



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 28-Jun-2018 | Report No: PIDC155773

BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental Assessment Category	Project Name
P167357		C - Not Required (C)	Support to Regional Knowledge Capacity
Region	Country	Date PID Prepared	Estimated Date of Approval
AFRICA	Africa	28-Jun-2018	
Financing Instrument	Borrower(s)	Implementing Agency	Initiation Note Review Decision
Investment Project Financing	African Centre for Economic Transformation	African Center for Economic Transformation (ACET)	The review did authorize the preparation to continue

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	1.60
Total Financing	1.60
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	1.60
Think Africa Partnership	1.60

B. Introduction and Context

Country Context

Knowledge is a central instrument of the World Bank Africa Strategy in promoting structural transformation in the region, while meeting objectives of promoting macro stability, resilience to shocks and improved competitiveness. Low economic growth rates combined with high population growth pose a continuing threat to poverty reduction and development objectives. Recent estimates suggest that, under a business-as-usual scenario, between two thirds and three-quarters of the world's extreme poor will live in Africa by 2030, and that a significant number of the Sustainable Development Goals (SDGs) will not be met.



The Africa Region Chief Economist Office has established the “Think Africa Partnership” Program that aims at building a knowledge to policy action pipeline. Amongst the causes that continue to impede the development process is the low-level of discussion and uptake of existing high-quality policy research customized to the situation of each African country. African governments struggle to make the best use of research insights and knowledge driven dialogue and there is no formal mechanism to manage the myriad of entities producing knowledge regarding countries’ development. This ‘market failure’ is unlikely to be fixed by simply generating more or better research.

Sectoral and Institutional Context

Many think tanks on the continent are faced with challenges such as access to policy makers, adequate analytical capacity and availability of funds causing sustainability challenges. This directly impacts their capacity of generating national discussions regarding priorities and recommendations at the highest levels of government[1]. With the rapidly evolving needs from policy makers, the competition for scarce resources in the research space, as well as the limited involvement of the private sector, there is a need to rethink ways to secure the core services in the knowledge to policy chain. The range of African home-grown think tanks and local universities which are currently breeding grounds for relevant debate and discussion could build better bridges between research and policy-makers.

The African Center for Economic Transformation (ACET), a main pan-African economic policy institute, has been endorsed by the G20/Compact with Africa initiative (CWA) Ministers of Finance to support implementation of CWA in Africa. Created in 2008, ACET is at the forefront of promoting economic transformation and has accumulated a notable body of work that has helped shift the debate towards economic transformation as the way to achieve sustained growth and prosperity in Africa using an approach blending analysis, advice and advocacy.

Affirming its key role in the field of policy design, the Bank is taking steps to engage in a strategic partnership with ACET. This partnership will seek to broaden and deepen ACET’s proven policy engagement business model to boost a network of African think tanks. Using a case-study approach in the first instance, it will draw upon best practices to enhance the role of policy institutes in designing and supporting implementation of transformational policies. The goal is to develop a scalable model for other think tanks in Africa, inspired by ACET’s experience. The project will support ACET’s core activities in engaging African governments, provide technical assistance to strengthen the support the CWA implementation, and finance a fellowship program for young African professionals.



[1] “The crisis of African think tanks: challenges and solutions”, Brookings Africa in Focus, J. McGann, L. Signe, M. Muyangwa, December 2017

Relationship to CPF

Through its support to ACET, the Africa region and the Governance GP affirms their commitment to a central pillar of the IDA strategy: building regional platforms to help translate knowledge into policy actions. Knowledge is not easily accessible to those who make decisions and many Bank projects, while striving to reach this goal, too often struggle to directly address this issue in concrete and actionable capacity building activities. The project puts the foundations for the development and strengthening of African think tanks by developing a “good practices case study”.

The Bank supports transformational economic policy design by partnering with G20 members and other International organizations. The Compact with Africa, under the G20 Finance Track, provides a framework for supporting private sector investment, including infrastructure, in Africa. It is based on the premises that progress will be achieved when African countries, G20 members and international organizations work together to create a better environment for private investment. The project supports ACET in undertaking a coordinating role in CWA implementation.

C. Project Development Objective(s)

Proposed Development Objective(s)

The Project Development Objective is to enhance the sustainability of the African Center for Economic Transformation’s in delivering policy to action through core activities and strengthening its capacity to support implementation of the G20 Compact with Africa.

Key Results

Project Beneficiaries

1. The main beneficiary will be the African Center for Economic Transformation (ACET). Other think tanks will benefit from the policy engagement case study model that the project will develop. African governments will benefit from ACET’s core programs focused on policy engagement. Existing and future Compact countries will benefit from ACET’s support to CwA implementation; and young African professionals will benefit from the fellow program.

PDO Level Results Indicators

1. The key results include:
 - Produce a good practices policy engagement case study for African think tanks



- Engage with African policy makers to enhance the link between knowledge and policy
- Contribute to the implementation of the G20 Compact with Africa

D. Preliminary Description

Activities/Components

1. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

2. The Project Development Objective is to enhance the sustainability of the African Center for Economic Transformation's in delivering policy to action through core activities and strengthening its capacity to support implementation of the G20 Compact with Africa.

PDO Level Results Indicators

The key results include:

- Produce a good practices policy engagement case study for African think tanks
- Engage with African policy makers to enhance the link between knowledge and policy
- Contribute to the implementation of the G20 Compact with Africa

PROJECT DESCRIPTION This project aims to support ACET in coordinating the G20 Compact with Africa agenda; enhancing its capacity to deliver core policy dialogue activities while helping promote a model for more boosting think tanks in Africa. By strengthening ACET's strategic capacity to collaborate with other institutions, the project will support the emulation of multiple Africa-based think tanks. This support will take various forms including i) support to core activities for engagement with African governments, ii) technical assistance for facilitating the implementation of the G20 Compact with Africa and iii) developing a case study based on ACET's policy engagement model that will serve as "good practice" for other institutions in Africa. By doing so, the project will promote knowledge generation, dissemination and implementation and contribute to building long-term, relevant research and policy capacity in the region.

Project Components

Component 1 – Strengthening ACET's core activities on policy design - \$488,000

This component will provide support and technical assistance to strengthen ACET's operational capacity in delivering core products and services and with a financially sustainable business model. Strengthening a leading think tank such as ACET will have a positive impact on its continuous capacity to engage African



governments in transformational policy dialogue while accelerating the transfer of good practices among peers, especially related to the strategic planning and engagement with policymakers and the public.

Sub-component 1.1: Technical Assistance for an Institutional Policy Engagement Case Study - \$50,000

The technical assistance will seek to broaden and deepen ACET's proven policy engagement model to boost a network of African think tanks. Through a case study it will seek to build upon ACET's approach, but also draw upon regional and global good practice, including from other think tanks and development partners. It will assess key elements of policy engagement in Africa, to include focus on developing a model for long term plans for think tanks with regards key components such as a) building strategic partnerships; b) strengthening the organization; c) attaining financial sustainability; d) collaboration among think-tanks; and e) convening abilities and modalities. A team will be tasked with establishing a diagnostic of ACET's policy engagement business model and provide recommendations on "good practices" for think tanks. The process will actively engage other think tanks and this will be materialized into a case study.

Expected outputs: a case study based on ACET's policy engagement model encompassing frameworks for boosting a network of African think tanks:

- Strategic collaboration approaches for think tanks in Africa;
- Organizational effectiveness and sustainable financial models of policy engagement by think tanks in Africa;
- Strategies for enhancing technical and analytical capacity for think tanks in Africa.

Sub-component 1.2. Assistance to ACET's ongoing activities - \$438,000

This subcomponent provides support to ACET's core business to inform and support policy design and implementation. The Pan African Coalition for Transformation (PACT) is ACET's primary policy dialogue platform. It is an African government peer-learning initiative focused on key sectoral areas that leads to country policy action plans on economic transformation. The PACT deliberations inform ACET's Africa Transformation Forum (ATF) – and promotes economic dialogue between government, development partners, the private sector and civil society. Likewise, the Africa Transformation Report – ACET's flagship report – and ACET's Africa Transformation Index are closely interrelated to the policy dialogue in the PACT and are highlighted at the ATF. In partnership with other development organizations and think tanks, these core programs and deliverables collectively help African governments and stakeholders to focus policymaking that is innovative and transformational.



Expected outputs: Launch of new, or deepening the work of existing PACT sectoral chapters or policy dialogue platforms; further dissemination of the African Transformation Report (ATR); African Transformation Forum (ATF) and the updated African Transformation Index (ATI).

Component 2 – Supporting ACET’s role in implementing the G20 Compact with Africa (CWA) - \$715,000

This component will provide technical assistance to support ACET’s role in supporting the implementation of the G20 Compact with Africa (CWA). CWA was initiated by the German presidency in the Finance Track, endorsed by the G-20 finance ministers and central bank governors in Baden-Baden in March 2017, to promote private investment in Africa, including in infrastructure. In collaboration with the WBG, IMF and other African institutions, ACET’s role is to support the CWA implementation through the facilitation of peer learning, analysis and peer review interventions as well as by undertaking coordination role in CWA implementation.[1]

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Sub-component 2.1. Strengthening Compact Countries’ Capacity - \$415,000

Technical assistance for CWA implementation support. ACET will work organizations such as h the UN Economic Commission for Africa, the African Development Bank, the International Monetary Fund and the World Bank to support CWA implementation through consultations, workshops, and analytical studies. This includes advisory services for periodic review of progress where country-led teams will include ACET and the other technical partners, private sector representatives, officials from Compact countries and think tanks or non-governmental organizations from the Compact countries[2]. Activities includes: Organize consultations and workshops Support countries’ communication and dissemination capacity Facilitate access to advisory services

Expected outputs: multiple workshops, papers and technical events.

Technical assistance for peer-to-peer learning. Working with international partners, ACET will establish a CWA Peer-to-Peer Learning Platform for African Compact countries, interested G20 countries, international organizations and African institutions. The Bank will avail facilities, co-brand events and support



dissemination. Activities includes: Coordination of the agendas Prepare and disseminate studies, analysis and reviews Facilitate high level sessions

Excepted outputs: multiple peer learning events, associated background papers and research inputs. Peer learning website for knowledge exchange.

Sub-component 2.2 Bi-Annual Peer Review of CwA Self-Assessments– \$100,000

Twice a year, ACET will present the consolidated CwA Peer Review report based on Countries' CwA self-assessments. The report will highlight key directional messages, gaps, and recommendations that will serve as an input to the overall CwA Monitoring Report and the G20 Ministerial Report. The Bank will support the development of a systematic methodology and support dissemination of the report. Activities include technical assistance: Development of the review methodology and analysis of self-assessments; Preparation, presentation and dissemination of reports;

Expected outputs: CwA Peer Review Report

Sub-component 2.3 Advocacy for Africa and the CwA - \$200,000

As a member of the T20 Africa Standing Group[3](ASG) Steering Committee, ACETS serves as a liaison between the Think20 platform and African think tanks. This network of research institutes and think tanks from the G20 countries provides research-based policy advice to the G20, facilitates interaction among its members and the policy community, and communicates with the broader public about issues of global importance. The goal is to build African think tanks' capacity to more effectively influence ongoing policy dialogue. The Bank will avail facilities and co-brand events. Activities include: Lead the development of G20 policy briefs in collaboration with think tank partners; Build collaboration with T20 members around existing events on key priority themes for African Compact countries.

Excepted outputs: several brief papers, networking events and networking platform.

Technical assistance in establishing a CwA Advisory Panel [4] that will act as focal point and help guide the overall work on the CwA. The Panel will be a key interface for new countries governments helping in



calibrating expectations, required commitments and overall process. The Bank will avail facilities. Activities include:

Component 3 – ACET Transformational Fellow Program - \$317,000

[1] Consensus statement CWA Ministerial Meeting, Accra, September 6th 2017

[2] There are 11 countries in scope: Senegal, Rwanda, Morocco, Guinea, Ghana, Ethiopia, Egypt, Cote d'Ivoire, Benin, Tunisia, Togo.

[3] The ASG engages in cross-regional joint knowledge production and provide evidence based policy advice related to cooperation between G20 and Africa. Governance mechanisms for Africa-G20 cooperation is a key focus. https://www.die-gdi.de/press_release_africa_standing_group/

[4] The Panel will comprise about five individuals who have formerly served in positions such as Prime Minister, Finance Minister, Central Bank Governor, senior Government advisor, or IFI senior official

1. Convene and facilitate the Advisory Panel meetings;
2. Provide substantive and logistic support to the Advisory Panel activities i.e. briefs, communication, logistic, etc.

Expected outputs: technical and high-level engagements to support validation and implementation of agreed policy commitments.

3. **This component will finance a fellowship program including salaries, benefits and travel etc. for Fellows.** A core aspect of improving knowledge to policy action is ensuring a pipeline of young African professionals with a robust understanding of policy design and implementation and the potential for think tanks and policy institutes to support Africa's economic transformation. ACET Fellowship program will see members of the diaspora and young African professionals hosted by ACET working in the region on specific projects or policy challenges. This will promote knowledge generation and dissemination, as well as building research and policy capacity in the region. Candidates will be competitively selected and recruited by leveraging the WBG Fellowship program.

Expected outputs: Fellows on board and contributing to policy engagement in Africa.



SAFEGUARDS

E. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

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CONTACT POINT

World Bank

Contact : Veronique Kabongo Title : Lead Operations Officer
 Telephone No : 5220+34665 / Email :

Borrower/Client/Recipient

Borrower : African Centre for Economic Transformation

Implementing Agencies

Implementing Agency : African Center for Economic Transformation (ACET)
 Contact : Daniel Nti Title : Chief Operating Officer
 Telephone No : 233302210240 Email : dnti@acetforafrica.org

FOR MORE INFORMATION CONTACT



The World Bank

Support to Regional Knowledge Capacity

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 473-1000

Web: <http://www.worldbank.org/projects>

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