



ANNUAL REPORT

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ACKNOWLEDGEMENT

PACANet appreciates the continued partnership with Sida (Swedish International Development Agency) and DMCDD (Danish Mission Council Development Department) for the continued support to the mission of PACANet in Africa during the year 2011. We also treasure the invaluable dedication and support the outgoing board rendered to PACANet. We do too acknowledge and recognize the ingenuity of the 6 CCANets in coordinating the Christian response to HIV and AIDS under challenging contexts. Last but not least, the growing partnership in the HIV and AIDS movement from within the constituency is highly treasured. We hope and trust that this collaboration will even flourish to a higher level in 2012 and beyond.

Contents	Page
ACKNOWLEDGEMENT.....	ii
EXECUTIVE SUMMARY	iv
ACHIEVEMENTS TOWARDS THE STRATEGIC OBJECTIVES.....	1
1.0 Strategic Objective 1: Research, Information, Networking and Partnerships.....	1
1.1 <i>Research and Information</i>	1
1.2 <i>Networking</i>	3
1.3 <i>Partnerships</i>	3
2.0 Strategic Objective 2: Advocacy	5
3.0 Strategic Objective 3: Capacity Building.....	6
3.1 <i>Institutional support and technical assistance to the CCANets</i>	6
4.0 Strategic Objective 4: PACANet Institutional Capacity	7
4.1 <i>Planning, Monitoring, Evaluation and Reporting</i>	7
4.2 <i>Finance</i>	8
4.3 <i>Administration</i>	14
4.4 <i>Governance</i>	15
5.0 Limitations and Challenges.....	16
6.0 Conclusion	16

Appendices:

Appendix 1: Summary of progress in the CCANets

EXECUTIVE SUMMARY

This report is a highlight of the accomplishments by PACANet in the year 2011. It also provides an indication of the plans set for 2012. During the year, management made strategic decisions at the secretariat intended to align institutional processes with the strategic direction. The global economic challenges to some extent called for further adjustments in the operational approach. Despite the adjustments, the team managed to execute the plan as per set targets. In the report are the key deliverables at both institutional and program (regional and country) levels, implemented in line with the PACANet's strategic objectives.

At programme level, regional level accomplishments included; the CCANets annual review meeting where all the CCANets coordinators converged and drew synergy by sharing their unique experiences of networking in their different country contexts. The West Africa sub-regional conference in collaboration with SUWA-Scripture Union West Africa held in Nigeria drew representatives from 8 West African countries. The General assembly held in Ethiopia just before the pre-ICASA, though an institutional arrangement drew 54 delegates from the constituency, and the pre-ICASA conference drew 151 participants from 30 countries. Other activities that drew regional participation included the listserv an e-forum where topical HIV and AIDS related issues were discussed and moderated by PACANet, the newsletter "*PACANet Chronicles*" captured news and updates from the CCANets and the constituency. Then the US partnership Forum convened and hosted by the PACANet US board drew participants from Africa and the US. PACANet also participated and presented a paper on HIV and AIDS and the Church at a regional event, thus the Vision conference in Burkina Faso convened and hosted by CREDO-Christian relief and development organization. In the area of regional level advocacy, initial attempts to engage the HIV and AIDS desk at ECOWAS-Economic Community of West African States were made and shall be followed up in 2012. The MCP and Think Tank compendia were finalized and shared with the partners in the constituency. Organizational materials were translated to ensure effective communication with both Anglophone and Francophone partners. Some of the materials were uploaded on the website and an electronic resource centre to serve the constituency was developed.

At country level, accomplishments included the TOTs-training of trainers' course in Swaziland and Burkina Faso aimed at building a human resource base for the networks, technical support on results based management with focus on the results chain and as it links with monitoring and evaluation, and reporting. They were also later provided with data collection tools. Monitoring visits to all the CCANets facilitated checks on progress as per agreed commitments and set deliverables for the year. The team also supported and facilitated the development of Church level HIV and AIDS policies in Burkina Faso. Documentation of the network development process in Uganda was finalized. In addition, all the CCANets received a sub-grant as contribution towards their annual plans.

At institutional level, following the strategy to realign the institutional processes with the operational model, the organization moved to virtual team operation but retained a small team at the secretariat with mainly a coordination role. The staff that moved on became the regular resource persons. PACANet also signed a one year MOU with the CCANet boards and coordinators to have a more direct involvement in the CCANets aimed at compliance and performance improvement. PACANet in the previous year had entered into a formal partnership with DMCDD, which partnership pledged extended support and collaboration. In this vein, a 4 year project was finally approved for replication of work in Cameroon, DR Congo and South Sudan. At the same time, the project shall seek to consolidate work already underway in Liberia, Sierra Leone and Madagascar. In the area of governance and accountability, the annual audit was successfully carried out by KPMG, the board meeting and general assembly mentioned above also took place as required by the constitution which paved way for the new board. Staff meetings and the staff retreat were also held. The Evaluation which had been planned to take place in November 2011 was differed to February 2012, but the process of developing TORs and sourcing for consultants started in 2011. Finally in October, following the approval of the DMCDD funded project, staff had a planning retreat where a detailed implementation plan and later the related M and E framework and plan were developed. The 2012 annual work plan was also developed during the same period. The initial draft of the overall PACANet M and E framework and plan was also developed and the related data collection tools.

PACANet benefited from participation in the consortium joint activities including the audit, review meeting, and the INERELA+ sexuality training, other activities such as joint engagement with regional bodies were deferred to 2012.

Beginning 2012, PACANet shall embark on the process of replicating the lessons and the recorded gains in three new countries, consolidate and strengthen the already established and functional networks in the six countries thus Liberia, Sierra Leone, Burkina Faso, Uganda, Madagascar and Swaziland. It has been planned to engage more in advocacy hence the plans to train staff in advocacy and also develop the advocacy strategy commensurate to the scale of PACANet. In addition, the year 2012 shall seek to further cascade the Church HIV and AIDS competence training among churches in the CCANets aimed at the acceleration of the congregational response. Finally, following the general assembly and a new board in place, stabilization of the institution of PACANet to get to the next level and effectively track and report on results, shall be a high level priority even at the CCANet level. In collaboration with PACANet US board, partnerships development and resource mobilization shall continue to ensure that the mandate is adequately executed.

ACHIEVEMENTS TOWARDS THE STRATEGIC OBJECTIVES

1.0 Strategic Objective 1: Research, Information, Networking and Partnerships.

Improve and increase the availability of information about Church and faith-based HIV and AIDS work; strengthen networking and improve and increase strategic partnerships with the faith-based community.

To increase the availability and access to information, several activities were undertaken and outputs generated during the year as highlighted below.

1.1 Research and Information

Documentation of network development; the case of Uganda

In collaboration with CCANet Uganda, the case of Uganda's network development experience was documented and finalized with a product in a booklet form. 500 copies were printed and some of them shared at different events, such as the partnership forum in the US, the general assembly and the pre-ICASA conference in Ethiopia. The booklet provides lessons as a guide to partners who may wish to start a Christian AIDS network, or strategic partners who may want to support the development of the same.

- **Brochures and PACANet documentary**

As part of public relations materials, but more so to increase the visibility of PACANet in the constituency, 3,000 copies of the brochure in French and English and a documentary in form of a 5 minute video on DVD were produced. A longer version of 20 minutes with more details is also available. Footages taken captured the work of PACANet and field experiences from two of the regions where CCANet Uganda operates. Once final editing is complete, DVDs shall be produced for sharing with the partners.

- **Quarterly Newsletter (PACANet Chronicles)**

Three (3) newsletter issues were produced and shared with the partners in the constituency. The letters provided updates from PACANet, CCANets and news briefs from the region/constituency in general. There was increased interest in the letters considering

the positive feedback and suggestions on what more to include in future. The mailing list to-date increased from 300 to 408 members from both Africa and beyond. The letters maintained a favorable connection with the constituency.

- **Website**

The website was periodically updated with information from PACANet secretariat, such as reports, newsletters, news from the CCANets and other publications from the constituency. The hits on the website increased from 73,852 to 331,583 in a period, an indicator of increased knowledge and visibility of PACANet.

- **Listserv (E-forum)**

The forum was maintained, where constituency partners engaged in discussion on 3 HIV and AIDS topical issues moderated by PACANet. Topics discussed include; How funding trickles down to grassroots responses to HIV and AIDS by the Church, Church practices and teachings that fuel the spread of HIV and AIDS, and Male circumcision and prevention. The listserv increased from 73 to 94 active members from the region. As usual there are others who did not contribute to the discussions or submit responses, but were kept in the loop and later appreciated the topics. Overall the forum increasingly gave opportunity for partners to access useful information for application and improvement in their work. This also kept constituency connected.

- **Translation of materials**

To ensure effective communication with both the Anglophone and Francophone stakeholders, organizational materials were translated. A translation plan was developed to ensure that relevant information is availed in both languages on the website and during the various events which drew the constituency representatives together. This included among others, the newsletters, reports and other resource materials.

- **Resource centre**

An electronic resource center was established to serve the region. The aim for this was to create more avenues for the constituency to access valuable information in form of resource materials. The communication team intends to share this widely with the constituency in 2012.

- **Compendia**

Two (2) compendia were produced. These include papers and discussions during both the Eastern and Southern Africa MCP-multiple concurrent sexual partnerships' conference held in Swaziland and the regional Think Tank on "Ethno-cultural factors and HIV and AIDS" held in Uganda in 2010. The compendia were shared with constituency at different events such as the US partnership forum, the general assembly and the per-ICASA conference in Addis Ababa-Ethiopia.

1.2 Networking

- **CCANet review meeting**

All the 6 CCANets representatives met twice during the year thus in January to review and plan for 2011 and in October to plan for 2012. Whilst the aim was to review progress and plan forward, the events provided an opportunity to draw synergy, share experiences and strengthen networking by drawing lessons from each other, marked by increased collaboration across the CCANets.

- **Network training**

Based on the past experience and the lessons in networking, an innovation began of training interested parties in networking electronically. The practice of networking is over events and built on trust with focus on a common cause despite different identities and backgrounds. To this end training materials were developed and these are intended to explore the principles mentioned above with those intending to start networks or strengthen the existing ones in the region.

1.3 Partnerships

- **Partnership with DMCDD**

Following the partnership meetings between PACANet and DMCDD in Uganda and Denmark in 2010, an MOU was signed and later, a 4 year project to replicate work in Cameroon, DR Congo and South Sudan was approved. In the same project, work already underway in Liberia, Sierra Leone and Madagascar shall be consolidated and strengthened. The project also has a strong focus on advocacy mainly within the CCANets at country level.

- **Survey of potential partners**

To widen partnership and the resource base of PACANet, in collaboration with the PACANet-US board an initiative was taken to seek for partners. On the side of the Secretariat in Kampala, a desk survey was done and the findings compiled for reference to both PACANet and the CCANets as and when required. This shall continue as potential new ones emerge.

- **Pre-ICASA conference in Addis Ababa**

A 2 day regional pre-ICASA conference was convened by PACANet and held in Addis Ababa Ethiopia on the 1st and 2nd December prior to the main ICASA. The theme was “*Accelerating a grassroots Church movement for a sustainable HIV and AIDS response*”. The conference drew a total of 151 participants from 30 countries. Different presentations were made, followed by discussion in groups. At the end, a communiqué was presented with details of the commitments the delegates made. Details on other outcomes are in the conference report.

- **US Partnership Forum**

PACANet US board convened and hosted a partnership forum. The theme of the forum was “*Stretching beyond the horizon, the untold story of the Church’s innovative response to HIV and AIDS in Africa*”. The PACANet secretariat, the CCANets, Church and donor representatives participated. The aim was to explore partnership opportunities for the Church in the US with the Church in Africa in response to HIV and AIDS. Some partners were identified and initial contacts aimed at partnership made. For instance Swaziland is already engaged in some dialogue on a proposal for funding, there is dialogue to support the work in Cameroon, and one with CHANOL in Liberia.

- **Vision conference**

In the bid to identify needs and opportunities for Church partnerships within and beyond Africa, and at the same time strengthen linkages, PACANet participated in the Vision conference convened by CREDO-Christian relief and Development organization held in Ouagadougou-Burkina Faso. Delegates were drawn from the Christian development agencies in the USA, Europe and Africa. The PACANet representative presented a paper on the theme “*HIV and AIDS an obstacle to the integral development of Africa*”. This

provided an opportunity for new contacts from the partners in the north.

2.0 Strategic Objective 2: Advocacy

Improve and enhance the advocacy role of the Church, both within and without itself, as a unified voice on the critical issues of HIV and AIDS.

- **West Africa Sub Regional conference**

In the bid to improve and enhance the advocacy role of the Church, it was planned to hold regional consultations on critical HIV and AIDS issues. In this vein, the West Africa sub regional conference was held in Abuja-Nigeria in collaboration with SUWA-Scripture Union West Africa. The focus was on the plight of the out of school youth on the theme “*Vulnerability of out of school youth, what can the church do?*” Up to 100 delegates from 8 West African countries participated, including Benin, Burkina Faso, Cameroon, Cote d’Ivoire, Ghana, Liberia, Sierra Leone, and Nigeria the host. These were practitioners from Churches, Christian organizations and networks, policy makers and representatives from the development/ donor community such as CiSHAN, GIZ, UNAIDS. At the end of the event, a communiqué detailing commitments and actions were made by the delegates. In 2012, PACANet will follow-up with SUWA to track the offshoots and map the way-forward.

- **Church level HIV and AIDS policies**

Following the pilot done in Uganda in 2010, CCANet Burkina Faso was support to facilitate the same activity with Churches in Burkina Faso. A total of 16 representatives (leaders) from Churches and Christian organizations participated. At the end of the workshop, action plans were made aimed at cascading this initiative at congregational members so that the final product is a result of inclusive participation. Workshop details are in the activity report.

- **Engaging regional bodies**

As a joint activity for the consortium where PACANet takes the lead, a plan was made to engage and lobby regional bodies so that HIV and AIDS response by the Church is visible on the regional agenda. The bodies targeted were ECOWAS, SADC, and EAC. Although this activity was postponed due to constrains in the budget, initial communication to ECOWAS began in collaboration

with Scripture Union West Africa. This initial attempt shall be followed up in 2012.

3.0 Strategic Objective 3: Capacity Building

Strengthen and enhance the capacity of churches, Christian organizations and Christian networks to comprehensively respond to the HIV and AIDS pandemic.

3.1 Institutional support and technical assistance to the CCANets

- **Technical assistance during Review meetings**

Though already reported under the section of networking, this had a dual purpose. The other was an opportunity for capacity enhancement in relevant areas that required technical assistance by PACANet. The specific aspects addressed include financial accountability and compliance to reporting schedules, results based planning with focus on both process and output mapping, data collection and the revised reporting format was provided. There was also discussion on governance and the role of the board which translated in a crosscutting recommendation to re-orient and train the boards in 2012.

- **Institutional support and sub-grants to the CCANets**

MOUs were signed with all the boards and CCANet coordinators for a period of one year. CCANets were sub-granted with funding as a contribution towards their activities and office running costs. PACANet also catered for the coordinator's fees for the year based on agreed deliverables including; monthly updates, quarterly reports and a proposal per quarter aimed at enhancing their proposal writing skills and fund sourcing efforts in country. In the process widen their resource base. In this vein, additional contributions were made towards their partnership development activities. CCANet Burkina Faso was also supported with funds for tools and equipment and from this they were able to acquire a vehicle. Disbursement details are on record with the finance team.

- **Monitoring and technical support visits**

Visits were carried out to CCANets in Liberia, Sierra Leone, Swaziland, Madagascar and Uganda. CCANet Burkina Faso was

not visited as they were still at the stage of concluding the processes of setting up and legalizing the institutional.

Progress on the work plan was reviewed and agreed deliverables and set targets verified and guidance provided were necessary. Results based processes were emphasized and results chain as it relates to the log frame in monitoring and evaluation, and reporting. Proposal writing guidelines were provided and teams oriented on the same. There was also interaction with the board members to establish the strategic arrangements for the way forward beyond the MOUs.

Overall, the visits were revealing and helped PACANet to identify crosscutting areas that needed redress such as board re-orientation and training as observed during the review meetings, staff capacity issues, low visibility of the CCANet due to low pro-activeness, public relation skills and lack of communication strategies, high risk of depending on PACANet yet PACANet also depended on donor funding. These became part of the issues to be addressed in 2012.

- **TOT-Training of Trainers**

In collaboration with MILDMAY-Uganda, two 2-week TOT workshops were conducted in Swaziland for 18 participants and 17 turned up in Burkina Faso. The participants were drawn from Churches and Christian organizations. The trainings built a resource pool of trainers for the CCANets especially in the process of cascading HIV and AIDS responses at congregational level in the CCANets.

4.0 Strategic Objective 4: PACANet Institutional Capacity

Sstrengthen the institutional capacity of PACANet to adequately ensure the attainment of the strategic objectives mentioned above.

4.1 Planning, Monitoring, Evaluation and Reporting

- **Annual work plan and Individual operational plans**

Following the approval of the project by DMCDD, and the normal planning period in October, the team held a planning retreat and was able to develop a detailed implementation plan for the 4 year DMCDD supported project. The same time was used to develop the 2012 annual work plan. This time was extended and the CCANets coordinators joined the team so as to develop a harmonized focus

for 2012. Based on the plan, both the process and output map matrix for the first quarter was developed, a tool intended to guide the team develop their individual operation plans.

- **Monitoring and Evaluation**

Both the M and E framework and plan for the DMCDD funded project and the overall M and E frame work and plan for PACANet were developed pending refinement in some areas. However data collection tools were designed and availed to all the CCANets so as to start the process of tracking results.

4.2 Finance

- **Financial matters in the CCANets**

During the review meeting, matters relating to financial issues were discussed with the individual CCANet representatives. The crosscutting concern was the persistent failure for the CCANets to raise additional resources from in-country. They were also urged to submit timely accountabilities for the contributions made by PACANet. Following Sida's earlier recommendation that more financial support be given to the CCANets, the initial PACANet budget 2011 was revised to accommodate the CCANets' needs. Individual CCANet annual budgets were submitted as the basis for support in 2011.

- **Annual Financial Audit**

KPMG certified public Accountants conducted 2010 Audit of PACANet – Consortium. The audit took place in February 2011. The Audited financial statements were received in April, 2011. Details are in the audit report.

- **Eco-Bank Management Meeting**

The ECO bank representatives led by the chief executive visited PACANet. The issue of Capital development loan to PACANet previously pursued was discussed. The team had expected the Headquarters to address the request but the feedback was not satisfactory. The chief executive however promised to continue following up the matter and update PACANet accordingly.

- **National Social Security Fund (NSSF)**

The new interpretation of the NSSF ACT in respect to bonus payments was addressed with NSSF. In the provisions of the ACT,

employers are expected to make a statutory contribution to NSSF of 10% of any bonus/gratuity paid to an employee. In the event that the employer defaults then a 15% contribution is payable with a fine for bonus amounts paid out. This would imply legally PACANet was expected to pay contributions on all gratuity paid out from the time it started its operations in Uganda, which definitely has an implication on the organization.

- **Sida –PACANet Consortium Review meeting**

At the meeting, the need for periodical budget review and subsequent re-allocation of funds as long as the objectives were maintained was recommended but on condition that Sida is notified and approval sought. This was because Sida measures performance based on the most current, revised and approved budget. The observation that PACANet had made substantial exchange gains and losses required an independent note from external Auditors. Finance was to follow up the issue.

- **Effect of the inflation in Uganda.**

The inflationary rate which was about 8 % as at the end of 2010 doubled to 16% at the beginning of June, 2011. This had a net effect of reducing the equivalent USD amount convertible from Uganda shillings. Due to the prior years' unstable and decreasing exchange rates between the Euro to US dollar and the appreciation of the Ugandan shilling against the hard currencies, PACANet opened fixed deposit accounts in Ugandan shillings to avert the eminent foreign exchange losses on the consortium Euro Account. Funds were therefore fixed in Ugandan shillings and basically retained as such before and after maturity. The interest earned as a result of the said deposits were in Ugandan shillings hence subject to the inflationary tendencies therefore reducing in amount and value in USD as inflation rose.

- **Effects of Inflation on PACANet Funds**

For the 2011 work plan and budget, PACANet required USD 765,000 while Consortium coordination and joint activities required USD 248,000 to enable the implementation of the planned activities. PACANet funds were reduced by foreign exchange losses of USD 251,000 incurred from PACANet transactions and Consortium deposits waiting transfer to members, by end of the year 2010. The effect was a reduction of funds meant to implement the 2011 PACANet work plan.

The total opening bank balance in Uganda shillings as of 1st January, 2011 was equivalent to USD 704 000 at the then rate, out of which about USD 248,000 was for the Consortium budget. This left PACANet with about USD 456,000 for the entire annual work plan. The total expenditure by end of May, 2011 was about USD 380,000 with a balance of USD 76,000 for the rest of the year. It should be noted that this was about 50% of the annual expenditure as per the 2011 work plan and budget. The outstanding activities and administrative costs had a total of about USD 492,000. Immediate interventions were therefore required to avert financial constraints.

The budget was revisited to consider mandatory activities to the year end, given the available funds.

- **Recommendations to combat the effects of inflation**

The finance team made the following recommendations to management in the bid to reduce the impact of inflation on its resources.

- i. Avoid Currency Conversion; The Uganda shillings account be used to pay Uganda shillings transactions only to avoid further foreign exchange losses that would arise from conversion to other currencies.
- ii. PACANet considers engaging Sida to discuss the possibility of early disbursement of funds for the remaining contract period.
- iii. Request Sida to disburse funds for the following period whose expenditure would also address the impact of inflation on the program budget.
- iv. Discuss with Sida the possibility of implementing next years' activities in the following six months, as this would reduce administrative costs that would have been incurred to have them implemented the following year.
- v. Review work plan activities as advised by the Consortium coordinator and the Program Manager, PACANet.

- vi. Expedite the Executive Secretary's proposed virtual office operational strategy and consider quick implementation of most staff going virtual, and on task basis as this would make a saving on administrative costs.
- vii. All transactions be processed in US Dollars other than the statutory payments which ought to be paid in local currency.
- viii. Creditors be paid once every month, to reduce on losses that would arise from frequent fluctuations in foreign exchange rates in a given month. Staff costs equally be paid in US Dollars, after ascertaining the local currency equivalence at the prevailing rate. However the above would require the corporation of staff and PACANet creditors to open up US dollar accounts through which payments would be effected.

- **Disbursement request sent to Sida**

After complying with disbursement terms, a disbursement request for funds to implement year 2012 was sent to Sida. In view of the above, Sida required a commitment that forth with PACANet – Consortium would transact in US Dollars other than statutory payments required to be effected in local currency.

In August 2011 Sida transferred a grant of USD 1.6 million to The PACANet – Consortium comprised of PACANet as the lead Partner, INERELLA+, and ANHERTHA. The funds were to facilitate the implementation of 2012 work plans.

- **PACANet – Sida Consortium Bank Account**

PACANet – Consortium US Dollar Bank Account was opened with Eco Bank Uganda Limited. The Sida consortium Grant funds shall be kept on this Account, until used for joint activities, coordination and or disbursed to Consortium member organizations. Proportionate Grant disbursements according to PACANet/Sida agreement were therefore transferred from this account to ANHERTHA, INERELA+ and PACANet.

- **Installation of Quick books 2010**

To enhance the accounting system, Safe Computing Uganda limited was contacted to upgrade the 2005 Quick books accounting package together with resident accounting data. Quick books 2010 version was subsequently installed and data upgraded. The application can backup, upgrade and read data from previous Quick books versions.

- **DMCDD Four year project**

The final budget for the 4 year DMCDD funded project was submitted in October, 2011 for consideration. The proposal was approved and funds disbursed towards the end of October, 2011. The project time line is October, 2011 to September, 2015. An independent company in Quick books 2010 was opened to capture DMCDD transactions. Another independent Chart of Accounts shall be prepared in quick books according to approved activity budget for the project. From then on, transactions shall be captured in US dollars. Where local currency ought to be paid out for instance statutory obligations, then the equivalence in USD shall be converted in the prevailing rate, deposited with PACANet – Danida shillings Bank Account on which a cheque shall be drawn.

- **Board Finance Committee Meeting**

A Board Finance Committee meeting was convened in Addis Ababa Ethiopia on the 28th November, 2011. The following Board papers were presented for consideration;

- a. A policy review in respect to Per-diem allowance in regard to resource persons; the Board approved the recommendation that the Per-diem rates should be the same amount entitled to full time staff and resource persons.
- b. Recommendation to keep books of Accounts and transact in US dollars; the recommendation was approved following the report on the effects of inflation and the resultant foreign exchange losses on PACANet Bank deposits and transactions in the past periods.
- c. The five year financial report (2005 – 2010) was presented at the General Assembly by the board

treasurer. This was mainly an analysis of Audited Accounts for the period. The Accounts were audited by BDO Spencer Steward, Deloitte and Touché, and KPMG Certified Public Accountants. The General Assembly noted with satisfaction that PACANet Accounts for the period were Audited by Internationally recognized Audit firms.

- d. The 2012 work plan and budget was presented and requests for amendments made prior to its implementation.
- e. Appointment of External Auditors; a request for Audit proposals was sent out to ten Certified Public Accountants, Audit firms out of which five submitted proposals. These included Kisaka and Company, KITS and Co, Goldrock and Partners, Davey and Florey Associates, SK and Company. Following a thorough review of the above proposals, Kisaka and Company and KITS and Co. were recommended for further consideration by the Board Finance committee meeting.
- f. A summary of Income and Expenditure 2011; the summary of income and expenditure for period January to September, 2011 was presented for review and advice.
- g. A report on the NSSF in respect to Gratuity paid to staff on expiry or termination of contracts; arising from the new interpretation of the Ugandan NSSF Act in respect to gratuity payable, if enforced the NSSF amount payable is USD 37, 357 on gratuity. This has never been part of any PACANet Budget. Resources therefore need to be secured other than grant income to fund this expenditure.

4.3 Administration

- **Staff retreat**

As part of reflection, refueling and motivation, a staff retreat was held in the month of March at Garuga. Activities included team building and social sensitivity sessions (social intelligence), sharing of life experiences and reflection on the strategic plan. The outing helped the team to learn what other team members felt about each individual in the team and how to relate with the different personalities. It helped the team to bond further in view of the vision, mission and values of PACANet.

- **Changes in the operational approach**

In the bid to align the operational approach with the operational model, and at the same time reduce on the administrative operational costs, adjustments were made and some staff members went virtual and currently operating virtually, while a small team remained at the secretariat with mainly a coordination role. Prior to this change, the team met and developed values and guidelines for virtual team operations. However the members' roles remained the same as when they operated at the secretariat. The changes ideally reduced on the administrative costs, at the same time introduced a performance based management system where input compensation is based on deliverables and submitted time sheets.

- **Procurement and Property disposal**

Due to the country wide consistent power cuts and the related problems, a power backup system (generator) was procured and has been invaluable in maintaining and supporting office operations.

- **Organization and logistics for events**

During the period, several events and activities took place, ranging from trainings, conferences, meetings, retreat, receiving visitors, reservations, travels, procurements among others. These required logistical support from administration. This support was effectively rendered to ensure that the events take place to the satisfaction of the constituency.

- **Performance appraisal**

The appraisal tool was revised and improvements made to capture relevant aspects aimed at improved performance by the staff. This shall initially be applied in the first quarter of 2012, and will be reviewed as and when necessary.

- **Insurance**

To ensure the safety of organizational assets, UAP insurance company was engaged and all assets were insured.

4.4 Governance

- **Executive committee**

The executive committee held a meeting to review the various aspects in the area of organizational financial performance during the year. Following the coming in of the new board, the next step is to identify a new committee from the current board. The next committee meeting shall be determined at the next board meeting slated February 2012.

- **The Board**

The board met twice during the year. To cut on the cost, the first meeting was via Skype in the month of August, and the second was held in November in preparation for the general assembly in Ethiopia. The meeting wound up business and paved way for the new board which was elected at the general assembly. The members of the new board include the following; Mr. Sam Udanyi as Chairman from Nigeria, Ms Josephine Rasoampamonjy from Madagascar, Pastor Sam Makgaola from Botswana, Dr. Fulgence Binagwa from Tanzania, Ms Lyn Van Rooyen from South Africa and Mr. Peter Outlule from Botswana later co opted in 2012 for the position of Treasurer. The highlight for the new board was for them to lead PACANet to the next level, dubbed PACANet-2

- **General Assembly**

The long awaited event which constitutionally was supposed to take place in 2010 but deferred to 2011 due to budgetary constraints was finally held in November 2011 in Addis Ababa Ethiopia. The event drew 54 delegates from the constituency. One of the main highlights as a Christian organization was the spirit of thanks

giving for the far God had brought PACANet, the constituency expectations of PACANet in the next phase and bringing the new board on board. The proceedings of the event are in the detailed report.

5.0 Limitations and Challenges

- **Adjustment to virtual team operation**

The process of changing to virtual team operation was rather a challenge as it was new to the team and required a new work culture of high level self management and independent decision making. At the same time, the old close PACANet sense of family relationship was to some extent affected as expressed by the members.

- **Financial loss due to inflationary exchange rates**

The financial loss made in inflationary foreign exchange rates affected the operations, although at the same time called for strategic institutional adjustments to cut on cost, change style of work while maintain the set targets.

- **Monitoring and Evaluation**

Monitoring and Evaluation still posed a challenge as the frame work had gaps. However data collection tools were developed and shared with all the CCANets.

- **Consortium lead**

As the consortium lead, there still remained a challenge of a fully harmonized position among members on how to collaborate. This still needs to be addressed if the consortium is to thrive as desired. At times complying with the agreed commitments and schedules was a challenge, either due to individual tight schedules or to communication gaps among and between the members. Even the plan to hold a team building workshop was not successful in 2011; however, it was deferred to 2012. It is hoped that with the team building event, more harmony shall be realized.

6.0 Conclusion

Despite the limitations and the challenges indicated in 5.0, the year was successful considering the extent to which the annual plan was executed. The organization internal review and transition to virtual team operation was new to the members but beneficial

despite the adjustment process challenge. As the organization moves to the next level, the phase shall call for resilience in resource mobilization to widen the resource base and the new leadership's commitment to ensure that PACANet moves to the level commensurate to the scale of a Pan African organization.