

Presentation at Bonn Workshop

Capacity Development and Sector experiences of the Paris declaration
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Why have capacity development initiatives in sector programmes not been successful so far?

In the hurry to achieve development results (such as the MDGs) e.g. through sector programmes, issues related to capacity development and public sector reform at sector and decentralised levels (broader than merely PFM and procurement) have not been given adequate attention. Only once the actors involved have started realising that the ambition of the sector plans is not realistic in relation to the installed capacity at different levels (individual, organisational, institutional etc), has this issue become more highlighted. Instead of assisting countries in developing their public administration, donors have been too busy discussing things like financing mechanisms and control of their funds. The realism of very ambitious sector plans has rarely been questioned, not even in situations where a substantial part of funding, dialogue and development interventions have continued to take place outside agreed common frameworks, and thereby continued undermining capacity of the ministry in question. Technical assistance from many donors has continued as stand-alone activities separate from the commonly agreed planning, budget and results framework.

Capacity development initiatives at sector level have rarely been underpinned by a country-owned capacity analysis reflecting the real problems and priorities. CD initiatives have failed to take into consideration political and incentive-related issues, and often sought technical solutions to political or power-related problems. Further, they have been supply- rather than demand driven, not been clear enough in the objectives and results to be achieved (not just short term but also longer term sustainable development results). As sector programmes and more harmonised and aligned financing mechanisms have emerged, where donors have less direct access to Government officials, TA/TC offices and staff have often been seen as a “last control resort” by donors. In spite of enormous wealth of in-country knowledge and competence, PIUs (or similar) and consultants are still perceived as more of experts on the sector’s business, than the sector’s own civil servants.

In the current development landscape, there are essentially two ways for development partners to contribute to capacity development in sectors in partner countries:

1) By “staying away”, i.e. not interfering/undermining by installing parallel structures and procedures, but rather aligning to Government and other actors’ priorities, procedures etc. There are several examples of where development partners could help strengthen partner country capacity simply by leaving a sector.

2) By supporting initiatives aiming at capacity development (competence dev., institutional dev. etc). It is hard to be credible as a development partner if you’re only into direct support, but by the way you do business continue to undermine capacity in the sector. Sometimes less is more. Development partners should start their support to capacity development by unleashing the existing capacity (which is often hindered by DPs behaviour), and then additionally actively support CD initiatives in the sector.

1) What priority measures/initiatives for the coming years can help to make capacity development efforts more effective?

- Treat capacity development as a central and integrated part of sector programmes and sector application of the PD – not as add on or stand alone. It’s the same people in the sector that need to be involved. CD and reform initiatives should be part of the joint plans, budgets and results frameworks (although not rigidly). Capacity assessment should be partner country-led and part of the sector planning process, and assessments should not merely identify “gaps” but also recognise and build on the existing capacity.

- Address the incentives and brain drain-related issues, and focus increasingly on the forgotten civil service reform area. This concerns both PIUs or equivalent, donor staffing, and brain drain of doctors and nurses to donor countries. Allow for civil service reform to be considered as an important part of reform alongside PFM.
- Ensure demand- and needs driven mechanisms for technical cooperation, which prioritise local and regional solutions, and ensures the TA/TC staff has adequate context and sector competence
- Develop specific good practice principles or equivalent for TA/TC which take their starting point in the sector programmes (defining results to be achieved, who is in charge, who is accountable to whom etc). And introduce mutual accountability mechanisms which include TA/TC, and facilitates quality assurance and adequate incentive structures for TA/TC in relation to the results to be achieved.

2. **Why** are these measures/initiatives promising?

They emphasise ownership and leadership, more equal terms for the TA/TC cooperation, coherence and realism of interventions (including the regular plans), and allow for the real capacity issues to be addressed. There is substantial evidence of how we should be working, which needs to be translated into very specific normative guidance. The current Paris declaration is not enough to make this happen.

One risk may include a shift from one reform area to another (from PFM to CSR), rather than a coherent and prioritised approach to overall Public Sector Reform. Other risks include political commitment to prioritise the long-term achievement sustainable results on both sides (rather than short-term results), and the difficulties of entering into the “political economy of aid consultancy” and the related incentives systems (again on both sides).

3. **How could** they be approached in the coming years?

- Use the Accra process as the starting point for a partner country-led process of defining very clear good practice principles for TA/TC (which can be used for quality assurance of TA/TC), linked to overall plan, budget and results framework.
- Give donors an assignment to work on getting the incentives right regarding TA/TC, and to ensure the long-term commitment required to assist sustainable capacity development (longer term agreements, type of involvement at sector level etc).
- Initiate work at country level for partner-country led analysis and assessment of capacity, and allow for setting realistic and sustainable targets for capacity and systems development.

4. What are the **recommendations** for shaping the Accra Agenda for Action?

- Include CD/reform aspects in plans, budgets and results frameworks
- Commitment on the donor side to make provision of TA/TC demand- and needs driven, and favouring south-south cooperation
- Refer also to civil service system and reform – and the conditions governing this area - not just PFM and procurement. One part can often not advance without the other.
- Address the brain-drain issue, by proposing that development partners and partner countries adopt policies both at home and in-country which are conducive to staffing and professional development in the sectors.