Reflecting on 25 years of capacity development and emerging trends

From: Greijn, H., Hauck, V., Land, T. and Ubels, J. (2015) Capacity Development beyond aid.
SNV The Hague and ECDPM Maastricht

Alamy/Jenny Matthews

Reflecting on 25 years of capacity development and emerging trends

By Anthony Land, Heinz Greijn, Volker Hauck and Jan Ubels

Capacity.org was established in 1999, at a time when the international donor community was courting a new and appealing concept – that of 'capacity building' and later 'capacity development'. Few disagreed about its importance, but many questioned its theoretical underpinnings and operational value. In this first chapter, the authors look back at how capacity development (CD) thinking and practice evolved over the last 25 years. The chapter concludes by examining key trends in the development landscape that will inform the future of CD practice.

When *Capacity.org* was established in 1999, capacity development (CD) was far from being a new concept, having roots in a number of different development ideas and academic traditions, dating back to the 1960s and 1970s. Sustainability and empowerment were the core ideas behind capacity development thinking and practice. In a period of decolonisation, this meant for newly independent states and their citizens an opportunity for self-determination and to manage their own development destinies. State building, including the establishment of political systems and administrations able to discharge the affairs of state, as well as the progressive development of an educated and engaged citizenry, means building the capacity of people, organisations and society at large. Political science, public administration, economics and sociology were important academic disciplines informing this thinking.

Capacity development was also influenced by thinking on community and participatory development, from where important concepts related to self-help, community empowerment, sustainable livelihoods and more recently community and societal resilience have evolved. These have been largely influenced by sociology, anthropology and political science. It is also in this context that the human capability[1] approach was born in the 1980s. It focuses on the moral significance of an individual's ability to achieve the kind of life he or she has reason to value.

Many other disciplines have come to influence capacity development. For instance, the management sciences, gender studies, human resources management and organisational development, but also sub-disciplines of economics including institutional and behavioural economics, and more recently, systems thinking and complexity theory.

An intimate relationship with aid

The discourse on capacity development has always been closely associated with development cooperation. The notion of capacity building was already present when aid became a new instrument of international cooperation, implicit in the Marshall plan for the reconstruction of Europe. But it took on particular meaning during the period of decolonisation and formation of new independent nation states. In this regard, helping countries, societies and people to build their own institutions and human resources to serve their citizens and to become self-sustaining economies has always been a key objective of aid.[2]

Early efforts assumed that the task at hand was to merely transplant Western institutions and develop core skills among an administrative elite. The rest would follow. Institution building and training alongside infrastructure development became the mainstay of aid in the 1960s and 1970s. Much of this assistance was bereft of political analysis and lacked an appreciation of the local context. At the same time, it was also influenced by Cold War geopolitics, which saw the manipulation of state-building processes to meet wider foreign policy agendas.

As it became clear that these efforts were unlikely to have a lasting effect unless local actors identified with the proposed transformations of their societies, the concepts of ownership, participation and partnership started to permeate development thinking. The presumption that development is an intrinsic public good worth pursuing gave way to an appreciation that development was about change and choice. It was therefore political, messy, contested, and at risk of elite capture and predatory behaviour. In this context, the notion of (good) governance became popular in the latter part of the 1990s and converged with emerging CD thinking.

Donors thus started to realise that they needed to work and act differently. The task of capacity development was not just about what countries needed, it was also about how donors engaged. It was generally acknowledged that uneven power relations, the imposition of policy conditionalities premised on financial leverage, was undermining local leadership and ownership. Too much doing and not enough facilitation easily resulted in substitution and a plethora of uncoordinated projects. Partnership and later aid effectiveness emerged as new concepts during the course of the 1990s and 2000s.

Finding the right way to support country-driven capacity development has remained a key challenge and a driver of much of the analytical work on CD commissioned by the international community over the past 15 years. In this regard, the CD discourse has been intimately associated with evolving discussions around country ownership, partnership and aid effectiveness, with increasing appreciation of the political, cultural and related contextual dimensions of capacity development. At the most fundamental level, the Chinese proverb 'Give a man a fish… teach a man to fish' continues to encapsulate the essence of donor-funded capacity development and highlights the perennial challenge of reconciling the pressure to solve today's needs through capacity substitution while keeping an eye on promoting long-term

capacity development. Concerns about sustainability and exit strategies remain preoccupations in the aid community. The solution, it is generally recognised, lies in the ability of countries to drive their own change processes so they can find ways of building and sustaining human, organisational and institutional capacities.

Capacity development, as we know it today, has emerged from these different strands of theoretical, operational and political experience. It is very much a holistic concept embracing these different strands, reminding us of the underlying objectives of aid, highlighting the organic and political nature of development and signalling a need to rethink the way the aid industry does business.

Evolution of CD thinking and practice

So how did capacity development thinking and practice evolve over the course of the 1990s and into the new millennium? Below we identify a selection of initiatives, publications and events that have shaped this thinking and practice.

The early 1990s saw a flurry of activity with, on the one hand, an appeal for greater appreciation of the capacities of developing countries and, on the other hand, growing criticism of the way technical cooperation had evolved since the Truman administration had made it one of the cornerstones of US foreign policy vis-à-vis the developing world in 1949.

In 1993,[3] UNDP published the now famous Berg report on technical cooperation, entitled *Rethinking Technical Cooperation – Reforms for Capacity Building in Africa*. The report provided a comprehensive analysis of the functions and dysfunctions of technical cooperation (TC). Based on a study of assessments and evaluations of the main multilateral aid agencies and bilateral donors the report concluded that '[a]lmost everybody acknowledges the ineffectiveness of technical cooperation in what is or should be its major objective: achievement of greater self-reliance in the recipient countries by building institutions and strengthening local capacities in national economic management'. The report elaborated on several of the causes, making much of the ineffectiveness of technical cooperation.

Foreign staff were hired, even for jobs that required modest skills, while local university graduates remained jobless. Unlike national civil servants, these expats were highly paid, well equipped, well informed and – not surprisingly – highly motivated. They were inclined to take on more and more responsibilities. Job motivation among local staff who lacked these benefits and assets was low. Incentive systems tended to drive expats to get the job done rather than build local capacity, for which many did not have the required training and coaching skills. As a result, the resident expatriate–counterpart model failed to build local capacity. Furthermore, TC was criticised for being donor and supply driven. Priorities determined at the national level were often ignored or overruled by decisions taken in various donor capitals, each promoting their own projects with their own accounting and reporting requirements. As a result, ownership and development efforts were fragmented, undermining the development of strong local institutions.

The Berg report was the impetus for the establishment in 1994 of the TC network within OECD–DAC to look more closely at the report's findings and recommendations. The network was later renamed the (Informal) Network on Institutional and Capacity Development in recognition of the need to shift the focus towards capacity development as an outcome rather than on technical cooperation as an input.[4]

Gradually the CD agenda took shape and gathered momentum. Through a mix of research, advocacy and learning from practice, capacity development found itself propelled to the centre of policy discourses on aid effectiveness, while practitioners and strategists continued to develop a more robust knowledge base on effective and innovative CD practice.[5] Since the mid-1990s, all main multilateral aid agencies, bilateral donors and non-governmental development agencies adopted capacity development as a core element in their repertoire of interventions, moving it up from the operational to the policy and strategic levels. There was a growing consensus that capacity could only evolve if recipient country governments and local actors were in charge of their own development. This required changes in aid modalities as well as the way donors and recipient counties related to one another. It was increasingly recognised that project aid often undermined local capacity due to fragmentation, a plethora of different reporting and accounting requirements and donor-driven structures operating parallel to the government system.

The dominant aid modality gradually shifted from project aid to budget support and sector-wide approaches in which the recipient country governments were expected to take on a leading role. Also, NGOs recognised the fragmenting effect of multiple stand-alone projects and started to adopt programmatic approaches[6] that focused more on coherence between interventions, involving multiple stakeholders and based on a more comprehensive understanding of context, including the deployment of more gender-sensitive approaches. Northern development workers in management and advisory positions were gradually replaced by development workers from the South.

After the turn of the millennium, documented evidence started to emerge in studies and evaluation reports produced by UNDP, the World Bank,[7] other intergovernmental organisations[8] and donor countries[9] about the effectiveness of the changes in technical cooperation as a result of this evolving understanding of capacity development. The general picture that emerged, however, was mixed. Despite a growing consensus on what successful capacity development is about and what it takes to make CD happen, only modest progress had been made in changing practices and creating the conditions for CD to take root.[10]

Studies by UNDP reported significant diversity in the way local leadership was shaping and managing CD with some countries very proactive while others remained passive. The institutional environment was often not conducive to CD support. Institutional weaknesses including corruption, patronage-based recruitment, promotions based on seniority rather than performance, and low public sector salaries were undermining efforts to build effective and accountable institutions.

Meanwhile, donors continued with practices that had been highlighted 10 years earlier by Berg as being unconducive to capacity development.[11] An evaluation by the World Bank (WB), for instance, concluded that most capacity building support by the WB lacked an integrated approach and remained too fragmented. Activities were scattered over many projects, often not linked to clear objectives. Tools and instruments could be more effectively and fully used as capacity building was often too limited to training.

The mixed results[12] shown in the UNDP and WB studies, as well as studies conducted by other agencies, prompted the publication of the DAC good practice paper on CD in 2006, entitled *The Challenge of Capacity Development – Towards Good Practice*. This publication marked a high point in the CD story, a point at which a certain stocktaking and consensus was achieved after much negotiation over what the donor community regarded as the essence of good CD practice.[13] The DAC good practice paper also brought CD into the ambit of the aid and development effectiveness discourse emerging out of four high-level forums led by OECD in Rome (2003), Paris (2005), Accra (2008) and Busan (2011). The 2005 Paris Declaration on Aid Effectiveness outlined five principles[14] to make aid more effective, which corresponded with the principles underlying the capacity development discourse since the early 1990s (ownership, alignment, harmonisation, focus on results and mutual accountability).

The Aid Effectiveness agenda and associated CD work also precipitated a new round of agency-level studies, guidance and reforms, including more operational and practical guidance, techniques and assessment frameworks, for example.[15] It also served as a point of departure for a new wave of exploration[16] that has opened up the CD discourse to related topics, including the political economy analysis, systems thinking and complexity, CD in a context of resilience,[17] human security and state building. Special attention was given to situations of conflict and crisis resulting in the endorsement of the New Deal for Engagement in Fragile Environments in support of peacebuilding and statebuilding (Busan 2011).[18]

An important evolution over the past decade has been the adoption of the CD agenda beyond the traditional aid community. Africa has been particularly active, especially at the continental level, in recognising CD as a core development challenge and objective. The African Union, for instance, has developed a Capacity Development Strategic Framework and has used CD as one of three themes to structure its Development Effectiveness internet portal, the African Platform for Development Effectiveness.[19]

Key learnings

What have we learned about capacity and its development? Below is a summary of what we consider to be the key learnings.

Capacity, capabilities and nested levels – One of the key achievements has been a more sophisticated understanding of what capacity is. It used to be talked about in

somewhat general terms, remaining somewhat of a black box. But today there is a wide range of tools aimed at unpacking its constituent parts. While the language and terminology is not always consistent, there is a consensus on a number of aspects. First, there is value in looking at capacity from the perspective of individuals, organisations and the larger systems or context in which they function. Capacity can be distinguished at these distinct but nested levels as well as the interrelationships between them. Second, it is important to take into account capacity's soft intangible elements. Often, these elements are not sufficiently recognised, and yet they can have a considerable impact on the way individuals, organisations and larger systems function and perform.

Ownership of change – Today, capacity development is regarded as a change process affecting groups of individuals, organisations or broader systems. Capacity development introduces change in terms of knowledge, skills, attitudes, practices and the formal rules and conventions that influence the way people behave and relate to each other. CD is therefore a far more involved process than one that merely transfers skills or provides resources and assets. Rather, it touches on other soft and intangible variables associated with ownership, challenging values and interests, and seizing opportunities. For those who support capacity development from the outside, it means recognising the primacy of ownership and leadership among affected parties and being sensitive to what is culturally, socially and politically appropriate.

Understanding context – Successful and sustainable CD depends on understanding, navigating or responding to contextual factors that can either help or hinder the envisioned change. Context can mean different things but in essence requires thinking and acting politically. Political economy analysis, drivers of change and stakeholder mapping, for example, have become important tools to enable the leaders and facilitators of change to judge the opportunities for and feasibility of change. Equally importantly, these tools have brought home an appreciation that technical solutions and perspectives are rarely sufficient. Engagement in dialogue processes, and taking account of political perspectives, are key to achieving lasting results. The nature and extent of politics will vary from context to context and from intervention to intervention, but it is rarely, if ever, absent.

Dealing with complexity – Change unravels itself in different ways. CD interventions typically take far longer to implement and are more contested than envisioned, and they rarely respond to detailed design or linear execution. This is especially the case when CD is associated with complex reform processes – either sectoral or governance or in contested environments, such as post-crisis peacebuilding and statebuilding. Whether within the confines of a single organisation, straddling an entire public service or engaging society at large, processes of change need to be managed iteratively, strategically and with a healthy dose of patience. Learning becomes an important accompanying element enabling the adaptation of the change process according to lessons learned and an evolving context.

Systems thinking and in particular complexity theory have opened new perspectives on the underlying features of change and their amenability to controlled interventions. For example, they have contributed to critiquing the logical framework approach, which remains the favoured planning tool for aid organisations. Maybe not in theory but certainly in its application, the logframe is primarily project centred and oriented towards a predictable and linear implementation of interventions. This does not fit well with the context-sensitivity of CD support. Gradually donors have started to recognise these limitations and expect implementing agencies to base interventions on a solid but flexible theory of change, which is geared towards better understanding the contexts within which interventions are expected to influence change.

Multiple entry points and multiple tools – The shift from the simpler idea of skills transfer or development – essentially a human resources task – to more holistic notions of institutional reform and societal transformation (change management and political economy, for example) has revealed the need to think far more strategically and broadly about entry points and tools. Good diagnostics is the starting point to determine where to start and how to engage. Entry points might focus on familiar 'supply side' constraints such as staff skills and numbers, or they could focus on 'demand side' constraints such as weak accountability mechanisms and the absence of voice.

Attention can focus on technical shortcomings, developing systems and processes, or it can focus on leadership, stakeholder relations and issues of legitimacy and mandate. Different entry points need to be treated with a different repertoire of actions and tools. The CD 'toolbox' has therefore expanded. Training and resident experts, the mainstay of much externally financed CD support, is now part of a much larger repertoire – new forms of learning and knowledge acquisition, a greater emphasis on dialogue and political engagement, new ways to share and use expertise and resources through partnerships and virtual exchanges.

Multi-actor processes – Development challenges are rarely resolved through the performance of a single organisation. Rather, resolving them depends on the effective engagement and mobilisation of multiple actors. Experience suggests that when facilitated well, multi-actor approaches can enhance the effectiveness of development initiatives, foster collective learning and trigger long-term systemic change. In fact, capacity resides as much in the relation between actors and evolves from the dynamic between actors. Therefore the practice of capacity development is showing a gradual shift from working with single organisations towards facilitating multi-actor processes with the engagement of diverse actors including from civil society, government and the private sector.

Aid practices and behaviours – Understanding and approaching CD from a change management perspective has challenged the donor community and implementing agencies to reflect on the way CD support is provided. This has brought the discourse on CD close to that of aid effectiveness, particularly with respect to ownership, harmonisation and alignment, and mutual accountability. At times, it has proven

unsettling, as it shifted the focus away from what partner countries need, towards a focus on donors' own practices and behaviours, and the changes they need to make. In particular, people have questioned the procedures, rules and processes associated with conventional project cycle management that privilege detailed design, linear delivery and measurement against pre-determined outputs. The roles, functions and skills associated with technical assistance have been assessed in terms of their relevance for process facilitation and mentorship. Greater emphasis has been placed on donors engaging in dialogue processes and building effective partnerships founded on trust, transparency, shared risk taking and mutual accountability.

To the future

There is no doubt that CD has contributed immensely to development thinking and development practice. But the world is changing, and so capacity development needs to change too. To conclude, we will outline what we consider to be the key trends in the development landscape that will inform the future of CD practice and also introduce the chapters in this book that elaborate a number of these trends.

A changing international playing field – The simple dichotomies that once defined the aid relationship have been rendered obsolete: rich and poor countries, donors and recipients, the global North and South, foreign expertise and local knowledge. The rich versus poor divide has become less pronounced between countries and is becoming more visible within countries, including developed countries. Resource flows for financing development have also changed with new powerful players entering the picture, with publicly funded official development assistance (ODA) decreasing and foreign direct investment increasing. Transnational corporations from emerging market economies, in particular China and India, are becoming increasingly active. Impact investment funds are capable of investing billions of dollars per year. Remittances by today's African diaspora represent 50% more than net ODA from all sources.

In the chapter entitled 'The capacity of developing countries to mobilise resources', Annalisa Prizzon analyses how the development finance landscape has changed and become more diverse in the last decade. The focus on domestic resource mobilisation and traditional ODA has broadened to private finance, either profit or philanthropy oriented, contributions from non-Development Assistance Committee (DAC) donors and climate finance. This creates new opportunities for developing countries to mobilise resources as well as new capacity challenges to seize these opportunities.

More Southern leadership in capacity development – A quarter of a century ago, capacity development was closely tied to the 'aid industry' and often promoted, or even imposed, by the providers of aid including donors, NGOs and Northern knowledge institutes. This situation is changing. Increasingly capacity development is seen less as something that donors do for partners, and more as something that partners do for themselves. However, despite recognition of the importance of Southern leadership, much of the practice in capacity development support has remained supply driven.

In the chapter entitled 'Who's in charge here?', Niels Keijzer and Piet de Lange explain the importance of this question. The authors are not very optimistic about donors and governments changing the supply-driven way capacity development support is often managed. In 'Public sector capacity development – can donors do better?', Nils Boesen describes the limitations of a supply-driven approach to developing capacities in the public sector. The good news, according to Nils Boesen, is that changes in the international playing field as described above will force change to happen. As new players enter the arena, the importance of traditional donors will diminish, automatically creating more space for home-grown development agendas. These agendas will not emanate only from governments or the traditional public sector but also from the private sector, urban authorities, civil society and researchers, and it will be these that will inform the demand for much-needed capacity development support. This changed environment will only provide space for donors and providers of CD support that can break out of their control mode and be genuinely demand oriented.

Resilience as a complementary approach to capacity development in fragile environments – Yet in juxtaposition with this encouraging scenario of Southern leadership are the realities of conflict, crisis and fragility, where the preconditions for such a country-driven agenda simply do not exist. There is still a role for the international community to help put in place the foundations for future country-propelled change. Capacity in fragile environments is by definition frail, which limits the applicability of capacity development approaches developed for more stable environments. Complementary approaches are required. In addition to capacity development, 'resilience' is increasingly considered a critically important concept in peacebuilding and statebuilding.

In the chapter entitled 'Capacity development and resilience', Frauke de Weijer and Erin McCandless draw lessons from two decades of research and practice in the field of capacity development and suggest how these lessons can feed into the emerging resilience agenda.

Enhanced cross-sector collaboration – The classic divide between public, private and not-for-profit is breaking down. At the same time, the role of the private sector in development is gaining prominence. Solutions to today's development challenges are to be found in actors coming together in different ways to share knowledge and expertise, as well as their financial resources. This takes place at the national level, but increasingly also beyond borders as well, where public and private actors increasingly recognise the benefit of investing in regional integration and patterns of harmonisation. New funding arrangements blend together public, private and philanthropic sources of finance to invest in public goods, economic and social infrastructure, and human capital. Sectors such as trade, agriculture, water, and health have recognised the value of multi-actor partnerships to unblock value chains, improve system dynamics, and create opportunities for local producers and consumers. Local governments realise that future economic and social advancement depends on mobilising the support of non-state actors.

In 'Private sector engagement in development partnerships and platforms', Jan Ubels and Allert van den Ham describe new generations of cross-sector collaboration rooted in a growing appreciation of each other's strengths. Increasingly, the public and not-for-profit sector is recognising that development solutions which are inadequately aligned with market dynamics and which depend entirely on aid or public funds tend to be difficult to sustain and scale up. Therefore governmental and non-governmental development agencies are seeking to establish partnerships with private sector actors. Because the private sector is investing more and more in corporate social responsibility, it is beginning to venture into arenas that are traditionally the preserve of the public and not-for-profit sectors and is exposing itself to new ideas and possibilities. The business case is becoming a mainstream tool in all sectors for establishing the rationale for investing in projects and partnerships.

Increasing diversity of sources of knowledge and expertise in support of country-wide capacity development – Several factors have contributed to an increasing diversity of knowledge sources that can be tapped in support of capacity development. The middle class is growing rapidly in many developing countries. This change, in tandem with improved access to higher education, is contributing to a rapidly expanding professional services sector in almost every country. Home-grown think tanks and knowledge networks are emerging in many developing countries, making them less dependent on foreign expertise. In search of more country-specific solutions, their importance as providers of evidence-based knowledge and dialogue capacity in support of a given country's policymaking process is being increasingly recognised.

In 'Strengthening countries' capacity to steer themselves' Volker Hauck and John Young explain how support programmes to facilitate this development have evolved over the years.

The marketplace for capacity development support has also gone global and is becoming multi-polar. The emergence of MICs and emerging economies offer new sources of relevant expertise, as manifested in the growth of South–South cooperation especially at the regional level. A case in point is education. Inspired by the Bologna Process launched in 1999, which aims to make higher education systems in Europe more compatible, regions in Asia, Africa and Latin America have embarked on similar programmes. By converging national higher education systems, countries recognise degrees obtained elsewhere in the region, which is a major boost for the cross-border mobility of students and academics. Education is just one example of a sector in which leaders seek regional collaboration. Other areas in which leaders are exploring the possibility of regional alliances include industry, trade, communication and information, transport, energy, agriculture, forestry and soil conservation.

Advances in information and communication technologies have also helped to level the playing field. Millions of people in the South with an internet connection are now able to tap into a rapidly growing global knowledge pool and with a mouse click can connect to peers for exchange and advice in their own regions or globally. This fuels endogenous innovation as global knowledge is used to develop solutions

that are appropriate to specific local contexts. Increasingly innovation hotspots can be found in cities and regions that 10 years ago constituted the poor global South.

As a result, the capacity of developing countries to access, generate, assimilate and apply knowledge is growing, and this is enhancing opportunities for developing countries to determine their own development agendas. True, aid remains an important mechanism for sourcing global expertise, and many partner governments recognise the contribution development partners can make in this regard. But it is occupying a shrinking space.

Voice and downward accountability – It has long been recognised that civil society plays an important role advocating the performance and accountability of those who govern. This so-called demand side of public service reform and service delivery has received increasing attention from aid organisations who have sought to strengthen the capacity of non-state actors to act as a watchdog and to promote the interests of the disenfranchised. Moreover, the disappointing results of supply-side efforts to strengthen public sector capacity has shifted interest to this demand side, whether in terms of working with think tanks, the media, parliamentarians, private sector interest groups or citizen networks, for example.

But some of the endogenous societal transformation processes are making this shift more compelling; urbanisation, increasing levels of literacy among the youth, access to global knowledge, the availability of relatively cheap technology for quick communication, the emergence of an aspiring middle class and private sector as well as new interest groups, mean that governments can no longer ignore the voice of their citizens. More articulate, better-resourced and emboldened non-state actors are becoming the true drivers of capacity development and societal transformation, placing demands on their governments and the private sector alike to deliver and take into account common and social interests. In the chapter entitled 'Development, democracy and participation: the curious case of social accountability', Kaustuv Kanti Bandyopadhyay explains how to strengthen the capacities of citizens and civil society to hold governance institutions accountable.

We are confident that the readers will draw lots of inspiration from the ensuing chapters in this book as our esteemed guest authors move on to explore the future of capacity development beyond aid.

Notes

1 See several of Amartya Sen's works, such as *Commodities and capabilities* (1985), *Development as freedom* (2001) and *Inequality reexamined* (1992).

2 With a primary focus on capacity to enable countries to tackle poverty, the agenda has in more recent times broadened to tackle regional and international agendas – climate change, public health and security.

3 In the same year, Mamadou Dia, head of a research programme launched by the World Bank on Africa's Management in the 1990s, argued that Africa possessed a substantial reservoir of capacity

endowments and best practices on which to build in order to improve the institutional and economic performance of the continent. He argued that through a process of adaptation, formal and informal institutions can converge and build on each other's strengths, and that transaction costs can be reduced and institutional performance maximised. Subsequently, the World Bank published *A governance approach to civil service reform* in 1993, emphasising the institutional and change dimensions involved in reforming public institutions.

Also in 1993, Edward V.K. Jaycox, the World Bank's then vice-president argued in a well-publicised address that 'donors and African governments together have in effect undermined capacity in Africa: they are undermining it faster than they are building it.' Moreover, he pointed out that while an emphasis on policy adjustment and reform was good, ownership and capacity, which he called the 'missing link in African development', should not be ignored. In his address, Jaycox suggested that the term capacity building was first coined in 1990, but the report he referred to, the long-term perspective study of sub-Saharan Africa, does not contain this term. In his own words, 'We invented the words "capacity building" in that report (the long-term perspective study) in a way that would distinguish a new mode of activity, a new way of doing business from what we've been doing in the past. I hope that before this capacity building thing becomes a totally hackneyed cliché, we in fact do change the way we do business. It involves a very different way of going about it. In the Bank, this is what we're trying to do. And a lot of this applies only to the African region, because we're trying to do something about it and there's nothing in the Bank's policies that stops us.' Edward Jaycox (1993) *Capacity Building: The Missing Link in African Development*, Transcript of Address to the African-American Institute Conference, 'African Capacity Building: Effective and Enduring Partnerships,' Reston, Virginia, 20 May 1993.

4 One of the products of the OECD–DAC's TC network was a self-assessment questionnaire on donor agency readiness to apply good CD practice. Eventually the informal network was subsumed within the DAC's governance network, which in 2006 published a good practice paper on capacity development.

5 Important publications emerging in the latter part of the 1990s included: Merilee Grindle's1997 Getting *Good Government: Capacity Building in the Public Sectors of Developing Countries*, published by Harvard University, and in the same year, Deborah Eade's *Capacity Building - An Approach to People-Centred Development*, published by Oxfam.

6 Janice Giffen (2009) *The Challenges of Monitoring and Evaluating Programmes*, INTRAC 2009.

7 In 2005, the Operations Evaluation Department of the World Bank published an evaluation of Bank support to public sector CD in Africa (*Capacity Building in Africa: An OED Evaluation of World Bank Support*). It concluded that the Bank's support remained less effective than it could be. The evaluators noted that most capacity building support lacked an integrated approach and remained too fragmented. Activities were scattered over many projects, often not linked to clear objectives. Tools and instruments for capacity building could be more effectively and fully used as capacity building was often limited to training. Capacity building lacked quality assurance. The report underscored the importance of approaching capacity building in Africa as a core objective, and ensuring that support was country-owned, results oriented, and evidence based.

[8] Other agencies that have reviewed the way they approach capacity development include the Asian Development Bank and most recently the African Development Bank, which conducted an evaluation of its attempt to strengthen its economic governance institutions portfolio.

[9] In 2008, Germany, Australia and Denmark commissioned an evaluation of TA practice. The report argued that to improve effectiveness, a greater effort was needed on the part of donors and partner countries to shift the burden of TA management to partner countries in line with AE principles while also investing in CD and related aspects of change management as a core area of competency. All three agencies have since developed revised guidance on capacity development support and technical assistance specifically.

[10] Evaluations of the effectiveness of capacity development by Northern NGOs also found mixed results. In the late 2000s comprehensive evaluations were carried out in Belgium (the 2010 *Evaluation of NGO partnerships aimed at capacity development*, HIVA, commissioned by the Directorate-General for Development Cooperation) and the Netherlands (the 2011 *Facilitating resourcefulness: Evaluation of Dutch support to capacity development*, the Ministry's Policy and Operations Evaluation Department (IOB)) covering a representative range of all the programmes carried out by Belgian and Dutch NGOs supported by their governments. The evaluators found modest evidence of effectiveness. Both evaluations struggled with the limitations concerning the evaluability of the capacity development interventions. Although the Northern NGOs considered CD important they lacked the ability to capture CD results in clear objectives and SMART indicators. This was especially the case at outcome level and in intervention areas that are context oriented, including politics and influencing policy. The absence of solid baseline studies limited the possibility to measure the effectiveness of CD interventions. Both studies raised concerns about the sustainability of CD intervention, considering that the Southern partners remained very dependent on donor funding.

[11] UNDP launched a new international research programme on technical cooperation and capacity development. It included studies, a series of international conferences and on-line discussions, interrogating the rationale and approaches behind the way CD was being addressed in international cooperation. A study on TC in six countries – Bangladesh, Bolivia, Egypt, the Kyrgyz Republic, the Philippines and Uganda – revealed, apart from some success stories, major shortcomings as well. Important positive changes in terms of practice included donor commitment to achieve more coherence through sector-wide approaches (SWAps), programme-based approaches concerning a sector, mostly health or education, in which the national government takes a leadership position. With regard to leadership, the studies reported a significant diversity in the way recipient countries asserted themselves in assuming leadership in shaping and managing TCs. Some countries were very proactive while others remained more passive, leaving the initiative in the hands of donors. Another area where TC contributed significantly to CD in some countries was strengthening higher education. In other areas, TC often fell short of developing capacities for several reasons.

On the recipient side, the institutional environment was often not conducive to TC becoming effective. Institutional weaknesses included corruption, patronage-based recruitment, promotions based on seniority rather than performance and low public sector salaries. All these

factors demotivated civil servants, caused high staff turnover and have made donors reluctant to relinquish control of TC.

Donors, on the other hand, despite the changing discourse, continued using TC practices that were not conducive to capacity development, for example channelling TC through donor-driven projects with short time frames; promoting their own pet projects-cum-reporting systems, causing fragmentation; establishing parallel systems, including project management units that tended to by-pass local systems and decision-making processes.

The report also highlighted the importance of donor restraint: 'There needs to be space for countries to define their own goals, priorities and processes. In their enthusiasm, well-intentioned donors may fail to allow for that space. They are likely to have better results in capacity development if they stand back, let countries come to terms with their own challenges and how they want to deal with them, and then lend support to that context.'

[12] The mixed results shown in these and many other studies led to renewed activity, including the establishment of the Learning Network on Capacity Development (LenCD) among policy-makers and practitioners, which also canvassed support from the South to counterbalance a discourse that had remained too donor-centric. LenCD emerged from several streams of research and conferences and was established as an independent community of practice dedicated to the pursuit of CD excellence. Members have included DAC agencies but in more recent years there has been growing participation by Southern institutions. Its achievements include support for the drafting of the DAC good practice paper on CD, the hosting of international workshops on CD (in Bonn and in Cairo), and inputs to the Accra and Busan Aid Effectiveness High Level Forums. These workshops produced the Bonn and Cairo consensus statements on CD, which ensured CD was given a higher profile within the wider review of the Aid Effectiveness agenda, linking it to discussions of country systems, ownership, alignment and mutual accountability.

[13] While always understood as a work in progress, the DAC good practice paper on CD in 2006, entitled *The Challenge of Capacity Development – Towards Good Practice* has become a key reference among donors and partners on contemporary understanding. At the same time, it has been a point of departure for a new wave of exploration that, on the one hand, has opened up the CD discourse to related topics, including the political economy, systems thinking and complexity, CD in the context of fragility and statebuilding, and, on the other hand, to the development of more operational guidance notes, techniques and assessment frameworks, for example.

[14] The 2005 Paris Declaration on Aid Effectiveness outlined five principles to make aid more effective that correspond with the principles underlying the capacity development discourse since the early 1990s, namely that:

- Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption (ownership);
- Donor countries align behind these objectives and use local systems (alignment);
- Donor countries coordinate, simplify procedures and share information to avoid duplication (harmonisation);
- Developing countries and donors shift focus to development results and results get measured (focus on results); and
- Donors and partners are accountable for development results (mutual accountability).

[15] While LenCD mobilised the international community to prepare position papers on CD to feed into Accra (Bonn consensus paper) and Busan (Cairo call to action), other initiatives aimed at promoting CD in an aid effectiveness context included a JICA-sponsored research project, which prepared a set of sector case studies on effective TC for CD practice that was presented to the Accra HLF. The AE agenda and associated CD work also precipitated various agency-level studies, guidance and reforms. In 2007, the European Commission launched its Backbone Strategy on TC reforms aimed at fundamentally changing the way TC was delivered. As a response to AE indicators relating to PIUs and CD coordination as well as a critical Court of Auditors' report, it developed a reform strategy, reviewed procedures, prepared a guidance note and training course on good CD practice. It also led to the creation of capacity4dev, an internet-based knowledge hub on capacity development, which today is one of the most significant resource bases on CD and development more generally.

[16] In 2008, with sponsorship from the DAC, ECDPM published *Capacity, change and performance*, which introduced important insights on the nature of capacity and how it develops over time. Based on a set of case studies from across the world, and drawing from a reservoir of knowledge from the private sector on organisational capabilities and change, it introduced the concept of systems thinking and in particular of emergence and complexity to the CD discourse. These concepts have subsequently received attention not only in the context of CD but in broader discussions on governance, social change and fragility, some of which have been picked up by development policy institutes, including ODI.

In 2010, the Dutch organisation SNV published a book on CD practice, *Capacity Development in Practice*, offering a much-needed handbook on practical approaches on how to apply new ideas in CD, bringing together thinking from various disciplines, particularly from the civil society sector. This should be seen in light of a significant investment in CD over this period by the NGO community and organisational development communities. One example is Intrac's PRAXIS, which offers practical guidance and innovative methodological approaches on organisational development and change management, and the establishment of the Impact Alliance as an on-line resource of CD tools and practices particularly geared to civil society organisations.

[17] The term 'resilience' has started to feature in the policy discourse on topics such as food security, drought resilience, disaster preparedness and climate change adaptation in recent years. The term has also become prominently used in the discourse on fragile states and applied to policy frameworks dealing with peacebuilding and statebuilding. Applied to fragile environments, the concept of resilience is rooted in theories of complex adaptive systems, which view social (or socio-ecological) systems not as deterministic, predictable and mechanistic, but as organic and self-organised in structures that are intricately connected with each other. Consequently, resilience is about the adaptive capacity to tolerate and deal with change without a loss of essential functions. Questions have been raised about enhancing resilience, adaptation, self-organisation and the ability to absorb shocks, and concepts on how to address them are being increasingly tested and reviewed.

[18] In line with the emergence of a more Southern-driven agenda, a group of self-declared fragile countries teamed up after the Accra Aid Effectiveness meeting in 2008 to argue that more attention needs to be paid to situations of conflict, fragility and post-conflict recovery. This

initiative underlined the importance of country-led processes, inclusiveness, local ownership, context-specific and home-grown solutions, realistic timelines and the need for integrated or comprehensive approaches.

[19] Meanwhile the ACBF, already established in the 1980s, spearheaded the development of economic policy analysis capacity, and has been an active contributor to the CD discourse ever since. It launched its Africa Capacity Indicators initiative in 2011 to serve as a key monitoring tool to review CD progress at the continental level.

Bibliography

Baser, H. and Morgan, P. (2008) *Capacity, Change and Performance Study Report*. ECDPM Discussion ECDPM Discussion Paper 59B. Maastricht: ECDPM.

Berg, E. (1993) *Rethinking Technical Cooperation – Reforms for Capacity Building in Africa.* UNDP, New York.

Dia, M. (1993) *A Governance Approach to Civil Service Reform in Sub-Saharan Africa.* Technical Paper No. 225. New York: World Bank.

Giffen, J. (2009) *The Challenges of Monitoring and Evaluating Programmes*. INTRAC.

Operations Evaluation Department (2005) *Capacity Building in Africa: An OED Evaluation of World Bank Support*. Washington, DC: World Bank.

Huyse, H. et al. (2010) *Evaluation of NGO partnerships aimed at capacity development.* Belgian Federal Public Service: Foreign Affairs, Foreign Trade and Development Cooperation. Brussels, Belgium.

Jaycox, E. (1993) *Capacity Building: The Missing Link in African Development.* Transcript of Address to the African-American Institute Conference, 'African Capacity Building: Effective and Enduring Partnerships'. Reston, Virginia, 20 May 1993.

OECD–DAC (2006) *The Challenge of Capacity Development – Towards Good Practice.* Paris, France.

Policy and Operations Evaluation Department (2011) *Facilitating resourcefulness: Evaluation of Dutch support to capacity development.* Netherlands Ministry of Foreign Affairs. The Hague, the Netherlands.

Ubels, J., Acquaye-Baddoo, N. and Fowler, A. (2010) *Capacity Development in Practice*. SNV Netherlands Development Organisation. London/Washington, DC: Earthscan.