

The Tony Blair Governance Initiative

Annual Report and Financial Statements

31 December 2013

Company Limited by Guarantee
Registration Number
6779669 (England and Wales)

Charity Registration Number
1132422



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Reference and administrative details of the charity, its Trustees and advisers

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Charity registration number	1132422
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Trustees' Report – Year to 31 December 2013

The Trustees present their report together with the financial statements of the Tony Blair Governance Initiative (which is known as the Africa Governance Initiative or “AGI”) for the year ended 31 December 2013.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and is also a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out therein and comply with the charitable company's memorandum and articles of association, applicable laws, UK Accounting Standards and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities' (SORP 2005).

1. INTRODUCTION

AGI's mission is to make government work for the world's poorest people. We do this by supporting effective governance in Africa: working with reforming leaders to build the capacity of their governments to implement the programmes and reforms they need to develop their countries, reduce poverty and improve standards of living.

2013, our fifth anniversary, was a chance to consolidate previous growth, to learn lessons from our first five years, and to build for the future. Our programmes in Sierra Leone, Liberia and Rwanda are now well established, meaning our teams have been able to help support improvements in government capability and policy delivery that will improve the lives of millions people; and we also continued our work in Nigeria and Guinea, which began in 2012.

2013 was also a successful year for many of our partner countries. Guinea held legislative elections, continuing to show its desire to consolidate its fledgling democracy. Sierra Leone's economy continued to grow rapidly, at 13% in 2013. And its future economic prospects are good; the World Bank says it 'stands on the verge of a period of unprecedented growth'.¹ Liberia played a role at the heart of international negotiations to review the Millennium Development Goals, hosting world leaders in Monrovia as they drew up plans for global development after 2015.

But AGI's work takes place in fragile environments that are often unpredictable and volatile. In South Sudan, sadly, we were forced to put our work on hold as violence broke out in December, and this remains the case as efforts to restore peace and stability are ongoing. In

¹ Fanthorpe, R and Gabelle, C (2013). *Political economy of extractives governance in Sierra Leone*, World Bank Group.

very different circumstances AGI also scaled down and ended its work in Malawi in December 2013 ahead of the tripartite elections held in May 2014.

Despite these challenges we ended the year with increased demand from more African governments to work with us in 2014, setting up an exciting year ahead. This report describes AGI's work in 2013, what we achieved and the impact this will have on the lives of some of the world's poorest people. It also shares what we learned during the year and how we have developed as an organisation as we strengthened our foundations in order to set ourselves up for further growth.

AGI'S CHARITABLE OBJECTS:

1. To promote and advance the efficient public administration of government and public services for the public benefit with a view to relieving poverty by improving the skills and capacities of individuals within government and public services, and the systems and processes of government and public services.
2. To promote sustainable development with a view to relieving poverty, by the improvement of conditions of life in communities facing poverty and social disadvantage, and the creation of sustainable means of achieving economic growth and regeneration.
3. To advance the education of the public about good governance and sustainable development.

1.1 Emerging consensus around effective governance

In our 2011 and 2012 Annual Reports we set out the case for AGI's focus on *effective* governance – the ability of governments to turn vision into action and outcomes. This is AGI's focus for three reasons:

- The **direct impact** of successfully implemented government programmes on citizens' lives, especially the poorest;
- The need to **build the resilience and legitimacy of fragile and post-conflict states**, with the ability to deliver services a cornerstone of democracy alongside free and fair elections; and
- The need to build **country ownership**, where governments set and deliver, and are held to account for, their own priorities and actions.

These reasons all still hold. In 2013 we also saw further recognition of the importance of effective governance. A global survey of over 2 million people conducted by the United Nations² has seen a demand for 'honest and responsive government' come out third as a priority for a better world, just behind improved health and education (which themselves depend on effective governance). Some campaigners are arguing for quality of governance to be recognised as a goal in any successor framework to the Millennium Development Goals. Leading global academics are also paying more attention to the importance of government in delivering change and real improvements to people's lives.³

WHY EFFECTIVE GOVERNANCE MATTERS

"The biggest single problem in societies aspiring to be democratic has been their failure to provide the substance of what people want from government: personal security, shared economic growth and the basic public services (especially education, health care and infrastructure) that are needed to achieve individual opportunity. Proponents of democracy focus, for understandable reasons, on limiting the powers of tyrannical or predatory states. But they don't spend as much time thinking about how to govern effectively. They are, in Woodrow Wilson's phrase, more interested in "controlling than in energizing government".⁴

Francis Fukuyama, *The Wall Street Journal*

1.2 Our approach

Effective governance is the ability to turn goals and a vision into policies and programmes that can be implemented, leading to better outcomes for the people a government serves. There is no 'off-the-shelf' model of effective governance; strong institutions can only exist within, and evolve from the particular circumstances of a given country at a given point in its history.⁵ Our role is to work alongside our partner governments to develop systems and solutions that work for their specific circumstances and ultimately deliver policy reforms that improve the lives of the world's poorest people.

This means that each of AGI's programmes is unique and tailored to local context and the needs of our partner governments. However, we continue to focus on the three core functions that need to work for the implementation of government programmes to succeed

² <http://data.myworld2015.org/>

³ Fukuyama, F (2013). 'What Is Governance?', *Governance*, 26: 347–368

⁴ Fukuyama, F (2014). *The Wall Street Journal* <http://online.wsj.com/articles/at-the-end-of-history-still-stands-democracy-1402080661>

⁵ Booth, D (2011). Governance for Development in Africa, APP Policy Brief 1

– in the countries we partner with in Africa, but also around the world: prioritisation, planning, and performance management. To work in practice, these functions require a foundation of effective institutional cultures and capacity.

AGI supports governments to build their capacity to carry out these functions by embedding teams of skilled staff within our partner governments. Our staff, recruited from the best of the international public, private and third sectors, work shoulder-to-shoulder with local leaders and public servants to develop the capacity of the institutions at the centre of government.

This work is complemented by the support of AGI's Patron, the Right Honourable Tony Blair, who works on a pro bono basis with the governments' political leadership to advise on the challenges of leading reform, frequently visiting each country and meeting with the leaders on AGI's behalf. This "leader to leader" and "shoulder to shoulder" model is unique, and has allowed AGI to carve out its own space in the development landscape.

IN 2013 THE OVERSEAS DEVELOPMENT INSTITUTE (ODI), THE UK'S LEADING THINK-TANK ON INTERNATIONAL DEVELOPMENT, PUBLISHED AN ASSESSMENT OF AGI'S WORK IN SIERRA LEONE, IDENTIFYING A NUMBER OF THE PROGRAMME'S STRENGTHS:

A reactive and flexible approach: AGI's programme of support has proved quite flexible, enabling the organisation to respond to new opportunities, redeploy resources and phase out support where it is ineffective. For instance, AGI deployed an advisor to the Ministry of Energy and Water Resources (MEWR) in 2009 but phased out this support because there was not enough counterpart commitment to carry forward AGI-supported systems.

Teamwork: AGI deploys a team of advisors to work in a country and the organisation appears to have cemented a strong sense of team spirit and commitment to the goals and values. While it is hard to gauge the impact of this 'soft' skill, it appears that AGI's advisors, along with Mr Blair and Mr Milburn, share a common understanding of their goals, pull in the same direction and collaborate behind the scenes to ensure they send consistent messages to their counterparts in different parts of the government Infrastructure.

Flexible financing arrangements: AGI has enjoyed a large amount of flexibility in its use of donor funds. In the early years, most of its support came from foundations and private donors, which tend to have less stringent frameworks than institutional donors. This enabled it to be reactive and responsive and deploy advisors rapidly, while retaining a high degree of confidentiality in its relationship with the government.⁶

⁶ Tavakoli et al (2013). 'Unblocking results: using aid to address governance constraints in public service delivery', Overseas Development Institute.

1.3 Where we work

The countries AGI works in are selected according to criteria agreed by its Trustees. First, we only work in the world's poorest countries, or in countries where there are deep pockets of absolute poverty. In many of these countries across Sub-Saharan Africa, poverty results from years of conflict. Effective governance is a prerequisite for ensuring that such countries escape from the conflict trap⁷ and are able to establish state and democratic legitimacy. Second, we only work with governments that are committed to reducing poverty through reform, and where there is strong demand for our support. Third, we will only undertake projects where our intervention complements existing development and technical assistance and can be carried out in a politically neutral manner: we do not engage in party politics or electioneering in any way.

In 2013, AGI extended and strengthened our projects in Rwanda, Sierra Leone, Nigeria, Liberia and Guinea. In agreement with the Government of Malawi and in keeping with the AGI policy of political neutrality, we scaled down our work in Malawi at the end of 2013 as the political climate intensified ahead of elections in May 2014. Sadly, we also put our work in South Sudan on hold following the tragic and rapid outbreak of violence in December 2013, and our South Sudan project remains on hold whilst the government focuses on restoring peace and stability.

Towards the end of 2013, and following invitations from a number of governments, we again began exploring new work, with a view to further growth in 2014.

It remains an immense privilege to be able to work alongside all of our partners at the heart of their governments, and we remain indebted to the many public servants whose commitment to their countries is the inspiration for our work.

1.4 How we evaluate our work

The Trustees are committed to robust monitoring and external evaluation of AGI's work so that we can improve our effectiveness and demonstrate the impact of our programmes to our partner governments, to our funders, who rightly want to see results for the investment they make, and to the people of the countries we operate in.

At the start of 2012, we appointed Agulhas Applied Knowledge to act as independent evaluators for all of AGI's programmes. Agulhas's work with the UK government to evaluate aid spending and their expertise on the evaluation of governance and technical assistance programmes made them extremely well qualified to evaluate our work. They have helped us

⁷ Collier, P (2003). 'Breaking the conflict trap', *Civil War and Development Policy*, Vol. 1.

to draw out the lessons from our work and to identify ways to make programmes more impactful, drawing on the latest international research on governance and capacity development. In 2013, they conducted evaluations of AGI's Liberia, Rwanda, Guinea and Nigeria programmes.

Agulhas's evaluations combine anonymous surveys of and interviews with the officials and ministers in AGI's partner countries, alongside a review of qualitative and documentary evidence. Independent evaluations of all our programmes will continue during the course of 2014.

COMMENTS FROM AGULHAS APPLIED KNOWLEDGE ON AGI'S WORK

*"AGI continues to play a catalytic role, stimulating creative thinking and encouraging the [Government of Liberia] team to test out their own ideas."*⁸

*"AGI has played a unique role in supporting the President during a critical phase in the transition to democracy in Guinea. AGI has also had a positive impact in improving the effectiveness of the Government of Guinea"*⁹

2. ACTIVITIES AND ACHIEVEMENTS

Our main aim in 2013 was to consolidate the growth of previous years in order to increase the impact in our existing projects. This meant delivering on our charitable objects in two main areas:

1. **Delivering impact through our projects** to increase the capacity of partner governments to deliver development programmes, reducing poverty and promoting sustainable development (Section 2.1)
2. **Influencing the debate on effective governance** to build understanding of the importance of effective governance and of how to support it in practice (Section 2.2)

⁸ Report of the independent evaluation of AGI's Liberia programme, Agulhas Applied Knowledge, 2013.

⁹ Report of the independent evaluation of AGI's Guinea programme, Agulhas Applied Knowledge, 2013.

2.1 Delivering impact through our projects

*"This SCBI approach is full of common sense but is also oddly revolutionary because it is such a contrast to the way development is commonly done (and, it seems, was done in some of these areas in Rwanda previously). The case shows that a locally problem driven, adaptive process works in complex developing country reform contexts and for this reason should be of interest to anyone working in development."*¹⁰

Professor Matt Andrews of the Harvard Kennedy School, writing about AGI's work in Rwanda

AGI continued to have impact in 2013. The three case studies on the pages that follow show the nature of our work and the impact it achieves for people across Africa.

¹⁰ Andrews, M (2014). *The Limits of Institutional Reform in Development*, Helping REAL capacity emerge in Rwanda - http://matthewandrews.typepad.com/the_limits_of_institution/2014/05/helping-real-capacity-emerge-a-comment-on-rwandas-strategic-capacity-building-initiative-scbi.html

NIGERIA

Nigeria had a larger population and economy than all the other AGI project countries put together. Nigeria is currently a middle income country with the aspiration of becoming one of the largest 20 economies in the world, yet it still has significant numbers of people living in poverty. The Government of Nigeria's "Transformation Agenda", one of the programmes aimed at enabling the country to achieve the goal of being among the top 20 economies, is focused on boosting trade, expanding food production, improving healthcare access and creating jobs.

Our approach

Together with the Government of Nigeria, AGI has been working to improve the effectiveness of the 'Economic Management Implementation Team' (EMIT) which supports senior Ministers to deliver on the priorities above.

Results

AGI has helped to cut the amount of time wasted by inefficient meetings and boosted the prospects of EMIT to support government successes such as:

The Kano-Lagos Railway: The Nigerian government has made progress in rehabilitating the railway line from Lagos to Kano which is a major transport artery that will help to further boost growth. The EMIT has helped to ensure that progress on the railway was sustained, allowing Nigerians to travel almost the entire length of the country to conduct business and see family. A BBC news article¹¹ quoted Nigerians giving credit to the government and hoping the railway would help to unite fractious elements of the country.

Saving One Million Lives: The government's Saving One Million Lives programme is an attempt to galvanise progress towards the Millennium Development Goals by improving the quality of healthcare available to Nigerians. Through a series of well-briefed policy discussions, the EMIT's Secretariat counselled a more sustainable approach to delivering this programme which should see its health improvements locked down for the long term.

Boosting trade: Trade relies on quick exchange of goods.. The government has worked to improve the investment climate by reducing port clearance times, from an average of 14 to 7 days. The clearance times have been halved by removing unnecessary paperwork, ensuring quicker exchange for businesses operating in Nigeria.

What we have learned

We may not always have to be based in the Presidency: One interesting feature of our work in Nigeria is that it is the first AGI project where we have not had staff based in the Presidency. This demonstrates that, while political authority and leadership are needed for reforms to succeed, they can be found in other parts of the government not only at the very top.

¹¹ <http://www.bbc.co.uk/news/world-africa-21364541>

RWANDA

Rwanda is at an important juncture in its development. In recent years, it has achieved strong economic growth and rapid poverty reduction. AGI's support is helping the government by working on issues like agricultural productivity, attracting and supporting foreign investment, boosting the energy infrastructure and improving the management of natural resource revenues.

Our approach

2013 is the second year in which we have supported the delivery of the Strategic Capacity Building Initiative (SCBI). The SCBI brings in international experts in long-term positions within the relevant delivery agencies, pairing them with young Rwandan counterparts for accelerated skills transfer.

Results

Agricultural Pilot sites: SCBI experts and counterparts in the Ministry of Agriculture have developed an innovative 'Pilot Sites Initiative', where they test interventions in a focused geographic area to prove their effectiveness before scaling them up. Working with international experts, Rwandan counterparts are being trained in crop and livestock sciences as well as soil and water management. So far, this approach has increased farmer income and ensured farmers have greater access to markets.

Energy reform: In the energy sector, the SCBI has supported Rwanda's transition to competitive approaches for sourcing investment. A new Energy Investment Unit issued requests for investors to submit expressions of interest for a 10 MW solar and a 50 MW methane plant which are now being implemented. Since 2008 almost three times more households now have access to electricity.

Mining certificates: SCBI has helped drive big improvements in the mining sector. Rwanda has become the first country in the region to begin issuing mining certificates at the point of export to certify due diligence in the supply chain, through a system developed by SCBI experts and counterparts.

What we have learned

Facilitate local problem solving: The most effective support we provided to the Rwandan Government has been in helping to develop SCBI systems and supporting the coordination of the initiative across government, always trying to bear in mind the local conditions and politics. This brokering role is one that an emerging body of literature argues is a useful niche for development partners.¹²

¹² Tavakoli et al (2013). 'Unblocking results: using aid to address governance constraints in public service delivery', Overseas Development Institute.

SIERRA LEONE

The Government of Sierra Leone's ambition is to become a middle income country by 2035. To achieve this goal the Government is focused on investing its limited resources in the infrastructure required to enable private sector growth.

Our approach

Our team in Sierra Leone has supported President Koroma and his senior team to identify and overcome the barriers to private sector growth. Following the recognition that energy and transport (roads and ports) are the biggest challenges facing the private sector in Sierra Leone, we are supporting the Ministry of Energy and Ministry of Transport to tackle them. We've also worked to improve delivery of the President's priorities by being the driving force behind stronger links between the Ministry of Finance and State House - enabling the President to establish clear lines of accountability with his most senior government officials.

Results

Transforming the power sector:

We supported the Ministry of Energy to develop high-quality plans for three flagship energy projects. These plans provide for a competitive procurement process in a way that has never been done before in Sierra Leone. This includes the construction of a 350MW thermal plant, that will not only generate the baseload power needed for growing businesses but also for around 350,000 households, reaching close to 2 million people.

Enabling wider access to healthcare:

As a result of the prioritisation process led by AGI, some of the most critical social and economic projects were included in the annual budget. Among them was Social Health Insurance, the budgeting for a pilot health insurance scheme in two districts, which will inform the rollout of the initiative nation-wide. This health insurance will effectively enable universal health coverage in Sierra Leone and reduce Government reliance on donor funding for the provision of free healthcare for women and children.

What we have learned

Focusing on priorities is essential: AGI's work in Sierra Leone has focused strongly on helping President Koroma to identify his priorities, and bring together the Ministry of Finance and State House to ensure that these priorities are understood across Government and delivered effectively. Its success reveals that to engage leaders you need to help identify the things that stand in the way of delivery and offer solutions to overcome them.

2.2 Influencing the debate on effective governance

AGI works to influence the debate on effective governance at two levels: at a high level by raising the profile of effective governance alongside other forms of good governance and other development issues; and at a practical level by demonstrating how best to support improvements in government capability. In 2013 we had successes at both levels.

Raising the profile of effective governance

We have continued to promote effective governance as an important issue throughout 2013 in line with our charitable objects. We have worked to secure coverage and debate in the media and targeted opinion formers and decision makers in African, American and European institutions.

In April 2013, our Patron the Rt. Hon. Tony Blair, World Bank President Jim Kim and Sir Michael Barber spoke on a joint panel at the World Bank. This demonstrated a growing understanding of the importance of supporting government effectiveness within the development community, and Jim Kim emphasised how he wanted the 'science of delivery' to be at the heart of the World Bank's approach.

We also reached a broader and more influential audience than ever before in 2013. Two highlights included:

1) *Financial Times – 'Re-wiring Governance'*

AGI worked with the Financial Times' *This is Africa* magazine to produce a special edition on governance and reform across Africa, entitled 'Re-wiring Governance'. The edition featured interviews with African leaders, President Johnson Sirleaf and Prime Minister Hailemariam, as well as the "next generation" of Africa's leaders, such as Kampeta Sayinzoga, the Permanent Secretary in the Ministry in Finance in Rwanda. It focused on the realities of trying to implement reform across Africa and wider changes in African governance. The magazine was distributed to thousands of leading businesspeople, politicians and opinion formers across Europe, the US and Africa as well as being featured on the Financial Times' *This is Africa* website.

2) *'The New Prosperity'*

AGI worked with the Boston Consulting Group to produce a report on strategies for improving well-being in Sub-Saharan Africa. The report, 'The New Prosperity', was published in April 2013 and was covered by The Economist and the Financial Times. In addition AGI

staff were interviewed by The Guardian newspaper about the report and wider governance issues across Africa.

Demonstrating how to support effective governance

We invested in a growing set of 'learning products' in 2013, such as the first in a series of case studies that provide insight into and distil the lessons from key moments in our work. Our first case was on Liberia's 150 day action plan – an ambitious attempt to capitalise on the first days of the new government by driving through specific reforms. In the case study we describe how we supported the Government of Liberia's successful design and implementation of the plan. The Overseas Development Institute's Marta Foresti wrote a response to the case saying it is *"a compelling read and a worthwhile contribution to the governance debate. It is also encouraging that an organisation like AGI is willing to share its experiences and engage in a critical discussion about its interventions."*¹³

Aspects of our approach also attracted recognition from development community thought leaders. David Booth of ODI wrote about a group of development organizations, including AGI, which he described as a new breed of "Arm's Length Organizations" which do "semi-autonomous change facilitation".¹⁴ Another ODI paper said that arm's length organisations "may be best placed to help people in developing countries build the institutions that enable them to act in their collective long-term interests."¹⁵

3. ORGANISATIONAL DEVELOPMENT

3.1 Recruitment and professional development

AGI continues to focus on ensuring we attract and retain the best talent possible to the organisation. As well as ongoing improvements to our recruitment systems AGI continues to play a role in two fellowship schemes. These are:

AGI'S ROLE IN FELLOWSHIP SCHEMES

The 40 Chances Fellowship in partnership with the Howard G Buffett Foundation

Opening in 2013 and running until mid-2014 the 40 Chances Fellowship will encourage the development of new ideas to address food insecurity. Fellowship funds will support social

¹³ <http://www.africagovernance.org/africa/news-entry/marta-foresti-of-odi-responds-to-agi-case-study/>

¹⁴ Booth, D (2013). 'Facilitating Development: An arm's length approach to aid', Overseas Development Institute - <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8330.pdf>

¹⁵ Foresti et al (2013). 'Making sense of the politics of delivery', Overseas Development Institute - <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8346.pdf>

entrepreneurs who are addressing issues of hunger, conflict, or poverty in Liberia, Malawi, Rwanda, and Sierra Leone.

The Blair Elumelu Fellowship

The Blair Elumelu Fellowship Programme, a partnership with the Tony Elumelu Foundation, supports reforming African governments to advance sustainable economic development.

Both organisations share a commitment to advancing Africa's economic development and prosperity, in order to lift people out of poverty by creating jobs and livelihoods and to help the continent move beyond aid. The goal of this three-year programme is to strengthen the private sector's role in the economic transformation of African countries – focused on Sierra Leone and Liberia – by developing the capacity of their governments to enhance competitiveness and attract and nurture private investment for the benefit of their people.

3.2 Insight and learning

As AGI has expanded we have created more and more opportunities for improvement, learning from what has worked and what hasn't to increase our impact and effectiveness as an organisation. Working in more countries has given us a wider range of experiences to draw on to improve our model, increase the skills and knowledge of our staff, and better advise our partner governments on what systems have worked elsewhere.

But as many of the leading experts in institutional development and public sector reform have pointed out,¹⁶ learning from what has worked elsewhere is not a straightforward case of replicating what others have done. Taking 'off the shelf' or 'international best practice' institutional models and transplanting them into a new context is rarely successful, as institutions which work in one context may be entirely unsuitable for a different context. So 'best fit' is a better approach than 'best practice'. At the same time, there are clearly lessons that can be gained from others' experiences, and some of the most successful reforms are considered to be 'hybrids',¹⁷ bringing together the best of the local context with what has worked (or failed) elsewhere.

In AGI we have sought to embed this learning mindset by taking a diagnostic and iterative approach. For example, the 'AGI Toolkit', which we launched in 2013, gave our staff a set of frameworks and questions to analyse the capability of a particular part of government – say, the performance management system, or the President's private office. These questions guide our staff through the functions that effective systems need and give examples of 'things to try' to make those functions work better, without prescribing a particular structure or approach. Our teams are then encouraged to work with their government

¹⁶ Pritchett, Woolcock & Andrews (2010). 'Capability Traps? The Mechanisms of Persistent Implementation Failure' - CGD Working Paper 234

¹⁷ Booth, D (2012). 'Development as a collective action problem', Africa Power and Politics

colleagues to experiment and improve things incrementally – again drawing on the latest cutting edge research on how to approach institutional development.¹⁸ Over the course of the year we also developed a new web platform for generating and sharing learning across country programmes, and towards the end of the year we designed an internal learning programme, to be rolled out in 2014, to hone the 'soft skills' our teams apply to understand and facilitate change.

3.3 Funding our work

Like any charity AGI depends on the generous support of our donors to keep pursuing our mission of improving government effectiveness with a view to reducing poverty. In 2013 we received support from some of the world's leading development and philanthropic organisations including the United States Agency for International Development, the Bill & Melinda Gates Foundation, the Open Society Foundations, the Swedish Postcode Foundation, the Howard G. Buffett Foundation, and the Tony Elumelu Foundation. We thank them all for their support.

4. FUTURE PLANS

As AGI looks ahead to 2014 we are expecting another year of growth. We hope to play a role in delivering President Obama's Power Africa Initiative, to move forward work in our existing partner countries and to announce new programmes in West and East Africa.

Our primary focus though will remain, as ever, on delivering impact in our existing programmes. For instance, we will:

- In **Rwanda**, support the government in developing a cross-government approach to attracting infrastructure investment, increasing exports and delivering the Strategic Capacity Building Initiative through to its planned completion in 2015;
- In **Sierra Leone**, support the senior leadership in the delivery of the country's top infrastructure projects, including a 350MW power plant and the national grid, through coordinated performance processes;
- In **Liberia**, continue to support the Government's goal of reaching middle-income status by 2030, focusing on improving energy, port and road infrastructure, improving the 'investor journey' and the management of the nascent oil sector;
- In **Guinea**, deliver and learn the lessons from our pilot 'change agents' diaspora programme whilst maximising the window of stability before the 2015 elections to

¹⁸ Pritchett, Woolcock and Andrews (2012). 'Escaping Capability Traps through Problem-Driven Iterative Adaptation (PDIA)' - CGD Working Paper 299

achieve progress on the government's 10-15 top priority projects in energy, transport infrastructure and agriculture.

- And in **Nigeria**, consolidate the capacity improvements we have seen in the EMIT Secretariat whilst supporting the government on specific deliverables such as the establishment of a Development Finance Institution focused on SMEs.

5. PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and aims and in planning future activities.

The Trustees consider that The Tony Blair Governance Initiative's aims are demonstrably to the public benefit. The charity's main activities are:

- Focused on advancing the quality of public administration to deliver sustainable development and achieve poverty reduction;
- Educational; and
- Available to partner governments in some of the poorest countries in the world, and to the public more broadly through the charity's website.

The ultimate beneficiaries of the charity's work in 2013 are the public in Rwanda, Liberia, Sierra Leone, Malawi, Nigeria, Guinea, and South Sudan – though the Trustees believe there is a benefit to the public in the UK, and internationally, from poverty reduction in Africa and the development of more effective strategies and approaches to capacity development and effective governance.

6. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Tony Blair Governance Initiative is a company limited by guarantee (Company No 6779669), and operates under the terms of its Memorandum and Articles dated 23 December 2008. It was registered with the Charity Commission (No 1132422) on 3 November 2009. The Trustees have control of the charity and its property and funds.

Trustees are appointed by an Ordinary Resolution or by a simple majority of all the members entitled to attend and vote at any meeting of the members. The full Board of Trustees as of 31 December 2013 was:

Elizabeth Ann Lloyd

Appointed 20 February 2009

Stephen Richard Lewin

Appointed 20 February 2009

Rt. Hon. Hilary Armstrong

Appointed 20 February 2009

Tunde Olanrewaju

Appointed 30 October 2012

Patron's role

AGI is grateful for the continued support of its Patron, Rt. Hon. Tony Blair. The Patron assists, for the benefit of the Africa Governance Initiative, the development and fulfilment of the aims of the charity, in particular through his role mentoring AGI partner governments in Africa. The Patron also generally promotes the charity and its activities, taking a significant role in fundraising for the charity, in addition to being a significant personal donor to AGI.

The Patron does not direct the charity's activities and the Trustees and the Patron have agreed a memorandum to confirm the regulations governing the relationship between AGI and the Patron. The Patron undertakes his role on a pro bono basis.

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Tony Blair Governance Initiative for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CEO and Management structure

A CEO is appointed by the Trustees to manage the day-to-day operations of the charity and ensure the overall implementation of the organisational strategy which is agreed by the Trustees. As reported in last year's report, AGI ran a public recruitment process to appoint a new CEO in March 2013 following Kate Gross's decision to stand down due to ill health. The Trustees were delighted to appoint the former COO and acting CEO, Nick Thompson, to the role on a permanent basis. Nick has been with AGI since 2008 and brings much experience and leadership to the role.

The Chief Executive heads AGI's Senior Management and Management Teams. The former comprises the Chief Operating Officer, Director of Strategy and Development, and two new positions created in 2013 to create capacity for further growth: the Director of Programmes and the Director of Project Development. The wider Management Team also includes the Country Heads who run the Africa programmes. The Trustees have agreed appropriate levels of authority and delegation within the Senior Management and Management Teams

to effectively lead the organisation and the work in Africa. There is regular communication between the Chief Executive, the Senior/Management Teams, and the Trustees.

Meetings of the Board of Trustees are held approximately quarterly, informed as necessary by recommendations from the Chief Executive. In 2013 the Trustees met five times, in March, May, July, November and December.

Risk management

Each AGI programme maintains a risk register which is reported on quarterly. In addition, the Senior Management Team maintains oversight of organisational and corporate risks. The major risks are highlighted to the Board of Trustees at each meeting, and can be categorised as follows:

Security and Personnel

AGI works in fragile and challenging environments, as epitomised by the outbreak of violence in South Sudan in December 2013: in accordance with other international organisations all staff were evacuated from Juba safely three days after the fighting broke out. Injury or illness to members of staff, road traffic accidents, risk of deterioration in the security situation and national emergencies all remain real risks in the countries that AGI operates in. AGI has an emergency protocol in place in each programme and provides first aid training to staff, and regularly reviews security procedures and risks.

Sustainable delivery

AGI works in low capacity and political environments, with an ongoing challenge of building sustainable capacity that will significantly outlast our involvement with our partner governments. Over the course of 2013 AGI invested in a differentiated approach to monitoring and evaluation in different types of projects in order to support an appropriate approach to performance management and delivery.

Funding

AGI is reliant on the generous support of our funders, and our budget has inevitably grown with our activities. In 2013 AGI invested in a review of our fundraising strategy with the CCS consultancy. We will implement the fundraising strategy developed during that review during 2014, with a consequent investment into our operations, especially in the United States.

Reputational

AGI works in countries whose trajectory towards socio-economic and political development is not always straight or predictable. Moreover, we recognise the high profile of our Patron and the associated attention paid to the charity. As such there is a risk of damage arising from the actions of the charity or its employees, or the actions of partner governments, or partner organisations. The Trustees regularly hold discussions about political and economic developments in our partner countries, and determine appropriate interventions accordingly.

Compliance

AGI works across a number of geographies in complex environments, and as such has robust systems in place to ensure compliance with our charitable objects and other relevant laws and regulations, including the United Kingdom's Bribery Act (2010) and avoiding any perceived or real conflict of interest. We have sought professional advice where relevant in this regard over the course of 2013, and have updated our related parties' policy.

The Trustees have determined the major risks to which the charity is exposed, the potential impact if an individual risk materialises, and what action is to be taken in order to reduce such risks to a level which the Trustees consider to be acceptable. The Trustees are satisfied that where risks have been identified, the appropriate mitigating actions are in place. The charity is committed to implementing and maintaining best practice with regard to risk management and that the concept and related processes are embedded into routine operations in all the countries the charity operates in.

Investment policy

The charity's investment policy is to hold cash balances in interest bearing accounts with UK and African banks.

The investment strategy is set by the Trustees and takes into account income requirements, the investment risk profile and future expenditure commitments. The charity's investment policy is considered periodically by the Trustees.

During the period the charity received a small amount of interest. The Trustees are satisfied with this performance and that their investment objectives are being met.

Reserves policy

The charity carries out a diverse range of activities which generally comprise long term and externally funded projects in Africa requiring significant ongoing financial commitment and investment. The policy of the charity is to enter into agreements with donors and grantors to receive funding to cover the anticipated costs of the project prior to commencing work.

Over the last year we have also grown our unrestricted funds to allow AGI to meet the demand to explore programmes in new African countries as well as support existing programmes where necessary through the designated 'Rapid Action Fund'.

The Trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the charity's work during the next financial year, the level of free reserves should remain at approximately 3 months of core expenditure to meet the future costs of the charity.

The Trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to the timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies while specific action plans are implemented.

Financial review

Results for the period

A summary of the incoming and outgoing resources for the period can be found below.

Overall income for 2013 was £4,793k, an increase of £1,307k (37.5%) from 2012 (£3,486k). The largest part of this increase was from unrestricted income, which increased from £1,053k to £2,159k (a 106% increase). AGI focused on raising funds for the 'Rapid Action Fund' to support growth and facilitate a more flexible portfolio of projects. Total expenditure increased by £429k to £4,378k; of this total, 94.3% of expenditure related to AGI's charitable activities. This includes £1,009k (2012 - £602k) of expenditure towards new and emerging programmes in Nigeria, South Sudan and Malawi, predominantly funded from AGI's designated 'Rapid Action Fund'.

Financial position

The charity's balance sheet shows total funds of £1,975k (2012 - £1,664k).

These funds include £267k (£461k in 2012) which have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 12 to the financial statements together with an analysis of movements in the year.

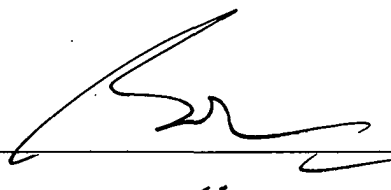
The balance sheet shows total unrestricted funds of £1,708k (£1,202k in 2012). Of this, £1,104k has been designated as the 'Rapid Action Fund', full details of which can be found in note 13 to the financial statements.

General funds of the charity at 31 December 2013 total £604k, which after deducting £23k tied up in fixed assets leaves a balance of free reserves of £581k.

The balance of free reserves is in excess of the reserves policy outlined above. The free reserves in excess of those required to fulfil the reserves policy represents funds raised in advance which will be utilised on the planned activities of the charity during 2014, as outlined in this report.

Approved by the Trustees and signed on their behalf by:

Trustee: _____



Stephen Lewin

15 September 2014

Independent auditor's report to the members of The Tony Blair Governance Initiative

We have audited the financial statements of The Tony Blair Governance Initiative for the year ended 31 December 2013 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

1519/14

Statement of Financial Activities: Year to 31 December 2013

		Unrestricted funds £000	Restricted funds £000	2013 Total funds £000	2012 Total funds £000
	Notes				
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Voluntary income	1	2,123	2,634	4,757	3,481
. Gifts in kind		0	0	0	0
. Interest receivable		6	0	6	2
		<u>2,129</u>	<u>2,634</u>	<u>4,763</u>	<u>3,483</u>
Other incoming resources		30	0	30	3
Total incoming resources		<u>2,159</u>	<u>2,634</u>	<u>4,793</u>	<u>3,486</u>
Resources expended					
Costs of generating funds					
. Costs of generating voluntary income	2	83	131	214	175
Charitable activities					
3, 4, 7, 8, 13					
. Enhancing governance projects		560	2,336	2,896	3,089
. New and emerging projects		739	270	1,009	602
. Insight, learning and knowledge sharing projects		131	91	222	44
		<u>1,430</u>	<u>2,697</u>	<u>4,127</u>	<u>3,735</u>
Governance costs	5	37	0	37	39
Total resources expended		<u>1,550</u>	<u>2,828</u>	<u>4,378</u>	<u>3,949</u>
Other recognised gains and losses					
Foreign exchange losses		103	0	103	0
Net movement in funds/ net (expenditure) / income	6	<u>506</u>	<u>(194)</u>	<u>312</u>	<u>(463)</u>
Fund Balances brought forward at 1 January 2013					
		1,202	461	1,663	2,126
Fund Balances carried forward at 31 December 2013		<u>1,708</u>	<u>267</u>	<u>1,975</u>	<u>1,663</u>

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the years indicated.

Balance Sheet: 31 December 2013

	Notes	£000	2013 £000	£000	2012 £000
Fixed assets					
Tangible assets	9		57		68
Current assets					
Debtors	10	826		839	
Cash at bank and in hand		<u>2,394</u>		<u>1,224</u>	
		3,220		2,063	
Creditors: amounts falling due within one year	11	<u>(1,302)</u>		<u>(468)</u>	
Net current assets			1,918		1,595
Total net assets			<u>1,975</u>		<u>1,663</u>

Represented by:

Funds and reserves

Income funds:

- Restricted funds	12	267	461
- Unrestricted funds:			
- Designated fund (Rapid Action Fund)	13	1,104	535
- Unrestricted & General funds		604	667
Total net assets	14	<u>1,975</u>	<u>1,663</u>

Company registration number : 06779669

Approved by the Trustees and signed on their behalf by :

Trustee: _____

Stephen Lewin

15 September 2014

Principal Accounting Policies: Year to 31 December 2013

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in the preparation of these financial statements.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Gifts of goods and services in kind are accounted for where the goods or services would have been acquired by other means if not provided free of charge. The amount included in both incoming resources and resources expended in respect of these gifts in kind is an estimate of the amounts which would have been paid by the charity.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the Trustees' report. Such costs include associated salaries, direct costs and overheads.
- c. Governance costs are the costs associated with the governance arrangements of the charity that relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

The majority of costs are directly attributable to specific charitable activities. Staff costs are apportioned to the expenditure headings listed above on the basis of time spent. Other non-directly attributable costs are allocated on the basis of apportioned staff time.

Tangible fixed assets

All tangible fixed assets costing more than £500 are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

Computer & IT Equipment	3 years
Plant & Machinery	5 years
Motor Vehicles	5 years

Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. Unrestricted funds are monies raised for general charitable purposes as established by the Trustees which are not subject to donor imposed conditions.

Within total unrestricted funds of the charity the Trustees have designated amounts for specific purposes.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Notes to the financial statements: Year to 31 December 2013

1 Voluntary Income

	Unrestricted	Restricted	2013	2012
	Funds	Funds	Total	Total
	£'000	£'000	£'000	£'000
Voluntary income				
. Grants	1,123	2,634	3,757	3,299
. Donations	1,000	0	1,000	182
Total	2,123	2,634	4,757	3,481

2 Cost of generating funds

	Direct costs	Support costs	2013	2012
	£000	(note 4) £000	Total funds £'000	Total funds £'000
Cost of generating voluntary income				
. Staff costs	96	10	106	108
. Premises costs	12	4	16	1
. Operational costs	89	3	92	66
Total	197	17	214	175

3 Cost of activities in furtherance of the charity's objects

	Direct costs	Support costs	2013	2012
	£000	(note 4) £000	Total funds £'000	Total funds £'000
<i>Rwanda</i>				
. Staff costs	551	25	576	593
. Premises costs	45	10	55	46
. Operational costs	363	9	372	469
	959	44	1,003	1,108
<i>Sierra Leone</i>				
. Staff costs	298	14	312	426
. Premises costs	25	6	31	40
. Operational costs	297	5	302	352
	620	25	645	818
<i>Liberia</i>				
. Staff costs	424	20	444	339
. Premises costs	35	8	43	34
. Operational costs	327	7	334	226
	786	35	821	599
<i>Guinea</i>				
. Staff costs	176	9	185	261
. Premises costs	20	3	23	30
. Operational costs	216	3	219	273
	412	15	427	564
<i>Lessons Learnt</i>				
. Staff costs	128	5	133	29
. Premises costs	1	2	3	0
. Operational costs	84	2	86	15
	213	9	222	44
<i>New & emerging projects</i>				
. Staff costs	444	19	463	228
. Premises costs	33	8	41	26
. Operational costs	498	7	505	348
	975	34	1,009	602
Total	3,965	162	4,127	3,735

Notes to the financial statements: Year to 31 December 2013

4 Support costs

The following costs have been allocated based on staff time attributable to each activity:

	2013 £'000	2012 £'000
. Staff costs	103	168
. Premises costs	41	24
. Operational costs	35	102
	<u>179</u>	<u>294</u>

5 Governance costs

	Direct costs £'000	2013 £'000	2012 £'000
. Auditor's remuneration	17	17	19
. Staff costs	20	20	19
. Other governance costs	0	0	1
	<u>37</u>	<u>37</u>	<u>39</u>

6 Net movement in funds / net income

This is stated after charging :

	Restricted funds £'000	Unrestricted funds £'000	2013 £'000	2012 £'000
Auditor's remuneration				
. Statutory audit services	0	17	17	16
Depreciation	16	19	35	35
Total	<u>16</u>	<u>36</u>	<u>52</u>	<u>51</u>

7 Employees and staff costs

AGI's staff are its greatest asset and the foundation for fulfilling the charity's objectives in Africa. Staff costs during the year were as follows:

	2013 £'000	2012 £'000
Employees		
. Wages and salaries	1,856	1,529
. Social security costs	134	121
. Other employment costs	45	0
	<u>2,035</u>	<u>1,650</u>
Seconded, Consultants and Sub-contractors	204	354
Total employment costs	<u>2,239</u>	<u>2,004</u>

AGI has benefited substantially from the contribution of staff seconded from other organisations. Such staff form an integral part of the organisation and the project teams in Africa. Seconded, consultants and subcontractor costs of £207k (2012: £354k) incurred during the year by the charity in furtherance of its charitable activities are included in total staff costs.

Wages and salary costs include occasional employee home return flight costs that are a contractual benefit. The cost of such flights include all relevant tax and social security liabilities.

Staff costs analysed by activity were as follows:

	2013 £'000	2012 £'000
Costs of generating funds	106	108
Charitable activities :		
. Rwanda	576	593
. Sierra Leone	312	426
. Liberia	444	339
. Guinea	185	261
. Lessons Learnt	133	29
. New and emerging projects	463	228
Governance of the charity	20	19
	<u>2,239</u>	<u>2,003</u>

Notes to the financial statements: Year to 31 December 2013

7 Employee and staff costs (Continued)

The average number of staff during the year, calculated on a headcount basis, analysed by function, was as follows :

	Employees	Secondes / Subcontractors	2013 Total	2012 Total
	Number	Number	Number	Number
Costs of generating funds	3.1	0.0	3.1	2.2
Charitable activities				
. Rwanda	10.8	1.2	12.0	12.4
. Sierra Leone	6.0	0.7	6.7	10.5
. Liberia	9.5	0.2	9.7	6.9
. Guinea	3.1	1.0	4.1	5.0
. Lessons Learnt	2.2	0.3	2.5	0.5
. New and emerging projects	8.5	0.8	9.3	3.8
Governance of the charity	0.4	0.0	0.4	0.4
Total	43.6	4.2	47.8	41.7
(2012 comparison	36.2	5.5	41.7)	

As of 31 December 2013 AGI had 45 employees (2012 : 36) and 3 secondees and subcontractors (2012 : 3).

There were two employees who earned £70,000 - £ 79,999 per annum (2012 : nil) and two employees who earned £60,000 - £69,999 (2012 : 2) (including taxable benefits but excluding employer pension contributions).

None of the Trustees received any remuneration in respect of their services during the year. No trustee were reimbursed in the year (2012 : nil).

8 Taxation

The Tony Blair Governance Initiative is a registered charity and therefore is not liable to income tax or corporation tax on any income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The charity is unable to reclaim VAT suffered on expenditure. Irrecoverable VAT suffered during the year amounted to £ 111,000 (2012 : £131,000).

9 Tangible fixed assets

	Computer Equipment	Plant & Machinery	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2013	97	26	10	133
Additions	18	4	10	32
Disposals	(50)	(8)	(4)	(62)
At 31 December 2013	65	22	16	103
Depreciation				
At 1 January 2013	56	7	2	65
Disposals	(50)	(2)	(2)	(54)
Charge for year	27	5	3	35
At 31 December 2013	33	10	3	46
Net book values				
At 31 December 2013	32	12	13	57
At 31 December 2012	41	19	8	68

10 Debtors

	2013	2012
	£'000	£'000
Due within one year		
Debtors	10	64
Prepayments	182	80
Accrued income	592	625
Other debtors	42	70
Total debtors	826	839

Notes to the financial statements: Year to 31 December 2013

11 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	260	90
Accruals	268	378
Deferred income	774	0
Total creditors falling due within one year	1,302	468

During 2013, AGI received advanced payment for two large grants, where the grant activity relates to 2014, therefore this income has been included in deferred income. There were no equivalent grants in 2012.

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of grants received and donations held on trust to be applied for specific purposes:

	At 1 January 2013 £'000	Incoming Resources £'000	Resources expended £'000	At 31 December 2013 £'000
Rwanda	7	805	(759)	53
Sierra Leone	109	414	(555)	(32)
Liberia	129	746	(785)	90
Guinea	122	115	(237)	(0)
Lessons learned	61	30	(91)	0
New and Emerging Projects	33	393	(270)	156
Fundraising & organisational development	(0)	131	(131)	(0)
	461	2,634	(2,828)	267

These funds, raised in advance, will be spent on the planned activities of the charity during 2014, and may only be used for the purposes specified in the relevant grant agreement.

13 Designated Fund (Rapid Action Fund)

In 2011 AGI designated a new " Rapid Action Fund " (RAF) to be created from AGI's unrestricted reserves. Its purpose is to allow AGI to meet demand to explore programmes in new African countries, as well as support existing programmes where necessary, whilst mobilising stable long term funding. RAF funded expenditure is included in the SOFA within the individual country heading.

	At 1 January 2013 £'000	New designation £'000	Utilised/ released £'000	At 31 December 2013 £'000
Rapid Action Fund	535	1,716	(1,147)	1,104

As reported in the Trustees' Report, through this fund we were able to fund the launch of new work in Nigeria, Malawi & South Sudan and to support AGI's work in Rwanda.

14 Analysis of net assets between funds

	Restricted funds £'000	Designated funds £'000	Unrestricted funds £'000	At 31 December 2013 Total funds £'000	At 31 December 2012 Total funds £'000
Fund balances at 31 December 2013 are represented by :					
Tangible fixed assets	34	0	23	57	68
Net current assets	233	1,104	581	1,918	1,595
Total net assets	267	1,104	604	1,975	1,663

15 Connected entities

The Tony Blair Governance Initiative – US is an independent charitable entity governed by an independent Board of Trustees. Its mission and objectives are similar to those of the charity.

The charity received grants of £1,520,208 (2012 :£ 265,451) from the Tony Blair Governance Initiative – US during the year. There were no amounts owed between the entities as at 31 December 2013 (2012 : £Nil). The funds are used for RAF, for AGI's Sierra Leone and Liberia projects and to support AGI-UK's fundraising activities.

Legal and professional fees amounting to £ 2,529 (2012 £12,752) were charged by Bircham Dyson Bell LLP, of which Stephen Lewin is a partner.

16 AGI Patron

AGI is grateful for the continued support of its Patron the Rt. Hon. Tony Blair. The Patron assists, for the benefit of the Africa Governance Initiative, the development and fulfilment of the aims of the charity, in particular through his role mentoring AGI partner governments in Africa. The Patron also generally promotes the charity and its activities, taking a significant role in fundraising for the charity. The Patron does not direct the charity's activities and the Trustees and the Patron have agreed a memorandum to confirm the regulations governing the relationship between AGI and the Patron. The Patron undertakes his role on a pro-bono basis.

17 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.