

# Working towards Supporting Capacity Development through Joint Approaches

## Emerging lessons and issues<sup>1</sup>

### 1. Summary

Considerable advances towards more effective support to capacity development (CD) are possible. This was the encouraging message emerging from a conference held by the Learning Network on Capacity Development (LENCD) in October 2006. The lessons and issues coming out of that event are presented in this paper. In summary, the findings were:

- At country level, there is an untapped potential for developing policy principles for CD and CD support, which can inform sector specific strategies and action plans.
- Working towards joint donor approaches demands adopting a country, institutional or sector perspective on CD, rather than seeing CD as a means to ensuring effective implementation of donor funded activities.
- Seeking joint approaches to CD support is not different from seeking alignment and harmonisation of other donor support. It is a key feature of good practices for programme based approaches. Aligning to country demand; respecting and fostering country ownership; harmonising analytical work, design, reviews and monitoring; as well as abandoning practices which undermine country capacity can in most cases lead to significantly enhanced CD support.
- Joint assessment frameworks (e.g. for public financial management, procurement) represent a novel way of stimulating joint dialogue about present capacity and CD needs. More time have to pass before it can be judged whether such frameworks will also translate into sufficiently context-sensitive CD support processes.
- While there are obvious drawbacks to single-donor interventions they may contribute towards joint approaches if and when they align to country-led strategies, plan for scaling up and participate fully in joint sector wide processes. A well-designed project may enable learning and experimenting which might be difficult in grand schemes of joint efforts. However, the devil is in the details, and these details have historically been difficult to get right.
- Unresolved issues and pending challenges include: i) the prevalent incentive structures in donor agencies which may work against slow, often low spending but staff incentive processes related to CD; ii) dealing with the many complicated political issues related to CD processes; iii) develop more precise progress indicators at country-level regarding joint approaches compared to the one available in the Paris Declaration.

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<sup>1</sup> This note was written by Nils Boesen, consultant, and co-facilitator of the LENCD conference. The views expressed in the paper are those of the consultant.

## 2. Introduction

This paper reports on progress achieved towards the joint commitment in the Paris Declaration of partners and donors to align and harmonize support for partner countries' capacity development efforts.

This issue was one of the central themes in the conference organised in Nairobi from the 3-5<sup>th</sup> October 2006 by the Learning Network on Capacity Development (LENCOD). OECD/DAC was co-organiser of the event, with particularly focus on topic 1 of the conference: How to support Capacity Development through joint approaches. This paper reports on this issue (a separate report for the entire event is available).

### **The joint commitment in the Paris Declaration towards more effective support for capacity development**

“23. Partner countries commit to:

- Integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed.

24. Donors commit to:

- Align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly (Indicator 4).”

The emerging lessons and issues are addressed under 6 headings:

- Integrating capacity development in national objectives and strategies
- Mainstreaming donor support to capacity development
- Harmonise and align – is capacity development something special?
- Joint assessment tools for capacity development – a way forward?
- Getting the best out of different modalities
- Unresolved issues and pending challenges

## 3. Integrating capacity development in national objectives and strategies

Should countries be encouraged to develop national level capacity development strategies, and possibly establish institutions – ministries, agencies, institutes – in charge of overall CD? How should CD be integrated in national policy and planning frameworks?

Evidence providing tentative answers to these questions is still only emerging. It points to a potential of having *general policy principles for CD and CD support*, as well as *sector*

*specific strategies and action plans* (discussed in the next sections). On the other hand, it is not quite clear if separate, overall country CD strategies, programmes and institutions will in general be a way forward:

- The concept of capacity development is usually applied to a very broad range of issues, from general education to organisational development, knowledge acquisition and an enabling environment. Strategizing across so many fields may provide a useful overview, but it may risk ending in vacuous declarations rather than actionable policies.
- Public sector wide reforms, including civil service reform, strengthening of public financial management as well as new public management measures are often conceived as key vehicles to address cross-cutting systemic public sector capacity weaknesses, thus providing a framework for more sector-specific CD efforts. Introducing national CD strategies on top or parallel to public sector reform endeavours may confound and conflate, rather than clarify and simplify.
- The broadly accepted view that CD is promoted by strengthening domestic pressure on organisations to perform is putting domestic governance, accountability and transparency issues high on the agenda as necessary corollaries to more traditional organisational and skills development activities. CD strategies might find it hard to avoid duplicating already complex governance agendas, or, alternatively, become too narrowly focused on e.g. training and organisational development issues.

#### **Multisector, sector and local capacity building efforts in Rwanda**

To ensure that resources mobilized under aid and technical cooperation programs are efficiently and effectively utilized, the Rwanda Government has initiated a long term and strategic multi sector capacity building program encompassing strategic human resource development; improving institutional investment; public sector pay reform; integrated capacity and performance improvement in the ministries and agencies; knowledge management and introduction of e-Government. Legislation has been passed endorsing the establishment of the Human Resources and Institutional Development Agency (HIDA) that coordinate and manage the program.

At the same time, various sector programmes (justice, agriculture, health) are integrating CD activities. And, as part of the decentralisation policy, a crosscutting district capacity development initiative is underway.

It is still too early to assess the individual merits and the overall efficiency, effectiveness and coherence of the different approaches. A multi-sector SWAp learning event in June 2006 revealed that coordination and co-operation between the different initiatives still was a challenge.

The relevance of holistic sector CD approaches, strategies and plans as vehicles for joint donor support seems on the other hand evident given the history of fragmented, input-focused donor support (consultants, training, workshops, equipment). Various examples referred to in the boxes, including the next one on Mozambique, mention that such holistic

sector-level CD approaches are being or should be pursued, though there are yet few fully developed examples to draw on, and fewer cases where firm evidence is available confirming the success of such approaches (see the box on Cambodia below).

#### **Assessing options for enhanced CD support in Mozambique**

Dissatisfied with the results of CD support, 18 donors in Mozambique jointly commissioned an assessment of options for enhancing their support for CD. A number of issues emerged relating to public sector reform, and the donor group working on this issue was asked to take them forward in the dialogue with the government.

Other issues related to the modalities donors use for provision of technical cooperation, and the limited capacity of the government to appraise, procure and manage technical cooperation (TC). Guidelines are being discussed focusing on incrementally increasing government ownership and moving from project-based TC towards sector-wide approaches, thus adopting a sector-focus for joint approaches:

- Integrating TC in sector plans and budgets, ensuring a single financing source can be used to prioritise TC among other activities
- Where as sector has no SWAp, incrementally pooling TC in a sector-wide TC programme
- Government contracting TC services
- Donors focusing on results and financing needs, supporting government in prioritisation and specification of TC needs, and strengthening generic functions (management, procurement, HR,..) to ensure that Gov can assume effective leadership
- The agreed target: 20% of TC to be 'sector-wide TC' by 2009

Key challenges in how to promote holistic approaches to CD may lie in finding the best combination between i) having overarching objectives and principles giving joint direction to specific efforts, ii) having a clear organisational focus of various public sector wide reforms with appropriate political and cabinet backing, and iii) leaving adequate room for flexible and sector-sensitive planning and implementation so that policy or programme-umbrellas does not become overly centrally controlled and managed, thereby risking creating as many new capacity problems as they may solve. The balances between these concerns are likely to be country-specific, as the emerging experiences in Ethiopia may indicate.

#### **Public Sector Capacity Building Program (PSCAP) Support Project in Ethiopia**

Ethiopia formed a Ministry for Capacity Building in 2001, as a “super-ministry” overlooking all capacity related ministries and agencies. In 2005, a massive nationwide capacity building program (PSCAP) started after 3 years of preparation, comprising 6 reform programs including:

- Civil Service Reform,
- District-level decentralisation
- Justice System Reform
- Urban Management capacity Building
- Tax Systems Reform

- Information and Communication Technologies

The program has a cost of 300 million USD over 5 years, and is supported by Canada, the EC, Germany, Ireland, Italy, UK, the UN, IDA/World Bank and the Government of Ethiopia. It is thus a major joint support effort encompassing both a comprehensive reform and a CD agenda.

At appraisal stage, concern was expressed about the grand design, its rather top-down character and the fact that strengthening of civil society locally to hold administrations accountable was not envisaged. Its sheer size would make it difficult to manage properly from the start. After one year, a joint review found that significant but very uneven progress has been achieved. Implementing capacity – including in the Ministry of Capacity Building – had been limited, with weak communication between regions and the center causing substantial delays, and experience in the first year of PSCAP implementation indicates the need to delegate key decision making processes and authority.

It is far too early to judge how this major example of a joint approach will eventually work – how will and how should it be kept together if authority for components is decentralised; has the design been too ambitious compared to government’s implementation capacity; will it develop in a real pooled fund, or will donors pick and choose?

#### **4. Mainstreaming donor support to capacity development**

Working towards joint approaches has implications for the “mental models” of donors and partners as well as for specific actions. Donors and partners must stop seeing CD as a means to ensuring effective implementation of donor funded activities – instead adopting a country, organisational or sector perspective on CD, where the development of sustainable capacity of the national system (country systems, sector systems or organisational systems) is the objective, rather than ensuring the implementation of a project- or support programme.

##### **Integrating CD in program-based approach to support to decentralisation in Mozambique**

Combining service delivery and CD objectives, and building on the best of 10 years of previous experiences gained by government and individual donors, a joint approach to CD support is underway in support of district development in Mozambique adhering to the following principles:

- The district is the base for planning and development
- We work within existing legislation, guidelines and methodologies
- The Government has the leadership of the program
- Financing is done through national systems and processes (on budget)
- It is a process of knowledge management & continuous learning
- We want to facilitate good governance & transparency
- The CD leads to improved service delivery in the district
- “One” single planning and reporting framework
- Differentiated implementation arrangements but common objectives and methodologies
- Common resource pool to support program implementation at national level and in all

provinces

- In-kind contributions and financial contributions
- Phased shifting from project to program approach

Shall CD be mainstreamed in wider support schemes, e.g. in sector-wide approaches – or is it better served as a separate component or activity stream? Again, maintaining a country perspective it would seem odd if a national sector or thematic programme did not include capacity development objectives and targets – developing sustainable capacity to deliver services and/or regulations would normally be a central and fully integrated part of national endeavours, and donors would (or should!) normally find it hard to support if this is not the case.

Mainstreaming, however, does not mean that CD becomes invisible, nor that donor modalities in support of CD change overnight. It does imply that donor support to CD aligns to country-owned CD objectives, and if these are not available or actionable, then a joint dialogue ensuring this would be a natural priority for all parties.

## **5. Harmonise and align – is capacity development something special?**

Some already rather mature Sector Wide Approaches have initially been busy achieving “macro-alignment” to a government-owned policy framework, in getting all resources on budget and in establishing effective country –led donor coordination. Even if CD has been part of the objectives, it has not received special attention in the first years.

### **Patiently getting CD in focus in the education sector in Cambodia**

Though CD was part of the joint support to the education sector in Cambodia which took off from 1994, it counted on limited government ownership up to 1999, with donor territorialism undermining trust and confidence in the joint approach, and with capacity drainage due to the proliferation on parallel Project Implementation Units.

Since 2000, a genuine partnership has evolved, and a patient CD planning process has ensured shared understanding and a shift from a selective focus to a focus on the plan of the Ministry. The lessons learned include:

- High level leadership is critical, including sustained support from Finance
- A well-defined policy and institutional framework is vital
- An inclusive SWAp type process can help, including formal donor signing up
- Patient CD planning is essential
- CD implementation must be phased, to avoid system overload
- Harmonizing internal and external CD monitoring/accountability needs to be recognized
- Frontloaded TA for sector planning helps CD roadmap development
- Policy/strategy TA role and expected outcomes need to be defined carefully

There are thus good examples showing how programme based approaches can serve for fostering joint approaches to CD. It does raise the question whether seeking joint approaches to CD support is different from seeking alignment and harmonisation of other support?

Clearly, pursuing good practices for programme based approaches will also imply seeking joint approaches to CD support. Aligning to country demand; respecting country ownership; harmonising analytical work, design, reviews and monitoring; as well as abandoning practices which undermine country capacity, can in most cases lead to significantly enhanced effectiveness of support to capacity development.

To achieve these effects, CD needs to be an explicit objective of the programme supported, and it needs full attention in design, implementation and monitoring of the programme.

This may also explain why CD may sometimes be a “late-comer” in broader SWAps or programmes: CD implies change which may often be politically sensitive and it demands stronger ownership, leadership and commitment from the country partners to succeed than most other components. It therefore also requires stronger mutual trust between partners to table it for joint discussion, design and review. To this can be added that donors for a variety of reason have been reluctant in giving up proprietary support modalities which, though formally aiming at supporting CD, have as often served narrower concerns related to the implementation of broader support from the donor.

## **6. Joint Assessment Tools for Capacity Development – a way forward?**

Over the last couple of years, some apparently conflicting messages related to CD have been promoted: One the one hand, it has again and again be stressed that there is not one size fitting all, that capacity development must adapt to the changing context of each particular situation, and that “imported models” will not work – CD has to depart from the existing country realities.

On the other hand, considerable efforts have been invested in developing joint assessment frameworks, starting with the Public Expenditure and Financial Accountability (PEFA) instrument, followed by procurement and, possibly, Management for Development Results (MfDR).

Though these instruments do outline a minimum normative standard for what a good public financial management, procurement and MfDR system should deliver, respectively, they do not prescribe the process by which a country can or should develop its capacity to meet the standards. The tools simply permit a joint assessment – with one instrument instead of various – of the relative distance between a country situation and the minimum norm.

More time have to pass before it can be judged whether the obvious advantages of a joint assessment framework, endorsed by both donors and partner countries, will also translate into sufficiently context-sensitive CD support processes. Some areas may be subject to

more controversy than others with regard to the standards, and some areas may be politically more sensitive than others. The approaches do, in any case, represent a novel way of fostering joint approaches to capacity development.

## **7. Getting the best out of different modalities**

Joint approaches to CD support may be the ideal, implying full alignment to a country strategy and fully harmonised delivery of support on or through the budget. However, for many reasons this ideal may not be easy to achieve in the short run, and it may also have certain drawbacks compared to the present reality of a variety of approaches being pursued: Everybody marching to the same tune in the same direction may be as risky as everybody walking to their own melody in whatever direction they feel best.

How, then, can more traditional project-based approaches with donor-recruited technical assistance contribute positively to joint approaches?

### **Scaling up projectised aid towards joint approaches – SMASSE in Kenya**

Since 1998, JICA has supported the Strengthening of Mathematics and Science in Secondary Education (SMASSE) project in Kenya. After piloting in 9 districts, it reached national coverage in 2003, and has extended to take on board teachers in teacher training and vocational training institutions. Together with other single-donor projects, the SMASSE project has been flexibly incorporated in a broader SWAp for education.

Consultants working under Ministry leadership have delivered significant contributions, but sustainability has not been achieved. In the SMASSE project, which was jointly formulated and undertaken by the government and JICA, a core group of specially selected officers worked full-time with the TA for an extended period, and training has been massive through a two-tier cascade system. TA inputs were gradually reduced, and both the Ministry and JICA expects the capacity developed – systems, refresher training and continued training – to be fully sustainable, though it is observed that the role of local universities and other training institutions should be enhanced.

While there are obvious drawbacks to single-donor interventions in terms of increased transaction costs and risk of fragmentation of implementation, monitoring and accountability, single-donor projects may contribute towards joint approaches when they:

- are aligned to and part of national strategies and plans
- respects national ownership and management prerogatives
- have, from the beginning, plans for scaling up beyond local/regional interventions which may tend to create turfs or unsustainable islands of excellence.
- are designed with a view of informing national level policy processes, rather than “just” delivering services and limited CD support
- have a learning and communication approach with explicit outreach to public sector and civil society actors as well as other development partners



- draw on local institutions and resources, thinking beyond donor provided or tied resources.
- participate in sector-wide working groups and coordination processes
- adopt good practices for TA supply (responding to explicit demand, managed by national partners, measured against specific CD outputs, etc.)

In some cases, a well-designed project in support of CD may enable expedient learning and experimenting which would not be possible in grand schemes of joint efforts. However, the devil is in the details, and these details have historically been difficult to get right in project-based approaches to CD.

## **8. Unresolved issues and pending challenges**

Though lessons of joint approaches are only emerging, there are encouraging signals that it is possible to advance considerably towards more effective support to CD also respecting that donors have different preferences and mandates in relation to aid modalities.

There are, of course, unresolved issues and pending challenges:

- The prevalent incentive structures in donor agencies is driving attention to the challenges of spending scaled-up amounts of aid in manners providing both early poverty reduction results and fiduciary safeguards to donors. The slow, often low spending but staff incentive processes related to CD tend to come second.
- The LENCDC and others advocate and work for changes in the incentives so as to allow adequate attention to CD. This part of the work has to reach not only senior agency management, but also the political stakeholders and broader public in donor countries.
- Meanwhile, much can be done at the country level to foster joint approaches. A key challenge is how to deal with the many complicated political issues related to CD processes both within a country, between country and donors and between donors.
- Joint approaches to CD support bear promises, but also risks: seeking a common platform may risk getting to the lowest common denominator and avoiding rather than addressing sensitive issues. It may also lead to a strengthened voice from donors which could overstep the fine line between facilitating and fostering country ownership – and undermining and taking over ownership.
- The drive for joint approaches is supported by indicator 4 in the Paris Declaration. The target is that 50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies. There are still challenges in making this indicator more precise at country-level. It also seems important to recognise that other progress indicators are relevant for joint approaches to CD when CD objectives are part of programmatic approaches (indicator 6 on the use of parallel implementation units and indicator 9 on providing aid through programme based approaches).