



# **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

**Country  
capacity  
is the key  
to  
Development  
Performance**

***Two  
connected observations***

**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



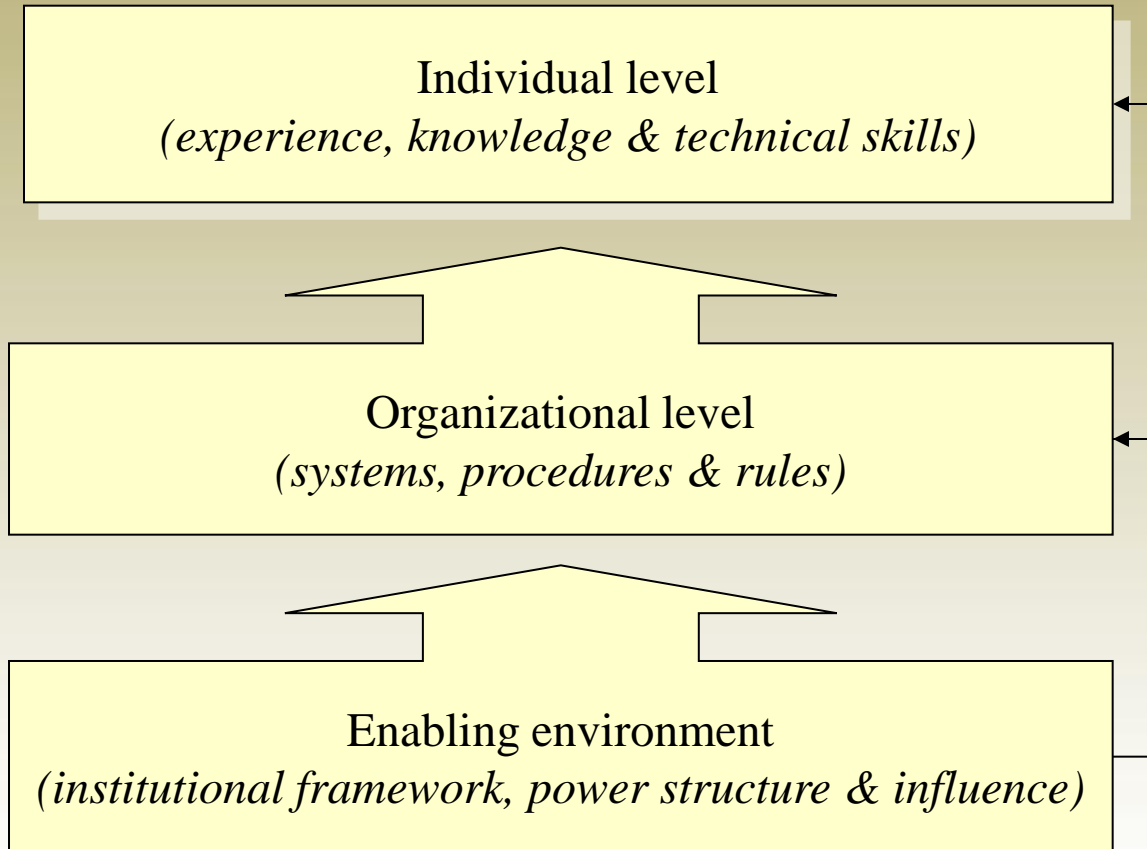
# Capacity Development

- 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



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

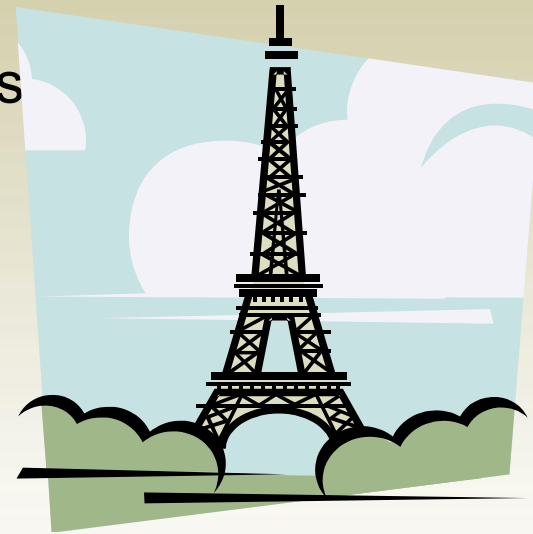
- *“Programmatic approaches which would embed projects into country-driven CDE approaches”*
- *“Broadening financial Mechanisms of donor support to include more flexibility, longer-term financial commitments, programmatic approaches to funding”*
- *Programme funding that necessarily involves fewer clear 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 elemetns 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

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■ **Direct Budget Support**

■ **Sector-wide Support**  
**(Work through countries'**  
**Own systems)**