

## **Capacity development: Accra and beyond”**

Bonn workshop - 15-16 May 2008

Session I: Alignment Breakout Session

### *Capacity Development: Creating the Conditions for Alignment*

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Thank you Mr. Chairman,

Before I go to the substance of my presentation, I would like to briefly introduce the Strategic Partnership with Africa (SPA), the group I represent at this workshop.

The SPA was established in 1987 as a donors-only forum to mobilize quick-disbursing financial support to low income African countries undergoing reform. Over the years, the SPA has evolved into a true partnership with membership now including representatives from Africa. The focus of its work has also shifted from aid quantity to the quality and effectiveness of aid for development. The SPA technical level work, carried out by three working groups, is focused on budget support, sector support, and capacity for effective aid management. The SPA has a rich pool of evidence based studies, some of which have been shared as input to the HLF process.

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I would like to structure my remarks on alignment as follows:-

- First, make the link between alignment, capacity and country ownership; and argue that there can be no ownership without alignment;
- Second, highlight country systems as deserving special attention for the alignment agenda; and
- End by tabling two propositions on alignment to catalyze progress on all the five pillars of the partnership commitments under the Paris Declaration.

I will try to keep in mind the “what”, “why”, and “how” questions we have been given for this workshop.

## Background

- Alignment - along with the capacity considerations associated with its various dimensions - is emerging as one of the priority partner country concerns in the regional consultations on the HLF.
- Addressing the capacity development challenges associated with alignment could potentially unleash much needed progress on all the partnership commitments under the Paris agenda.
- National capacity, including skills, institutions, systems and processes to articulate development priorities and to manage aid for development results within the broader context of public resource management, is the bedrock for country ownership.
- Ultimately, it is national capacity that:
  - Provides confidence, credibility and fiduciary assurance in state institutions and systems, not only in the eyes of donors but in the eyes of national stakeholders as well;
  - Gives meaning to the principles of national ownership; and
  - Creates the conditions for alignment.
- The central issues then have to do with
  - How to create the conditions and incentives for alignment, and
  - On what dimension of the alignment challenge to focus.
- The preliminary results of the 2008 survey shed light on these issues. The 2008 survey findings suggest uneven performance across the key alignment dimensions. Progress is more visible on alignment of aid flows with national priorities, and less on using and building country systems, reducing PIUs and coordinating support to strengthen capacity. There is also little reported evidence of significant changes in aid predictability and untying. These findings compel us to give priority attention to use of country systems (strategies, results frameworks, financial, implementation) in order to advance the alignment agenda.

- Use of country systems was also highlighted as one of the priority issues during the African regional consultation on the HLF in Kigali 2 weeks ago.

## **What**

Proposition One: Partner countries and their development partners to launch a more robust capacity development (CD) partnership response to alignment challenge under the Paris agenda. This response should focus on country systems and must include monitorable and time-bound benchmarks to track implementation progress, particularly as we look to the Fourth HLF in 2011.

Proposition Two: Development partners to deliver all in-country development partner activities in support of government through national systems unless there are compelling reasons to the contrary. Where it is not possible to do so, (i) ensure that the use of any alternative mechanism or additional safeguards is time-bound, (ii) design the time bound mechanisms in ways which support and develop rather than undermine national systems, and (iii) couple the use of the time-bound alternative mechanisms with a joint country and partner effort to address the systemic weaknesses associated with the related national system. We floated a similar proposition at an SPA meeting in 2001(?). I believe the time is ripe to reactive this proposition by the SPA.

## **Why**

- Creating the conditions for alignment through a more robust capacity development (CD) partnership response focused on strengthening country systems is critical to a country-led and owned development effectiveness agenda. It is also essential for the required shift to more equal partnerships in the context of the Paris Declaration

## **How**

- There is a growing pool of evidence-based work (including SPA country-specific work) on the CD-related challenges associated with budget support,

sector budget support, vertical funds, and results-based aid management can serve as a useful platform to jump start such a robust CD partnership response to alignment.

- Implementation of a robust CD partnership response focused on country systems must:
  - Be country-led, championed by government through high level political support, and supported through medium-term partnership commitments by all internal stakeholders and external development partners;
  - Deploy innovative south-south arrangements;
  - Build on what we know has worked across the developing regions in terms of country ownership, leadership, and the conditions/incentives for alignment; and
  - Include monitorable benchmarks to track progress, particularly to HLF 4.