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Findings

Five Key Messages: Recommendations for Capacity Development in Africa

As Africans and their international partners gear up for a major push to fuel development and poverty reduction, Africa has a new opportunity to push the development agenda and to improve conditions for the continent's poor. In July 2005, the Group of Eight industrialized nations agreed to double aid to some $50 billion a year, recognizing the common interest in accompanying Africans on the road to sustainable development. But for increased aid flows to translate into better development outcomes, African governments and societies have to strengthen their capacity to implement development programs.

The attention paid to Africa's lag in achieving the MDGs and its faltering economic performance has correctly drawn attention to Africa's capacity gaps and the constraints that the continent faces in overcoming them. Using the new resources flowing towards Africa in the form of debt relief, aid, trade and investment requires that Africa and its partners address this capacity challenge, learning from the successes and mistakes of the past.

Shared growth requires capacity not only in the public sphere, but also in the private sector and civil society. Poverty reduction requires the state to carry out basic public management functions to provide access to basic social services. In the private sector, entrepreneurs, farmers and shopkeepers need regulatory institutions that ensure a competitive and cost effective business environment, low barriers to entry, and minimum risks to investment.

The starting-point today is much more propitious than at the launch of the African Capacity Building Facility (ACBF) more than a decade ago. The PRSP era has paved the way for important innovations in the way donors and the World Bank do business. The introduction of budget support (including PRSCs) and Sector Wide Approaches (SWAps) aligned with government systems have put countries in the driver's seat with stronger incentives to show results. Harmonization of donor efforts around country-owned benchmarks for poverty reduction although slow has likewise improved the efficiency of the partnerships with developing countries. The development of various country-level, multi-sectoral programs related to public sector reform and public financial management, community-driven development, and the fight against HIV/AIDS are also in place and show promise.

A few key messages

A Task Force was set up to recommend changes in the way the Bank affects African capacity, both directly through operations aimed at capacity development and indirectly through the way it conducts its overall business of development lending and cooperation in Africa. Based on its assessment of the evidence of capacity development and widespread consultations with Africans and their partners, a few key messages are emerging which can inform and stimulate the efforts of all parties in capacity development on the continent—African countries, external partners, and the Bank. The Task Force regards these as a work in progress around which further discussion and reflection are on-going.

Message 1: Capacity is the missing link in Africa's achievement of the MDGs

Capacity comprises the skills, incentives, resources, organizational systems and structures—as well as the broader enabling environment—that allow individuals and organizations to plan, implement, and monitor their development. Equally important is the need to answer the question: capacity for what? In this regard, capacity is best developed and used most effectively and tangibly in pursuit of specific objectives such as delivering services to the poor, improving investment climate for private firms and entrepreneurs, empowering local communities to take part in public decision-making, and resolving conflict and promoting peace and security.

Capacity remains a binding constraint to development and poverty reduction despite concerted efforts by a number of African countries and substantial donor support. This underscores the crucial importance of easing the capacity constraint, in tandem with larger aid flows to Africa; the two need to go together.

Since the end of the 1980s, macro-economic, structural and social policies have improved all over Africa and political and economic governance has improved since the early 1990s. In short, with economic policy and good governance building blocks moving into place to create opportunities, together with the availability of external financing, capacity remains the most binding constraint meeting the stipulated MDG targets in Africa.

Message 2: Capacity development aims at an effective state and an engaged society

Capacity development must be approached from what it intends to achieve. An effective state with an engaged society are needed to reach the end goals of poverty reduction, growth, empowerment, peace and security.

A state is effective when it delivers quality public goods and services meeting the needs of the population. Effective states require engaged societies that demand change and hold governments accountable for such delivery.

An engaged society, an end in itself, is also a key element of the domestic accountability system. Participatory institutions that are active holding the state accountable include parliaments and their committees, advocacy, interest and consumer groups, professional associations, local governments and communities.

Message 3: Africans must take the lead in capacity development and aid management

Capacity development should be approached strategically as a core area of country strategy for growth and poverty reduction. As home-grown strategies are much more likely to address the right issues and be effectively implemented, African country stakeholders, including their regional institutions, have to be at the center of a strategic approach to capacity development.

African governments should design strategies for capacity development as part of a participatory PRS process, including a robust monitoring and evaluation system as an integral part of its medium term plan such as the PRS.

Message 4: External partners must engage existing capacity in all African countries

External partners must respect African leadership and ownership of the design and implementation of national capacity development strategies. They must also follow a customized approach to supporting a country's capacity development strategy.

The international partner community should support the implementation of the capacity development strategies with timely, flexible and predictable technical and financial assistance. Technical cooperation (including technical

assistance) to African countries is on a strong rebound in 2004, it reached US$5.8 billion. Unfortunately these technical assistance expenditures are not building capacity; there is therefore a need for redirection of its use in two ways. One is to raise the share of technical assistance funding going to capacity building activities instead of expatriate salaries and support. The other is to provide it in a way that pools the fragmented financing arrangements into a basket to fund prioritized capacity development activities or filling country-identified short-term needs for achieving results with the country directing the investments. There is also a need to fund regional and sub-regional capacity.

In all African countries, external partners should take a longer-term, more patient and predictable approach to capacity development, extending over 15-20 years.

Message 5: Achieving capacity outcomes requires independent monitoring

Mutual accountability between external partners and African countries has been gathering momentum especially in the context of the PRS process. Africa itself has shown the way though the African Peer Review Mechanism, which uses a regional framework to strengthen domestic dialogue and encourage change towards improved political and economic governance.

A shared vision

The emerging shared vision of effective approaches to capacity development provides a conceptual and operational underpinning for a common platform. It is supported by the literature review and the experiences documented in the country and thematic studies. And it is reinforced by a strong endorsement from the consultation process so far.

This platform provides the basis for a coordinated "big push"—a new compact—to be mobilized with our African partners, the donor community in general, and the World Bank Group. None of the three partners can do it all alone. While each of the partners may have a different role, sustainable capacity development calls for a spirit of mutually reinforcing support and accountability.

The renewed compact will require the commitment of African leaders and their development partners to address capacity development more strategically, systematically and boldly. It will require a frank and comprehensive assessment dealing with the real constraints to building capacity. It will require using and retaining capacity effectively. It will require analytical and financial support for homegrown strategies for capacity development. And it will require the evolution of modalities and practices for partners to support the development of country capacities.

This article was written by Callisto Madavo, former Vice President for the Africa Region, World Bank, and is reproduced from the World Bank Institute's Development Outreach September 2005 edition. It was written in his capacity as leader of the Task Force on Capacity Development.