt portfolio actively participated at the March 2013 World Social Forum (WSF) in Tunisia. Among others,

AFRODAD hosted an FTA workshop, where over 200 participants agreed to continue to campaign and demand a new debt workout mechanism through engaging in policy processes at African and global levels through jointly agreed positions and direct advocacy. The AFRODAD Borrowing Charter was also launched, with over 250 copies distributed among participants, and a declaration confirming the participants' knowledge and concerns on odious and illegitimate indebtedness and their call for further debt cancellation and future responsible borrowing.

AFRODAD participated in the African Development Bank (AfDB) 2013 Annual meetings which were held in Marrakech Morocco, from the 27th - 31st of May. During the meeting, they engaged the African Legal Facility on new debt out mechanism.



AFRODAD Senior Policy Officer – External Debt
*Tiri Mutazu – & Mahinour El-Badrawi of
Egyptian Center for Economic and Social Rights*

3.1. EXTERNAL DEBT PORTFOLIO

AfDB policy makers were made aware of research policy recommendations to reflect them in their official dialogues and policy documents.

AFRODAD was among the panellists at the *WB/IMF 2013 Annual Meetings* held in Washington DC, USA, and spoke on the *New Approaches to Sovereign Indebtedness*. The panel was a collaboration of *New Rules for Global Finance*, *Jubilee USA*, *Centre for International Governance Innovation* and *AFRODAD*, held in the World Bank Building.

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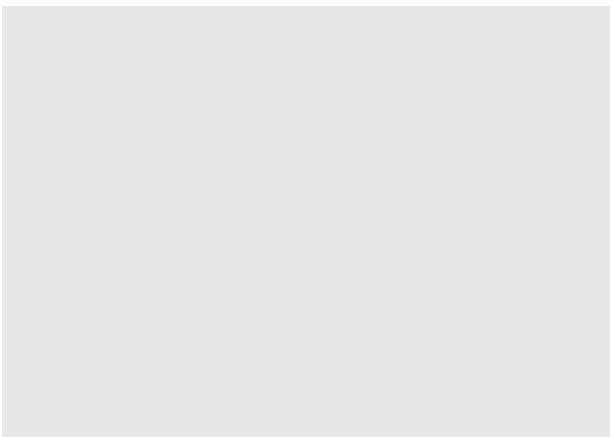
In addition, the portfolio participated in the 9th *UNCTAD Debt Management Conference* held from the 11th- 13th November 2013 in Geneva, Switzerland. The conference explored current topical issues in debt management and public finance, and *AFRODAD's Borrowing Charter* and *FTAP proposals* were tabled. *UNCTAD* incorporated and acknowledged

AFRODAD's Borrowing Charter in the *UNCTAD Principles on Responsible Lending and Borrowing*.

At sub-regional level, *AFRODAD* hosted a conversation on *Debt and FTAP* at the



AFRODAD Policy Officer- External Debt Tiri Mutazu, Participating during the *WB/IMF 2013, Annual Meetings*



3.1. EXTERNAL DEBT PORTFOLIO

week-long SADC Summit held in Lilongwe, Malawi from the 11th -16th August 2013. The organisation also engaged the 9th Southern Africa Civil Society Forum and the 8th Edition of the Southern Africa People's Summit held just before the official summit. The Forum and People's Summit platforms enabled networking with other regional organisations including improved information exchange, joint CSOs strategising and policy demands. Best practices were also shared while building capacities on the issue of debt.

More than 1000 participants combined attended the African Development Bank 2013 Annual meetings, the WB/IMF 2013 Annual Meetings, SADC Summit 2013 and 9th UNCTAD Debt Management Conference. These bodies are responsible for regulatory measures and policy changes on debt. By addressing these entities with evidence-based inputs and structured policy positions, AFRODAD hopes to achieve policy changes. For example through Global CSOs campaigns on the Eurozone debt crisis - the international community is looking for a lasting debt workout mechanism, this has resulted in a new debt workout mechanism being an agenda for the G20, the United Nations and International Financial Institutions.

3.1.1.1. Deviations and lessons Learned

Due to the civil unrest in Egypt, the research on Debt-A case for a new fair and transparent debt work out mechanism was not conducted, but has been penned down for the coming year, 2014. It has however been evidenced that an establishment of FTAM is possible if African policy makers and CSOs continue push for it.

3.1.1. Borrowing Charter

This Borrowing Charter contains principles and guidelines on sovereign financial borrowing. It seeks to guide and inform sovereign borrowing with the aim to contribute to the improvement of current weak administrative, institutional and legal processes for loan contraction and public debt management. AFRODAD, therefore, urges borrowing countries especially those in Sub-Saharan Africa to adapt the principles and guidelines so as to ensure efficient and effective use of debt resources and instruments, prevent recurrence of the debt crisis and make governments accountable to their citizens.

3.1.1.1. Progress and Results

AFRODAD now has the Borrowing Charter in Swahili language. It is called Mkataba wa Kukopa. (picture) In partnership with the Tanzania Coalition for Debt and Development (TCDD), the AFRODAD Borrowing Charter was in September 2013 presented to and discussed among the Members of the Tanzania Parliament – mainly the Budget and the Economic, Industry & Commerce Committees. These members are particularly key because of their specific role in the budget oversight and economic development promotion roles respectively.

The Mkatabe wa Kukopa was launched by Honourable Mahmoud Mgima (MP), the Chairperson for the Economic, Industry and Commerce Parliamentary Committee of Tanzania.

On demand from the Pan African Parliament, the Borrowing Charter was also launched in the Pan African Parliament in Johannesburg, South Africa on the 23rd October 2013. To conform with the standards of the African Union, AFRODAD

3.1. EXTERNAL DEBT PORTFOLIO

produced the African Borrowing Charter in the official languages of English, French, Portuguese, Arabic and Swahili.

AFRODAD briefed the Pan African Parliament Committee on Monetary and Financial Affairs on the African Borrowing Charter, and discussed the principles and guidelines of prudent sovereign borrowing and loan contraction.

The Borrowing Charter has been well received resulting in it being translated into 5 languages, namely English, French, Portuguese, Arabic and Swahili, and with a wide publications distribution of close to a 1000 copies. This has greatly raised awareness amongst African policy makers on best practices and guidelines on responsible borrowing, and it is anticipated that it will be reflected in their official dialogues and policy documents. The different forums where the Borrowing Charter was distributed resulted in improved information exchange through joint CSOs strategising and lobbying for policy demands and exchange of best practices as well as building capacities on the issue of debt.



3.1.1.1. Deviations and Lessons Learnt

Going forward, efforts need to be continued to sustain the gains realized by the 20 years of debt relief. Sustainability of debt, both external and domestic debt, is still a concern for several countries that benefited from debt relief. With an undiversified economic

base and slow progress in policy reform, these countries, some of which are fragile states, remain particularly vulnerable to external shocks. There are also countries whose financing needs for development are sizable but remain unmet. Increased partnerships and strategic engagements with non- traditional donors may be one way to ease the financing constraints in these countries.



3.1. EXTERNAL DEBT PORTFOLIO

3.1.1.1. Publicly Supported Private Finance (PSPF)

AFRODAD is conducting a research on the scope, impact and the role of Publicly Supported Private Finance (PSPF) on development and poverty reduction in Africa.

3.1.1.1.1. Progress and Results

Research was initiated on Zambia and Egypt. However, progress in Egypt was halted due to the political disturbances which dislodged the ability of our collaborating local partner to access to information required in the study. The two studies will be finalised in the first half of 2014.

The portfolio participated in the LATINDADD conference on Private Finance from 28th to 30th October, 2013 in Peru. The meeting discussed and strategised on how to strategically tackle regional and global developments in private finance, the financial sector and Public-Private Partnerships (PPPs).

3.1.1.2. Trade and Private Finance

This is a new project in AFRODAD meant to ensure linkages and synergy with other portfolios as well as partners and international policy agenda.

1.1.2.1. Progress and Results

Since its formation in the second half of 2013, AFRODAD has participated in Zimbabwe's preparations for the 9th Ministerial Conference (MC9) of the World Trade Organisation. Specifically AFRODAD submitted to the Government of Zimbabwe its positions on the forthcoming WTO conference. The Government was receptive and included some of AFRODAD's recommendations in its country position for the WTO Conference in Indonesia.

AFRODAD also engaged the civil society platform under SEATIN to strategise on Economic Partnership Agreement and also prepare for the WTO Bali conference happening in December 2013.

This portfolio impact focus area is the Improved Transparency and Accountability by African governments on Loan contraction and Debt Management. The Strategic Objective is to influence African governments to improve the management of debt resources by 2015.

3.2.1 Domestic Debt Management

Emerging as a favourite panacea to improving government liquidity; Domestic Debt has increasingly become important as of source of financing development and government activities. The drying up of concessional lending after the global financial crisis and the conditionality imposed by the HIPC/MDRI which forbids commercial borrowing on the international capital market has further exacerbated the situation. Some low income countries while running net repayments of external debt have at the same time been accumulating domestic debts at relatively high rates. Monetary financing of government deficit is normally prohibited in IMF/HIPC programme; internal financing has become more and more important in many countries in sub Saharan Africa. In 2013 AFRODAD's major finding in this portfolio is that some countries have been borrowing domestically to service external debts.

3.2.1.1 Progress and Results

The portfolio in 2013 finalised research on Tanzania's Domestic Debt; partnered with the Tanzania Coalition on Debt and Development to discuss and launch the research report in the Parliament of

3.2. DOMESTIC DEBT

Tanzania. In addition, the portfolio conducted study of Nigeria's Domestic Debt, which will be completed in the first quarter of 2014.

The Tanzania study shows that although there are currently no internationally agreed thresholds for assessing domestic debt sustainability, Tanzania's domestic debt is potentially unsustainable using the Debt Relief International (DRI)'s Domestic Debt Interest Payments/Government Revenue preliminary threshold measure. Further, the study raises concern over potential fiscal challenges caused by contingent liabilities of public corporations in Tanzania. The study report was launched in the Parliament of the Tanzania, following which the Members of Parliament resolved on the following:

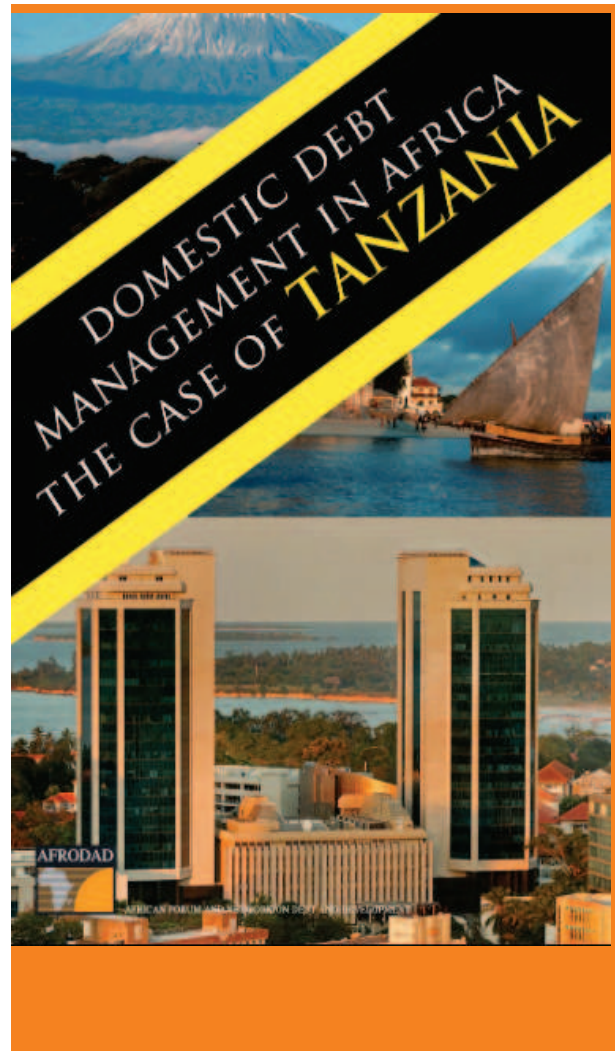
1. Facilitation of debates focused on public debt in future parliamentary sessions
2. The need for the domestic debt study findings to be translated into Swahili and shared to the wider Tanzanian public.
3. The ongoing constitutional reforms in Tanzania be informed by the AFRODAD Borrowing Charter and findings of the Domestic Debt study.

Further to MPs' responding to the issues in this manner, the Tanzania study is cited in EURODAD's current analysis of The New Debt Vulnerabilities (2013). EURODAD's report looks at the new debt picture in the sixth year of the global financial crisis. The report shows that debt vulnerabilities have changed, but overall they have not been substantially reduced. Briefly, AFRODAD's case study is used to highlight trends in developing countries domestic debt situation, including the challenges of challenges of carrying out

effective surveillance over domestic debt, in comparison to external debt.

6th Joint Annual Meeting of the ECA and AU Conferences

The portfolio participated in the 6th Joint Annual Meeting of the Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development and the AU



Commission Conference of Ministers of Economy and Finance held from 21st to 26th

1. See 'Domestic Debt is on the Rise' pages 16-17 here in their report <http://www.eurodad.org/files/pdf/528109fd22bc3.pdf>

3.2. DOMESTIC DEBT

March 2013 in Abidjan, Cote d'Ivoire under the theme "Industrialisation for an Emerging Africa." AFRODAD tabled paper and recommendations in the Committee of Experts meeting which prepares reports for adoption by the Conference of Ministers. The AFRODAD paper lends support for the goal of industrialisation of Africa; suggests that Africa implements specific trade, industrial and technology policies, resists ill-conceived western-type laissez-faire and free market dogma and addresses key challenges of implementing this goal in Africa. AFRODAD further recommended the need for domestic, continent and international resource mobilisation efforts to finance industrialisation.

In the final report adopted at the meeting, Domestic Mobilisation and Allocation of Resources, Continental Industrial Development Fund, Regional Investment Fund, Investment promotion, monitoring and subcontracting mechanism and the Leveraging Africa's remittances for industrialisation were identified as the key strategies for funding Africa's industrialisation. These are closely related to the AFRODAD suggestions.

European Biennial Conference

AFRODAD participated in the EURODAD biennial conference between 3-5 June 2013 in Prague, Czech Republic; and the Financial Transparency Coalition Network Strategy Session June 6-7, 2013. A key output from the strategy meeting was a resolution by participants to set up an interim coordination structure for one, consolidated platform on debt (International Debt Facilitation Team). AFRODAD is in this structure, and engages the team every quarter. Furthermore, AFRODAD was hence forth invited by partner Church of Sweden to be contributing articles on the topic of

Development Finance Institutions (DFIs) and Development.

Innovative Financing for Education in Southern Africa AFRODAD was a resource person at a workshop on Innovative Financing for Education in Southern Africa hosted in Zambia in August by OSISA. Amongst other things, the workshop sought to explore potential mechanisms that could be piloted to fund education in Southern Africa, such as the possibility of using Debt Conversion Development Bonds (DCDBs).

AFRODAD analysis of the notion of DCDBs led to OSISA inviting AFRODAD for a detailed occasional paper on DCDBs to form a source of alternative development finance.

SADC Civil Society Forum

The Domestic Debt Portfolio participated in the 2013 Southern African People's Solidarity Network (SAPSN) conference theme "Reclaiming SADC for People's Development and Solidarity: Ensuring Our Natural Resources Benefit the People NOT Elites and Multinational Corporations" and the Civil Society Forum hosted by the Regional Apex Alliance partners from 12 to 14 August. These platforms were used to highlight trends emerging from studies on domestic debt carried out in the region (Malawi, Zambia and Tanzania). The statement from the 9th Civil Society Forum included AFRODAD's position on all its programme areas. Specifically on the debt issue, the statement called on the heads of state to, "ensure citizens' empowerment to exercise oversight, participation and inclusion in all processes particularly on foreign denominated and long term loans." AFRODAD's inputs into the civil society

2 The conference is a leading forum for discussion, idea-sharing and collective strategising for civil society groups advocating for reform of development finance held for the past decade.

3. DCDBs involve creditors writing off specific debts (or debt service payments for a number of future years) in exchange for a commitment from the debtor government to use the fiscal space generated by this to support

4. The Alliance consists of the Fellowship of Christian Councils in Southern Africa (FOCCISA); Southern Africa Trade Unions Coordinating Council (SATUCC) and SADC Council of Non-Governmental Organisations (SADC-CNGO)

3.2. DOMESTIC DEBT

declarations at the 9th Civil Society Forum and the 2013 SADC Peoples Summit demonstrated the influence which the organisation has in civil society processes at regional level.

Review of University Curriculum

AFRODAD participated in October 2013 in the collaborative forum of the Economics Department of the University of Zimbabwe and the African Economic Research Consortium (AERC) Liaison Committee. The forum got feedback from technical bodies, employers and graduates from the university on the Master of Science (MSc.) curriculum of the university.

9th UNCTAD Debt Management Conference

The Domestic Debt portfolio participated in the 9th UNCTAD Debt Management Conference,⁵ in Geneva, Switzerland, from 11 to 13 November 2013. AFRODAD's input was on alternative financing of development. The Conference is a biennial forum for exchanging experiences and views between Governments, international organizations, academia and civil society on current developments in debt and on debt management issues in the broader macroeconomic context.

3.2.1.2 Challenges and lessons learnt

It was difficult to get survey responses from targeted civic leaders and parliamentarians in Tanzania, Nigeria and Namibia as most of them confirmed they have challenges in understanding and having access to information relating the field of public domestic debt management.

Another challenge experienced is that the service provider identified to print the Tanzania Domestic Debt study had not

delivered the hard copy at the time of reporting. The explanation given was that printing was done in South Africa to cut costs, and Zimbabwe Customs department seized the consignment. The lesson learnt is in granting printing contracts, institutional capacity must be verified beyond the low costs provided.

3.2.2 Debt Profiles

AFRODAD has been the hub on African countries debt profiles since the turn of the millennium, with the profiles posted mainly on the organisation's website. From 2012, the profiles are comprehensive and provide a holistic picture of total public debt encompassing both domestic and external debt and its sustainability so as to bring out the macro-economic impacts. Generally, a trend has been identified that Africa's domestic debt is increasing.

3.2.2.1 Progress and Results

In 2013, the External and Domestic Debt portfolios compiled 21 profiles for Tanzania, Kenya, Uganda, Rwanda, Burundi, Sudan, Djibouti, Ethiopia, Eritrea, Somalia, Angola, Zimbabwe, Seychelles, Malawi, Zambia, Lesotho, Swaziland, Botswana, South Africa and Namibia and Mozambique.

3.2.2.2 Deviations and lessons learnt

The Policy Research Assistant on External debt left in April and this hampered progress as the new assistant needed some orientation time. In addition, the Policy Advisor post was also vacant during the year. This presented challenges in checking on the content of drafts produced to see if they were ready for uploading onto the organisational website or publishing. Personnel back-up was however provided in order to produce the 21 profiles as

5. The full statement from the 9th Civil Society Forum can be read here <http://www.sadccngo.org/wp-content/uploads/2013/09/9th-CSF-Statement-1489F56.pdf>

3.2. DOMESTIC DEBT

enumerated above, albeit at a time later than planned.

1.2.3 Loan Contraction

Previous studies on loan contraction processes in Africa focused mainly on HIPC countries. The studies uncovered many weaknesses in the system such as shallowness of rules and procedures, lack of transparency, weak legal and institutional frameworks and low administrative capacity.

1.2.3.1 Progress and Results

Loan Contraction Research

In 2013, new studies were made on Ghana (which is said to be star performer in Africa on debt management) and Namibia (which is a middle-income country that has increasing debt levels). Validation of the research findings were made in partnership with the Ghana Anti Corruption Coalition (GACC) and the Economic Justice Trust in Namibia and 17th and 2nd October respectively.

The validation exercise in Ghana went very well with the active participation of public debt agency. On the contrary, validation of the research findings in Namibia was not honoured by the government's Ministry of Finance representation. However, Parliament of Namibia was forthcoming under the leadership of Chairperson of the Public Accounts Committee in Parliament, Hon. Maamberua. An arrangement was agreed for AFRODAD to come and meet the Economic Planning Committee and the Public Accounts Committee on the report in the beginning of 2014.

The Zimbabwe Accelerated Arrears Clearance Debt and Development Strategy' (ZAADS)

AFRODAD was in March 2013 invited to contribute to the brainstorming on the reform of Zimbabwe's legal and institutional

framework for public debt management, in line with the requirements of the Zimbabwe Accelerated Arrears Clearance Debt and Development Strategy' (ZAADS) which was launched in March 2012. AFRODAD used its Borrowing Charter, and other research findings on loan contraction and debt management to mirror into the discussions. AFRODAD is acknowledged as the only civil society that heavily contributed to the ZAADS.

3.2.3.2 Deviations and lessons learnt

In the year 2013, AFRODAD received more requests for support by governments. This is a clear indication of the impact that previous engagements have had on governments. AFRODAD therefore needs to set aside resources (time, human and financial) to provide support as requested.

The lesson from the Namibia study is that research done remotely from Harare on the continent can be a challenge. The programme team may have to fill in research gaps with direct contact such as actual meetings with government officials and other bodies, or others outsourced for the purpose and this should be adequately budgeted for.

AFRODAD also needs to work more to grow awareness of the debt campaign to get more organisations engaged on the issue, in countries where civil society is weak. A summer school on debt may be an example to be considered.

The broad Strategic Objectives of the portfolio are: "To influence African Governments and Donors to put in place mechanisms for aid effectiveness and sustainable development by 2015 and "To influence the consolidation of capacity among African states to understand and engage on the implications of aid from emerging sources (BRICS), and monitor its effects on development and poverty

6. <http://www.ghana-anticorruption.org/f>

3.3. DEVELOPMENT AID PORTFOLIO

reduction by 2015. The portfolio runs programmes on Emerging Lenders and Development Aid.

3.3.1 Emerging Lenders: The growing impact of the (BRICS)

Brazil, Russia, India, China, and South Africa (BRICS) have their own motivations, imperatives and even competing ambitions for engaging in Africa. The past decade has seen a seismic acceleration of commercial and strategic engagement between Africa and the BRICS which accounted for approximately 11% (US\$465Billion) of global annual foreign direct investment according to OECD statistics in 2012. BRICS are bringing visible development in infrastructure in most African countries. However it has been difficult to validate some of this information without good data.

There has been an ad hoc attempt to estimate how much development finance the BRICS are pumping into Africa but most of these have been plagued by double counting, imprecise definitions of what constitute aid and failure by governments to declare the exact disbursements. AFRODAD is seeking a strong empirical foundation through research to track and analyse the impact of this aid in Africa.

3.3.1.1 Progress and Results

Research on BRICS transparency

The portfolio was in 2013 conducting research on Transparency and Accountability on Aid Agreements between emerging lenders and African countries. The research is not yet finalised as information from the BRICS embassies is not forthcoming, except for India. This development confirms the hypothesis applied that the BRICS are

not interested in making their dealings with government transparent. The study methodology has since been amended in order to access the information via other means, including through the collaboration with organisations based in the BRICS states.

BRICS Policy Dialogue

In pursuit of 2nd Strategic Objective, AFRODAD participated in the 5th BRICS Summit and BRICS Policy Dialogue held in Durban, South Africa. AFRODAD used its Discussion Paper "BRICS at glance; Opportunities and Challenges for Africa" in the discussions themed "Finance for Development: Opportunities for Partnerships between BRICS and Africa." The discussions led to new relationships with NEPAD, Heinrich Boll Foundation, Mott Foundation and others, with who further partnership discussions.

3.3.1.2 Deviations and Lessons learnt

Database on the BRICS has been delayed by some months. Initially it was thought that the BRICS embassies in Harare and the Southern Africa region would provide information as requested. However this was not the case. The information would therefore be sought from stakeholders across the scope including in China.

3.3.2 Aid Effectiveness

The Global Partnership for Effective Development Cooperation (GPEDC) principle which calls for the inclusion of diverse "new actors" in development cooperation, such as Parliament and civil society remains paramount in the implementation at country level of the GPEDC. The GPEDC called for change in the CSO engagement by pledging to "implement fully, to enable CSOs to exercise their roles as independent development

3.3. DEVELOPMENT AID PORTFOLIO

actors, with a particular focus on an enabling environment, consistent with agreed international rights, that maximises the contributions of CSOs to development." GPEDC also recognised parliament's rights and responsibilities in country-level development processes.

In 2012 AFRODAD documented progress of implementation of GPEDC at country level in Ghana, Mozambique and Zambia. In 2013, AFRODAD's focus is on global partnership through the lens of inclusive participation of Parliament and CSOs.

3.3.2.1 Progress and Results

AFRODAD hosted the "Eastern and Southern Africa Post Busan Implementation Conference" in collaboration with NEPAD, UNDP and the South African Treasury. The meeting was attended by delegates from more than 18 countries from Ministries of Finance, Economic Planning, Parliaments, civil society organisations, the African Union and donor organisations such as the OECD and DFID. This engagement resulted in rich sharing of valuable information with regards to effective implementation of the Global partnerships and also contributed to the post 2015 development agenda.

Furthermore, the Development Aid Portfolio attended Aid Effectiveness implementation meeting in Seoul, Korea in November 2013. Validation of research on "the Effectiveness of Foreign Aid beyond Busan Case studies: Ghana, Mozambique and Zambia" was conducted in Ghana. AFRODAD partnered with the Ghana Anti-Corruption Coalition (GACC). After the validation, the draft research report was revised and incorporated feedback from the participating stakeholders.

AFRODAD in addition participated in various fora on aid effectiveness. Among them were

(a) the CSO Partnership for Development Effectiveness Southern Africa Regional Meeting in Lusaka, Zambia in June 2013; (b) the UN High-level Symposium on Post 2015 agenda in July 2013 in Addis Ababa, Ethiopia. AFRODAD's input was on "Aid as a catalyst for Domestic Resource mobilisation in Africa."

A policy Brief on "Delivering on the Global Partnership for Effective Development Cooperation in Africa" was produced. The Policy brief will be used to lobby to the donors and the recipient governments to address this issue. This will be used to lobby towards the High level Ministerial meeting scheduled for Mexico in 2014.

Due to AFRODAD's active participation in the aid effectiveness trajectory, the Organisation was elected as the Southern African Regional representative to the Global Accountability Cluster Committee. A research is being conducted on Post Busan focusing on "Inclusive Development: An analysis of the role of Parliament and Civil society organisations," focusing on Cameroon, Kenya and Tanzania. The report will be finalised in the first half of 2014.

3.3.2.2 Challenges and Lessons learnt

There is a lot of scope and demand for deeper working by AFRODAD on development aid. However, the portfolio's budget is small. More effort will therefore have to be put in in-order to raise more funds in 2014 and beyond.

3.4. ECONOMIC GOVERNANCE PORTFOLIO

The broad Strategic Objectives of the Economic Governance portfolio is to influence African governments to develop and implement transparent, accountable and efficient mechanism for mobilization and utilization of domestic resource; and to influence African Governments to develop and implement alternative macroeconomic policies that can facilitate sustainable economic growth, equity and development by 2015. To achieve the fore mentioned objectives the portfolio runs programmes on Extractives Industries, Tax Justice, and Alternative Macroeconomic Policies.

3.4.1 Extractive Industries

AFRODAD's work in this area has been building on past AFRODAD's research on the Role of International Financial Institutions in Zambia and Democratic Republic of Congo in 2011; and the Revenue Costs and Benefits of Foreign Direct Investment in Malawi in 2012/13. The study findings have brought progressive debates and processes that can make mining more equitable and development-orientated.

3.4.1.1 Progress and Results

Revenue Costs and benefits of Foreign Direct Investment in the Extractive Industry
In 2013 the "The Revenue Costs and benefits of Foreign Direct Investment in the Extractive Industry in Malawi: the Case of Kayelekera Uranium Mine" was finalised and launched. The report had over 20 news

hits both in Malawi and beyond.

AFRODAD used the research findings and partnered with partners such as the Malawi Economic Justice Network, the Catholic Commission for Justice and Peace, the Malawi Human Rights Commission, Institute for Policy Interaction, the Norwegian Church Aid Malawi, ActionAid Malawi and Christian Aid Malawi among others in the CSO platform, to lobby the Government of Malawi for reforms in the mining sector and renegotiation of the Kayelekera Mining Contract in particular. In July 2013 AFRODAD and partners secured the Government of Malawi's commitment to renegotiate the contract with Paladin Africa.

The report findings were so powerful that the mining company, Paladin Energy Limited, made an official response to the AFRODAD report, calling it "not commissioned by Paladin Africa," "... has numerous misleading statements based on lack of understanding of mining operations," and that "Paladin was not consulted" during the research.

Revenues from DFI Supported Extractives Industries

AFRODAD had planned to carry out researches in Ghana and Tanzania with the intention of quantifying and qualifying the revenues (actual and ideal) from the Extractives Industries supported by

3.4. ECONOMIC GOVERNANCE PORTFOLIO

Development Finance Institutions (DFIs). The studies were started in 2013 and will be finalised in the first half of 2014.

Alternative Mining Indabas

The economic governance portfolio in 2013 also participated in a number of conferences and meetings including the Alternative mining Indaba held parallel to the corporate Mining Indaba in Cape Town, South Africa in February 2013 where the findings of the Malawi research were presented. As a follow up to the Cape Town indaba, AFRODAD in Collaboration with the Zimbabwe Environmental Law Association (ZELA), Zimbabwe Council of Churches (ZCC) and the Chiadzwa Community Development Trust (CCDT) hosted the Zimbabwe Alternative Mining Indaba (ZAMI) from the 11th- 13th of September 2012. The Indaba culminated into a declaration for presentation to the Minister of Mines and Mining Development of Zimbabwe at the official Mining Indaba held two weeks afterwards.

World Social Forum

In collaboration with Tax Justice Network-Africa, Economic Justice Network of FOCCISA, Third World Network, Jubilee South Asia Pacific Movement on Debt and Development, Oxfam, Kenya Debt Relief Network and EURODAD, the Economic Governance Portfolio organised events around taxation and extractive industries at the 2013 World Social Forum, held in Tunisia. Over 250 people attended the events

which discussed how Africa can escape the resource curse. AFRODAD also used this platform to publicise its work in the areas of taxation and extractives.

International Conference on Transparency and Responsible Finance

As a follow up to the 2012 International Conference on Transparency and Responsible Finance in Lilongwe, Malawi, a follow up conference was held in Lusaka, Zambia and was attended by Members of Parliament, civil society organisations, faith based organisations from 19 countries. The same conference presented an opportunity for SADC Parliamentary Forum and Southern Africa Resource Watch to launch their Natural Resource Barometer in which AFRODAD contributed at a validation workshop held in September in Harare, Zimbabwe.

The Lusaka conference produced an agreed partnership agreement between civil society and members of Parliament on promoting transparency and responsible finance in the extractives sector.

High Level Panel on Fragile States

AFRODAD was the only civil society organisation invited to the High Level Panel on Fragile States organised by the African Development Bank in Monrovia, Liberia. AFRODAD presented a paper on Debt and Fragility of African States and called on the Panel to adopt principles of the African

3.4. ECONOMIC GOVERNANCE PORTFOLIO

Borrowing Charter both as an economic and security measure.

The President of Liberia, Madam Ellen Johnson Sirleaf confirmed in the meeting on 2nd September that her country is using AFRODAD Borrowing Charter as model as the country reforms its financial system.

High Level Panel on Illicit Financial Flows

AFRODAD participated in the African Union High Level Panel on Illicit Financial Flows held in Lusaka, Zambia. The conference, which was chaired by the former President Thabo Mbeki held and acknowledged AFRODAD's research on the cost of attracting foreign direct investment in the extractives sector in Malawi. The High Level Panel was constituted by the African Union Heads of States and Government to determine a case for, and suggest ways of plugging the leaks of, illicit financial flows in Africa.

3.4.1.2 Deviations and Lessons Learnt.

Collaborating and sharing experiences with national CSOs on the extractive industries brings clarity and vast knowledge to the table that can be utilised when lobbying the government on policy changes. The establishment of a national platform reduces competition among CSOs as they collaborate in their efforts to meet the national agenda

3.4.2 Tax Justice

AFRODAD's tax justice work stems from the conviction that effective and efficient tax systems are fundamental to

raising the revenue required to meet the Millennium Development Goals. AFRODAD aspires for the end to unfair and inefficient tax systems that penalise the poor and favour the rich. This focus comes on the backdrop of 2011 baseline studies on tax systems in Lesotho, Mozambique and Zambia.

3.4.3 Progress and results

Research on the cost of investment incentives

In 2013, focus was on "the Costs of Investment Incentives" that are offered to investors by southern governments as a way of attracting Foreign Direct Investment. In 2013 Botswana and Mozambique researches were commissioned.

By December 2013, working draft reports were produced on the Cost of Investment Incentives in Botswana and Mozambique, and the final drafts of these reports are expected to be finalised during the first quarter of 2014.

Discussion Paper on Zimbabwe's Future

AFRODAD developed a discussion paper on Domestic Resource Mobilisation in Zimbabwe which formed the basis for discussion at the Zimbabwe Future Conference held in Bulawayo from the 24th to the 26th of November 2013, hosted by the University of Zimbabwe, National University of Science and Technology, Midland State University, University of Zimbabwe, Trust Africa, Heinrich Böll Foundation and the Open Society Initiative for Southern Africa.

Zimbabwe Network Against Illicit Flows (ZiNAIF)

AFRODAD coordinated the establishment of the Zimbabwe Network Against Illicit Flows (ZiNAIF). ZiNAIF comprises of the Centre for Natural Resource Governance

3.4. ECONOMIC GOVERNANCE PORTFOLIO

(CNRG), Transparency International Zimbabwe (TI-Z), the Zimbabwe Environmental Law Association (ZELA), the Zimbabwe Coalition on Debt and Development (ZIMCODD) and AFRODAD. Financial support was sought and secured at Trust Africa, and a work programme for the Network in 2013-2014 was developed and agreed. The Network is expected to have a huge impact in influencing and stirring up debate on illicit financial flows from Zimbabwe estimated to have been more than 12 billion in the last three decades.

Meetings on Transfer Pricing

In 2013 AFRODAD partnered with the Tax Justice Network Africa (TJN-A) on transfer pricing. The two organisations worked closely at a round table discussion on transfer mispricing held on 28-29 October in Nairobi, Kenya, which was attended by tax administrators, government representatives, members of parliament, members of civil society organisations and media. The two organisations also hosted Fairness in Taxing Multinationals and Extractive Industries meeting in Dar EsSalaam on 1-5 October 2013. The meetings increased the participants' knowledge on transfer pricing.

Training

As part of capacity building of staff, the portfolio officer attended a training workshop on Budget Tracking and Monitoring and the Role of Parliament in the Budget Process jointly organised by Southern African Parliamentary Support Trust and National Association of Non-Governmental Organisations. Concerned staff gained knowledge on the systems and procedures for budget monitoring in Zimbabwe.

In addition, the portfolio impacted

knowledge of illicit financial flows in Zimbabwe to members of local partner ZIMCODD.

Fact Finding Mission

Under its NORAD-supported-partnership with EURODAD and LATINDADD, AFRODAD coordinated a Fact Finding Mission on Taxation to Europe from 19th October to 5th November 2013. The mission had participation of Members of Parliament, Tax Experts, Media and CSOs from Tanzania, Kenya, Zimbabwe, Malawi, Belgium, Argentina, Guatemala, Uruguay, India and the Philippines, who met and engaged the United Nations (UN) Committee of Tax Experts, the Organisation of Economic Cooperation and Development (OECD), the European Commission, the International Trade Union Confederation, Extractives Industries Transparency Initiative (EITI) and representatives of the Government of Switzerland, France and Norway as well as respective members of civil society in the respective countries. The mission provided the opportunity for the team to learn on, and lobby global policy makers on international taxation.

9th Southern Africa People's Solidarity Network Summit

The Economic Governance Portfolio joined more than 450 representatives of grassroots movements, community-based organizations, peasant and small farmers movements, faith based organizations, women's organizations, labour, student, youth, economic justice and human rights networks and other social movements at the ninth Southern Africa People's Solidarity Network (SAPSN) Summit hosted by the Malawi Economic Justice Network (MEJN). AFRODAD provided technical support on issues of taxation and extractives to the participants, who later developed a

3.4. ECONOMIC GOVERNANCE PORTFOLIO

declaration for social justice in Southern Africa.

3.4.4 Alternative Macroeconomic Policies

AFRODAD identified limited understanding and application of alternative macroeconomic policies that can serve the African continent agenda as a big issue. AFRODAD therefore embarks on this programme with the strategic objective of influencing African Governments to develop and implement alternative macroeconomic policies that can facilitate sustainable economic growth, equity and development by 2015.

3.4.4.1 Progress and results

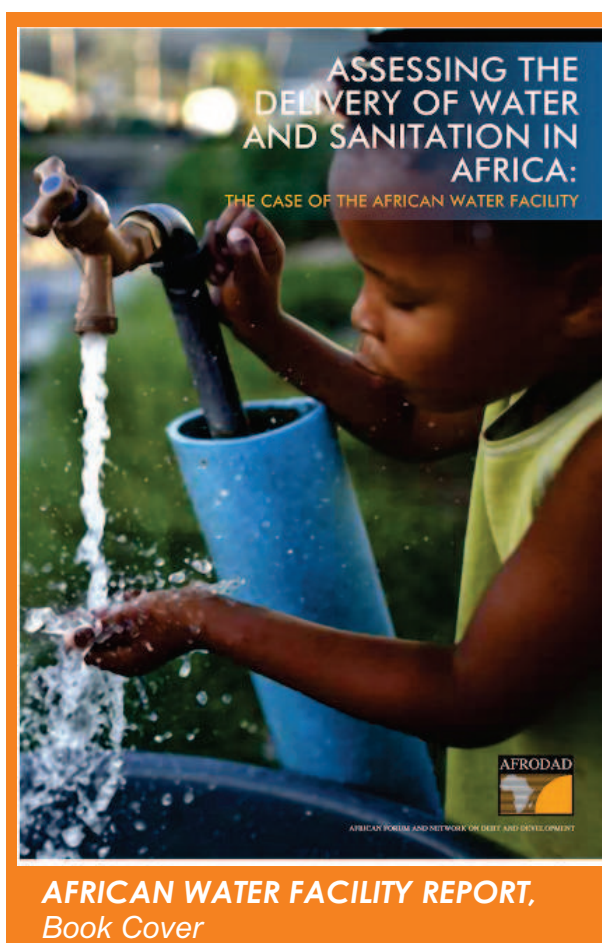
In 2013 AFRODAD supported the Consumers Association of Malawi (CAMA) to develop a position paper on alternatives to the Devaluation and Floatation of the Malawi Kwacha - Government of Malawi devalued the local currency in bid to attract the support of the International Monetary Fund. After the paper was developed, AFRODAD supported CAMA to engage policy makers and present the position paper to the Budget and Finance Committee of Parliament. Some of the contents of the alternatives paper were a subject of discussion in the June and October 2013 sittings of Parliament.

3.4.5 Special Projects

AFRODAD partnered with the Norwegian Forum for Environment and Development (ForUM) and the Norwegian Association for International Water Studies (FIVAS) on a special project – Assessment of Norwegian support to the African Development Bank's water project.

3.4.5.1 Progress and results

Research on AfDB's Water and Sanitation Facility, which started the previous year was finalised and published in October 2013. The research report was handed over to Norway and will be used for joint lobby and advocacy in the following year.



3.5. INFORMATION AND COMMUNICATIONS

3.5.1 Audit of the Communications system

In line with the objectives and targets of the Strategic Plan, an audit of the current information management system was conducted, and a number of proposals were made. Some of the recommendations are being implemented this year while the others that need extra finances will be budgeted for from next year.

3.5.2 Research Reports, Publications and Publicity

In 2013, most of the designs for the various research reports and publications were done in-house. This was a departure from the previous years when design was outsourced and has saved AFRODAD some money while maintaining a high standard of quality publications (Annex 1). This also applies to the publicity materials that were produced in the form of two stand alone banners, two tear drops and a backdrop banner. These are instrumental in enhancing AFRODAD's brand.

For convenience, most of AFRODAD's research reports have been compiled on to a CD. The copies of the CDs are distributed where hard copy publications cannot be possible.

3.5.3 Website

The website was redesigned and continued to be updated and improved during the year. All new publications were uploaded on the website and the increasing number of hits the website is recording is a sign of its increasing attention AFRODAD messages are getting.

In complimenting the website, a blog has been created and is instrumental in keeping track of latest developments on debt and development issues beyond AFRODAD. The blog has significantly amplified AFRODAD's

online presence. A couple of posts have been re-blogged by other websites (Annex 1)

3.5.4 Social Media

The department revamped the social media accounts for the organisation namely the Face book page, YouTube, Flickr and Twitter. The use of social media has exponentially increased our ability to disseminate information such as latest debt and development issues. From August to November the AFRODAD Face book page recorded 160 per cent from 159 Likes to currently 400 Likes at the time of writing this report. Video clips have also been uploaded to the YouTube channel. The twitter account has been pivotal for getting updates as well as disseminating information relevant to AFRODAD. There have been re-tweets and mentioning of AFRODAD on social media (Annex 1).

3.5.5 Networking and Key Events

As part of networking and enhancing relations with key stakeholders AFRODAD took part in this year's NGO Expo and the Zimbabwe International Book fair (ZIBF) 2013 respectively.

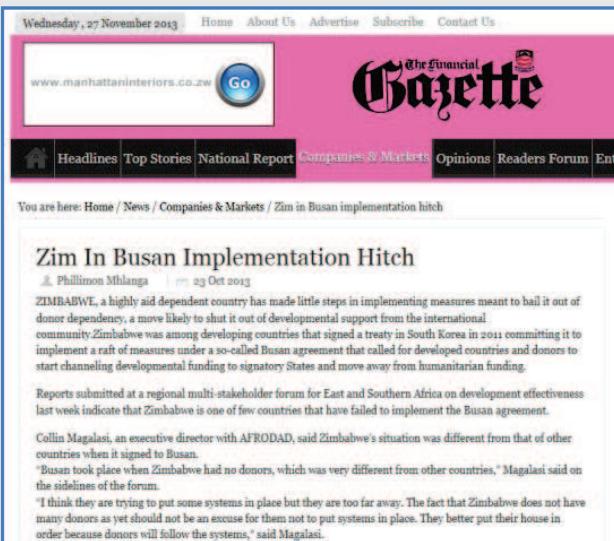
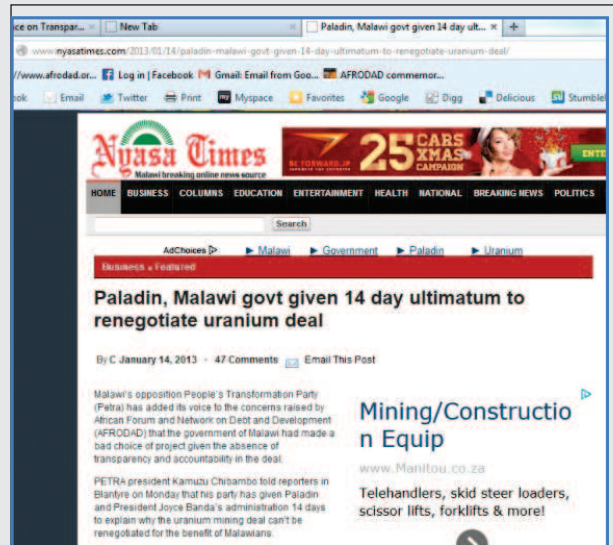
This was an opportune platform to interact with various stakeholders while showcasing AFRODAD's work to the general public. The US Library of Congress librarian (Anne Jefferson) also visited the stand during the book fair days and bought several publications for their library. One of the visitors to AFRODAD stand has joined the organisation as a intern (Adrian Chikowore).

3.5. INFORMATION AND COMMUNICATIONS

3.5.6 Media Coverage of AFRODAD's

The Information and Communications was instrumental in intelligence gathering where various media across Africa are scanned in search of issues relevant to the organisations work. This resulted in the formulation of the AFRODAD News update, an online service in which top headlines are sent to various stakeholders so as to keep abreast of debt and developmental issues affecting the continent.

AFRODAD's work continues attract media attention across Africa for example in Ghana, Malawi, Zimbabwe, Zambia, and Lesotho among others (Annex 1).



4. ORGANISATIONAL DEVELOPMENT

The key to delivery of the objectives in the strategic plan is through an effective institutional framework for governance and management in AFRODAD. As a pan African organisation that is working on development issues affecting the continent, AFRODAD needs to develop capacities and competencies in terms of skill, expertise, systems and structures that will enable the organisation to influence policies and practices at national, regional and global levels.

4.1 Human Resources Management and Development

4.1.1 Full Time Staffing

There were a few staff movements during the year. Dr. Fanwell Bokosi, Policy Advisor on Aid and Economic Governance, resigned end of January, 2013 due to personal family commitments and returned to his home country in Malawi. In mid April, Mr. Talknice Saungweme who was a Policy Research Assistant for External Debt resigned to pursue Ph.D studies at Masvingo University. Talknice had been with AFRODAD for seven months. As a replacement, Chipu Mbawu a former intern and graduate in Development Studies from Bindura University became the substantive Research Policy Assistant for External Debt. Ms Angela Machonesa, Information and Communications Officer also left AFRODAD on 12 May, 2013 after a year's stint with the organization. Mr Munyaradzi T. Nkomo was hired to fill the vacancy left by Ms Angela Machonesa. He brings in a wealth of experience from his past endeavours with Beacon Advertising and Transparency International Zimbabwe.

There have been challenges in attaining the right calibre of candidates to fill in the positions left vacant by Dr. Bokosi, the Policy

Advisor for Economic Governance and Development Aid and the Policy Advisor position for Debt, Finance and Arbitration has never been filled since the restructuring in 2012. AFRODAD being a Pan African organisation believes that it requires quality staff representation from all the 5 regions in Africa. In recent years, AFRODAD's staff compliment has been dominated by people from Zimbabwe and a bit of Southern Africa, and in an effort to redress this anomaly; the net was cast wider to other parts of the continent, i.e. West, Central and East Africa. This has resulted in the securing of two qualified and experienced persons namely: Dr. Momodou Touray from Gambia as Policy Advisor, Economic Governance and Development and Dr. Roseline Achieng from Kenya as Policy Advisor responsible for Debt, Finance and Arbitration. Dr. Touray will join AFRODAD secretariat on 6 January 2014 while Dr. Achieng joins us on 1st February 2014. Both candidates are anticipated to enrich the organisation with their past vast experience with renowned organisations like United Nations (UNDP/ILO), Government of Gambia, CODESRIA and South African Institute of International Affairs.

4.1.2 Internship

During the course of the year AFRODAD engaged two voluntary postgraduate interns namely Ms. Caroline Dhanah and Mr. Adrian Chikowore. This was an opportunity to expose them to AFRODAD's work and gain knowledge and experience in debt and developmental issues. Adrian was attached to the Economic Governance department and assisted in desk research, data gathering and report writing. Caroline Dhanah was assigned to the Executive Director's office, she worked closely with the Executive Director's

4. ORGANISATIONAL DEVELOPMENT

Technical Assistant and Communication Officer to review and consolidate the 2013 Annual Narrative report.

4.2 Asset Procurement and Infrastructure Development

The following organisational assets were purchased in 2013; a heavy duty network printer to cater for bulk printing, a camera for use by the communication department, 2 desk top computers for the Policy Advisors and 2 pool laptops for use by programme staff when on business trips, 10 office chairs, a paper shredder and a microwave for the kitchen.

To address the problem of water rationing in Harare, AFRODAD mounted a 10 000 litre Water tank to serve as a water reservoir. An additional car port which has a capacity of housing four cars was also erected on the premises for visitors' vehicles. In an effort to improve quality of communication with both our partners and service providers we procured 4 CDMA telephone terminals, matrix telephone handsets and a teleconferencing machine. These gadgets will go a long way in improving group communication between the secretariat, the Board of Directors, our programme and funding partners.

4.3 Capacity Building /Staff Development

In an endeavour to strengthen the organisation's human capacity, both programme and non programme staff were afforded the opportunity to attend trainings and workshops on short courses. This is expected to improve and enhance staff skills, knowledge and ability to produce quality work. Early in the year, the Finance Officer and Finance Manager attended a two day Chartered Institute of Secretaries' Winter School in Nyanga and Bulawayo

respectively. The Finance Manager also attended a CIS Annual School in Victoria Falls and the Finance officer attended the Payroll Administrator Retreat in Kariba where they sharpened their knowledge in the accounting field and payroll management. The Human Resource Manager and the Executive Director attended a three day workshop on Human Resources Management in Johannesburg, South Africa. The Human Resources Manager and the Finance Manager also attended a leadership workshop at Wild Geese Lodge in Harare. The value derived from this workshop was in ensuring that the management team is knowledgeable in ways of creating business value through the strategic management of the human resource.

From the Programme staff, the Senior Policy Officer Mr. Tirivangani Mutazu attended a course in Public Policy in Rosebank, South Africa from 10 June to 28 June 2013. This course was hosted by Africa University's Institute of Peace, Leadership and Governance and Open Society Initiative for Southern Africa (OSISA). Since AFRODAD's mandate is to seek to influence policy change, this course empowered Mr. Tirivangani Mutazu as a programmes person to have a better understanding of current structures and mechanisms of policy making which constantly change due to globalisation. Jonathan Zinyandu from Executive Director's office attended one week training on Resource Mobilisation, Project Planning and Proposal Writing in Zimbabwe. Two Policy Research Assistants namely Chipso Mbawu and Taurai Chiraerae attended a one week training workshop on Advocacy, Monitoring and Reporting in Pretoria, South Africa. The training was sponsored by Christian Aid, Church of Sweden and Norwegian Church

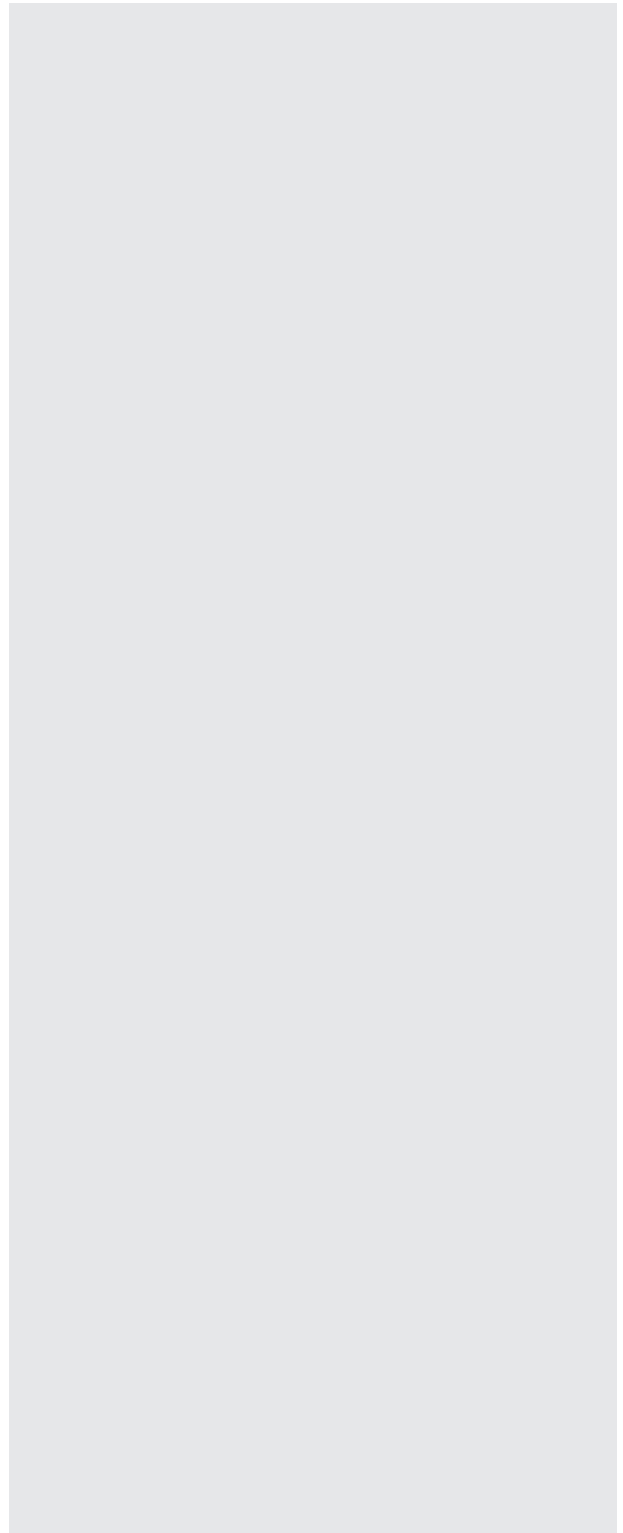
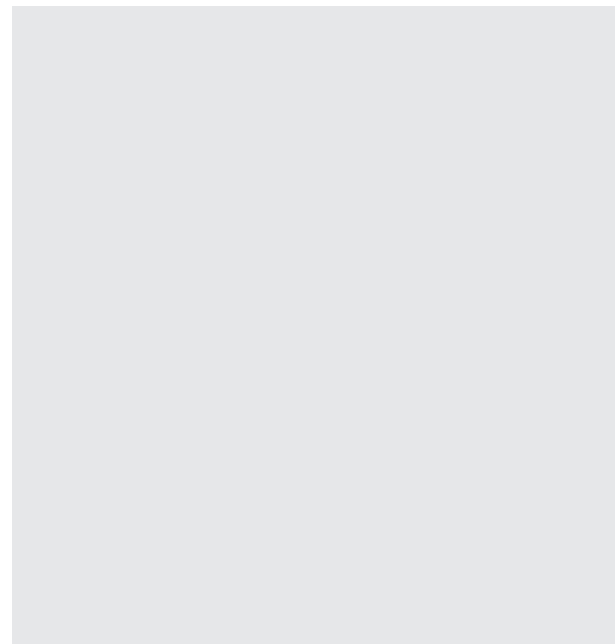
4. ORGANISATIONAL DEVELOPMENT

Aid. These workshops hope to assist in documenting the impacts of our programmes, which can sometimes be challenging.

4.4 Governance

There was no change in the composition of the Board of Directors. The Board met four times in the year, with two being via Skype. An organisational assessment was conducted in January - February 2013

A Board Operations Orientation Workshop was organised in Rustenburg, South Africa (facilitated by external specialists). The exercise increased the Board Members' understanding of their roles and responsibilities in steering the organisation. At the end of the workshop, a Board Operations Manual was developed. This manual was approved at the face-to-face meeting of the Board of Directors held from 7-8 December 2013 in Lusaka, Zambia.



5. PROGRESS ON FINANCE

6.1 Income

Income received in the year totalled to US\$1,487,853 from 12 donor organisations. This amount is US\$166,431 more than the

US\$1,321,422 received in 2012, representing a 13% increase in annual funding. The funds came from the following sources:

Donor	Income Received 2013 (USD)	Income Received 2012 (USD)
NORAD	581,202	541,084
Oxfam Novib	155,040	151,992
Bread For The World (EED)	123,008	263,945
Diakonia	105,759	99,807
Church of Sweden	97,873	94,677
Bread For All	41,000	40,000
Afrodad Reserve Fund	7,235	25,081
Norwegian Church Aid	87,770	59,592
Trust Africa	79,795	-
Eurodad	67,202	-
OSISA	50,000	-
Forum	3,373	-
DFID	88,595	-
Christian Aid	-	5,775
SOMO	-	2,033
United Church of Canada	-	5,032
Norwegian Embassy in Malawi	-	31,968
Other	-	436
Total	1,487,853	1,321,422
Net increase in funding	166,431	

4. PROGRESS ON FINANCE

Expenses

The total expenditure for the year amounted to USD1,484,244. There is an increase of USD291,004 or 24% from last year's total expenditure of USD1,193,240.

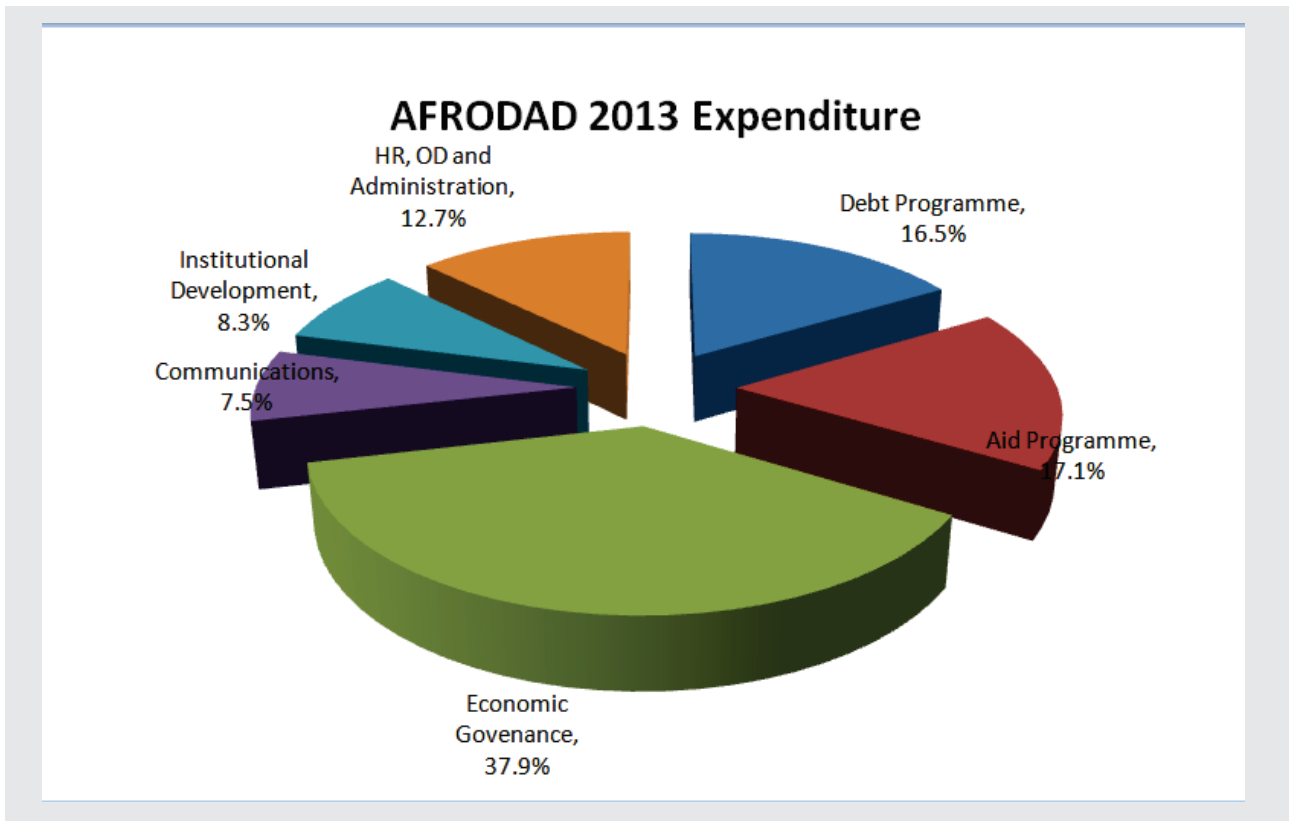
The breakdown of the expenditure incurred per project area is as shown in the table below. The table also shows a comparison of the 2 financial years' expenditure per programme area.

Project/Programme Area	Amount (USD)	
	2013	2012
Debt Programme	244,575	237,610
Fair & Transparent Arbitration	38,792	63,810
Domestic Debt	29,662	32,432
Debt Profiles	18,402	-
Borrowing Charter	10,270	4,362
Loan Contraction	28,863	33,125
Publicly Supported Private Finance	45,786	32,473
Programme Staff Costs - Debt	72,801	71,408
Aid Programme	253,181	68,448
Aid Effectiveness	97,289	33,876
Emerging Lenders	19,607	19,565
Programme Staff Costs - Dev Aid	136,286	15,007
Economic Governance	563,201	546,848
Extractive Industries	350,933	212,225
Alternative Macro Economic Policy	26,554	-
Tax Justice	93,769	79,878
Programme Staff Costs - Economic Govern	91,944	254,745
Communications	111,476	46,694
Partner Activities	9,694	6,910
Communication materials	33,610	14,952
Media Works	1,173	4,242
Website and Internet Expenses	37,929	14,502
Programme Staff Costs - COMMS	29,070	6,088
Institutional Development	122,862	71,263
Fundraising Activities	9,840	8,093
Institutional Governance	37,307	15,937
Team Building	2,000	2,356
Programme Staff Costs - Institutional Dev	73,714	44,877
HR, OD and Admin	188,950	222,377
HRM and Development	6,314	4,624
Office supplies & capital costs	79,995	85,837
Capital Costs	6,826	65,879
Programme Staff Costs - ADMIN	95,815	66,037
Total Expenditure	1,484,244	1,193,240
Increase in total annual expenditure	291,004	

4. PROGRESS ON FINANCE

The proportionate distribution of the organisation's financial resources over the

year 2013 is illustrated in the pie chart below.



4. PROGRESS ON FINANCE

1. Income and expenditure statement

The overall financial performance for AFRODAD for the financial year 2013 is shown in the income and expenditure statement below:

AFRODAD Summary Income and Expenditure Statement (USD)		
	FY 2013	FY2012
<u>Income</u>		
Balance c/f from previous year	50,041	(78,141)
Income received during the year	1,487,853	1,321,422
Total income available	1,537,894	1,243,281
<u>Expenditure</u>		
Debt Programme	244,575	237,610
Aid Programme	253,181	68,448
Economic Governance	563,201	546,848
Communications	111,476	46,694
Institutional Development	122,862	71,263
HR, OD and Administration	188,950	222,377
Total Expenditure incurred	1,484,244	1,193,240
Balance c/f to next year	53,650	50,041

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