Stop teaching, start learning

The mystery of capacity development

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Summary

This chapter deals with capacity development (CD), which has been a core issue in international development cooperation policies and practices for decades. The first section outlines what CD entails, why it is important and why at the same time it is so difficult to grasp. A distinction is made between capacity at the individual, organisational/institutional and societal level. The unequal relationship between donors and recipients, which has often led to unsatisfactory progress and results in CD, is briefly discussed. The Paris agenda on harmonisation and alignment is to play an important role in remedying this situation. Section two discusses the approaches of two influential groups of development experts that have recently played an important role in further developing the concept of CD. Section three gives an overview of how CD has evolved in the history of Dutch development thinking and its concomitant policies. The last section finally provides a range of examples of how CD has been put into practice in the Dutch development programmes, in the context of specific sectors and themes.

What is capacity development and why is it important?

Capacity is at the core of what people do, the skills they develop and the knowledge they acquire. It is the engine to move, the ability to think, to create, to construct, to interpret, to analyse. Not only individuals have and develop their capacities, organisations and institutions do too. Capacity, in brief, is the ability to perform functions, solve problems and set and achieve objectives.[1]

Capacity and CD are often mentioned in the context of development cooperation. Developing countries lack certain capacities, such as skilled people at different levels and institutions that function well enough to manage complicated planning and implementation processes. Countries that are in a process of transformation have to develop individual human skills and capacities, while at the same time creating the opportunities and incentives for people to use and extend those skills. CD takes place through what is called social capital, which holds societies together and sets the terms of these relationships.[2]

This chapter shows that a host of questions surrounds the subject of CD. These questions concern conceptual issues (what capacities are needed to reach certain results in specific sectors?) as well as practicalities (how can these capacities be developed, what are the bottlenecks, who is responsible?).

CD has been a fundamental component of international development assistance ever since the Marshall Plan, the reconstruction plan for Europe after World War II. The success of this plan, however, led to the naïve idea that the mere transfer of capital and know-how will, by definition, stimulate swift economic growth and development for all, including social transformation and pro-poor growth, in developing countries. Technical Assistance (TA) was long considered the magic tool with which all capacity problems in developing countries could be solved. All poor countries had to do was to take advantage of the development experiences of western countries and benefit from the aid flowing towards them in terms of loans and grants and knowledge transfers.

Evidently, the process is not as straightforward as that, and over the years developing capacity has proved a rather elusive goal. It is by now widely recognised that, if capacity development is to help developing countries to meet the challenges of the 21st century and to reach the Millennium Development Goals (MDGs), this requires a closer look at the underlying assumptions about:

- The nature of development as a process of societal transformation and the importance of indigenous capacity in this process
- The nature of knowledge: where it is located and how it can be transferred and shared?
- The nature of capacity and CD at all different levels (individual, institutional/organisational, societal)
- The nature of the donor-recipient relationship and its consequences for lasting capacities

Individuals, organisations and society

CD takes place at three – mutually interactive – levels: the individual level, the organisational or institutional level, and the societal level or what is called the enabling environment.

A distinction is made between organisations and institutions. *Institutions* deal with the issues that underlie most development problems. The institutional approach relates to 'the rules of the game' such as traditions, beliefs, customs, norms and values, legislation, relationships within a society or community and incentive systems. The concept of institutional development has influenced the thinking on development in the 1990s and has more or less transformed into the present-day debate about capacity development.

A substantial body of knowledge exists on how *organisations* are structured, perform, develop, and how they can be strengthened. Theories of organisational change focus on identifying and developing capacities within an organisation, which fall into two categories: resources are the 'hard' capacities such as infrastructure, technology, financial and human resources; managerial capacities are 'soft' and include vision, goal setting, leadership, communication, planning, and motivating and supervising staff. At the individual level of each organisation, there are staff members who have competencies and inner resources. All of these individual competencies, assets and capabilities interact and in some way evolve into an aggregated state of capacity. Out of the complex web of individual capacities, organisations always try to develop and improve their collective capability to achieve the organisation's goals.

The organisational level has an impact on the behaviour and on the way in which individuals acquire skills and the capability to use these. Transferring information and knowledge alone is not enough.[3] Persons at the receiving end should have the motivation to absorb, test and modify the knowledge, which requires a constant process of willing acquisition. The society, or enabling environment, influences the behaviour of organisations and individuals by means of the incentives it creates.

If civil servants are not rewarded for their professional skills but only for their party affiliation, there is no incentive for them to acquire more or better skills. And at a higher level the ruling party, which is running the government, does not stimulate public service organizations to perform better, because power relations prevail and not performance.

The transfer of knowledge at the individual level is an intricate process, the success of which depends on both the 'giver' and the 'receiver'. As for the receiver, the relevant questions are: what is his/her frame of mind? How does he/she relate to the subject at hand? How does it fit with his/her ways of thinking, perceiving and operating? Is CD in his/her direct interest? In other words, in order to enhance capacity at an individual level there has to be a 'click' at the receiver's end that there is something to be gained. As for the giver or provider of knowledge transfer, the key words are empathy, understanding and respect.

Donor-recipient relationship

The donor-recipient relationship, also in terms of CD and knowledge transfers, has long been, and often still is, asymmetric. The belief that it is possible for donors to control the process and yet to consider the recipients to be equal partners must be abandoned. Answers to CD problems cannot be found on the basis of a linear, western thinking alone. The complex processes of CD are intricately linked with people's behaviour, their backgrounds and cultural conditioning, their different perspectives, their personal short- and long term interests and power games. Even if certain individuals would have the capacity to see the total picture of their country needs in terms of development, do they have the capacity to act accordingly?

The attitude of the donor community is evidently crucial too. Many critical questions can be asked: how do donors perceive the needs of a particular country? How do they value and prioritise the required processes of change? Do donors take the cultural context into account? Are they aware of the power dynamics and do they have a clue of what happens behind the façade?[4] Experience has shown that to ignore the existing capacities in developing countries and to replace them with knowledge systems produced elsewhere (replacement rather than transformation) will often result in failure of the intended knowledge transfer. Because donor representatives have their own perspectives and interests and play their own power games, this fact is still too often ignored. Lastly, questions remain about the level of harmonisation with which the donor community operates. If all donors maintain their own programmes, procedures and policy dialogues, what impact does this have on the already limited capacity of a country to implement its plans?

From conceptual muddiness to a new consensus

The concept of capacity does not belong to a single academic discipline. It comes with no accepted and tested body of theory that can be used with a large degree of confidence. Yet the assumption remains that CD has a unique contribution to make to sustainable development. Some development agencies even consider CD *the* key process that will lead to development and poverty alleviation.

A recent INTRAC paper refers to CD as being subject to "continued conceptual muddiness".[5] There are over fifteen different definitional typologies, formulated by different development agencies and governments, ranging from "facilitating an institution to design and deliver policies" and "enabling an institution to create value" to "enhancing ability to evolve and adapt to change".[6] Development agencies also list at least ten different purposes for contributing to CD, which range from "embrace innovation and being open to new approaches and technologies" to "develop solidarity and mobilise action".[7]

This lack of a common frame of reference can have significant operational implications. Conceptual coherence, however, is growing. Policy makers, practitioners and academics today appear to agree on the insight that CD is a complex human process that involves changes in relationships and shifts in power and identity, and is an endogenous process. The definition of capacity and CD formulated by OECD/DAC GOVNET in its paper '*The Challenge of Capacity Development: Working towards Good Practice*' has received broad international consensus and is also used in this chapter: [8]

> *"Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully … Capacity development is the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time".*[9]

The new consensus on CD was also laid down in the Paris Declaration of 2005.

Capacity Development in the 2005 Paris Declaration on Aid Effectiveness:[10]

The capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.

Partner countries commit to integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed.

Donors commit to align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly.

Current trends in international thinking on capacity development[11]

Experience has taught us that there are no quick fixes or easy formulas regarding CD that work well in all circumstances. At the same time, experience does point at a set of core issues which, if tackled intelligently, are likely to improve the results in many different regional and national settings. Two influential groups of development experts have recently played an important role in further developing the concept of CD. Their work is discussed below.

ROACH: Six Key Messages

The first group is represented by consultant Nils Boesen and Ole Therkildsen of the Danish Institute for International Studies who have – at the request of the Danish Evaluation Department and from 2002 onward – developed an analytical framework and a methodology to evaluate CD. Their work has culminated in the 'Results-Oriented Approach to Capacity Change' (ROACH), which is now applied not only by the Danish Development Cooperation but also by the European Commission in Brussels.[12] ROACH focuses on the output constraints within organisations and on their context, which must be analysed and understood in order for governments and donors to identify feasible CD initiatives.[13] The ROACH approach, which has also been called the 6-box model, builds on six key messages:

Consider organisations as open systems:

- They are embedded in a context
- They get inputs or resources
- They use their capacity to process these inputs to outputs (products and services)
- Their performance and change prospects depend on the context, the inputs and the capacity

Focus on products and services:

- Look at the outputs (product and services) of the organisations: What are they? What should and can they realistically become?
- CD must result in specific changes in outputs
- Avoid, initially, focusing on CD support elements (training, consultants)

Dig deeper to get a solid diagnosis:

- Look for both formal and informal aspects of organisations
- Look for both the functional-rational dimension and the political dimensions of organisations; the latter factors can have both positive and negative aspects
- Do not assume that organisations are only driven by functional-rational considerations
- Do not assume they are only driven by negative self-interest, internal politics and power
- Be pragmatic: not everything needs to be known, or written down, at a certain point in time

Explore the context, the inputs and then go inside:

- Before looking inside the organisation, explore structural and institutional drivers of and constraints to change in the context
- Look for stakeholders: they make and break change
- Consider the inputs and resources
- Look at the rest of the inside elements: now there is a chance to understand why a system works as it does, rather than just seeing why it does not work

Change and CD are mostly domestic processes:

- External factors are often powerful drivers of capacity change, but committed insiders must lead
- Political factors (e.g. power to push changes through; stakeholder pressure) are often more important than functional-rational factors (e.g. legal mandates, organisational structure)
- A change strategy is required
- Aid agencies can contribute to CD, but cannot drive the process

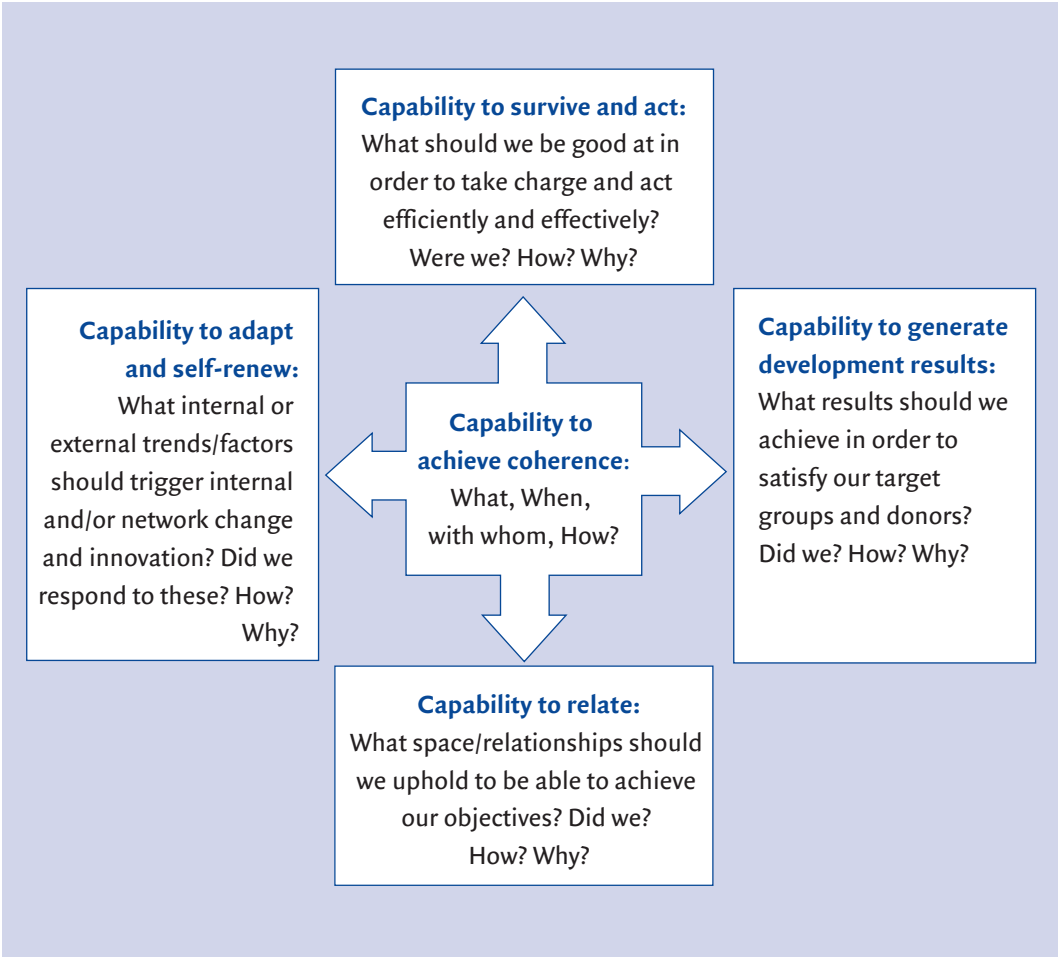
Roles of and instrument for donors:

- Make sure that the partner can and will lead
- Assist the partner to define realistic CD targets in terms of changes in organisational outputs
- Develop the partner relationship to build on trust and a shared view of key constraints on and opportunities for CD, inside and outside the organisations
- Play a catalytic role, engage to build up demand for change, provide access to knowledge, pilot different approaches, facilitate dialogue between domestic stakeholders

European Centre for Development Policy Management

The second expert group that has done a great deal of work on CD is the European Centre for Development Policy Management (ECDPM). Since 2004, ECDPM has been conducting a study on 'Capacity, Change and Performance'. It is probably the largest ongoing empirical study on CD and was initiated at the request of OECD/DAC GOVNET.

In the paper *A Balanced Approach to Monitoring and Evaluating Capacity and Performance*, the concept of CD is unpacked into five separate core capabilities that are mutually interdependent.[14] Together they provide a basis for assessing a situation at a certain point and then tracking it over time. The capabilities become the *judgement criteria* to monitor changes in capacity and performance. Changes observed in these five dimensions at relevant levels in the system – individual, organisation, network, or the system as a whole – feed into broader capacity and performance changes. The capabilities are visualised in the following diagram:



This approach makes it possible to look beyond development results and to include the full range of OECD/DAC evaluation criteria: relevance, effectiveness, efficiency, sustainability and impact. Analysing all these five criteria in a holistic and inclusive way helps to avoid incoherencies, and keeps the focus primarily on the (endogenous) change process. The Netherlands Development Organisation (SNV) uses the ECDPM concepts and approaches.

A great deal more could be said about the above two approaches to CD and on the progress that has been made over the last few years. The search for how to improve operations and how to monitor and assess CD processes continues. The growing consensus on the lessons learned and the do's and don'ts includes the following ten principles:[15]

1. Do not rush
2. Respect the value system and foster self-esteem
3. Scan locally and globally: reinvent locally
4. Challenge mindsets and power differentials
5. Think and act in terms of sustainable capacity outcomes
6. Establish positive incentives
7. Integrate external inputs into national priorities, processes and systems
8. Build on existing capacities rather than creating new ones
9. Stay engaged under difficult circumstances
10. Remain accountable to the ultimate beneficiaries

Capacity development in Dutch international cooperation policy

After independence, many developing countries were faced with a shortage of staff and expertise in many areas of their economies. Consequently, development assistance in the early days often meant sending out experts or personnel who – such was the assumption - would temporarily fill the gaps and then make themselves redundant. The transfer of knowledge as a form of CD has been among the core objectives of development cooperation from the start.

The last ten years have shown considerable change. The range of aid modalities has broadened and TA in its original form is no longer part and parcel of bilateral development programmes. TA does continue on a small scale in the form of specialised programmes that send experts to the field on temporary contracts, give fellowships to students from developing countries and forge links between universities and NGOs in the Netherlands and in developing countries. The reasons why TA is no longer a central assistance modality are manifold. The main points of criticism are that TA is not sufficiently demand-driven, undermines local capacity, has high costs, disturbs the local labour market, is not sustainable, does not encourage self-confidence, has not been coherent in its approaches, and is tied to the provision of experts from donor countries.

The attention of the policy makers at the Ministry of Foreign Affairs shifted to the much broader area of Institutional Development (ID). In 1992, an ID expert was appointed at the ministry. ID was identified as a cross-cutting issue, forming part of both sectoral and thematic programmes, and was seen as a potential contributor to good governance. The objective of ID was "to strengthen the capacity of societies or parts thereof, to promote sustainable societal and economic development". The focus of ID was on formal institutions such as (non-)government institutions and civil society, decision making processes and procedures, legislation and procurement mechanisms. Informal institutions such as norms, values, traditions and power relations were given little attention.

The subsequent thinking about ID has been closely linked to developing theories on nation-building, the role of the state and the tasks of the public sector. The failure of the World Bank's (WB) Structural Adjustment Programmes caused a major shift in the approach to development. Donors became more aware of the complexity of development processes and of the need for ownership on the part of the developing countries and active participation of the target group in the design and implementation of aid activities.

In 1998-1999, the sectoral approach was introduced as the 'organising principle' for Dutch bilateral development cooperation. The key feature of this approach was its emphasis on partner country ownership for the design, implementation and monitoring of its sector policies, which were to be supported by donors in a harmonised manner. The sectoral approach policy stressed the importance of a thorough institutional analysis of a sector - existing arrangements, strengths and weaknesses, stakeholders – prior to the design of sector programmes. The ministry commissioned the Management for Development Foundation (MDF), to develop a methodology called Institutional Sector and Organisation Analysis (ISOA). ISOA courses were offered to staff members in all selected partner countries, which enabled them to identify the needs for this type of assessment, to write the Terms of Reference, and to guide the consultants conducting an ISOA. In practice, only very few systematic institutional analyses were carried out by the Dutch embassies or other partners in the sectors. This can be explained by the time and spending pressure felt by donors (thorough participatory analyses take much time and must be built on mutual trust among participants). Furthermore, embassy staff often judged that they knew enough about the sector from prior involvement or 'common sense', and some disliked the blue-print nature of the ISOA instrument. As a result, most sector policies have not been based on a realistic assessment of (visible and invisible) institutional bottlenecks, and do not include a strategy for developing capacity. This no doubt helps to explain the many problems encountered in implementing sector policies.

To further stimulate the debate among and increase the knowledge of staff on ID, the ministry commissioned ECDPM to write a policy note. The resultant paper, '*Mainstreaming Institutional Development: why is it important and how can it be done?*', argues in favour of a paradigm shift in the practice of development cooperation: no more quick fix, a move away from 'what should be done?' to 'how can it be done?', more emphasis on local conditions and on creating ownership.[16] The policy note mentions the SWAp approach as a positive example of this different way of 'doing business'.[17]

In 2002, a new division called DSI/AI (currently integrated into DEK/BA) was established to promote and support Institutional and Capacity Development (ICD) within the ministry. But thinking on the subject evolved quickly and the policy focus has now shifted towards CD, of which ID is considered a part. Discussions within the international development community confirm this shift, which culminated in the OECD/DAC GOVNET paper mentioned above and its widely endorsed definition of CD.

Experience shows that rather than to continue the discussion about definitions indefinitely, it is high time to convert theory into practice. For this reason the embassy Support Programme for Institutional and Capacity Development (SPICAD) was launched in 2006. It aims at helping embassies to develop coherent strategies towards capacity issues within the framework of their Multi-Annual Strategic Plans (MASP). SPICAD is a flexible, demand-driven programme, offering tailor-made support to meet embassy-specific challenges.

The Dutch Ministry of Foreign Affairs will continue to participate in the international discussions on CD as a generic concept. Most of its efforts though will be directed at the thematic and sectoral levels (both at department and at the embassies), which present a great number of practical issues that need to be dealt with in order to maximise the support to its partners in developing countries. Dealing with these issues in a sustainable manner, without rushing to solutions and by leaving the initiative and ownership with these partners, will remain a challenge.

How does capacity development work in practice at the sectoral and thematic levels?

The final section of this chapter presents examples on how CD has been put into practice as part of the Dutch development cooperation and how capacity issues have been dealt with in the framework of a given sector or theme. A great deal of progress has been made in recent years, firstly in terms of understanding the problems underlying capacity problems in partner countries; and secondly in terms of the evidence collected both at a generic level and at the sectoral/ thematic level about how capacity problems can be tackled successfully in practice and about why success is sometimes slow or lacking.

In preparation for the SPICAD programme, a brief survey was carried out in order to get a better idea of the types of capacity issues that were encountered in the sectoral and thematic development work. The following CD challenges common to all sectors/themes were identified:

- Insufficient use of or lack of existing capacity to realise certain goals
- Weak public sector and civil service capacity
- Lack of cooperation between actors
- Dominant role of donors and how they influence sustainable CD
- Brain-drain of capacity

The following strategies used in all sectors were mentioned:

- Institutional and capacity assessments
- Drivers of change and actors analyses
- Process facilitation and various forms of support to country-led CD strategies

The ministry's Results in Development Report 2005-2006 clearly shows that CD is most successful when interventions are directed at both the supply side and the demand side of capacity.[18] In some social sectors the quality of service-delivery has been strengthened (through better planning, organisation and training), while at the same time local communities' capacity has improved to demand better-quality services (empowerment). Specific examples from different sectors in different countries are given below.

Education

Disappointing results in the education sector are often attributed to institutional weakness of the Ministry of Education and to limited capacity (in planning, financial administration, implementation, control, monitoring and evaluation) at central and decentral levels. While training can strengthen capacity, the reform of personnel policy (merit system, incentives, transparency etc) can often contribute more to improve the working conditions and the motivation of staff. In many developing countries, the efforts to increase the number of students attending primary schools have indeed led to much higher enrolment and attendance rates. Unfortunately, improvements in quantity have often been at the expense of the quality of education.

Cluster schools Ethiopia:
UNICEF developed an approach in which one primary school in a cluster of four to six schools takes the lead in terms of having better trained teachers, better facilities (e.g. a resource centre) and better teaching methods. The idea is that interaction within the cluster will inspire and motivate the teachers of the other schools while getting trained on-the-job. At administrative level, civil servants at local and regional education bureaus receive training in planning and management to better support this approach and to become more directly involved in the schools. Also the parents are expected to become more involved in the schools and with their children's education. The approach has clear advantages: with relatively small inputs capacity is developed not only at the school level (better and more motivated teachers, improved quality of education) but also at the level of the students (motivation), the parents (participation) and the support services (involvement, planning, management).

Health

The health sector in many developing countries is faced with the problem that its highly trained staff leaves the country, attracted by higher salaries and more appealing working conditions elsewhere.

Zambian doctors:
A few years ago it became clear that almost 10% of the Dutch bilateral budget in Zambia was spent on the deployment of Dutch medical doctors. It was calculated that each doctor cost an average of € 130.000 a year, while a Zambian doctor would cost about € 5000 annually. The embassy started a dialogue with the Ministry of Health to find out under what conditions Zambian doctors working in neighbouring countries would be ready to return to work in the rural areas of their home country. The ministry developed a tailor-made package containing among others better housing, transport- and study facilities, which cost an equivalent of € 7500 per person. As soon as it was launched many Zambian doctors returned home and filled all the vacancies in the rural areas. The scheme has been integrated in Zambia's sectoral health programme, thus making it sustainable. The risk remains that doctors will be 'lured' to work in one of the many HIV/Aids projects funded by US-based organisations, for a much higher salary.

Sexual and reproductive health and rights

In all partner countries, the capacity to develop health policies, to plan, manage and organise logistics, but especially to deliver services to the clients is lacking both quantitatively and qualitatively. This is the case in both the public and the private sector. Education and training is one way to tackle this problem, but also needed are amenities, infrastructure and financing systems. The most urgent issues are how to motivate health workers, how to improve their career perspectives, how to keep them qualified and how to prevent them from leaving the country. Furthermore, legislation is needed to protect sexual and reproductive health and rights in areas including child marriages, marriage registration, family-planning, abortion and female genital mutilation.

Protection of reproductive rights:

- *In Bangladesh, 170.000 women were assisted in registering their marriage. Registration is very important to combat child marriages*
- *In Ethiopia, a less restrictive abortion law is gradually being implemented through effective coordination between government, NGOs and donors*
- *In Guatemala, NGOs advocate the implementation of the newly adopted law on Family Planning*
- *In Yemen, a new law on the minimum marital age for girls (18) is now before Parliament and a law against genital mutilation of girls is being formulated.*
- *In Nicaragua, indicators on sexuality of adolescents, maternal mortality and violence against women have been taken up in the 'Performance Assessment Matrix' of the Donor Support Group*

Water

In the water sector a more integrated approach has led to increased capacity of governments at different levels in planning, coordinating and implementing programmes. Progress has also been made at the demand side with water-users groups becoming responsible for water management in agricultural areas. In Bangladesh, such groups have pressured the government to establish rules for the participation of landless people and single women in the maintenance of waterworks and in water-management at local level.

The water sector in Bangladesh:
The approach is integrated and multi-donor to the extent that different donor-programmes of the International Fund for Agricultural Development (IFAD), the WB and the Asian Development Bank (ADB) fit into one coherent programme implemented by the Ministry of Water, Ministry of Local Government and the NGO BRAC. In the 'reforms' programme financed by the Netherlands, the Bangladesh Water Development Board (BWDB) has developed a five-year strategic plan to transform technocratic and hierarchical institutions into decentralised and participative organisations. These will create the opportunity for the population, with the emphasis on women, to take part in policy-planning, -implementation and usage of water resources. The strategic plan involves far-reaching changes in approach, in personnel policies and budgeting processes. So far many tens of thousands of people have been trained, have acquired land titles and have developed economic activities. The Netherlands are involved in testing new methodologies, training of staff and giving strategic advice on how to manage these change processes. Despite the commitment of the BWDB to fight for the necessary modernization and institutional changes with the higher authorities, in practice this remains a challenge.

Private sector development

Strengthening the capacity of enterprises and of organisations that support enterprises is an important objective of the Dutch private sector development (PSD) policy. Support is given to entrepreneurship development and technological know-how as well as to the development of entire market chains, primarily in the agricultural sector.

PSD Bolivia:
In Bolivia, the Sistema Boliviana de Productividad y Competitividad (SBPC) programme supports the improvement of productivity and competitiveness in different production chains. To support these chains, contracts have been made with three organisations, which have subcontracted the delivery of specialist services out to financial institutions, knowledge centres and private organisations. Government institutions at central (Ministry of Planning) and decentralised levels have a task in solving practical problems and in forging agreements with provincial and communal authorities in order to secure their commitment and also funding. The programme offers a platform for exchange of experiences and knowledge between the different actors of the production chains, who all face similar problems in areas of entrepreneurship, technological know-how, production methods, promotion and export. In the quinua (type of grain) chain, capacity was developed in 4 areas: certification of organic production, strengthening of small enterprises, support to promotion and export and strengthening of production systems and technical development.

Good governance

Initial governance problems that weak states face are all related to state building. Without legislation or regulatory frameworks there will be no change and intransparent ways of taking decisions will continue. So the capacity that is required here is in the area of developing laws, writing sectoral plans, public finance management and decentralisation. Whether the reforms will actually be implemented however will be the test.

Public Sector Reform in Yemen:
In 2005, the Government of Yemen announced a five-year plan with far-reaching administrative reforms, which was endorsed by its donors. The reforms were laid down in a series of laws. This confronted the Yemeni government with many challenges, but progress was made in a number of fields. In the areas of water and basic education national development plans were developed which were embraced by an increasing number of donors. Of the many capacity issues which had to be pursued a number have been tackled with the help of donors. E.g. a procurement handbook was developed by the WB with Dutch contribution. An action plan was formulated for the Ministry of Finance and a support unit was set up for the same ministry with the assistance of a number of donors. In one province a decentralisation programme was carried out with Dutch support, which has been successful in bringing the government closer to the people. Another programme is aimed at increasing the capacity of the press. Also in the non-public domain the embassy is focusing on better access to services and the protection of vulnerable groups. Obviously there are many challenges in this process to improve the capacity of governance in a fragile state such as Yemen. The commitment of the government to actually implement these new policies and to work towards harmonization is not always clear. At the same time the government has limited capacity in terms of well-trained and motivated staff which is able to implement these major reform operations of the public sector, of the public finance system and in the area of decentralisation.

What has been learned?

The above examples show that a great deal has been learned in the practice of Dutch development cooperation. However, we still need to practice more patience, accept what ownership means, and stop thinking about desirable goals rather than attainable goals. We have to learn to adapt our ambitions to reality. This complies with the spirit of the Paris Agenda according to which donors should do their utmost to contribute to CD in partner countries and should not undermine it.

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Notes

1 World Bank Institute, Annual Report 2006: Developing Capacities in countries: p 2.

2 UNDP/Earthscan, 2002: p 9.

3 The title of this chapter refers to this complexity; CD is not a matter of teaching; it is primarily a learning process, and: for many, the concept is still a mystery. The title is a paraphrase of a quote from George Bernard Shaw (1856-1950), Irish playwright and socialist, winner of the Nobel Prize for Literature (1925) and critic of formal education.

4 See the chapters 'Behind the façade' and 'A lesson in modesty' in this book.

5 Hailey and James, 2006, p. 2.

6 Hailey and James, 2006, p. 3.

7 Hailey and James, 2006, p. 3.

8 Different development agencies have formulated their own definitions. Examples are: 'CD entails the sustainable creation, utilization and retention of the abilities of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives, in order to reduce poverty, enhance self-reliance and improve people's lives' (UNDP, 2006: 3). 'CD refers to the approaches, strategies and methodologies used by developing countries and/or external stakeholders to improve performance at individual, organisational, network/sector or broader system level (ISS, 2005: 7). 'Capacity refers to the conditions that must be in place e.g.: knowledge, competence, and effective and development-oriented organisations and institutional frameworks, in order to make development possible (SIDA, 2005: 12). 'Capacity is that emergent combination of attributes, assets, capabilities and relationships that enables a human system to perform, survive and self-renew' (ECDPM, 2005).

9 DCD/DAC/GOVNET, 2005: 8-9.

10 OECD/DAC, 2005.

11 For more information on these and other approaches to Capacity Development see the references to this chapter.

12 EuropeAid, 2005.

13 For a more in-depth understanding of this approach: see the website of Danida.

14 Engel, Land and Keijzer, 2007: 4.

15 Ten default principles for CD, see annex DAC paper attributed to UNDP.

16 Bossuyt, 2001: 7.

17 See chapter 'Bridging the macro-micro gap' in this book.

18 Results in Development Report 2005-2006; to be published in spring 2007.