CAPACITY DEVELOPMENT: WORKING TOWARDS GOOD PRACTICE
Why Focus on Capacity Development?

The 2005 Paris Declaration on Aid Effectiveness calls for capacity development to be an explicit objective of national development & poverty reduction strategies.

The UN Millennium Project and the Commission for Africa challenges the world to treat capacity development with greater urgency.

The New Partnership for Africa’s Development (NEPAD) identified capacity constraints as a major obstacle to sustainable development.

Capacity Development: One of the most important elements of aid effectiveness.

Without sufficient capacity, development efforts will not succeed.
Importance of Capacity Development

Two connected observations

Country capacity is the key to Development Performance

Country Ownership is the cornerstone of aid & development effectiveness
Basic Understandings

• **Capacity** – the ability of people, organizations and society as a whole to manage their affairs successfully

• **Generic capacities** – the ability to plan & manage organizational changes & service improvements

• **Specific capacities** – for e.g., public financial management or trade negotiations
Capacity Development

• The process whereby people, organizations & society as a whole unleash, strengthens, creates, adapts & maintain capacity over time

• Not the same as capacity “building” which suggests a process starting with a plain surface and involving the step-by-step erection of a new structure, based on preconceived designed
Level of Analysis

Individual level
(experience, knowledge & technical skills)

Organizational level
(systems, procedures & rules)

Enabling environment
(institutional framework, power structure & influence)

Systemic factors, i.e., relationships between the enabling environment, organizations and individuals

Influences by means of incentives it creates

Successful capacity development requires not only skills & organizational procedures, but also incentives & good governance
Summary of lessons learned

• Capacity development involves three levels - individuals, organizational and enabling environment – which are interdependent
• Capacity development goes well beyond Technical Cooperation and training approaches
• Incentives generated by organizations & the overall environment is critical for using skilled personnel
• Capacity development is necessarily an endogenous process of change
• Focusing on capacity building of organizations make success more likely
One of the most important element of the new consensus

- Capacity Development is primarily the responsibility of partner countries with donors playing a supportive role
DAC 1994 CDE Guidelines

Move beyond the “project-centered approach” and emphasize:

• “Programmatic approaches which would embed projects into country-driven CDE approaches”

• “Broadening financial Mechanisms of donor support to include more flexibility, longer-term financial commitments, programmatic approaches to funding”

• Programme funding that necessarily involves fewer clear cut outputs and less easily monitorable quantifiable targets

• Greater adaptability to local conditions, allowing for high levels of delegation and decentralisation to the local level

• Longer and more flexible time horizon to accommodate the process-oriented character of CDE

• Devising new indicators and evaluation criterial to reflect quantitative, qualitative and process elements of CDE.
The Paris Declaration on Aid Effectiveness

The Paris Declaration (March 2005) commits donors to:

- Strengthen partner countries’ national strategies
- Align with partners’ priorities
- Harmonise procedures to deliver aid
A shift towards programmatic aid modalities

- Direct Budget Support
- Sector-wide Support
  (Work through countries’ Own systems)