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PROGRESS REPORT: DAC CAPACITY DEVELOPMENT INITIATIVE 2009-2010

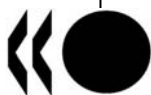
DAC Meeting, 19 May 2010

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1. Background

1. Building on the success of its 2006 guidance on capacity development¹, in 2008 the DAC recruited a Senior Co-ordinator for Capacity Development to help resurrect the visibility of capacity development in the Accra Agenda for Action (AAA) and to help define a subsequent DAC approach to the topic. In October 2008, it approved a capacity development initiative for 2009-2010 [DCD/DAC(2008)51], with direct oversight of implementation. It requested that an annual progress report be provided to the DAC. This is the second such document and focuses on the period April 2009 – April 2010.

2. The 2009-2010 PWB contains a results framework. Output 4 targets: “Guidance on effective and practical approaches to capacity development which draws upon sector and country cases for applying *The Challenge of Capacity Development: Working towards Good Practice*, particularly in implementing the Paris Declaration.” Three intermediate outputs (IO) are identified:

- IO 4.1: Annual progress reports to the DAC on donor-partner country success in implementing the DAC operational vision for capacity development.
- IO 4.2: Guidelines for good donor-partner country behaviour on capacity development in priority operational areas (e.g. technical assistance, level of collaboration, training).
- IO 4.3: Updated good practice report on capacity development for the environment sector.

3. *The first six months*: The first progress report [DCD/DAC(2009)19] highlighted the strategic and operational achievements of the initiative through early April 2009. These included (i) establishment of a joint international *partnership* with LenCD, CD Alliance and others, (ii) joint agreement to a *common vision* around six substantive capacity priorities extracted from the AAA -- see Box 1, (iii) a focus on *donor practice* – collaboration with Delegations to establish an “*informal CD correspondent network*” in Member capitals; completion of a first-ever *inventory* of Member CD policies and practice, completion of synthesis statement on capacity development learning through nine DAC *Peer Reviews* in 2007-2009, support for individual *actions* with several Member agencies, (iv) the launch of an OECD internal work group for capacity development to promote more coherent action across Directorates and (v) completion of a *Communication Strategy*, including a new website and other communication tools.

Box 1. AAA capacity development themes

- **Technical co-operation** - Work towards demand-driven technical co-operation and promote the use of local and regional resources, including South-South arrangements
- **Fragile situations** - Tailor, phase and co-ordinate capacity building and development in situations of fragility, including countries emerging from conflict.
- **National, sector, and thematic strategies** - Ensure integration of capacity development priorities in relevant national, sub-national, sector and thematic strategies.
- **Country systems** - Assess, strengthen and promote use of country systems to implement policies and manage public resources, including procurement, financial management, results, statistics and information systems.
- **Civil society and private sector** - Enable local civil society and the private sector to play their capacity role.
- **Enabling environment** - Address systemic impediments to local capacity development.

¹ *The Challenge of Capacity Development: Working towards Good Practice*, OECD, 2006.

4. *The last year:* Section 2 below describes the substantive achievements over the year since April 2009 in relation to each of the three IOs and Section 3 look proactively at 2010 and 2011. Eighteen months into implementation, targeted progress “on the road to HLF4” can be identified. This is the only international donor effort that attempts to join up existing empirical information in this way.

2. Achievements to date

“Implementing the DAC operational vision” progress (IO 4.1)

5. With the understanding that success in addressing capacity development requires a framework of action beyond donors and aid alone, the Secretariat has sought to implement the DAC operational vision by learning and sharing with as broad a base of strategic partners as possible: (i) with Southern voices, (ii) across donors, (iii) across the OECD, and (iv) through outreach to the general public.

6. *Support for South-North partnership:* Consistent with the aid effectiveness principle that sustainable development is the responsibility of the partner country, the Secretariat has sought to integrate the strongest possible Southern voice. Strategic partners CD Alliance and LenCD are led by joint, South-North steering groups that reflect both perspectives and both believe their longer term impact lies in networking with broader sets of actors over time. The Secretariat has supported the AAA related actions of these two partners and more recently worked with the NEPAD Secretariat and African Capacity Building Foundation (ACBF) on their joint approach to capacity, particularly the implementation of the NEPAD “Capacity Development Strategic Framework” for Africa, formally endorsed by the African Union in January 2010. A priority in 2010 will be to encourage even greater Southern voice in joint actions, including linkages with the Asian “Capacity Development for Development Effectiveness” (CDDE) and the Latin American post-Bogota processes.

7. Specific support was provided to **CD Alliance** Co-Chair Talaat Abdel-Malek, especially in helping him link strategically with his parallel role as Co-Chair of the WP-EFF. In addition to providing interim secretariat support to the CD Alliance (its part time administrative support member was recruited in November 2009), the DCD/POL division head is part of its 12-member Core Group, which includes high level donor participation from World Bank, the EU, Germany and Japan. The Core Group met in Berlin in May, 2009 and agreed on a first annual work plan in August. Strategic objective number 3 identifies the 6 AAA themes as opportunities for joint statements of good practice with LenCD and the DAC.

8. Over the year, CD Alliance successfully used international forums targeted in the work plan – Mexico (“Policy Dialogue on Development Co-operation”), Marrakech (“Capacity IS Development”), Bogota (“S-S Co-operation and Capacity Development”) – and the work of the WP-EFF to raise the visibility of capacity and to foster jointly sponsored evidence of what works and not. A special event on “Southern Perspectives on Capacity Development” was jointly sponsored by the Alliance and OECD on 30 November². The Alliance Co-Chair now is reviewing options for a second year work plan up through HLF4. He has been the primary champion in these forums and would like to expand further the involvement of the Core Group.

9. Concerning **LenCD**, the DAC Senior Co-ordinator is a member of its Steering Group and has contributed regularly to LenCD strategy and work planning discussions. LenCD over the last year has (i)

² Issues Brief 6: “Southern Perspectives on Capacity Development: Time to Act and Learn”, CD Alliance and OECD, 6 December 2009. NEPAD CEO Dr. Ibrahim Mayaki and the ACBF Evaluation Head presented via video.

set up a management framework to facilitate external funding around a UNDP project that was approved³ in September 2009; and (ii) begun implementation of the aspects of its work plan related to our common aid effectiveness agenda. This included the launch of an “Africa Learning Platform on Capacity Development”, the establishment of a web-based knowledge management system with “resource corners” for each of the six AAA priority areas and active support for most aspects of substantive work noted in this progress report. LenCD is a contributor to NEPAD and its partners in addressing their own emerging capacity development action, including joint support with the DAC Secretariat for NEPAD involvement in the recent Bogota event.

10. *Enhanced information sharing and collaboration among donors:* Within the broader partnership, the DAC comparative advantage is focused on donors, particularly the Member States, where it has sought collective identification of good practice and promotion of more common donor policy and behaviour.

- i) The informal “CD Correspondent Network” of contacts from each Member State (plus ADB, IBRD, UNDP and AfDB) was used to share information and to consult on action priorities. It continues to support the updating of the Secretariat **inventory** of donor capacity development policies and practices⁴ which provides information both by donor and more collectively. In July 2009, some correspondents joined a two-day workshop on capacity and aid effectiveness. Planning is now underway to use the group more proactively in 2010 to foster greater donor consensus (see paragraph 16).
- ii) The Secretariat continued to play its “bumblebee function” by sharing ideas and identifying discrepancies or redundancies among donors. This included the EU effort to reform technical co-operation, production of briefs on donor innovation (Australia⁵; European Commission⁶) and ongoing dialogue on technical issues with donors, including Germany, France, Japan, Australia, Netherlands, Ireland, U.S., IBRD and UNDP.
- iii) The Secretariat and, in some cases LenCD, has supported several DAC subsidiary bodies to address capacity in their areas of focus. The **WP-EFF** clusters are unanimous that capacity development is a cross-cutting issue for all, while specific focus on the topic is most evident in Clusters B and E. A recent report to the WP-EFF Executive Committee⁷ summarised the status of overall work on aid effectiveness capacity issues, both cluster-level work in relation to the technical focus of each, and the more strategic AAA focus of the work stream described in this report. The Secretariat and LenCD also provided direct technical support to **INCAF/International Dialogue** work in fragile states (which identified capacity development as one of four themes for a post-Dili Action Plan⁸), as well as the **ENVIRONET** Task Team⁹ work to develop good practice capacity development for the environment guidance in 2011. This support will continue through the next PWB cycle.

³ At the UNDP Project Appraisal Committee meeting the chair applauded the innovative nature of this effort as a “partnership platform” and noted its merit as a model for other UNDP work areas.

⁴ “Inventory of Donor Approaches to Capacity Development: What We are Learning”, DCD/POL, March 2009.

⁵ “Donor Capacity Development Innovation: Australia”, Issue Brief 5, December 2009.

⁶ “Donor Capacity Development Innovation: The European Commission”, Issue Brief 7, March 2010.

⁷ “Capacity Development on the Road to Seoul”, Bogota, 26 March 2010.

⁸ See Dili Declaration: A New Vision for Peacebuilding and Statebuilding, www.pbsdialogue.org

⁹ Capacity Development and Governance for Environment and Natural Resource Management

- iv) Collaboration has been carried out with DCD/PEER on a systematic basis in relation to the capacity development special issue section of every Peer Review since early 2009. This also led to a “synthesis statement” on learning in capacity development from nine DAC Member Peer Reviews in 2007-2008¹⁰. A similar synthesis for future Peer Reviews is expected in 2010 or 2011.

11. *Greater coherence within the OECD*: An informal OECD work group on capacity development established collaboration with 18 separate OECD work streams¹¹. The group was cited in 2009 as an example of OECD horizontal collaboration to Council [C(2009)40]. Collaboration on “windows of opportunity” will continue in 2010 with ENV, GOV, PDG and DCD, as already noted elsewhere.

12. *Efficient outreach process*: The Secretariat has communicated in various ways with hundreds of contacts in support of its outreach function. In collaboration with DCD specialists, a “Communication Strategy” was completed in early 2009 which helped identify primary/secondary audiences and suggested tools for each. A website (www.oecd.org/dac/capacitydevelopment) provides public space for work undertaken by the Secretariat and links to key partner and relevant technical sites. It is updated regularly.

“Good practice guidance” progress (IO 4.2 and IO 4.3)

13. IO 4.2 objectives concerning **good practice guidelines on donor-partner country behaviour** (especially in the six AAA capacity priorities) are being assembled progressively, with special attention to Southern perspectives and those of the independent knowledge networks. The documentation assembled by the Secretariat to date includes targeted joint learning in the following areas:

- Brief: CD of country systems (March 2009, with LenCD)
- Brief: CD in fragile situations (April 2009, with LenCD)
- Brief: From good principles to better practice (July 2009, with LenCD)
- Brief: CD in the education sector of Nepal (November 2009, with LenCD)
- Brief: Donor CD innovations: Australia (December 2009, with LenCD)
- Brief: Southern perspectives in CD (December 2009, with CD Alliance)
- Report: “Seeking Better Practices for CD: Training and Beyond (January, 2010, with LenCD)
- Discussion note: South-South Co-operation and CD (February 2010, with CD Alliance)
- Discussion note: Technical Assistance and CD (March 2010, with LenCD)
- Discussion note: Training for CD (March 2010, with LenCD)

14. These learning notes and the other research and documentation which accompany them are a foundation of evidence that will culminate late in 2010 in a more joined up synthesis report that describes the emerging North-South consensus on good practice principles for each of the six capacity areas of the

¹⁰ Denmark, Spain, Finland, Canada, France, Luxembourg, Norway, Australia, Ireland. See DCD/DAC(2009)34/FINAL.

¹¹ DCD, DAF, ENV, GOV and SGE Directorates, as well as DEV, SWAC, APF, PDG and Paris21

AAA. That information will be vetted widely in early 2011 in an effort to provide the HLF4 with an analysis of existing perspectives of good/bad practice, but also, how the lens of capacity development can be used to support more impactful and sustainable aid over time.

15. Work on IO 4.3 **good practice guidance in the environment sector** has been led by ENV and DCD Directorates. The joint ENV/DCD “Task Team on Governance and Capacity Development for Environment and Natural Resource Management” is currently developing *Policy Guidance on Capacity Development for Environment* for 2011, which will use a country system approach to capacity development for the environment, while looking at both local context and donor agencies. An early introductory chapter received feedback at the 5th meeting of the Task Team (September 2009), and work on other sections is ongoing. The May 2009 DAC/EPOC High Level Meeting identified the development and sharing of this guidance as an OECD priority, particularly in the context of climate change.

3. Looking forward to 2011-2012

16. Brainstorming with the Informal DAC Delegate Group on Capacity Development in late 2009 proactively identified post-HLF4 options in 2012 and beyond which would have focused on field monitoring of the good practice agreed to in 2011. More recently, however, significant cuts to the proposed budget for 2011-2012 mean eliminating any expectation for funding this work in 2012.

17. Current work planning is focused heavily on the HLF4 in November 2011, including support work for individual clusters of the WP-EFF process. Special opportunities such as support for the post-Dili action planning on capacity development or ENV/DCD work on environment guidance will be pursued to extent that resources permit, while every effort will be made to draw the results of this parallel work into the HLF4 learning process. In summary, the key stepping stones to HLF4 will be:

- Collaboratively sponsor, with DAC Member agencies active in the operational aspects of capacity development, a meeting on “Capacity Development in Donor Business Processes: Getting it Right”. It will take stock, review evidence, identify early messages for HLF4 and encourage better joining of effort. (Paris, Fall 2010)
- Under the strategic guidance of a small, high level group led by CD Alliance, and co-ordinated with LenCD and others, produce a draft synthesis report on the emerging S-N consensus around each of the 6 capacity priorities from the AAA, and pull together the evidence necessary to a composite view on capacity development for the HLF4 and beyond. (end 2010)
- The synthesis report draft will be used as the framing document for a joint, professional work shop sponsored in the South by the CD Alliance, LenCD and OECD¹². The results of this consultation will permit a final editing of a report for the HLF4 and planning for actions to take forward in the roll up to the HLF4 and beyond (Spring 2012).

¹² Similar to the work shop held in Bonn, Germany in May 2008 which led to the well-known North-South “Bonn Consensus” on priorities for capacity development, subsequently integrated into the AAA.