Strong leadership from developing countries is essential to ensure the success of capacity development (CD) initiatives. Billions of dollars have funded so-called CD projects during the past several decades, but the results have been mixed. A major reason for this lackluster outcome is that these initiatives have been largely designed, implemented, and driven by donors and have often lacked buy-in and support from Southern leaders. This brief outlines the importance of Southern leadership in capacity development and its impact on development outcomes. Evidence suggests that strong Southern leadership requires mobilizing political champions to integrate CD in national and sector development strategies and facilitating coordinated CD initiatives with Southern policy makers and practitioners. It also requires enhancing South-South and triangular cooperation and promoting wider outreach by sharing experience and good practice where CD is not yet a priority. The author envisions a Southern-led “Capacity Development Alliance” that could serve as a catalyst in reinforcing Southern leadership and representation during creation of national development strategies and that could also engage with the wider international development community.

Constraints on a country’s capacity are a major bottleneck, impeding not only aid effectiveness, but also fuller realization of its development goals. That is why more attention is being given to how best to address these constraints. Leaders from the South and the North have endorsed the Accra Agenda for Action (AAA), agreed on during the Accra High-Level Forum on Aid Effectiveness in September 2008. The AAA highlights capacity development (CD) as an important and urgent global challenge.

The ultimate objective of CD is to empower society, through its citizens, government, and civil institutions, to manage its resources effectively to achieve development goals in a sustainable manner over time.

CD has traditionally referred mostly to training and ad hoc policy advice. Important as these two ingredients are, experience with CD initiatives around the world has shown that sustaining CD outcomes requires an integrated approach that addresses key determinants of capacity development.

The performance of any given institution or sector largely depends on its:

- mandate or mission
- human resources (including management leadership)
- organizational operating systems
- internal and external environments in which it functions

The internal environment is shaped mainly by management style and approach to governance; its external environment is much broader, so political, economic, and social influences also affect performance. These same factors apply equally to a sector, subsector, or single institution.

Reasons behind Poor Capacity Development Outcomes

Billions of dollars have funded so-called capacity development projects (or CD project components) in the past 50 to 60 years. The consensus is that the
outcomes have been modest, although a few CD initiatives have been successful. A major reason for this lackluster outcome is that these initiatives have been predominantly donor driven, designed, and implemented and donors have adopted a narrow conceptual context for CD and also have lacked the active commitment and support of Southern leaders.

The passive attitude shown by some leaders in developing countries may be attributed to lack of know-how or willingness to articulate CD needs, develop strategies, and sustain CD work as a high development priority. Some leaders also seem to subscribe to the false notion that CD means training, and that it is training that will upgrade human resource performance. Overwhelming evidence exists that this is too simplistic a view; training alone is only part of a set of requisites for human resource and capacity development. Many CD projects have focused mainly on inputs and outputs and have not emphasized enough the capacity outcomes that are crucial for sustainable development.

In addition, centralization of decision making at the top in many developing countries has inhibited meaningful participation of lower-level staff, often reducing their role to one of simply “following instructions” from the top. Thus, even when training has produced a healthier attitude and equipped trainees with relevant skills, little or no change in behavior has frequently resulted, due to what might be called “system inertia.”

The absence or failure of internal operating systems is another capacity constraint. These systems determine how an institution is governed and how it goes about various tasks to achieve set objectives. Systems regulating hiring and firing, staff appraisal and promotion, procurement of inputs, quality assurance, market intelligence, financial management, and so on constitute the “software” that supports effective and transparent management. Yet, many institutions are lacking in this respect, although the private sector is generally better equipped and motivated to upgrade its operating systems. Government departments, in contrast, are regulated by a hoard of procedural and administrative edicts that stifle efficiency and give rise to innovative ways of bypassing regulations without breaking the law.

The external environment of an institution or sector can enable or disable capacity development. Where the rule of law, quality of public services, access to information, and participatory, rather than unilateral, approaches to resolving development issues prevail, CD efforts are likely to be successful and their outcome sustainable. Where these are lacking, the challenges facing CD can be very difficult to overcome.

These determinants are not independent, but tend to reinforce one another, positively or negatively, depending on the particular situation at hand. Where most determinants are not favorable, a vicious circle of constrained capacity may persist, limiting an institution’s or a sector’s ability to add value to society’s development efforts.

Southern Leadership

How can this unsatisfactory state of affairs be improved? The answer lies in changing the traditional approaches to CD. Whether concerning an institution or a sector, successful CD initiatives indicate the need for a fresh approach based on the following:

- Identifying and seeking CD champions among Southern leaders at national, sector, and institutional levels
- Ensuring that these champions are committed to grooming second-line staff who have the potential to assume leadership positions and work together in a coherent manner to provide the necessary “critical mass” for CD
- Assisting these leaders and staff to gain a pragmatic understanding of what it takes to produce sustained outcomes in priority sectors and institutions
- Ensuring that the whole CD process is Southern led, starting with assessment of capacity constraints and proceeding to formulation and implementation of an action plan and to monitoring results
- Defining the role of CD service providers as one of helping to assess options, sharing good practice learned in other CD situations, and contributing technical expertise (if joint management is necessary, Southern leaders must be in the driver’s seat)
- Taking due note of political and cultural sensitivities in assessing CD alternative “solutions” to enhance successful implementation
- Promoting active involvement of target beneficiaries in the CD process, stressing “national ownership” in the broad sense (civil society, parliament, and private sector), which is essential for sustainable results
- Drawing on relevant Southern experience, and seeking to adapt it to the situation at hand, arranging working visits at the leadership level through which both sides can exchange views and agree on the “what, how, and when” issues of South-South experience transfer

Priority Sectors and Institutions for Capacity Development

Not all sectors or institutions in a country are “ripe” for effective CD work. The need may well exist, but must be translated into effective demand if CD is to
succeed. One indicator in identifying the right candidates for CD may be when new leadership has just taken responsibility for the sector or institution in question and is embarking on a reform plan. Another is when the country or sector is faced with a “crisis” situation requiring drastic measures to deal with it. Issues that have arisen as a result of the recent global food crisis, need for greater energy security, climate change, and so on are posing challenges of exceptional difficulty and require prompt response to avoid mass public dissatisfaction and violence.

These are examples of situations in which leaders are likely to be more receptive to CD as a means of helping to resolve the challenges they face. The choice of candidates for a CD initiative is critical not only for its own success, but also for generating a positive demonstration and multiplier effect that could attract other leaders to follow suit. It is interesting to note that leaders responsible for recent reforms of the civil service and public sector institutions have often resorted to the use of a parallel system as a means of overcoming capacity bottlenecks. This is done by appointing an “elite” cadre (who are given special incentives and ready access to top policy makers) to assist in planning and carrying out the required change, often bypassing existing bureaucracy. Although this approach has produced good short-term results, it has not addressed chronic capacity bottlenecks and, moreover, has antagonized those who have been left out; in response, the latter have attempted to sabotage many of the reform measures introduced.

The key lesson here is that CD cannot ignore the essential role of incentives for producing sustainable outcomes. This is an extremely difficult challenge for most developing countries (especially civil service and public sector institutions) where salaries are low, performance appraisal systems are not necessarily based on merit, and competition from the private sector in attracting skilled personnel is becoming stiff. Donors have unintentionally added to these difficulties by offering substantially higher salaries and generous fringe benefits in their efforts to recruit top talent for project and staff posts. The result has been a serious drain of skills away from government and local institutions.

The Capacity Development Alliance

The 2008 Bonn Workshop on capacity development, which was organized in preparation for the Accra High-Level Forum on Aid Effectiveness, and other similar forums have clarified that there is more to capacity development than training or offering ad hoc policy advice. The AAA endorsed and incorporated the contents of the “Bonn Consensus,” signaling that leaders from the North and the South intend to give higher priority to CD. This new consensus about the importance of capacity development for development outcomes has given rise to a unique opportunity for planning and implementing more meaningful strategies that avoid a return to the “business as usual” approach. In light of this opportunity, a Southern-led “Capacity Development Alliance” has been proposed as an innovative initiative that would serve as a catalyst in facilitating the transition to the more inclusive and higher priority CD strategies. That is where its value added lies: a value reinforced by Southern leadership and strong Southern representation. No other arrangements or institutions focus on that role at present, and much of CD work has been donor driven, without significant ownership by recipient countries. The alliance’s key objective would be to move toward a more Southern-led and -owned CD effort.

The proposed alliance intends to pursue its mission by focusing on four key objectives:

- Mobilizing political champions in the South to integrate capacity development into national and sector development strategies
- Facilitating coordinated capacity development initiatives in collaboration with Southern CD policy makers and practitioners, as well as with donors
- Enhancing South-South and triangular cooperation in CD through the exchange of experiences and greater use of quality Southern expertise
- Promoting wider outreach by sharing experience and good practice where CD is not yet a priority

By pursuing these objectives, the alliance would contribute to the development of more pragmatic, developing country-owned CD initiatives that would receive both technical and financial support from donors and benefit from Southern-based experiences. The alliance would seek to provide a platform for the candid exchange of experiences and informal consultations among Southern CD leaders and practitioners. With time, the alliance would help mold effective CD design and delivery modalities, drawing on current, mainly donor-dominated approaches, while modifying them to produce more results-oriented and sustainable outcomes.

How?

The alliance would do the following:

- Coordinate its efforts following the Accra High-Level Forum on Aid Effectiveness and before the next forum envisaged for 2011 with relevant
meetings and other events convened at the international, regional, and subregional levels

- Encourage the development of specific commitments by Southern parties on CD issues (strategies, measuring and monitoring capacity, South-South cooperation, and other high-priority matters) to help identify pragmatic solutions to capacity bottlenecks, especially sectors deemed high priority by Southern policy makers
- Remain flexible, avoiding creation of its own structure and instead relying on existing institutions and partners as appropriate
- Require modest resources, in addition to those of its members, to facilitate collective work and safeguard a genuinely Southern-led process. Suitable Southern partner institutions taking a direct stake in the initiative could provide some support services. Support for specific initiatives that could require additional resources (e.g., travel or organizing events) will be sought from its partners.

Membership of the alliance is envisaged to comprise no more than 18–20 individuals from government and civil society, mainly from the South, but also representing the North. A smaller core steering team, chaired by Talaat Abdel-Malek (Egypt) and Ingrid Hoven (Germany), is now being assembled to engage in wider consultations and receive feedback that will help shape the alliance. Team members will be selected based on their willingness to champion the cause of capacity development in their respective regions and their access to senior policy-making leadership. Professional CD peers, wider consultations, and the cochairs will validate team member selection.

Alliance membership is envisaged to include representatives from Africa, Middle East, Asia, and Latin America from the South, and from Germany, Japan, the European Union, World Bank, United Nations Development Programme (UNDP), and Organization for Economic Cooperation and Development (OECD), as key donors/supporters committed to CD. Wider support is envisaged by linking with the OECD Development Assistance Committee’s Working Party on Aid Effectiveness and Donor Practices. Although the initial focus will be placed on priorities established in Africa and Asia, the alliance will incorporate Latin America’s experiences (e.g., South-South cooperation) and help identify CD priorities in the Middle East as well.

**Going Forward**

The alliance will not have a structure of its own, but capitalize on existing initiatives, such as Learning Network on Capacity Development (LenCD) and other networks active in its field; it is a fundamental tenet of this initiative that it shall not replicate or in any way duplicate efforts undertaken by others, but build on these and add value through its distinctive Southern-led platform on CD.

A number of consultation rounds have already taken place, including a videoconference on July 20, 2008, featuring representatives of UNDP, OECD, the World Bank Institute, LenCD, German Federal Ministry for Economic Cooperation and Development, and three members of the Partner Country Contact Group representing Asia, Africa, and Middle East. Further discussions took place at a meeting in Washington D.C. on December 16–17, 2008. These have been useful in clarifying issues and speeding up preparations for launching the CD Alliance, expected before mid-2009.

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