

# THE AFRICA CAPACITY INDICATORS REPORT – IMPLICATIONS FOR BUSAN 2011

Arusha, Tanzania: September 7, 2011

## CONCEPT NOTE

### I) CONTEXT

The African Capacity Building Foundation (ACBF) is, since 2011, routinely publishing the Africa Capacity Indicators flagship report (ACIR). The publication aims to measure and empirically assess capacity in relation to the development agenda in African countries. ACIR intends to highlight key determinants and components of capacity for development and how they can be measured. The Executive Secretary sets up a team to spearhead the Africa Capacity Indicators till its Publication. The team initiates the process to gather the data, case studies, set up an advisory and peer reviewing mechanism, and the writing of report that interprets the data.

The ACIR has a number of objectives of the Flagship. Briefly:

- i. The ACIR examines the key issues and challenges facing countries and cross-border capacity building and cooperation in Africa. Empirical, case studies and examples of best practices are drawn from specific sectors. Good practices in mainstreaming gender in indicators are also to be highlighted to promote learning.
- ii. The flagship seeks to give better theoretical underpinnings to the various capacity building interventions being undertaken on the continent. The ACIR provides a search for a framework that applies to the work of the Foundation.
- iii. The ACIR attempts to serve as a definitive knowledge product targeting policymakers, public-sector officials, private sector people, civil society (including women's organizations

or organizations focusing on promotion of gender equality and the empowerment of women,) and other experts involved in capacity building on the continent.

iv. The Flagship also examines the key issues and challenges facing not only in-country but also cross-border developments in capacity in Africa with on-going efforts to support regional cooperation, and will serve as a definitive knowledge product primarily for policymakers in the region. The ACIR is to serve as a major diagnostic tool and guide the development of priority actions by providing practical recommendations where necessary. To this effect, the ACIR seeks to form the basis for advocacy on major capacity building issues.

v. Additionally, the ACIR furnishes ACBF with a unique opportunity to: show-case various interventions and its special role as an institution, while pushing the frontiers of discourse on capacity building as a major driver of development, agency-of-change and a great source of transformation. It gives great visibility to the work of the Foundation and its partners as well as strengthening the operations of the current 'knowledge communities' – or ACBF TAPNETS; and

vi. The ACBF Secretariat publishes the ACIR annually based on an identified theme in consultation with the Foundation's stakeholders and clients. The ACIR is therefore 'an annual research-led review of capacity development issues', written by an independent team of researchers and advised by an external reference group (ERG) in collaboration with the ACBF Secretariat. The ACIR contains indicators that allow for tracking overtime, allow comparability and give a sense of assessments of results being achieved in capacity building across Africa.

The ACIR 2011 did tease out the issues of aid effectiveness related to capacity development. Of the 34 surveyed countries, 94.1 percent confirmed that they have endorsed the Paris Declaration; 82.4 percent also confirmed they have an aid coordination policy in place. Indeed, most of the countries (73.5 percent) reported moderate strength in their coordination mechanisms, and 52.9 percent indicated that development partners have used parallel implementation structures. Use of PIUs seemed to be on the rise, up by 43 percent in 2009.

For capacity to be developed and countries to achieve development results, aid needs to be predictable. From the ACIR field survey, only 11.8 percent reported getting above 80 percent aid for capacity development disbursed on time. Some 41 percent of countries received 41 percent and above of bilateral aid for capacity development as untied aid in 2009, while 46

percent of countries reported a rise in bilateral aid for capacity development from their 2008 to 2009 levels. Yet the M&E frameworks for aid monitoring remain non-existent or inadequate in 59.4 percent of surveyed countries. Results revealed that 74.2 percent of countries had conducted mutual assessments of progress in implementing agreed commitments between their governments and development partners. Much remains to be done to implement the Paris Declaration in its entirety. The quantity of human and financial resources devoted to build and develop capacity need to be increased. At present, such resources are to a large extent unequally distributed among the surveyed countries.

As a follow-up to the discussions at Monterrey and Kananaskis, developing and developed partner countries agreed in the 2003 Rome Declaration on Aid Effectiveness that there was an urgent need to make aid effective if the fight against poverty was to be won and the MDGs achieved. Since 2003, the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) has organised three forums to assess the effectiveness of development aid – with the third culminating in the Accra Agenda for Action (AAA). The fourth, which will take place between November 29 and December 1 in Busan, South Korea, will be a political, multi-stakeholder event with up to 2000 participants from over 150 countries.

The organizers intends it to mark a milestone in international development cooperation and represent a culmination of the collective efforts of donors, partner countries and other stakeholders to tackle the question of managing the aid process. But how and where will capacity development feature in the forthcoming debates on aid effectiveness?

Capacity development will be one of the many themes being debated in Busan, and one of the questions being tackled will be how to forge a South–North consensus on approaches to capacity development – a question that no one is naïve enough to believe will be easy to answer. And therefore require serious prior reflections.

ACBF recognizes the need for a **stronger Southern voice**. Over the past two years, The Foundation has joined a partnership comprising the OECD, the Learning Network on Capacity Development (LenCD) and a nascent Southern political advocacy group, CD Alliance, has been working to highlight priority areas. The aim is to move the capacity development agenda from the donor–donor discussion that has characterized it over the last 50 years to an agenda with a stronger Southern voice – perhaps even the voice of a transformative leadership.

This partnership is not the only group intent on enlarging the circle of Southern involvement. The New Partnership for Africa's Development (NEPAD), an African Union program, is also pursuing new priorities and approaches to the political and socio-economic transformation of Africa. The African Capacity Building Foundation (ACBF) has a memorandum of understanding with NEPAD to help implement the principles of the Capacity Development Results Framework. These two agencies are working with African countries to develop and promote an African position in Busan.

These preparations have the potential to raise the visibility of Southern perspectives in Busan, foster better support for capacity development and translate collective knowledge about capacity development into local action. More partner country ownership will foster better donor support. Capacity is the flip side of ownership – and ownership is a precondition for capacity development.

Although, it is too early to be clear about what to expect from Busan, but already, the principles of good capacity development have helped to influence the direction of the aid effectiveness agenda: greater partner country ownership and leadership of aid; greater donor interest in using and supporting country systems; greater attention to the strengthening of local capacity as the foundation of sustainable development action.

It is ACBF's considered hope that after Busan, capacity development will be more strongly Southern-focused than before – and will present a range of political and strategic opportunities. Some of the issues on the horizon are:

- The placement of Southern leadership at the forefront of capacity development
- Agreement on a more 'joined-up' approach to capacity development – a vision, language and approach that are common to both North and South
- Greater agreement to use the principles of capacity development in all key aid agency business processes, and to encourage mutually supportive learning
- Making reforms to technical cooperation that are sensitive to capacity development
- Making sectors a primary entry point for joint approaches to capacity
- Agreement to better link capacity development thinking on fragile situations with the leadership of the G7+ International Dialogue on State-building and Peacekeeping
- Reforming international donor business systems to be more in line with capacity development principles: more collaborative strategic planning and results measurement; more flexible project implementation; the sending of more resources into the field; and a reduction in agency fragmentation

From and using the Busan process, it is possible to call upon emerging Southern voices to seek more joined-up and united (North and South) learning and action in some of the above areas.

It is within this context that the African Capacity Building Foundation (ACBF) has responded favorably to the request by the AU to lead the discourse and bring together a wide range of lessons and international best practice for aid effectiveness. The Foundation plans to organize a Round Table (RT) during the meeting of its Board of Governors to be held in Arusha, Tanzania. This Round Table is consistent with the ACBF strategic plan (2012-2016) which has as one of its strategic priorities working together with state and non-state actors to strengthen national capacities in the formulation and implementation of development policies.

The preparation of the strategic plan, which is the third for ACBF, provided the Foundation with the opportunity to assess what has been learned since its creation in 1991. During the past two decades, ACBF has, with the support of its donors, committed more than USD400 million to capacity development interventions in the African continent. These interventions have strengthened capacity in several priority areas, particularly in economic policy management. ACBF was happy to detect that in spite of the difficulties it caused; the African continent demonstrated greater resilience to the global economic crisis than other regions. This could be explained to a large extent by the well-designed economic policies in place in many African countries.

One of the main challenges identified in the strategic plan is the need for African countries to develop qualified and competent human resources, capable of adapting to the rapid technological change required to make African economies more competitive. Another difficulty identified in the strategic plan is the development of capacity to formulate and implement policies to promote mobilization as well as rationalization of resources.

To address these difficulties, ACBF plans to increase its support to public administration and research institutions to strengthen their capacity to formulate and implement policies that promote aid effectiveness and local ownership of development results.

The proposed Round Table (RT) will present a platform to share experiences and best practice on policies that work. It will also help to increase awareness of the various dimensions of the problem of donor coordination and enhance aid effectiveness for development results.

## 2) **ROUND TABLE OBJECTIVES**

The main objective of the Round Table is to provide a platform for discussion and exchange of information, knowledge and experiences on donor coordination and aid effectiveness in Africa. It is expected that this will improve the design and implementation of policies to improve development outcomes and results.

The Round Table will specifically aim to:

- Increase awareness of state and non-state actors of the various dimensions of aid effectiveness so that they can be fully considered in the design of policies;
- Bring together experts and decision makers concerned with the problem of donor coordination to facilitate exchange of lessons and experiences;
- Improve ACBF's understanding of the capacity needs associated with the donor coordination and aid effectiveness so that the Foundation can fund more relevant interventions; and
- Develop and strengthen strategic partnerships to support initiatives in this area.

## 3) **METHODOLOGY**

The Round Table will feature presentations of country experiences, lessons and case studies by various national agents and national and international bodies working in this area. These presentations will be followed by questions and discussions.

## 4) **EXPECTED RESULTS**

At the end of the Round Table it is expected that participants would put into use acquired information, knowledge and partnerships to develop better solutions to the problem of donor coordination. The papers and documents presented during the Round Table would be compiled in one final report.

## 5) **PARTICIPANTS**

Participants will include decision makers in government; ACBF Board of Governors; development partners; academics and researchers, as well as representatives from civil society and the media

## 6) **DISTINGUISHED SPEAKERS**

1. Sue Szabo, IDRC, Canada
2. Frannie Léautier, Executive Secretary, African Capacity Building Foundation
3. TBC, Africa Region, World Bank, Washington, DC

4. Mthuli Ncube, Chief Economist, AfDB
5. TBC, ACBF Governor from....
6. **Chair:** TBC
7. **Discussant:** Ms. Wilma-van Esch, Dutch Ministry of Foreign Affairs (MFA)