

## **Capacity Development in Harmonization: Some notes by T.A. Choesni**

One of the five pillars of the Paris Declaration is harmonization, i.e., donors' actions are more harmonized, transparent and collectively effective. In Indonesia donor harmonization is very much of the aid effectiveness agenda, with regular meetings bringing the Government and donors together to share information and coordinate the implementation of current and forthcoming programmes. Preliminary data for 2007 shows that 48% of aid to Indonesia is Programme-Based Approach (PBAs), including budget supports. The Government commits to increase this type of approach by utilizing the multi-donor trust fund approach in which the Government exercising greater leadership.

In 2007, only 19% of donor missions are conducted jointly. It is much smaller than the 40% target in 2010. However by, for example, doing a better job of sharing—among donors and with Government—the increasing proportion of joint donor mission is expected to be achieved. Meanwhile, the proportion of country analytic work in Indonesia is quite high.

These mixed performance measures of the harmonization still implies the need to a better and systemic approach of capacity development. In country level, including Indonesia, the capacity development is needed both donors as well as Indonesia. The “communication” issue between the donor's central office and operational offices implies the need is still there. With population of over 225 million and around 490 local governments, the need of capacity development in Indonesia is more apparent.

The capacity development involves two ‘targets’, both human resources as well as the institutional development. In the context of partner or developing countries, the latter target is as important. CD must also be in line with the partner country's development strategies, which is typically in their development planning document.

As it involves both the donors and the partner country, technical cooperation can be used in capacity development. However, what is needed is not ‘donor-led’ technical cooperation. The ‘partner-country led’ technical cooperation will be more needed. In addition, partnership (between donor and partner country) is an important factor in the capacity development in harmonization.

An indirect approach of the capacity development is having projects with more comprehensive approach. PBAs and sector-wide approaches (SWAs) will enable the capacity development benefiting both the partner country as well as donor community. Indonesia commits to increase the number of its PBAs and SWAs, including in health, education, decentralization, community empowerment and climate change. Not only the partner country can exercise its leadership, but also partnership and communication between the government and donors, as well as among donors can be nurtured—hence further developed.