

Building capacity: how can it be done?

'Capacity building' has become one of the most popular phrases in the development sector. Governments, non-state actors and donors all tend to invoke capacity problems to explain why policies fail to deliver, or why aid is not generating sustainable impacts. Reports of conferences on every possible subject generally include a host of capacity building recommendations in their conclusions. Capacity issues are omnipresent in national development plans, poverty reduction strategy papers (PRSPs), and in all sorts of donor policy documents. The Cotonou Agreement also contains provisions related to building the capacity of both public sector and non-state actors.

The practice of capacity building

This renewed interest in capacity building is long overdue. The concept may be loosely defined, and it is often used indiscriminately, but the underlying message is clear: development can not be achieved by throwing money, projects and external know-how at problems. It is the product of each country's historical and cultural circumstances and involves a fundamental societal transformation process. Hence it is vitally important to enhance the ability of countries, local institutions and people to manage development on their own in a smooth, efficient and sustainable way. In this context, the challenge of capacity building lies not just in training people or strengthening organisations. It also

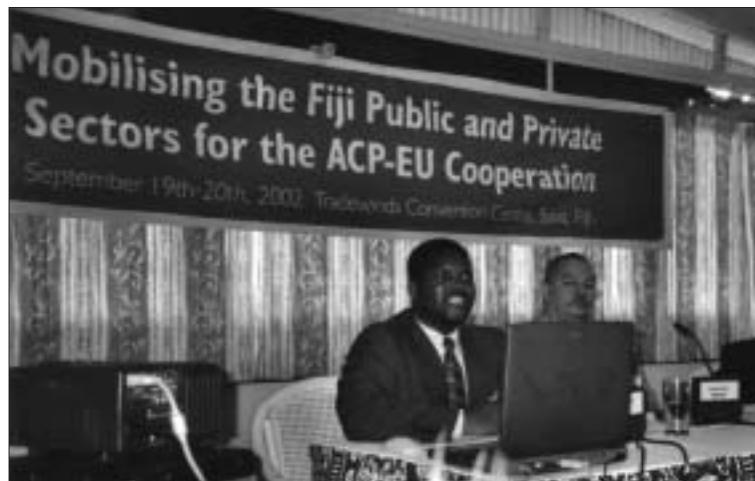


Photo: Geert Laporte, ECDPM
Seminar for Public and Private Sectors in Fiji

has to deal with complex, rather intangible things such as norms, values, political culture, social capital and incentives for change.

This may sound quite exciting, yet the practice of capacity building so far leaves much to be desired. Responsibility for this is to be shared among donors and partner countries alike. Many factors help to explain the limited track record, including inappropriate aid modalities (e.g. the project approach), substitution technical assistance, and poor governance conditions in many developing countries, leading to the inefficient use of available capacities. Capacity building programmes are often too narrowly designed, and there is a lack of knowledge and skills to support more sophisticated capacity building strategies.

Long-term strategies

What can be expected from the Cotonou Agreement in this respect? In many ways, it provides a promising framework for a more systematic approach to capacity building. In particular, it emphasises the importance of supporting national/sectoral policies and providing budget support. Another positive feature is the explicit commitment to invest money in the development of capable states, active civil societies and a socially responsible private sector. The challenge now is to translate these intentions into country-specific, comprehensive, long-term capacity development strategies; to test innovative approaches; and to evaluate on a systematic basis the impacts achieved with capacity building programmes. But who will take the lead in transforming the rhetoric on capacity building into effective action?

Promoting good governance

During the negotiation of the Cotonou Agreement one of the fiercest battles centred on good governance. The EU (the European Community and the 15 Member States) was keen to add governance to the list of 'essential elements' underpinning the partnership with ACP countries. The ACP countries resisted this idea, arguing that the notion of governance lacked a solid conceptual and operational framework, and that there was a risk of its discretionary application by the EU. A compromise was finally reached, however, and governance was included as a 'fundamental element' of ACP-EU cooperation. Thus, in the hierarchy of core values of the partnership, governance was accorded a lower status than human rights, democracy and the rule of law, so that ACP countries need not fear the suspension of aid if the principle of good governance was seen to be violated (with the exception of serious cases of corruption).

So how has governance fared in the practice of ACP-EU cooperation? How much weight is given to it in the Country and Regional Strategy Papers and in the allocation of resources from the 9th EDF? What lessons are emerging from the governance programmes being implemented in ACP countries?

Cornerstone

The first trend is the growing prominence of 'good governance' in the official EU discourse. Governance is increasingly proclaimed as the cornerstone of an effective fight against poverty as well as a precondition for accountability in the use of (EC) aid resources. The changing modalities of aid delivery, particularly the shift towards budget support, provide another incentive. As other donors, the EU is unlikely to grant or maintain this type of aid to a given ACP country if the necessary governance conditions are not in place.

The second trend that can be observed stands in stark contrast with the first: while good governance features high on the EU's policy agenda, it is rarely given priority in most national and regional indicative programmes. The Country Strategy Papers

often refer to the critical challenge of improving governance, yet this concern is often relegated to a secondary position in the indicative programmes. Governance is not often defined as a key objective of cooperation, nor is it coherently translated into concrete programmes. Partly because of the nature of governance programmes, it attracts dramatically fewer resources than the traditional 'big spenders' such as transport or macroeconomic support. It is also seldom consistently seen as a cross-cutting issue in all sectors of cooperation. Only

Policy (November 2000), 'institutional capacity building, particularly in the area of good governance' is one of six priority areas in which the EC believes it has a comparative advantage for providing support. Yet most EC officials working on the ground in ACP countries would probably agree that the EC still lacks a sufficiently strong knowledge base and a well-tested box of tools to intervene effectively in the highly sensitive and complex arena of governance reforms.

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limited efforts are sometimes made to promote good governance in countries affected by conflict or with major governance constraints, including widespread corruption. This state of affairs has led some at the higher levels of the European Commission to ask: 'are we doing the right thing in ACP countries? Should we not be investing more in promoting a culture of good governance at local, national, regional and global levels?'

Gap

Part of the gap between discourse and practice can be explained by the novelty of governance as an area of cooperation. According to the statement on the European Community's Development

Main lesson

The Commission is currently preparing a Communication on this issue. Within the EuropeAid Co-operation Office (AidCo), a thematic working group on governance is compiling a manual that will bring together insights and good practices from all developing regions. The main lesson that is emerging from EC support in the past is straightforward: good governance can only be effectively promoted from within, on the basis of 'home-grown' agendas for reform, over a long period of time. Since the Cotonou Agreement is also based on the principle of ownership of development processes, it could provide a useful framework for effective partnerships in promoting good governance as well.

Any sweetener for the ACP sugar industry?

Under the terms of the 1975 sugar protocol, ACP countries can export an agreed quantity of sugar to the EU at a guaranteed price several times higher than the world market price, for an indefinite period of time. For several ACP countries, sugar exports to the EU represent a major source of income.

Despite assurances to ACP countries, Australia, Brazil and Thailand have requested the World Trade Organization (WTO) to examine the EU's preferential sugar regime. In particular, they are challenging the various subsidies that the EU provides to sugar producers, on the ground that they cause disloyal competition.

The ACP sugar-producing countries see this move by the 'big players' as a major blow to what is a vital sector of the economies of many small and vulnerable states, often single commodity producers/exporters. They fail to see how such an approach can be reconciled with a commitment to the 'Doha development agenda', which seeks to minimise the impacts of trade liberalisation on the world's weakest economies.

On 21-24 July the ministers of ACP sugar-producing countries met in Fiji to coordinate their response to the challenges facing the ACP sugar sector. The ministers adopted the 'Yanuca Island Action Plan', which def-

ines a series of targets to be achieved in several areas, including in relation to the EU's sugar regime, the EPA negotiations, the WTO agricultural negotiations and intra-ACP cooperation. The ministers also discussed several matters internal to the ACP group, in particular the sharing mechanism among ACP sugar producers.

Serious restructuring

The general spirit of the meeting was combative. However, faced with the very real possibility of a reduction in the EU sugar price, and increased competition from other major producers, the ACP sugar industry will need serious restructuring in order to survive.

Linking culture and development

In June 2003, ACP Ministers of Culture met in Dakar, Senegal, to discuss ways to promote ACP cultures and cultural industries. The desire to integrate culture as a full-fledged dimension of ACP-EU cooperation is not new. So far, however, many have tended to regard cultural cooperation as a 'soft issue', if not something close to a luxury, compared with 'big issues' such as trade, political cooperation and debt relief. This may help to explain why promoting culture is not a priority in most national and regional indicative programmes.

Wrongly so, according to the Dakar Declaration issued at the end of the meeting. The ministers made a strong plea to ensure that culture is regarded as a fundamental building block of development. In their view, it plays a key role in identity formation, social cohesion and stability, and can therefore contribute to sustainable development and the maintenance of peace and security. Cultural industries could also play a significant role in economic development, and in the fight against poverty. The ministers formulated an ambitious agenda for action in three key areas: (1) formu-

lating an ACP cultural policy (at national and regional levels) in consultation with non-state actors working in the sector; (2) encouraging investment in building the capacity of ACP cultural practitioners; and (3) promoting regional cooperation through culture, by creating net-

works based on existing programmes of support such as the EC-funded 'Support Programmes for Cultural Initiatives'.

For the full text of the Dakar Declaration, visit www.acpsec.org/gb/council/decdakareng.htm

Further news on the User's Guide for non-state actors

As announced in the June 2003 issue of InfoCotonou, the ACP Secretariat has initiated the production of a 'User's Guide' to the Cotonou Agreement for non-state actors from all walks of life across the ACP countries.

As part of the process of compiling the guide, consultations with potential users were recently organised in six ACP countries - the Democratic Republic of Congo, Fiji, Jamaica, Malawi, Mali and Kenya. The participants offered many useful suggestions that are being used to help shape the content and style of the guide.

Country visits

The country visits also provided an opportunity to gauge the extent of non-state actor participation in these very different settings. A number of common features were observed.

First, in most of the countries, the involvement of non-state actors is still very limited. While

some promising first steps have been taken (e.g. information sessions, mapping studies), a basic strategy for ensuring their effective involvement remains to be defined.

Second, there is no shortage of opportunities for non-state actors to participate in formulating the Country Strategy Papers, nor is there a lack of interest.

Third, capacity constraints will probably constitute the most important bottleneck to the participation of non-state actors, although this is also a problem for ACP governments and for EC Delegations. Finally, despite past efforts, non-state actors still lack adequate information about the Cotonou Agreement, and the opportunities it provides for them to participate in its implementation.

The guide will be produced by October 2003 and broadly disseminated throughout the ACP countries.

EVENTS

8 May: Technical Preparatory Meeting for the 7th Meeting of ACP National Authorising Officers (NAOs) and Regional Authorising Officers (RAOs).

The discussions at this meeting focused on EDF implementation and ways to speed up disbursements, preparations for the mid-term review and capacity building for NAOs. The investment facility and the role of non-state actors in the implementation of EDF resources were also discussed. Several documents are available at www.ecdpm.org

10-12 July: Second Annual Summit of the African Union, Maputo, Mozambique

The Presidency of the AU passed from South Africa to Mozambique. The newly elected AU Commission will be chaired by Mr Alpha Oumar Konaré, former President of Mali. www.au2003.gov.mz/

July-September: Seminars to promote PROINVEST in six target ACP regions

PROINVEST is an ACP-EU partnership programme undertaken by the European Commission to promote investment and technology transfer in ACP countries. The programme will be managed by the Centre for the Development of Enterprise (CDE). Seminars to promote PRO INVEST will be organised in the six target ACP regions - Central Africa, East Africa, West Africa, Indian Ocean, the Caribbean and the Pacific. For further information, please contact Sid Boubeker, Sector Coordinator (e-mail: sbu@proinvest-eu.org). www.proinvest-eu.org

24 September: 8th Negotiations on EPAs at Ambassadorial level

This meeting aimed to prepare the special ACP council meeting and the ACP-EU Ministerial session (due to follow later in that week). Discussions will focus on a joint approach for the transition from Phase I to

Phase II, an all-ACP mechanism for effective coordination, follow-up and information exchange and on developing negotiating mandates and structures.

End September - early October

- 10th meeting of the ACP Ministerial Trade Committee
- 5th meeting of the ACP-EU Joint Ministerial Committee
- 2nd ACP-EU Ministerial session on the negotiation of EPAs

11-15 October: 6th Session of the ACP-EU Joint Parliamentary Assembly, Rome, Italy

The ACP-EU Joint Parliamentary Assembly and its Standing Committee on Economic Development, Finance and Trade will meet in Rome from 11-15 October to consider the state of play of EPAs.

How to make EPAs WTO compatible?

Reforming the rules on regional trade agreements. Bonapas Onguglo and Taisuke Ito, ECDPM Discussion Paper No. 40, July 2003. www.ecdpm.org

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Capacity Building for Demand-led Research: Issues and Priorities.

K.N. Nair and V. Menon. ECDPM Discussion Paper No. 45, November 2002. ECDPM Policy Management Brief 14, December 2002. www.ecdpm.org

The New Organization of the Council of the European Union: Setback or Opportunity for EU Development Cooperation? Anne Simon, ECDPM Discussion Paper No. 46, April 2003. www.ecdpm.org

READINGS

European Parliament Report and Resolution on Capacity-Building in the Developing Countries.

www.europarl.eu.int/home/default_en.htm?redirected=1

European Parliament Resolution and Report on Poverty Reduction in Developing Countries.

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EU External Aid Financial Trends 1989-2002, EuropAid Co-operation Office, April 2003.

www.europa.eu.int/comm/europaaid/reports/index_en.htm

Results-oriented Public Expenditure

Management: Will it Reduce Poverty Faster?, John Roberts, ODI Briefing Paper, April 2003. www.odi.org.uk

European Coordination in Multilateral Fora: The Case of the World Bank.

Terhi Lehtinen and Alice Sindzingre. ECDPM Discussion Paper No. 47, March 2003. www.ecdpm.org

European Development Cooperation to 2010,

Simon Maxwell and Paul Engel, ECDPM Discussion Paper No. 48 and ODI Working Paper 219, July 2003. www.ecdpm.org www.odi.org.uk

Trade Negotiations Insights (TNI)

From Doha to Cotonou, Vol. 2, No. 4, August 2003. In this issue TNI hopes to contribute by promoting analysis on the complementarity and coherence among regional integration agendas, the WTO Round of negotiations and the EPA negotiations. www.acp-eu-trade.org/tni.html

'InfoCotonou' highlights key debates, activities and events related to the implementation of the Cotonou Partnership Agreement, an agreement between the African, Caribbean and Pacific (ACP) countries on the one hand, and the European Union (EU) on the other. ACP-EU actors are encouraged to share their opinions, reports and other resources on ACP-EU cooperation. The ECDPM is a non-partisan organisation that seeks to facilitate international cooperation between the ACP and the EU. Information may be reproduced as long as the source is quoted.

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