

CAPACITY DEVELOPMENT IN BROAD STROKES: ACCRA AND BEYOND

(Thinking about capacity on the road to the Accra HLF)

Objective: This information note is addressed to development actors in partner and donor countries. It summarises the latest consensus about achieving sustainable capacity development and then suggests how this consensus can be practically applied consistent with the principles of aid effectiveness and the Accra Agenda for Action. The note is organised to convey (i) what we have learned leading up to Accra; (ii) how to use this learning during the Accra High Level Forum (HLF); and (iii) what actions we need to take after Accra.

1. Leading up to Accra: What have we learned?

The Paris Declaration has made partner and donor countries focus their collective attention on a more effective delivery of aid, the overall level of which has doubled since 2002. Refocusing attention on the results oriented, operational agenda of aid effectiveness has had several impacts. Among others, it has meant:

- Greater aid decision making by the partner countries around management arrangements that are increasingly collaborative.
- Greater expectations for partner country leadership and ownership of aid, with donors playing a supportive role.
- Greater realisation that creating partner country capacity to manage aid is the flip side of the principle of ownership and is key to the sustainability of most development co-operation.

What capacity development is not...

Early capacity development tended to focus on funding of inputs: technical assistance, training, scholarships. Aid experience has demonstrated that these types of technical inputs, even when completed successfully, do not always translate into sustainable capacity development.

Early thinking, perhaps largely because of the official nature of aid, led many actors to assume that aid for capacity development was intended only for government sector functions. Today's aid approach embraces the need for broader participation from society at large (e.g. parliaments, civil society, private sector) as a requisite for developing sustainable national capacity.

2006: a new international reference on capacity development...

Both donors and partner countries intuitively support the concept of capacity development, but have had difficulty in operationalising an approach to it. Confronted with a range of terms, ideas, and vocabularies on this topic, a major international effort was mounted to distil the results of experience, which produced a core document, *The Challenge of Capacity Development: Working Towards Good Practice*¹ in 2006. It importantly provided a consensual definition of capacity development: "The process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time".

¹ See www.oecd.org/dac/governance/capacity_development

“Capacity” is further defined as “The ability of people, organisations and society as a whole to manage their affairs successfully”. The document also provided a simple but comprehensive framework for thinking and action at the levels of (i) individuals, (ii) organisations and (iii) the enabling environment. It is now internationally considered a primary reference for anyone interested in using aid for capacity development.

Key messages include:

- The determinants of capacity development are not only technical but, more importantly, political and governance related. When politics, accountability and leadership arrangements are in place capacity can develop and be sustained.
- Capacity development is largely about unleashing potential and needs to address such issues as the “brain drain” and the role of diasporas.
- It has no quick fixes that work well in all circumstances -- approaches must be tailored to the specific context addressed. The operational focus should be at the country level.
- The impact of *ad hoc*, piece-meal and supply-driven approaches does not last.
- Greater attention should be paid to enhancing South-South learning as a relevant and cost-effective means of supplementing North-South learning.

2008: The Bonn Consensus – a framework for action

The 2006 guidance helped to consolidate conceptual thinking on capacity development up till then, but was mainly important as a commonly accepted international point of departure. It was followed by a wide variety of specific actions which attempted to translate its principles more operationally (*e.g.* at the level of sectors), including sometimes controversial topics like the role of technical assistance or the importance of capacity development outside of government.

In May 2008, the special workshop “Capacity Development: Accra and Beyond” reviewed the status of capacity development work since 2006. It specifically sought

- (i) to raise the profile of capacity development messages in relation to the aid effectiveness agenda for the Accra High Level Forum, and
- (ii) to reflect broadly on the approach to this topic beyond Accra, especially through the next HLF gathering in 2011.

The workshop succeeded in updating collective thinking on capacity development and helped to generate a broad based consensus which took care to reflect the perspective of the partner countries².

2. Moving forward to Accra: What messages for policy makers?

The Bonn Workshop was shaped so as to raise the visibility of capacity development in Accra. Participants included representatives from all nine Accra Round Table organising groups, from all seven regional preparatory events and included leaders from the Ghana Contact Group of partner countries, as well as the donor systems. The Workshop format was structured initially around discussions at the level of each Round Table (RT) and concluded by joining them up into a synthesis for the Accra Agenda for Action (AAA).

Messages for the AAA

² See www.oecd.org/dac/governance/capacity_development for the final Bonn Workshop report.

Bonn Workshop participants concluded with a concisely worded statement (see box) on capacity development in relation to the aid effectiveness agenda. This Bonn Consensus was subsequently shared with the various organisers of the Accra HLF and much of its content has been adapted into the current AAA draft statement. The Consensus offers clear directions on “how” partners and donors should carry out the capacity development agenda following the Accra meeting and “what” priorities they should address.

THE BONN CONSENSUS

We recognize that capacity development is critical for sustainable development and national ownership. It is primarily a developing country responsibility.

Capacity development is a fundamental change process requiring that:

- a) Developing countries commit to the capacity development of their human resources, systems and institutions at all levels, and
- b) External partners commit to strengthen their own capacity and adapt their approaches to deliver responsive support for capacity development.

Six areas of action:

- Developing countries agree to integrate capacity development as a core element of national, sector and thematic development efforts.
- Developing countries will take the lead in addressing key systemic issues that undermine capacity development, with support from external partners as required.
- To enable developing countries to exercise ownership of capacity development through technical cooperation, external partners agree to a) the joint selection and management of technical cooperation to support local priorities and b) expand the choice of technical cooperation providers to ensure access to sources of local and South-South expertise.
- Developing countries and external partners also jointly commit to enable the capacity development of civil society and the private sector to play their development roles more fully.
- In situations of fragility, notably in post conflict, external partners will provide tailored and coordinated capacity development support for core state functions earlier and for a longer period. Interim measures should be appropriately sequenced and lead to sustainable capacities and local institutions.
- Beyond Accra, developing countries and external partners jointly agree to a strengthened and consolidated international effort to expand capacity development knowledge and apply resulting good practice.

“How”? Capacity development is a fundamental change process to be implemented with partner country leadership and commitment to promote it more systematically. Donors need to strengthen their own capacity to support partner country initiatives.

“What”? At least six immediate priority areas are identified, each of which carries a “menu” of potential actions³:

- Sector or thematic action: Articulate objectives in sector/theme strategies and plans. Include in sector reviews. Allocate adequate funding. Convene stakeholder work groups around capacity development. Stengthen the role of capacity development “champions” within the sector.

³ See the Bonn Workshop report for a special “**Perspectives**” annex which provides updated professional insight on the range of potential actions in capacity development within individual priority areas.

- Key systemic factors: Use analysis to identify systemic constraints. Reform incentive systems to retain and sustain capacity. Address international labour migration policies. Promote effective participation and accountability. Agree on ways of assessing and measuring progress. Strengthen country management of aid and aid relationships.
- Ownership of CD support: Better deploy existing capacity assets. Establish professional standards for CD support. Establish accountability mechanisms for Technical Co-operation. Ensure optimally open choices for suppliers of CD services, including through South-South co-operation.
- Strengthen civil society and private sector roles: Recognise civil society and the private sector roles in capacity development. Agree on mechanisms to support capacities of Civil Society Organisations. Support country and regional service providers and think tanks.
- Situations of fragility: Safeguard existing capacity. Engage quickly to support capacity development. Sustain support when immediate crisis has subsided. Establish temporary mechanisms for co-ordination and accountability of capacity development. Invest in local knowledge acquisition. Integrate refugees and displaced people. Involve the diaspora.
- Identify and apply good practice: Form alliances of champions at country level to influence priorities and practice. Broaden and deepen CD knowledge and improve access to it. Upgrade the capacity of donors and their agents to engage on capacity development.

Participants in Bonn agreed to work to raise the profile of these messages so that they can become important commitments of the AAA. They can then provide a coherent framework for immediate action on capacity development priorities upon completion of the HLF in September.

Messages for Accra Round Tables

Bonn capacity development messages for consideration by individual Round Tables are noted in the annex for reference. Key messages cutting across all Round Tables are:

- Country action must go beyond the central government alone. Non-governmental actors should be consulted about national capacity development plans and agendas, and many (*e.g.* parliament, private sector, civil society and local government organisations) should be included as recipients of capacity support.
- Local political vision and consensus on how to improve systems are the starting point.
- Realistic needs assessment is important; capacity planning should be flexible over the medium and long term and should focus on the benefits (results) to be derived.
- South-South cooperation and learning constitute a strong option for much capacity development.

3. Beyond Accra: What next to sustain the momentum?

The case for and visibility of capacity development as a central focus for future aid effectiveness have been considerably advanced in the last months of focussed thinking on the topic. Capacity development is seen as a fundamental requisite of aid effectiveness and, in the longer term, is at the heart of all actions supporting sustainable national development. The Bonn Consensus is a convenient framework from which priority action can be built following Accra.

Towards 2011: A medium term vision

Although capacity development is a concept that ultimately goes beyond the work of development cooperation alone, the current focus on aid effectiveness can be used as the operational framework, together with the six areas of the Bonn Consensus, for coordinated action through the period leading into

the next High Level Forum, scheduled for 2011. That meeting will examine the joint progress made against the Paris Declaration and more specifically the recommendations for improved aid effectiveness agreed in Accra, including those relating to capacity development.

Specific approaches and actions for capacity development building on the Bonn Consensus have yet to be agreed upon, but the dynamics of thinking coming out of Bonn and early brainstorming of how to structure capacity development action already suggest some organising principles:

- Substantive **partner country leadership** is needed for an administratively light, jointly managed partnership to strategically steer implementation of the capacity development commitments of Accra over the 2008-2011 timeframe.
- Operational responsibility can be attributed pragmatically to a leading partner country or donor “champion” at the **regional level** (e.g. Africa; Asia; Middle East/North Africa). This geographic team would have responsibility for bringing together existing and future actors engaged in relevant capacity development implementation over the 2008-2011 timeframe, generally at the **country level and below**.
- Numerous institutions in this area already have a specialised focus on capacity development: African Capacity Development Foundation, UNDP, ADB, Africa Region of the World Bank, among others. Technical networks and other specialised capacity groups from the South and North, including the network LenCD, also can contribute to **supporting Southern networks**, providing **independent technical perspectives** or **disseminating learning results**. Of special note, the Train4Dev training/learning approach to capacity development immediately could be mobilised at the country level.
- A periodic (annual?) meeting of all actors should be used to **review progress in each action area**, to adjust subsequent action and ultimately to broadcast its results.

By 2011, implementation of the Accra commitments to capacity development could be advanced considerably. Indeed, different parts of all currently identified capacity development priorities are ALREADY underway. In the first instance, the proposed partnership would focus mainly on bringing together and coordinating existing actions to create greater synergy and common learning.

Illustrative results of this partnership by 2011 could include:

- more common donor and partner country policy and behaviour around a commonly agreed definition and vision for aid-supported capacity development;
- operational learning and good practice distilled from ongoing efforts to implement capacity development principles at the sector or theme level;
- common understanding of, and efforts made to redress, the systemic issues that undermine capacity development;
- greater partner country ownership of technical cooperation and South-South arrangements, with donor support;
- good practice guidelines in place and greater enablement demonstrated in capacity roles played by civil society and the private sector;
- in situations of fragility, increasingly tailored and coordinated support by donors for core state functions earlier and for a longer period;
- through joint partner country-donor efforts, expansion of capacity development knowledge and new mechanisms to encourage the application of resulting good practice.

By 2011, the importance of capacity development for overall development cooperation should be better and more widely and operationally recognised, making capacity development an essential strategic framework for all bilateral and multilateral aid.

The vision beyond 2011....

Most agree that the objective of all development cooperation ultimately is to help “capacitate” recipients of aid so that they no longer need development cooperation as we know it today. There have been many notable examples of countries graduating from aid dependency, some of whom have joined the ranks of today’s emerging donors. Getting to that point may be just around the corner for some, but is likely to take longer for the less well endowed states or those traversing situations of conflict or fragile governance.

As with past work on capacity development, including the 2008 update in Bonn, future work needs to be informed by a common sense of longer term vision and approach. Partner countries, supported by donors, will want to provide a more specific update of that vision in 2011, accompanied by a clearer understanding of the kind of future action necessary to attain it.

Capacity development messages at the Round Table level

Round Table 1 “Ownership”

Capacity is needed to develop a country’s own agenda and the change process to get there. It is important to identify and empower the leaders and change-agents for this process, then support them. Capacity development is the flip side of ownership – to flourish they must take place simultaneously. Because capacity development is context specific, ownership of its strategies should favour local providers and longer term learning through local, regional and international networks of key actors.

Round Table 2 “Alignment”

Institutional capacity is essential in creating the conditions for alignment with country systems and strategies. Use of country systems (e.g. public financial management, procurement) by donors has lagged because of concerns about local capacity – however, deliberate donor use of country systems may be the key to their capacity development. Funding mechanisms (including vertical funds) should be aligned to capacity development plans. Current work on national procurement systems illustrates the central need of capacity for operational success.

Round Table 3 “Harmonisation”

Harmonisation of donors must be built around country systems and national strategies, for which targeted capacity support can be critical. Capacity is needed to track and report aid flows. Donors should modify their own policies and systems to deal with partner country capacity issues. Joint work on capacity development is most interesting at the sector or theme level; joint evaluations of capacity development efforts should be the norm. Donor technical cooperation (and training) should be led by partner country processes and strategy and should be imbedded within an organisational change process.

Round Table 4 “Managing for development results”

Developing a “performance culture” capacity requires a long term effort, on the part of donors and partner countries alike. Priority use of country systems for aid will promote results oriented capacity development at all levels of the policy-results chain. Any effort to develop public sector capacity to manage for results must start with an assessment of existing capacity, and should be built upon it. Strengthen national statistical capacity as part of results management.

Round Table 5 “Mutual Accountability”

Local capacity must be developed in order to define mutual accountability within country led processes and requires capacities in monitoring, evaluation and statistics. Domestic accountability also requires capacities in parliament, civil society and the private sector. For mutual accountability between partner countries and donors, capacity is needed on both sides to deliver information on planned inputs and on the use of funds. Partners are encouraged to professionalise capacity development (standards, improved feedback, peer reviews), to seek greater participation and transparency (local knowledge, consultation with stakeholders, better dialogue) and to use evidence based, independent monitoring (quality control, ombudsmen).

Round Table 6 “Civil society”

Actors outside formal government structures, such as civil society organisations and the private sector, are critical to the balanced and long term development of national capacity. To function in this manner, they will require government recognition (legal framework, funding, skills) to carry it out. The private sector is the basis of sustainable development and capacity over the long term and is the largest source of national employment and training.

Round Table 7 “Fragility and conflict”

There is a need to think about transition from emergency interventions to long term capacity development and to ensure that different interventions do not undermine each other. Depending on the context, the primary need in these situations may be to re-establish core state functions, requiring early analysis and flexible responses. Early warning systems are important in both pre- and post-conflict situations, and call for building of capacity in dialogue and diagnosis. Assessments of fragility should be jointly conducted and include capacity development targets as part of the interim set of indicators. Capacity can be greatly assisted by bringing back the national diaspora and refugees. Where critical service gaps exist, they can be outsourced temporarily (with clear exit strategies) if structured to support national capacity development.

Round Table 8 “Sector Applications”

There is a strong practical rationale for systematically integrating capacity development into sector strategies, plans and assessments. Capacity actions should address all levels; include actors from central/local government, civil society and the private sector when reviewing capacity needs (skills, organisation, policy). Donors should support partner country leadership in assessing capacity development needs at the sector level.

Round Table 9 “Aid Architecture”

Given their more recent national experience in addressing capacity development, emerging donors may have a comparative advantage in capacity development efforts. Emerging donors need to be part of the political dialogue around development cooperation, effective aid delivery and approaches to capacity development.