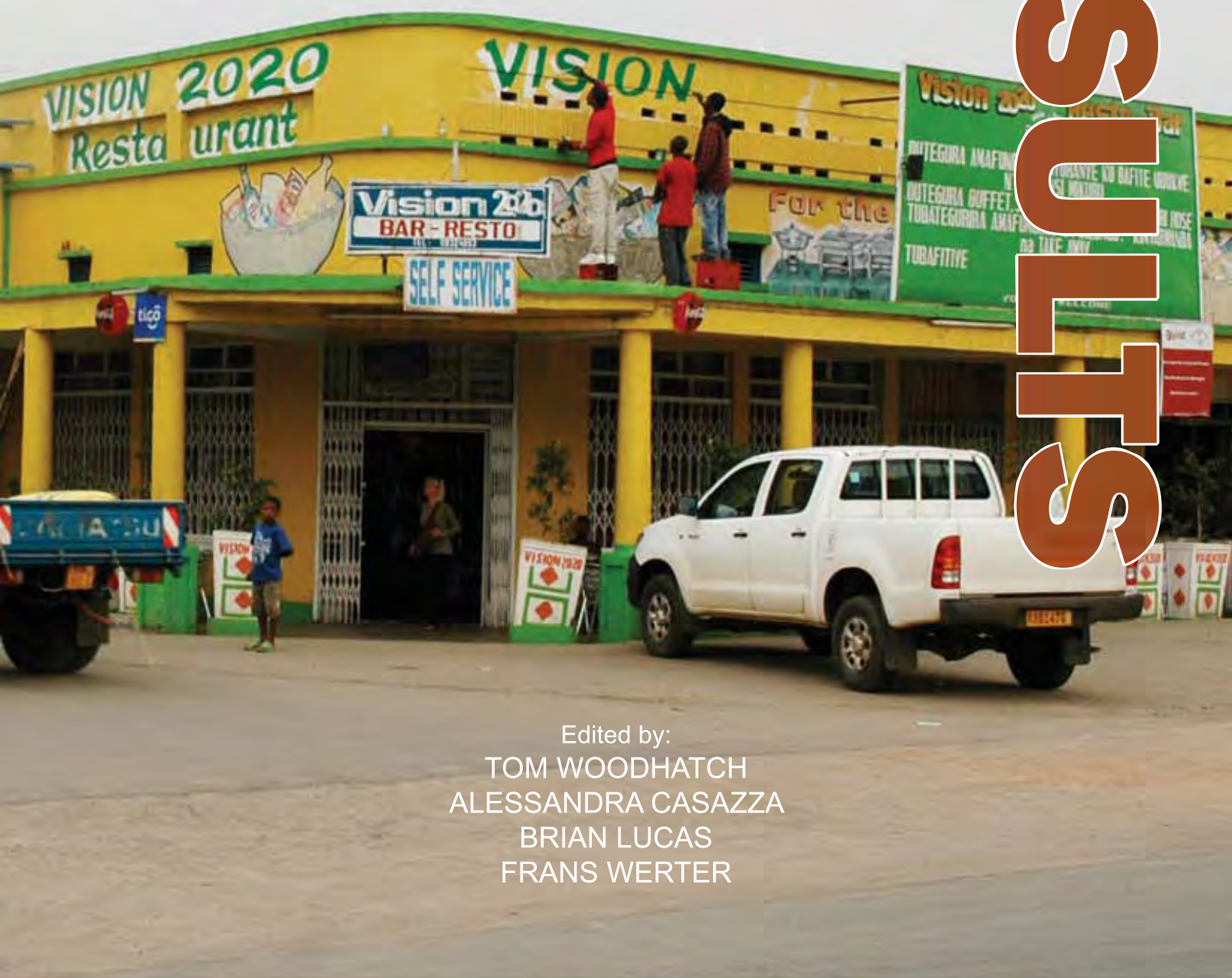


# CAPACITY



Case stories on  
capacity development  
and sustainable results

# RESULTS



Edited by:  
TOM WOODHATCH  
ALESSANDRA CASAZZA  
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**LenCD**

*Learning Network on Capacity Development*

# About LenCD

**LenCD** is an informal and open network of individuals and organisations sharing a common interest in improving capacity development practice.

The network aims to promote and facilitate the sharing of lessons and learning across organisational boundaries, and to promote changes for better practice at the global, regional and local levels. Specifically, it aims to:

- Strengthen evidence and facilitate dissemination of good practice;
- Facilitate collective initiatives and processes needed to close “learning loops” and promote change;
- Promote integration of CD into mainstream development policy; and
- Support regional and local initiatives to help change in CD practice on the ground.

The network emerged as a result of informal networking in the context of several streams of research efforts, workshops and conferences. It was established in Berlin in June 2004. The insight that brought the initial partners together was that joining forces would not only give visibility to the issue of capacity development, but also open many opportunities to do more than any individual actor would have been able to do alone.

Initially a network of development agencies, LenCD today has a broad constituency in the South and North, including global initiatives, regional networks and local institutions from government and civil society, bilateral donors, multilateral agencies and individual practitioners. LenCD brings together actors with diverse perspectives in an open forum for reflection, respecting pluralism rather than negotiation for common positions.

LenCD initiatives depend on energy from network members and partners, their shared interests and resources. Its initiatives include thematic and regional working groups, development of specific products, vetting of research and policy development, and sharing of knowledge through online resources, knowledge fairs and other mechanisms.

For more information about the network, please visit [www.LenCD.org](http://www.LenCD.org). Participation in the network is free and open to all.

# **CAPACITY ⇒ RESULTS**

## **CASE STORIES on CAPACITY DEVELOPMENT and SUSTAINABLE RESULTS**

Edited by:  
TOM WOODHATCH  
ALESSANDRA CASAZZA  
BRIAN LUCAS  
FRANS WERTER

*LenCD*  
*Learning Network on Capacity Development*

**Capacity ⇒ Results**  
**Case stories on capacity development and sustainable results**

Edited by: Tom Woodhatch, Alessandra Casazza, Brian Lucas and Frans Werter

The views expressed in this publication are those of the authors of the stories and do not necessarily represent those of the Learning Network on Capacity Development or its members.

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Published 2011 by the Learning Network on Capacity Development  
For more information please visit [www.LenCD.org](http://www.LenCD.org)

Cover photo: Alessandra Casazza  
Design and Layout: Florenio Bambao  
Printing Coordinator: Helen Jimenez, IBON International  
Printed by: IBON Foundation, Inc.

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## Foreword

Capacity development leads to sustainable development results, and sustainable results are premised on investment in capacity development. Every year, members of the Organization for Economic Co-operation and Development (OECD) contribute some \$25 billion to developing countries, much of which is aimed at delivering capacity development. It is vital that this support demonstrates that it can contribute to sustainable increases in the recipient's countries ability to deliver and develop themselves.

The stories in this collection have been prepared by different countries and development partners to showcase how endogenous investments in capacity development have led to short, medium and long-term sustainable results in the form of better performing institutions and enhanced delivery of service or regulation to citizens. We are still learning how to identify and capture, in a balanced way, short-term, intermediate and long-term results so that visible results which are rather easily achievable – schools built, water pumps installed – do not overshadow the longer term results such as sustainable learning for children and sustainable supply of water.

Each contribution to this publication tells a story about how investments in capacities for local leadership and coalitions for change have led to increased performance of local and national institutions, as well as how, over the longer term, better institutions have led to results such as improved health coverage, reduced poverty rate and inequality, better access to education services and other long-lasting sustainable results.

In my country, Rwanda, we recognize that we need a strong, capable workforce to rebuild our country and achieve the transformational change we seek. The 1994 genocide was not only a human tragedy; it also meant a huge loss of skills and experience vital to rebuild the country. For this reason we have put capacity development high on our agenda. It is a central pillar of our Vision 2020 which sets out our ambition for Rwanda to become a middle income country by 2020. We have established a specific unit in our Finance & Economic Planning Ministry, dedicated to co-coordinating capacity building stakeholders and initiatives across Government and ensure that capacity building interventions are aligned to our development agenda.

We have learnt a huge amount as part of this work. We have learnt that in capacity development, we have to stay focused on our national development priorities; that capacity building must be aligned to the delivery of Government identified priorities programs, based on a thorough assessment of needs so that it is targeted to those areas where there are gaps. It must also be properly coordinated across all relevant agencies and stakeholders to ensure harmony and sharing of best practices. These principles now underpin the capacity building work we are taking forward by contributing to Government delivery of real world outcomes for Rwandans.

The stories that you will find here provide evidence in support of the joint statement on results prepared by the Learning Network on Capacity Development. The statement stresses that meaningful, sustainable results require and follow from investments in capacity development. We expect that the joint statement and the collection of stories that supports it will add to a constructive debate about how results-based management approaches can balance the reasonable quest for visible short-term results with

the necessarily long-haul efforts to develop sustainable capacity. Being able to articulate, as the stories do, the multiple intermediate “stepping stone results” on the way to lasting capacity and performance, will bring much needed nuance to how we work with results and capacity in the future.



**Stella Ford Mugabo**

Executive Secretary  
Public Sector Capacity Building Secretariat  
Ministry of Finance & Economic Planning  
Rwanda

## About the publication

Results from investments in capacity development matter. They matter to those who are at the receiving end of public services provided by state institutions in developing countries, including health, education, water and sanitation, transport, justice and many others. Results also matter for the achievement of the MDGs, when we are two thirds of the way towards the 2015 finishing line. Both developing countries and development partners agree on the importance of results and, over the years, have strived to uphold, in policy and practice, the principle of managing for development results.

While there is consensus on the importance of results, development actors in countries and in development organisations face challenges with capturing them. The results frameworks that are widely adopted in development practice are most often founded on 'hard' results. Results such as number of schools built, water wells dug, roads constructed, and others alike, are easier to measure, can be achieved in a relatively short time and, most importantly, are easier to communicate to governments' constituencies and tax-payers. However, such results frameworks have usually proven to be unsuitable to capture results deriving from longer and more complex processes of capacity development, such as nurturing inclusive ownership, accountability and change in organizational performance.

Capacity development is at the core of development; it has to do with political processes and cultural and societal changes. These processes produce long-lasting transformation, but they are also long-term and very complex in nature. While results from these processes take a long time to come about, they nevertheless manifest themselves at different levels and at different times. Results frameworks that are designed for a limited set of shorter term and hard results, are not suitable to capture the more complex changes that are rooted in investments in capacity development.

Against the background of this discussion about sustainable results, capacity development and results frameworks, LenCD has prepared a **joint statement on results and capacity development** (presented in this publication), which stresses that meaningful, sustainable results are premised on proper investments in capacity development and that these results materialize at different levels and at different times, along countries' development trajectory.

To provide evidence in support of this statement, LenCD launched a call for submission of stories. The 15 stories featured in this publication have been selected by a four-member review panel, through a rigorous appraisal process of over 40 stories, received as a response to the LenCD call. The stories have been contributed by different countries and development partners and cover 14 countries in Africa, Asia and the Pacific, Europe and Latin America.

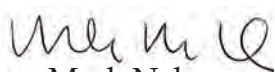
The stories showcase how endogenous investments in capacity development have led, over time, to produce short, medium and long-term sustainable results. They tell how investments in leadership capacity, coalition for change, multi-stakeholder platforms, information management systems, knowledge and skills, accountability mechanisms and others, have led, over time, to better performing public institutions, local governments, communities, small enterprises and civil society organizations; and how these,



in turn, have contributed to better health services and outcomes, economic policies, business environments for small enterprises, education services and other sustainable development results that have benefited the people.

While these stories help to broaden the knowledge base on how investments in capacity lead to results, much more needs to be done, to capture the results from investments in capacities with frameworks that allow developing countries the time and the space to develop broad-based capacities and to bring these process to full fruition.

We would like to thank all our partners that have supported and contributed this discussion with their own stories and perspectives, and we look forward to bringing this agenda forward together with LenCD partners, broadening the body of experiences on capacity and results and addressing the challenges that partners are still facing with capturing such results with concrete solutions.



Mark Nelson  
LenCD Co-Chair



Apollinaire Ndurukwigira  
LenCD Co-Chair

## Acknowledgements

This publication has been prepared by the Learning Network for Capacity Development (LenCD) and its members, including: the African Capacity Building Foundation (ACBF), the Australian Agency for International Development (AusAID), the Danish International Development Agency (DANIDA), Development Gateway, IBON Foundation, Instituto Marquês de Valle Flôr (IMVF), the Portuguese Institute for Development Assistance (IPAD), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH/Federal Ministry for Economic Cooperation and Development (BMZ), Japan International Cooperation Agency (JICA), Pact, the Government of Paraguay, the Rwandan Public Sector Capacity Building Secretariat (PSCBS), the Netherlands Development Organisation (SNV), the United Nations Development Programme (UNDP) and the World Bank Institute (WBI).

This publication has been prepared under the overall supervision of the LenCD Co-Chairs, Apollinaire Ndorukwigira and Mark Nelson, with coordination by Alessandra Casazza and Brian Lucas and the support of Clementina Gentile Fusillo. The stories have been reviewed and selected by Adeboye Adeyemo, Alessandra Casazza, Brian Lucas and Frans Werter, and edited by Tom Woodhatch, Alessandra Casazza, Brian Lucas and Frans Werter. The Joint Statement on Results and Capacity Development has been formulated through a consultative process led by Mark Nelson, Nils Boesen, Nicola Smithers and Alessandra Casazza. The foreword has been written by Stella Mugabo. The publication has been designed by Florenio Bambao, printing managed by Helen Jimenez and co-financing provided by IBON.

LenCD wishes to thank the following for their contribution to the preparation of this publication.

From the ACBF team: Apollinaire Ndorukwigira, Adeboye Adeyemo, Dieynaba Tandian, Nyawira Miano, Frans Werter, Moses Ikiara (KIPPRA) and Patience Sakuringwa (ZCSMBA). From the AusAID team: the staff from the Government of Papua New Guinea and AusAID staff in Canberra and Port Moresby. From the DANIDA team: Henning Nøhr, Pema Wangdi and Tek Bahadur Chhetri. From the Development Gateway team: Admasu Nebebe, Emily Kallaur and the staff of the Department of UN Agencies and Regional Cooperation, Directorate of the Ministry of Finance and Economic Development of Ethiopia. From the IBON team: Antonio Tujan, Florenio Bambao and Helen Jimenez. From the IMVF team: Filipa Petrucci Sousa, Maria Manuel Esperança and Rita Caetano. From the IPAD team: Fabio Sousa, Isabel Couto, Braima Embaló and Olímpia Moura (Guinea-Bissau Ministry of Education), Rui Landim (the National Institute for Education Development of Guinea-Bissau), Luísa Neves (Instituto Politécnico de Viana do Castelo) and Susana Refega (Fundação Fé e Cooperação). From the GIZ/BMZ team: Eberhard Goll and Lothar Diehl. From the JICA team: Hiromi Nai and Kunitake Daiki. From the PACT team: Imam Muhammad Ashafa and Pastor James Wuye (Interfaith Mediation Center), Ahmed Mohammed, Angela Gasparetti, Ebele Achor, Jessica Benton, Matt Reeves and Olga Yakimakho. From Paraguay: Ana Rojas Viñales and Verónica Serafini Geoghegan. From PSCBS: Stella Mugabo. From the SNV team: Dorothy Nakimbugwe (Makerere University), Sietze Vellema (Wageningen University), Ber-

nard Conilh de Beyssac, Jan Ubels, Nick Greenfield, Onyango-Omondi, Susan, Ranjan Shrestha, Robin van Kippersluis, the Uganda Oilseed Producers and Processors Association, the Department of Food Science and Technology and the Department of Agricultural Economics and Agribusiness of Makerere University, Wageningen University and the Research Centre for Development Innovation. From the UNDP team: Alessandra Casazza, Alma Gjoni, Clementina Gentile Fusillo, Jayne Musumba, Mao Kawada and Vladimir Malkaj. From the WBI team: Mark Nelson, Nicola Smithers and Tommaso Balbo di Vinadio.

# Joint Statement on Results and Capacity Development

## Learning Network on Capacity Development

### GETTING TO SUSTAINABLE RESULTS THAT MATTER

- ▶ Sustainability of results matters: For decades, international cooperation focused on delivering tangible, short-term results – building schools, roads, health clinics etc. In far too many instances these results were not sustainable and did not have lasting impact because attention was not paid to strengthening the underlying broad capacities required to maintain and upscale services.
- ▶ Sustainable results of aid are premised on country capacity, ownership and partnership: To be effective for sustainable results aid and development cooperation must support country efforts rather than replace them, building on existing capacity and inclusive country ownership. In effective partnerships, all partners contribute to sustainable results, while being responsible for their own performance and jointly for the quality and effectiveness of the partnership.
- ▶ Results materialize at different levels, within different scopes and time-horizons – and they can be specified accordingly. Developing a policy for maternal health is a result at one level; strengthening the delivery capacity of the health system is a much higher level result, which requires longer-term investments. Results-orientation implies specifying the various levels of results, clarifying the corresponding reasonable expectations and time-scales of change.
- ▶ Capacity development is a critical part of the chain from short to longer-term sustainable results. Capacity development leads to visible, intermediate results, like stronger leadership for change. In the medium term, stronger capacity leads to enhanced performance in service delivery. Impact on people's lives takes longer to materialize. Results at all these different levels can be identified and monitored.
- ▶ Managing for sustainable results requires flexibility and careful adaptation to the context. Results frameworks are most effective when they leave room for emergent capacity development, adaptation and flexibility. Capacity development is about change, and change processes are rarely linear and predictable, particularly in fragile situations.

- ▶ Results focus is critical for learning: Results-orientation in aid relationships often emphasize control more than feedback and learning. Capturing results from capacity development processes is foremost a means for feedback and learning about what works and in what circumstances, and so to improve understanding, practice – and results.
- ▶ Country leaders, managers and change agents are key for getting to results: Systems, frameworks and indicators can underpin results-based management, but cannot drive change. Balancing short and long term results realistically; and ensuring that services and capacities grow hand in hand depend, first and foremost, on the incentives, skills and values driving leaders, managers and change agents, in countries and development agencies. More attention is needed to these factors.
- ▶ Advancing results-focused capacity development is important for aid and development effectiveness. A global, nimble multi-partner facility should be established to provide resources for country level actors to advance results-focused capacity development, action research and peer-based learning.



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# ALBANIA – Strengthening local government in Kukës region

## Context

The Kukës Region, a mountainous area in northern Albania, is the country's poorest region. It has the lowest incomes, high unemployment, poorly managed and dysfunctional infrastructure, and its land is still contaminated by landmines and unexploded ordnance from the 1999 Kosovo<sup>1</sup> conflict.

Albania does not have a tradition of local governance; however, decentralization and regional development have been at the top of the government's agenda, as the country aspires to obtain EU membership. Devolution of power to local authorities in Albania dates back to 1999, when the Strategy for Decentralization and Local Autonomy was followed by a new legislative framework, regulating local autonomy. However, devolution of power and delegation of authority was not backed by sufficient capacities in local governments to exercise such powers and deliver on new responsibilities.

Against this backdrop, in 2005, with the support of the United Nations Development Programme (UNDP), Albania rolled-out the Area Based Development programme in the Kukës region to strengthen local institutions at the regional, municipal, and commune levels to drive their own development agenda. The programme focused on developing local

governments' capacity to govern in a participatory manner and on supporting the leadership capacity of local communities to promote their own development.

## Development results

Greater openness of local governments to peoples' participation in decision making processes has promoted citizens' interest and capacity to play a greater role in local governance and support to local development, and improved the living standards of the people in the Kukës Region. Since the programme has been rolled out, the

### Results

A 50 percent rise in the number of families with access to improved access to health centres.

1,600 households are benefiting by access to a new main road.

1,220 families have now access to irrigation.

The number of people that have access to safe water supplies has increased by 155 percent.

One survey has shown a growth in public satisfaction with the quality of local services.

Independent assessments conducted in 2005 and 2007 suggest that some 80 percent of respondents believed that the relationship between communities and local government authorities improved.

<sup>1</sup> In accordance with UN Security Council Resolution 1244

region has enjoyed a 50 percent rise in the number of families with improved access to health care centres. Almost 1,600 households are linked to markets, urban centers and services by the access to a new major road; and 1,220 families are benefiting from irrigation infrastructure. The number of people with access to safe drinking water has also increased by as much as 155 percent. Community improvement projects implemented by local enterprises have also generated employment and livelihood opportunities for local residents.



### **Enhanced performance**

A survey has shown a rise in public satisfaction with the quality of local services, and independent assessments conducted

in 2005 and 2007 suggest that some 80 percent of respondents believe that the relationship between communities and local government authorities has improved after the programme was launched. Citizens' sense of ownership of infrastructure projects funded by the programme has also increased, with more than 80 percent of respondents stating that the small community projects contributed greatly to the community, and over 90 percent saying that they would contribute to the infrastructure's maintenance. Overall, rates of satisfaction with the government also increased between 2005 and 2007.

#### **Capacity development investments**

CD investments focus on the development of new policies, the introduction of organizational mechanisms, and the development of individual skills.

Support to the establishment of 185 community based organizations.

The introduction of participatory practices has promoted community participation in local governance.

A 'Terms of Partnership' document has clarified the roles and responsibilities, and underpinned the participatory relationship between local governments and local communities.

Public access centres have been created to empower citizens to participate in local governments' decision making process.

Support to the leadership and project management capacity of the members of community based organizations and local government staff.

### **Support to the capacity development process**

#### **National investments**

The programme was designed on the basis of a working partnership between UNDP, the local governments in the Kukës Region, and community based organizations. The local governments designed and implemented policies and projects in partnership with their communities. Public access centres have been created to encourage and empower citizens' participation in local governments' decision making process and a 'Terms of Partnership' document was developed under



the chairmanship of the Kukës Regional Council to clarify the roles and responsibilities of all stakeholders in the partnership. The Terms of Partnership has become the basis for local ownership and sustainability of development outputs.

Communes and municipalities established units to facilitate the implementation of the local projects and to develop Commune Development Plans, coherently with regional and national plans. They also covered part of the project costs, took ownership of the projects, worked closely with community based organizations in their implementation, and demonstrated greater responsibility in maintaining the infrastructure developed by the projects.

### ***Development partners' support***

UNDP worked with local governments to strengthen policies, organizational mechanisms, and individual skills. Support to endogenous capacity development processes focused largely on promoting participatory approaches to local governance and for the prioritization of development needs; facilitating the building of partnerships between community organizations, local governments and other stakeholders; developing leadership and project management capacities. UNDP's engagement with the Kukës Region focused on strengthening the capacity of local governments to engage communities in decision making process and local

### **Find out more**

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governance, and to support community-based organizations to take leading roles in sustaining and improving the quality of life in their respective communities. UNDP programme promoted and supported the voluntary establishment of 185 community based organizations, totaling 5,122 members. It also supported the development of the leadership capacity of the members of community based organizations and local government staff, by providing them with tools and training on civic participation and organizational management; in total, 158 training sessions were held and over 3,660 people benefited from them. The series of training sessions resulted in the formulation of 21 Commune and 2 Municipal Development Plans. The programme also trained around 650 local government staff on decentralization and local governance, who later led participatory and inclusive processes for the development Commune/ Municipal Development Plans.



Kukës  
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Empowered lives.  
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# ASIA AND THE PACIFIC – The Asia-Pacific Development Center on Disability

## Context

The Asia-Pacific Development Center on Disability (ACPD) Project with the support of Japan International Cooperation Agency (JICA), launched in 2002, encourages people with disabilities to empower themselves by supporting the capacity of individuals and organizations to network and form coalitions for change with local and regional governments, NGOs, and others. ACPD puts people with disabilities at the centre of its work, supporting their own efforts to empower themselves. It builds bridges between individuals,

governments, and the private sector, and aims to promote a barrier-free society that does not discriminate against people with disabilities.

## Development results

Results have been achieved in many countries, including the Philippines and Thailand, where the Asia-Pacific Development Center on Disability has helped to strengthen the relationships between people with disabilities and central and local governments, as well as NGOs and the private sector.

In the Philippines, former participants of the APCD training on Non-Handicapping environments built a network with the National Council on Disability affairs and the United Architects of the Philippines, applying the knowledge acquired in the training. The participants subsequently developed close relations with the Department of Social Welfare with support by the APCD. As a result of this outreach, these three organizations led the adoption of a barrier-free approach to socio-economic infrastructure with other government departments and local governments.

Former participants of APCD training-shave also been empowered to interact with the private sector and lobby for barrier-free economic infrastructure. For example, one

## Results

The Asia-Pacific Development Center on Disability works with people with disabilities to develop their capacity to network with local governments, NGOs and the private sector, to promote a barrier-free society.

In the Philippines, the National Council on Disability Affairs, the United Architects of the Philippines and the Department of Social Welfare have led the adoption of a barrier-free approach to socio-economic infrastructure.

In Thailand, communities have been empowered to work with local governments to transform a wider range of community facilities and initiatives to make them friendlier to people with disabilities.

training participant worked closely with the president of a private company operating in the finance, banking, and real estate sectors to promote the construction of facilities including shopping malls accessible to people with disabilities. The company also trained its 250,000 employees in barrier-free environments, and trained its guards and parking lot attendants in helping people with disabilities.



In Thailand APCD piloted a project in the Khon Kaen province, where it worked with communities to strengthen their collaboration with local authorities to transform a wide range of community facilities and initiatives to make them friendlier to people with disabilities.

### Enhanced performance

APCD was established as a platform to empower people with disabilities to advocate for barrier-free societies and to sensitise policy makers and administrators to the needs of people with disabilities. Its human resource development component comprises training to government officers and to leaders and members of associations of persons with disabilities. APCD also played a facilitator role, offering advice and recommendations to beneficiaries who spearheaded initiatives promoting barrier-free environments in their respective countries. APCD leveraged its facilitating position to strengthen Regional networks, support the transfer of resources from one country to another, and provide a platform for sharing knowledge and experiences.

APCD has invited policy-makers from participating countries to its seminars, where government representatives have shared their experiences and good practices. This knowledge sharing initiative has allowed policy makers to gain an understanding of how improvements can be made in their own countries, compare their countries' performances against targets, assess the gaps, and identify opportunities for improvement. The learning processes have helped senior officials become more understanding of the needs

#### Capacity development investments

The Asia-Pacific Development Center on Disability project has been established as a platform to empower people with disabilities to advocate for barrier-free societies and to sensitise policy makers and administrators to the needs of people with disabilities.

The Center has trained public administrators on the needs of people with disabilities and solutions to address them.

A knowledge sharing platform allows public administrators to share experiences and good practices/lessons on how to develop barrier-free societies.

**Find out more**

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of people with disabilities, and more committed to addressing such needs.

Today APCD has the reputation and recognition of being an international organization and regional hub for supporting capacities to promote barrier-free societies.

## Support to the capacity development process

### *National investments*

The work in the Philippines has influenced both the central government and local authorities to become more sensitive and respondent to the needs of people with disabilities. For example, the Department of Public Works and Highways prepared a checklist with which to evaluate the accessibility of its facilities. Upon request by the APCD's training participants, the Department held an advisory meeting that included private companies operating public transport systems to consider options for improving accessibility to primary, middle, and high schools, as well as universities. A special budget allocation to support the implementation of the identified options was agreed.

In Thailand, the Nonthaburi city hall has recognised the capacity and dynamism of the Nonthaburi Independent Living Center, whose goal of changing the conventional wisdom about people with disabilities is underpinned by clear plans and programmes, by supporting the center financially (providing funding for 100,000 baht). The Nonthaburi Independent Living center has advocated the rights of people with disabilities and promoted improved accessibility of socio-economic infrastructure. A member of the Independent Living Center, a person with disabilities, ran for election, providing a role model of social participation. The Chonburi Independent Living Center called for a non-handicapping environment when the City of Pattaya hosted an international game for disabled persons. The initiative resulted in an increased accessibility of public spaces for people with disabilities.

### *Development partners' support*

The Asia-Pacific Development Center on Disability was established with the collaboration of the governments of Thailand and Japan, in connection with the Asia Pacific Decade of Disabled Persons (1993-2002). The Center was endorsed by the United Nations Economic and Social Commission of Asia and the Pacific as a regional cooperative base for the Decade. with the support of Japan International Cooperation Agency (JICA) In line with the principle of trilateral cooperation, the Center has signed agreements with over 30 government agencies responsible for issues related to disability, along with some 200 associate organizations.



# BHUTAN – Building capacities to build revenues

## Context

Even in the land of Gross National Happiness, it is essential, as Bhutan's Department of Revenue and Customs' vision says, to ensure an effective revenue system that contributes to the nation building process. The Department has the mandate to collect taxes and all other revenues accruing to the Royal Government of Bhutan. Its mission is to "ensure that the tax and customs administration has the capacity to collect taxes effectively at minimum cost, through impartial and consistent enforcement of regulations, and to provide a convenient and honest service to taxpayers."

## Development results

Bhutan is gradually moving away from a feudal system towards becoming a modern democratic state with operational markets and a modern public sector. Since the first annual report in 1998, revenue performance has consistently improved, resulting directly in an increased and more reliable revenue stream for the government.

As economic growth in Bhutan depends largely on hydropower generation, collection of revenues becomes critical. The Department has been able to successfully broaden the tax base and at least partially reduce reliance on revenues from hydroelectric power by introducing personal

income tax and improving collection of other direct taxes, particularly business tax. Taxes made up 56 percent of total revenue in 2004-5, of which direct taxes contributed 33 percent and 32 percent came from hydroelectric power sales.

## Enhanced performance

The Department has achieved efficiencies through a range of approaches, including decentralization to regional offices, training, upgrading IT systems, and public education on compliance.

The Department of Revenue and Customs was created in 1986, following the restructuring and merger of two previously separate departments of revenue and customs.

### Results

Since 1998, revenue performance has consistently improved, resulting in an increased and more reliable revenue stream.

The tax base has been broadened and reliance on revenues from hydroelectric power has been reduced by introducing personal income tax and improving collection of direct taxes.

The cost per collection of Nu 100 is 1.9, a striking statistic that compares favorably in the international context.

Taxpayer compliance has increased as a result of an effective education programme.

The management structure has become more decentralized, now comprising six regional offices. This allows tax authorities to be close to their clients, which has increased awareness and compliance.

The intensive use of training and professional development in revenue administration and IT has enhanced the Department's capacity and has made its performance indicators particularly encouraging. The main indicator used for efficiency of tax collection is the cost of collection ratio. The average cost of collection of 100 Nu (Bhutanese currency) is 1.9, a striking statistic that compares favorably in the international context. (The figure for the USA is 0.39, while it stands at 0.73 in Denmark.)

The Institutional Capacity Programme has strengthened the skills of staff of the Department of Revenue and Customs through in-country training programmes.



A 2003 IMF report noted that the Department of Revenue and Customs' has relatively few staff – around one per 250 taxpayers – but that their capabilities are impressive. The introduction of a new IT system for tax and customs has improved tax administration and enhanced monitoring, evaluation, and reporting.

Another significant achievement is the increased compliance of the general public (taxpayers) as a result of an effective education programme which included training, workshops, and awareness campaigns.

## Support to the capacity development process

### National investments

The Department of Revenue and Customs has enjoyed strong and stable leadership with strategic vision. The awareness among the senior management of the main challenges facing the Department has led directly to requests for capacity development support.

### Capacity development investments

The professionalization of revenue management has been a long, but successful, process involving training, decentralisation of tax management, the introduction of an information management system and a public education campaign.

The management structure has become more decentralized, now comprising six regional offices. With tax authorities close to the clients, awareness and compliance have increased.

The introduction of the new IT system has improved tax administration and improved consistency of data.

The staff of the Department of Revenues and Customs has received intensive training in revenue administration and use of the information management system.

Education programme for the general public has increased taxpayers compliance.

Between 2001 and 2006, the Government supported the Department's budget to the tune of around 90 percent. The professionalization of revenue management has been a long but successful process involving training, the introduction of an information management system, the decentralisation of tax administration and a public education campaign.

The Department of Revenue and Customs has supported the development of its staff capacity through in-country training and study visits. Significant investments in training and professional development have been made: between 1997 and 2004 around 500 participants attended training courses at the Royal Institute of Management. Significant investments were also made in new IT systems. Supported by technical assistance, this has led to improved consistency of data.

### ***Development partners' support***

The Department of Revenue and Customs has driven the reform process of the na-

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tional tax administration function with support from Danida. Between 2001 and 2006, Danida provided financial support to the Department's Institutional Capacity Programme, worth approximately 10 percent of the total budget. The effectiveness of the Danish capacity development support has been due to the flexibility of its approach in aligning with the aims and mission of the Department's strategy. Technical assistance to support the drafting of complex legislation and the introduction of the new IT systems have also contributed significantly to developing the Department's institutional capacity.



# ETHIOPIA – Building capacity for aid management

## Context

At the 2003 High-Level Forum on Aid Effectiveness in Rome, the Government of Ethiopia highlighted its challenges in managing information on official development assistance. Ethiopia's Ministry of Finance and Economic Development lacked a mechanism for coordinating the collection and standardization of information on donor-funded activities, which limited the government's capacity to plan, target, and monitor development projects. Due to its experience applying information technology solutions to issues in development and foreign aid, Development Gateway was identified as a partner in Ethiopia's mission to streamline aid information management.

## Development results

The Ministry of Finance and Economic Development's capacity to manage aid information had been limited in the past by a lack of coordination between donor partners. For example, differences between the Ethiopian calendar and donor fiscal years made it difficult to reconcile reports. The Ministry sought to rectify this problem by developing software to provide access to timely, reliable information, to harmonize aid taxonomy and reporting methodologies, to enable and improve donor coordination, and ultimately to boost aid effectiveness.

Working with local and international partners, the Ministry and Development Gateway designed and piloted the aid management platform, a software application used to collect, monitor, and report on aid information. Six years later, the platform is embedded in Ethiopia's aid effectiveness action plan. The Ministry has made the platform the official government system for capturing and reporting information on aid activities, and the Ministry's staff can now locate information and produce reports much more quickly. By 2011, Ethiopia had 624 completed or ongoing development assistance projects carried out between 1998 and 2011, totaling nearly \$18 billion in aid flows financed by 46 donor agencies.

## Results

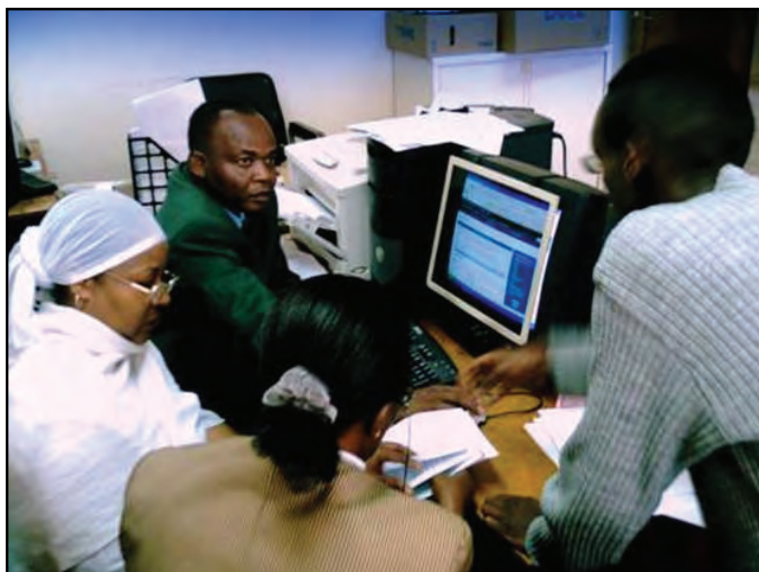
Access to timely and reliable information has improved.

Aid taxonomy and reporting methodologies have been harmonized.

Donor coordination and aid effectiveness have been improved.

20 other countries have implemented the aid management system, following Ethiopia's experience.





and view profiles of individual donor partners. This project reflects not only Ethiopia's interest in boosting aid transparency and accountability, but its growing capacity to design and implement sophisticated software programs and data management processes.

## **Support to the capacity development process**

### ***National investments***

The Ministry of Finance and Economic Development played a key role in designing, piloting, and customizing the system, contributing considerable resources and staff hours to training programmes, data management forums, and discussions with Development Gateway on technical requirements. The system now has 171 users, 35 of whom have been trained as advanced users, business us-

## **Enhanced performance**

The Ministry of Finance and Economic Development has embraced the aid management platform and has introduced customizations designed for the Government's particular needs and capabilities. The ministry created new sector coding schemes, implemented a module to track progress in achieving the indicators of the Paris Declaration, and helped develop a national planning dashboard that is now also used in other countries. The Ministry also plans to enhance the platform's geospatial functionalities, allowing users to enter and track data on basket funds, and integrate the platform with the Government's system for managing budget and financial information (the Integrated Financial Management Information System).

The Minister for Finance and Economic Development, H.E. Ato Sufian Ahmed, asked that data captured by the platform be made available to the public online. During 2011, the Ministry has worked to validate the platform's dataset and develop technical requirements for a 'Public View' website for the platform. On the website, anyone with internet access will be able to browse development assistance projects in Ethiopia, produce customised reports on official development assistance,

### **Capacity development investments**

An Aid Management Platform was introduced to help collect, monitor, and report on official development assistance.

The system has been customised to suit the Government's specific capacity needs.

New sector coding schemes have been introduced and a module to track progress in achieving the indicators of the Paris Declaration implemented; a national planning dashboard has also been developed.

The aid information system is being made accessible to the public, reflecting the Government commitment in boosting aid transparency and accountability.

Country ownership and a government-led process are critical success factors, as well as consultations with development partners and an incremental, programmatic approach.

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ers, technicians, or administrators. Since the platform's implementation in Ethiopia, nearly 20 other countries have implemented the system, benefitting from the Ethiopian pilot. Lessons learned include the critical importance of country ownership and a government-led process; a consultative approach involving development partners; and an incremental, programmatic approach that emphasizes data management and addresses infrastructure challenges.

In 2007, the Ministry of Finance and Economic Development hosted a regional knowledge-sharing event for prospective platform users from Tanzania, Burkina Faso, and Malawi. The three countries subsequently decided to move forward with introducing similar aid management

systems. Later that year, the platform's administrator in Ethiopia joined the Development Gateway team in Tanzania to help train the Tanzanian Government's users. In addition, the Government of Ethiopia has participated actively in the three annual international workshops that have been held to date (2008, 2009, and 2010) for users to share good practices in using the system and in managing aid information more generally.

### *Development partners' support*

To address the Ethiopia's capacity needs for managing development assistance and to coordinate with development partners, Development Gateway and the Ministry of Finance and Economic Development undertook a partnership-based approach to implementing the platform, soliciting the assistance of experienced local and international development organizations. The OECD/Development Assistance Committee gave guidance on international reporting standards (such as aid sector classifications), while UNDP advised on implementation approach and requirements. The World Bank, the local Development Assistance Group, and the Government of India provided technical assistance and in-kind donations.



# GUINEA-BISSAU – Supporting development of the education system

## Context

In 2009, the chance of children in Guinea-Bissau attending school was 76 percent, with a 48 percent chance of completing basic education and a 17 percent chance of completing secondary education. Of all children enrolled in first grade, more than half either had to repeat the year or dropped out. Only 40 percent of basic education teachers had received pre-service training, and the situation was aggravated by inadequate curricula and insufficient access to textbooks.

Following a review of the education sector in 2009, the Government of Guinea-Bissau revised its Policy Strategy for Education, and sought IPAD's support for the policy's implementation.

## Development results

After four years of a Community Education Development project (*+Escola/Djunta Mon*) and two years of an Education System Development Programme, both covering 246 basic and secondary schools, teachers' skills rose up to 27 percent, and dropouts fell by up to 70 percent.

A complete reform of the curricula is ongoing, with newly introduced pre-school curricula and revised basic education curricula now focusing on language skills and contextualized learning.

Improved and affordable teaching materials and books have been developed and introduced with extensive teacher participation.

## Enhanced performance

A sustainable in-service peer-to-peer training system has been developed and rolled out, whereby skilled teachers are identified and selected to train other teachers, observe their classes, and discuss improvements using structured tools. The Ministry of Education has created a regulatory environment enabling skilled teachers to train their peers, including the new Teaching Statutory Law, approved in 2010, which authorises regular teachers to train other teachers (*Estatuto da Carreira Docente*, Article 27), while reducing their class teaching schedules.

Upgrading their status has proven to be a sufficient incentive for the peer-trainers,

### Results

The Ministry of Education's Sector Policy Strategy led a process of reform of the education system.

Teachers' skills rose up to 27 percent, and dropouts fell by up to 70 percent.

School curricula are being revised and new teaching material introduced.

as they are not compensated with a wage increase. The trainees also accept their peer colleagues' new role. To incentivize better performance, a certification system for career progression is also being developed. The capacity thus added to previous national in-service training system allows to date an additional 1,000 trainees to be under continuous training each year, providing much needed support to nine ill-equipped and poorly staffed Regional Inspection and Training Teams (ETR), each with between six and 12 inspectors.

More attention has also been given to early exposure of the teaching language through the pre-school curriculum and by extending partnerships with Church institutions. The 2010 Education Statutory Law (Lei de Bases do Sistema Educativo, Article 16) sets down that the basic education curriculum should address intensive oral language instruction in the first six months of the 1st grade. Through a partnership between Caritas and the NGO Fundação Fé e Cooperação (FEC), since 2009 pre-service training has been provided to 100 Educators each year.

The distribution of affordable learning materials is also being enhanced through a pilot cost recovery scheme. In 2010-11, secondary school boards produced 12,500 manuals at an average cost of €1 (\$1.40).



## Support to the capacity development process

### *National investments*

Between 2009 and 2011, the Ministry of Education's Sector Policy Strategy led to the introduction of a package of legislation to reform the education system. That included the Statutory Laws and a Law establishing one single Board for all current Pre-Service Training Schools.

The Ministry of Education has led a process to improve harmonization and division of labour amongst actors operating in the education sector. This process has facilitated the strengthening of partnerships between different actors: for example, Portuguese Cooperation is now collaborating with School Boards for the training of teachers, UNESCO is cooperating with the National Institute for Education Development to coordinate curriculum reform, and the international NGO FEC is working with ETR to support community education.

Working groups have been created under the leadership of the National Institute for Education Development involving relevant development partners and central government services. The working groups address issues related to curriculum reforms and the findings of the working groups are shared for consultation and

### Capacity development investments

Development and roll-out of an in-service, peer-to-peer training system, whereby skilled teachers train their peers.

Reform of school curricula, with a focus on language skills, to be developed in the early years.

Improved teaching material has been introduced.

dialogue with the sector's stakeholders. Their scope includes pre-school, basic and secondary education, pre-service training curricula and guidelines for Citizenship and Human Rights Education.

### ***Development partners' support***

IPAD has worked with partners such as *Escola Superior de Educação do Instituto Politécnico de Viana do Castelo*, a pre-service school and member of the Inter-Agency Network for Education in Emergency, and *Fundação Fé e Cooperação*, which specializes in community education. A strategy based on three-tier education system governance has been outlined with the Ministry of Education. Technical assistance including upgrading management and

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data collection tools is provided to the central and regional authorities. Resources were channeled to schools to foster their autonomy and role as leaders in developing the quality of education from bottom to top practices. Twinning arrangements support the strengthening of the national peer-to-peer training capacity.



**IPAD**  
Instituto Português  
de Apoio ao Desenvolvimento



**FEC**  
Fé e Cooperação



Instituto Politécnico  
de Viana do Castelo



**República da**  
Ministério da Educação Nacional, Cultura, Ciência, Juventude e dos Desportos

**Guiné-Bissau**

# KENYA – National capacity for policy analysis and research: the Kenya Institute for Public Policy Research and Analysis

## Context

One of the challenges facing African governments has been weak capacity for policy analysis and research. To make up for the lack of local capacity, governments used to rely on expatriate advisers and a small group of experienced senior civil servants. In order to foster leadership and ownership of the development agenda, ACBF promoted the establishment of Af-

rica-led think tanks which enabled indigenous experts take over the policy analysis process. During the last 15 years a series of policy centres were created in Africa to develop the required expertise, and the Kenya Institute for Public Policy Research and Analysis (KIPPRA) is internationally recognized as a successful example of this initiative. KIPPRA is an autonomous public institute formally established in 1997 to take up responsibility for macroeconomic management and medium to long term planning functions and falls under the oversight of the Ministry of State for Planning, National Development and Vision 2030 (MPND).

## Results

Development and use of KIPPRA-Treasury Macro Model (KTMM) by Ministry of Finance and IMF (e.g. for economic forecasts; public expenditure management.)

Annual Kenya Economic Report (KER) for parliament on request of Ministry of Planning and National Development (since 2007).

Initiation and/or contribution to major policy documents like Kenya Vision 2030, Economic Recovery Strategy.

Study that lead to creation of Nairobi Metropolitan Strategy.

Establishment of Kenya Private Sector Alliance (KEPSA) as instrument for dialogue with government.

Appointment of researchers to key positions like governor of central bank and permanent secretary of Ministry of Health

## Development results

KIPPRA played a critical role in the transformation of the policy-making process in Kenya by providing evidence and platforms needed to promote a broad consensus on key development priorities reflected in the Kenya vision document. Kenya has taken the leadership in defining its development agenda and the successful resilience of the Kenyan economy during the recent global financial crisis is a testimonial of progress achieved in economic management through participation of all key development stakeholders. Working through country-led systems can yield results as illustrated by the following examples.

Some major results include the KIPPRA-Treasury Macro Model (KTMM), which supports the Ministry of Finance in preparation of the fiscal budget, the Budget Outlook Paper, by running policy simulations and informing national development plans, and the Kenya Economic Report (KER) on the performance of the economy, which is prepared and presented to Parliament each year. Other contributions to key government policy areas include the concept paper for Kenya's long-term development blueprint (Kenya Vision 2030), policy dialogue through the establishment of the Kenya Private Sector Alliance (KEPSA), and the creation of a Nairobi Metropolitan Ministry. The importance of KIPPRA can also be seen by the fact that KIPPRA researchers have been appointed to key positions such as the governor of the central bank.

Demand for KIPPRA's policy research is widespread and increasing across government (from 5 to 13 ministries and agencies) and from national and international policy working groups (from 12 to 30 organisations including international institutions like the African Peer Review Mechanism (APRM)). KIPPRA has produced approximately 200 publications with a distribution of over 30,000 copies annually.

## Enhanced performance

KIPPRA obtained ISO Certification for quality standards and services in 2010 and has been recognized as one of the top Think Tanks in Africa according to the annual ranking by the Global Think Tanks Program of the University of Pennsylvania. Some of the factors contributing to KIPPRA's success include: (i) Legal underpinning by the KIPPRA Act (2006); (ii) Partnerships with the Ministries of Finance, Planning, and Trade and Indus-



tries, as well as the private sector and universities (all of which are represented on the governing board) have allowed collaborative research and expanded KIPPRA's own research capability and contributed to the use of research results (iii) A research agenda established through assignments by government agencies and other organizations, as well as by its own research staff; (iv) Rigorous adherence to scientific standards and high quality research; (v) Maintaining high quality staff, despite staff poaching being a regular challenge; (vi) Financial sustainability based on long term financial commitments from the Government of Kenya and other development partners combined with internally generated funds.

### Capacity development investments

Legal recognition (KIPPRA Act, 2006) to ensure commitment.

Strong linkage with Ministries of Finance and Planning and other institutions in order to produce relevant research.

Scientific independence to maintain credibility.

Ability to maintain competent staff despite brain drain tendencies.

Long term financial commitment by government and development partners.

Training of young professionals (approx. 10/year).

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KIPPRA is also contributing to further development of policy research and analysis capacity. Its efforts are mainly targeted at officers in government and at the staff in the Institute. One of the core programs in this area is the Young Professionals program which trains at least 10 young professionals each year.

Financial sustainability has improved over time through diversification of funding and new consultancy projects. KIPPRA's internally generated funds have been increasing while that of donors has been declining. Should donor funds be unavailable for KIPPRA, its own resources and Kenyan Government support would enable the institution to sustain its activities.

## Support to the capacity development process

### National investments

The performance of KIPPRA and its continuous positive contribution to policy formulation and capacity building activities in Kenya has been instrumental to attracting funding from the Government of Kenya. Initially government support was slow, taking more than three years to take

off. After KIPPRA proved its potential the government passed the KIPPRA Act to cement its commitment. The Government provided land for the KIPPRA's campus and also committed adequate resources through the Medium Term Expenditure Framework. The Government has increased its funding to KIPPRA in three phases from 12% to 24% to 55% of the total budget, which is testimony to the Government's commitment to and recognition of KIPPRA's strategic role in providing quality public policy advice and in building capacity.

### Development partners' support

ACBF maintained its support to KIPPRA for over 10 years until the Government of Kenya took over the biggest share of KIPPRA budget. ACBF is a special type of 'development partner', an African institution that mobilizes Africa's own capacity to improve development management. ACBF had experience in various African countries with the establishment of autonomous, semi-autonomous, and government policy research institutes, which was used to support the design of KIPPRA. ACBF also runs a network of policy research institutes in which KIPPRA participates.

ACBF has played a catalytic role since other stakeholders and donors acknowledge the high quality of KIPPRA's research products and contribution to policy making and analysis. This has enhanced the demand for KIPPRA's services and the mobilization of resources as well as attracting other donors such as the European Commission which has been a consistent core donor for over 10 years.





# LAO PDR – Entrepreneurs driving productivity and capacity in smallholder rice farming

## Context

Improved rice production is key to development and food security in Lao PDR. While paddy rice production has increased, less attention has been paid to improving productivity both on-farm and in post-harvest handling, including milling. One kilo of paddy rice milled in Lao PDR used to produce significantly less edible rice than in neighboring countries. Poor quality has meant lower prices, reducing profits for both millers and farmers. Production of better quality paddy rice and improved milling practices can increase the supply of rice in Lao PDR, open new distribution channels and improve the profits and livelihoods of both millers and smallholder farmers.

## Development results

Within 18 months of starting, the Enhancing Milled Rice Production project in Lao PDR brokered fair trading relations between 21,360 smallholder rice producers and 21 selected rice mills. The project has seen some highly encouraging results, including a 10 percent increase in milling recovery rates and a 20 percent productivity increase in production per hectare, due to quality input and extension provided by millers.

Farmers say that the benefits include input and extension, an agreed minimum price

at the start of the season, and a premium price for higher quality at harvest time.

Eight of 21 Enhancing Milled Rice Production project millers have gone on to organize new Miller Groups outside the programme – without additional support – involving more than 100 new millers. This spontaneous up-scaling strongly multiplies the outreach and impact by sharing approaches, exploring new markets, and supporting sustainability. Some Miller Groups are now able to access subsidized interest rate loans and institutional market actors like the World Food Programme.

The project represents a shift in approach for capacity development in farming communities. It deliberately uses business relations as a driver for capacity growth and improved relations in the value chain.

### Results

10 percent increase in milling recovery rates and a 20 percent productivity increase in production per hectare.

Miller Groups are now able to access subsidized interest rate loans and institutional market actors like the World Food Programme.

Millers can support 1,000 smallholder farmers and support self-organization. Farmer groups are better able to make informed decisions, share learning, and negotiate.

Government agencies have embraced the approach and are now starting to appreciate that Lao entrepreneurs – in this case, millers – can actually be capacity builders themselves, when they adopt an inclusive business approach.

### Enhanced performance

Socially committed and capable millers were selected to be the engines of the project. The project helped them to develop an Inclusive Business Plan, which described steps to increase productivity, and to support farmers to produce high-quality paddy rice. Millers received training and advice on farmer group formation and strengthening, extension techniques, input provision, and business management skills. This enabled them to expand their traditional trading role to incorporate the provision of seed, fertilizer and extension services. It has resulted in a steady supply of quality paddy rice, along with higher revenues for farmers and



millers. Millers now have the capacity to support 1,000 smallholder farming households and to stimulate self-organization. Farmer groups are better able to make informed decisions, share learning, and negotiate.

Regular consultation between millers and farmers enables trust and fair trading relations. A small, but significant, intervention is that millers help purchase communal weighing scales and facilitate their certification by government authorities to foster transparency and avoid cheating by either traders or farmers.

A co-investment fund helps millers to upgrade their equipment and improve rice production and post-harvest handling, which has contributed to increased recovery of milled rice.

The selection of socially committed millers and the creation of competition between them have been crucial to the project's successful implementation. For instance, if a miller underperforms according to the programme criteria, he is given an initial warning about his performance and is suspended from the programme if performance does not improve, on the recommendation of provincial and district authorities. His place is then filled by two other rice millers. When new millers are

#### Capacity development investments

Collaboration between rice millers and farmers drive capacity and improve relations in the value chain.

Millers receive training and advice on farmer group formation and strengthening, extension techniques, input provision, and business management skills.

Socially committed millers are the project's driving force. Millers participating in the programme have organized new Miller Groups outside the programme – without additional support – involving more than 100 new millers.

Regular consultation between millers and farmers enables trust and fair trading relations.

Support to public-private policy dialogue between stakeholders in the rice sector.

selected to participate in the programme through an abbreviated selection process, local governments and project staff invest time to train them and get them on track.

The project works closely with provincial Agriculture and Forestry Offices, the departments of Industry and Commerce, and the private sector. Government agencies have increasingly realized the value of alignment with the private sector. In Bolikhamxay Province, for example, the Government exempted fertilizers from import tax as an additional incentive for millers to work with smallholder farmers. The provincial authority has supported millers by officially approving Miller Groups in line with government policy.

## Support to the capacity development process

### *National investments*

The Lao PDR government has demonstrated its vision as it has steadily commercialized agriculture and promoted smallholder farming, but has struggled to find effective operational approaches. Launched in January 2010 by the Ministry of Agriculture and Forestry, and jointly implemented with Helvetas and SNV, the Enhancing Milled Rice Production project piloted a new approach. It used existing Lao entrepreneurship and competencies. Leading at the provincial level are the provincial Agriculture and Forestry Offices, and the departments of Industry and Commerce in six target provinces. They build trust, encourage fair trad-

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ing relations between millers and smallholder farmer groups and – with national government – organize and facilitate public-private policy dialogue between stakeholders in the rice sector.

### *Development partners' support*

The project operated on a budget of €2.3 million: 90 percent came from the EU Food Facility, with Helvetas and SNV providing the other 10 percent. About one-third was used to co-invest in milling facilities, one-third supported farmers, capacity building, and training, and one-third went to human resources (two international and 12 national advisers, covering six provinces). The development partners offered substantial guidance on the overall approach of inclusive business in the rice sector, and supported capacity development of government stakeholders and rice millers to work efficiently with the smallholder farmer groups.



HELVETAS  
Swiss Intercooperation

LAOS



# NIGERIA – The Interfaith Mediation Centre

## Context

For years Nigeria has suffered from violent conflict between religious and ethnic communities, with extensive loss of life and damage to property. In 1995, two leaders of opposing factions – one a Muslim, Imam Muhammad Ashafa, the other a Christian, Pastor James Wuye – helped found Nigeria’s Interfaith Mediation Centre. Its mission is to create a peaceful society through non-violent and strategic engagements in Nigeria and elsewhere



in the world. The two men were brought together in a quest for peace and have become world-renowned peacemakers.

## Results

The Interfaith Mediation Centre brings together people from different faiths and influences peace-related policy through advocacy.

The Kaduna Peace Declaration of Religious Leaders brought nearly a decade of peace in Kaduna.

The Yelwa Shendam Peace Accord brought peace to feuding communities.

The Government of Kaduna State’s Bureau for Religious Affairs was established with a functional secretariat.

The Centre has trained the staff of the Nigeria Inter-Religious Council on peaceful coexistence, the religious and tribal leaders of Adamawa State on conflict mitigation, and Kano State’s religious security group on how to manage conflict situations.

## Development results

The Interfaith Mediation Centre evolved from the ideas of a few passionate individuals into an internationally respected non-governmental organization. It uses advocacy to influence key legislation, and develops innovative tools for interfaith dialogue. For nearly 15 years, the Centre has flourished as a faith-based organization. It has carried out more than 180 successful interventions in Nigeria as well as in Sudan, Kenya and Iraq.

Among its achievements are the signing of the Kaduna Peace Declaration of Religious Leaders, after which Kaduna enjoyed nearly a decade of peace, and the Yelwa Shendam Peace Accord, which brought peace to feuding communities. It also contributed to the establishment of



the Government of Kaduna State's Bureau for Religious Affairs.

### Enhanced performance

Those positive results encouraged the Interfaith Mediation Centre to transfer its skills to like-minded organizations, but it did not have the capacities to do so. It also recognized that in order to attract support for its future work from donors, it would have to ensure that its own organization was strong enough to manage funds properly. So in 2008, the Centre embarked on a partnership with Pact to develop its capacity holistically, including joint identification of gaps through participatory assessment, planning work using a variety of methodologies such as training, coaching, and mentoring, and sub-granting to test newly established systems and procedures.

These capacity development efforts helped make the Centre's leadership more effective and enabled it function more smoothly and reduce dependence on its founders. The organization's capabilities are increasingly recognized by development partners. The Center has received funding from Christian Aid, the Threshold Foundation, and from UNDP, and has started developing proposals for USAID.

Its improved organizational capacity has also enabled more focus on technical work, while a shared organizational vision has fostered better collaboration with other organizations.

### Support to the capacity development process

#### *National Investments*

At every level, the government has recognized and financially supported the

Centre for its role as broker and builder of peace. It has also engaged the Centre to train its staff in peacebuilding and conflict management. The Centre has also trained the staff of the Nigeria Inter-Religious Council on peaceful co-existence, the religious and tribal leaders of Adamawa State on conflict mitiga-

#### **Capacity development investments**

The Center has been recognised by the government as the critical peace broker in Nigeria.

A structured capacity self-assessment helped the organisation to identify its capacity assets as well as its administrative challenges and identify strategies to address the same.

A shared organizational vision fostered better collaboration with other organizations.

The organizational structure has been improved to make the Center more effective and efficient.

Work plans and strategies have been developed, the financial system strengthened, and a monitoring and evaluation system developed.

Staff members have received training on peace building and conflict management, as well as professional skills training and mentoring.

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tion, and Kano State's religious security group on how to manage conflict situations. Kaduna State's Bureau of Religious Affairs is another product of the Centre's work, and acts as a model for other states.

Members of the Interfaith Mediation Centre serve on the National Anti-Corruption Committee as well as other committees in Kaduna State. These platforms have helped to further enhance the Centre's visibility and development.

**Development partners' support**

The British Council offered valuable moral, material, and financial support for the Centre's early development, helping to stabilize the young organization and enable its professional growth.

With USAID support, Pact worked with the Centre on a guided organizational capacity self-assessment, which helped its staff to honestly identify the programmatic strengths as well as the organization's administrative challenges. Based on a strong and trusting relationship, Pact worked with the Centre to address its capacity gaps. It provided professional skills training and mentoring through internal events. It helped develop work plans and strategies, strengthened financial systems, and supported the development of a monitoring and evaluation system. A participatory, proactive, and flexible approach to capacity development ensured the Centre's ownership of its results: improved performance and improved organizational sustainability.



# PAPUA NEW GUINEA – Creating capacity for decentralized service delivery

## Context

When the Papua New Guinea (PNG) Government introduced the Organic Law on Provincial and Local Level Government in 1995, it decentralized responsibility for service delivery. The new law set in train a complex reform process that has gathered considerable momentum in recent years.

AusAID has supported the PNG Government in creating key enablers for decentralized service delivery which, along with the Government's commitment and leadership, have brought intermediate but important development results and have made sustained improvements in service delivery more likely.

## Development results

The reform process has achieved several significant medium-term gains: it has strengthened corporate governance and administration, which has improved public service administration in all of PNG's 18 provinces; a review of intergovernmental financing brought more clarity to the responsibilities of provincial and local government and fiscal decentralization has increased funding for service delivery; and through national support and coordination, the Department of Provincial and Local Government Affairs has led a stronger national engagement in service

delivery. These achievements in administrative capacity, funding, and accountability and coordination have now started to bear fruit in more and better services for people.

## Enhanced performance

Because of the investment and the results the reform process has brought, most provinces, districts, and local governments are integrating planning and budgeting processes, allocating more money to key priority areas (a 32 percent increase between 2005 and 2009), moving staff from provincial headquarters to districts and local government to improve services, and becoming more accountable for service delivery by submitting statutory national performance reports and through local multi-stakeholder performance monitoring forums.

### Results

The reform process has improved the administration of public services in all of PNG's 18 provinces.

Fiscal decentralization has increased funding for service delivery. Accountability and coordination for local service delivery has increased.

Planning and budgeting processes have become better integrated.



More money is now flowing into service provision. The 2010 national budget increased funding for provincial and local service delivery by 22 percent, and by 2012 people will see 40 percent more

money being channeled into local service delivery.

There is more public accountability. The Department of Provincial and Local Government Affairs has revived the inter-departmental provincial and lower level service monitoring authority that monitors and coordinates national and sub-national cooperation, and resurrected the practice of provinces preparing annual reports on service delivery outcomes for the PNG Parliament.

These developments suggest that the system is better able to manage its own affairs, which bodes well for further advances in service delivery, but PNG remains a complex environment with many challenges still to overcome. Although generally impressive, progress varies significantly across provinces. The most encouraging outcomes have been in provinces whose leadership – both political and administrative – is committed to positive change.

### Capacity development investments

The PNG Government introduced the Organic Law on Provincial and Local Level Government.

The commitment of central and local level leadership to reforms has significantly contributed to their success.

Staff have been moved from provincial offices to districts and local government to improve services.

Local governments now submit statutory national performance reports.

Local multi-stakeholder forums monitor local governments' performance.

The inter-departmental provincial and lower level service monitoring authority monitors and coordinates national and sub-national cooperation.

Provinces prepare annual reports on service delivery outcomes for the PNG Parliament.

The recognition of the role of provincial administrators as chief accounting officers, who exercise leadership and drive change at the provincial and local levels.

### Support to the capacity development process

#### National investments

Decentralization is complex. It demands vision, leadership and, ideally, a joint approach by key stakeholders. The leadership of the PNG Government has confirmed its commitment to a three-tier governance structure. In its medium- and long-term development visions, it clearly recognizes the role of sub-national government in leading the drive to improve service delivery.

Its steps to advance important fiscal decentralization reforms aim to revitalize the service delivery mechanism, encourage more whole-of-government support, and promote the Department of Provin-



cial and Local Government Affairs as the lead agency in sub-national capacity development. But most critical is its recognition of the role of provincial administrators as chief accounting officers who exercise leadership and drive change at the provincial and local levels.

### ***Development partners' support***

AusAID has worked with the Government as its principal external partner in advancing decentralization. Other partners, such as NZAID, the European Commission, and the World Bank, have also supported the process.

AusAID has channelled its support through the Sub-National Program, which began in 2004 as a pilot project and has since evolved into a longer-term, flexible programme of support. It emphasizes the importance of forging strong working relationships with counterpart organizations, and has placed staff in provinces to strengthen dialogue, programming, and monitoring. These efforts have also

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supported research and policy analysis. It has sought to work iteratively, responding to opportunities when they arise, and supporting the Government's leadership and initiatives. Its capacity development approaches have included technical assistance, along with peer-to-peer learning, stepped performance-based incentive funds, and secondment of staff across provinces. Its key strengths lie in its long-term commitment to, and support for, PNG systems, plus a flexible and responsive approach that has helped the programme develop as those systems have changed.



DEPARTMENT OF PROVINCIAL & LOCAL GOVERNMENT AFFAIRS

# PARAGUAY – Improved coordination for poverty reduction

## Context

President Fernando Lugo's government assumed office in August 2008 after 60 years of one-party regime. The new government faced a country with widespread and extreme poverty, which made it unlikely to meet most of the Millennium Development Goals. To make things worse, the new Government was established when the international financial crisis started spreading across countries and regions. The Government responded to these challenges by, inter alia, enacting the Economic Recovery Plan (Anti-Crisis), and encouraging interagency coordination of programmes to combat poverty.

## Development results

In the face of the global economic crisis, the poverty reduction programmes, implemented under the Anti-Crisis Plan, have been successful in reducing poverty

by 2.8 percent between 2008 and 2009, with a further 1.2 percent reduction between 2009 and 2010. Other important MDG results include the reduction of economic barriers to access to health. The number of people in the poorest quintile that fell ill and did not access health services for economic reasons fell from 24.2 percent to 13.9 percent; at the same time, institutional births increased, reaching 93.3 percent and exceeding the national target.

In order to achieve these results, the government succeeded in up-scaling the coverage of the conditional cash transfer programmes, increasing the number of beneficiary families from 13,000 to 98,000. Medical consultations were made free of charge and 500 Family Healthcare Units were established, half of which in rural areas, thus doubling the number of consultations in poor areas. Around 20 percent of the beneficiary families have been assisted by the Program for Promotion of Food Production.

The ambition of the government is to bring these results to the next level and be able to provide universal social safety net coverage within ten years.

## Enhanced performance

There are three four critical success factors of the Paraguayan experience.

### Results

Expanded coverage of safety-net programmes: from 13,000 to 98,000 families.

Introduction of free medical consultations services in poor areas.

500 family healthcare units established.

Poverty rate significantly reduced.



Firstly, the Ministry of Finance established the Social Economy Unit to promote greater coordination between the main social protection programmes, including the conditional cash transfer, the free health care, the adult illiteracy, the food production and the rural roads programmes. The objectives of these 'emblematic' programmes were better defined and an institutional mechanism was established in 80 of the poorest districts of the country to ensure greater coordination of planning and implementation of such programmes.

Secondly, common indicators and monitoring and evaluation tools have been developed to better target beneficiaries, as well as to evaluate, and account for results. These include the geographic priority index, the index of quality of life, a household questionnaire, and common identifiers (number of identity card) for heads of households. Building on such initiatives, the Government is currently in the process of building a Single Registry System of beneficiaris. According to this system, all anti-poverty programmes will use common beneficiary information (first name, surname, gender, national identification number, place of residency), and programmes involving transfers will include measurement instruments (a quality of life Index).

includes the 'emblematic' programmes. This include, primarily, the Ministry of Finance, which monitors budget execution of such programmes through a 'Budget for Results' system.

Lastly, a Social Programmes Fund, established in 2010, has provided additional resources for the 'emblematic' programmes and has improved the decision-making mechanism for results-based budget allocation. The Finance Ministry manages the Fund, which is financed by national revenues, loans, and donations.

## Supporting the capacity-building process

### *National investment*

Significant investments have been made to coordinate planning with budgeting and to create a culture of results. To that end, the Ministry of Finance established

#### **Capacity development investments**

Improved coordination amongst the 'emblematic' programmes.

Establishment of a single registry of beneficiaries.

Introduction of a robust monitoring and evaluation system.

Establishment of a Social Programmes Fund.

Thirdly, in order to improve monitoring of progress and evaluation of results, a System for Government Administration (SIGOB) has been established. This system strengthens the evaluation capacity of the institutions whose mandate

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the Social Economy Unit, with the mandate of improving the quality of public spending, through better design and evaluation of social programmes, particularly those fighting poverty, creating jobs, and developing agriculture. The Unit collaborates with other departments within the Ministry of Finance, as well as with other ministries and institutions, to build their capacities to design and evaluate programmes and budgets, and to integrate the gender perspective the design of such-programmes. A Paraguayan Evaluation Network has also been created, which, by 2011, had evaluated most 'emblematic' programmes at least once.

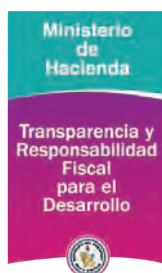
Under the Presidency of the Republic, the Social Cabinet's Technical Unit has also

been strengthened through Presidential decrees and by training and the hiring of experts. The Social Cabinet's Technical Unit coordinates and monitors 'emblematic' programmes. Both the Social Cabinet's Technical Unit and the Social Economic Unit coordinate the use of common tools to improve programmes' targeting, efficiency, and transparency of management and resource allocation.

**Development partners' support**

Paraguay has learned from the experiences of other Latin American countries and has progressively developed a social protection network, with institutional improvements to support it. It has also heeded the results of studies and evaluations from within the country, and used such results to inform new planning cycles.

South-South cooperation has been the most important mechanism that the Government has used to develop capacity. Specifically, this has included seminars and quality training of officials in the various skills required for the approach's successful implementation. The support and technical assistance provided by international organizations and banks have also been pivotal.



# SÃO TOMÉ E PRÍNCIPE – Building an effective healthcare system

## Context

Institutional capacity issues such as the shortage of qualified human resources in the national healthcare system and its inability to provide specialized health care services, are just some of the challenges faced by the Democratic Republic of São Tomé and Príncipe.

With funding from IPAD and the Calouste Gulbenkian Foundation, Instituto Marquês de Valle Flôr (IMVF) has been working with the Government of São Tomé and Príncipe for the past two decades to develop the capacity of the national healthcare system. Supported by the 'Health for All Programme' the system has transformed into a decentralized and efficient network of local health units. Now covering the entire country, the healthcare system promotes prevention services and offers both primary and specialized healthcare.

## Development results

Started with a pilot in one district in 1988, the initiative covered, in 2008, all the seven districts in the country. After 20 years of implementation, the initiative has led to remarkable results.

An IMVF's evaluation from 2010 shows that maternal and child healthcare coverage is close to 100 percent. Some 98

percent of women visited a health facility at least once, with 72 percent making four or more visits. The number of medical consultations also rose dramatically – from just over 61,000 in 2008 to more than 136,000 in 2010. Control of malaria shows highly encouraging results, with the incidence falling from 22,7 percent in 2005 to 2,2 percent in 2009 (90% decline). World Bank figures also show that the country's life expectancy rose from 61 years in 1990 to 64 years in 2009.

The country is likely to achieve the health-related Millennium Development Goals by 2015.

## Results

Maternal and child healthcare coverage is close to 100 percent.

In 2010, 98 percent of women visited a health facility at least once, with 72 percent making four or more visits.

The number of medical consultations rose from just over 61,000 in 2008 to more than 136,000 in 2010.

The incidence of malaria has fallen from 22,7 percent in 2005 to 2,2 percent in 2009.

The country's life expectancy rose from 61 to 64 years between 1990 and 2009.



## Enhanced performance

These results are premised on a series of capacity development interventions, including: the professional training of health technicians and administrative staff; the introduction of an integrated package of preventive, primary, and specialized health care; the sensitization of the general population through an education campaign and the introduction of telemedicine.

A network of two hospitals, six health centres, 28 health posts, and 17 community health units has been strengthened through significant investments in the technical capacities of health workers. The professional qualifications of health technicians and administrative staff at central and district levels have been enhanced by theoretical and practical training initiatives, held in São Tomé and Príncipe

### Capacity development investments

Professional training of health technicians and administrative staff.

The introduction of an integrated package of preventive, primary, and specialized health care.

The sensitization of the general population through an education campaign.

The introduction of telemedicine.

and in Portugal. Investment in developing professional management and planning capacities has brought significant improvements in the quality and delivery of services.

All health units are now providing a decentralized integrated package of preventive, primary and specialized health care services, including family planning, maternal and child care and others. Demand for such services is stimulated by education cam-

paigns conducted at the community level. Health Delegates monitor the implementation of the package through inspection and the application of monitoring tools. The accuracy of data collected at district level and reported to the Ministry of Health has also been enhanced. A coordination unit, which acts in the capacity of a Central Pharmacy, takes orders from and provides stocks to health centres, applying fixed cost recovery prices. A Ministry regulation (Despacho nº 10/GMS/2009) has determined a financial penalty for physicians, nurses, district officers and technicians who do not comply with the guidance provided by the Health District coordination unit.

Emerging medical needs made clear the necessity of an approach that allows swifter and more suitable solutions for more complex care provision, the decrease in the number of evacuated patients to Portugal and the promotion of local competences. In 2011 the project launched the Telemedicine: health information and communication technology bring together São Tomé and Príncipe's Central Hospital and Portuguese medical experts of all specialties. Telemedicine breaks the isolation to which the country and the medical practice have been confined to, and incorporates them in a network of experienced professionals and state of the art techniques and

technology. Portuguese doctors can now provide long distance training and direct support to São Tomean doctors for the management of medical cases. Telemedicine represents a strategic and an innovative institutional arrangement for the delivery of health services.

The system has also been provided with adequate equipment, medicines, analysis laboratory, and an improved infrastructure.

## Support to the capacity development process

### *National investments*

Leadership and the big push for change have come from the Ministry of Health and Social Services and the district health centres.

The Ministry of Health and Social Services has retained the major responsibility for managing and implementing the programme's activities, facilitating communications between local and central actors, upgrading procedures and monitoring progress. The Ministry has invested in its district management through training, structured tools, inspection, and information routines and equipment to upgrade the Health Delegates capacities.

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### *Development partners' support*

Management consultants from IMVF worked with the Ministry of Health and Social Services to provide technical assistance to health units' management. They also arranged staff and health agents' training programmes, mostly using the public health system's own capacity.

The Portuguese High Commissioner for Health has recognized the intervention's "public interest". That allows experts from the Portuguese Ministry of Health to provide assistance to São Tomé and Príncipe free of charge.

IMVF played a supporting role in the project's design, in establishing bridges with local partners, and in coordinating between health specialists and representatives of the governments of São Tomé and Príncipe and Portugal.



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FUNDAÇÃO

# SIERRA LEONE – The improvement of service delivery through decentralization and capacity building

## Context

With the 2004 Local Government Act, the Government of Sierra Leone embarked on a nationwide decentralization reform programme. Its goal was to improve the delivery of basic services and increase participation in decision making processes. The programme was critical in addressing the country's longstanding issues of a highly centralized governance structure, which excluded the majority of the population and was a key cause of the country's drawn-out conflict that ended in 2002.

## Results

Service delivery improved significantly across sectors:

Health - Public satisfaction with health services rose from 81 percent to more than 90 percent between 2005 and 2006.

Education - Household surveys show improved rural access to primary education. The percentage of households within 30 minutes' walking distance of a school grew from 68 percent in 2005 to 74 percent in 2008.

Regular meetings with citizens have been institutionalised by local councils, participatory development planning has taken root, accounts are completed on time and regularly audited, and financial information is disclosed to the public.

## Development results

Sierra Leone has achieved notable success in reestablishing local government in a fragile post-conflict environment. Development results include significant improvements in service delivery. In health, for instance, clinic infrastructure, availability of drugs, and numbers of staff have all increased, and public satisfaction with health services rose from 81 percent to more than 90 percent between 2005 and 2006. Household surveys also show improved rural access to primary education, and the percentage of households within 30 minutes' walking distance of a school grew from 68 percent in 2005 to 74 percent in 2008.

## Enhanced performance

These results are related to the improvement in local councils' capacity to supervise service delivery and perform administrative functions. Local governments are now in a position to contribute to service and infrastructure, such as water and sanitation, feeder roads, and off-grid power. Local councils hold regular meetings and produce minutes, citizens participate in meetings, participatory development planning has taken root (although scope remains for improvement), accounts are completed on time and regularly audited, and financial information is disclosed.



The strategy also sought to orient, sensitize, and educate all key stakeholders on the new local government system, and the roles and responsibilities, functional relationships, and accountabilities of various agencies. The stakeholders targeted were government ministries, departments, and agencies, local councils, training institutions, civil society, media, NGOs, and the private sector.

Surveys of trust in public institutions have been encouraging. They suggest that public confidence in local councillors has increased over time, with local councils making the largest gains among political institutions between 2007 and 2008.

These improvements would have not been possible without the Local Government Act that created a framework for fiscal decentralization through tied grants to local councils to carry out the responsibilities devolved to them and to meet their administrative costs. Budgeted transfers to local councils increased from Le19 billion in 2005 to Le34 billion in 2009, an increase of 44 percent. With the exception of 2007, when there were national elections, actual transfers increased during the same period by 150 percent, reflecting an increase in budgeted transfers from about 70 percent in 2005 to about 98 percent in 2009. The provisional figures for 2010 indicate that the budgeted amount for that year was more than 50 percent higher than for 2009 and that the actual transfers were higher than the budgeted amounts. This is a remarkable achievement for a country with a history of centralization.

## **Support to the capacity development process**

### ***National investments***

The process of decentralization, strongly advocated by the Decentralization Secretariat and the Local Government Finance

Department, was made possible by investments in capacity development at the institutional, organizational, and individual levels. In particular, the legislative framework provided by the reestablishment of local governments, and the associated regulations for political, fiscal, and administrative decentralization provided (with some exceptions) a robust foundation for decentralization by devolving key functions from the central government to local councils.

Investment in capacity development focused on strengthening local governance through a rapid results approach and action learning on prioritization of development issues, using development project funding, participatory planning process-

### **Capacity development investments**

The decentralization process was made possible by investing in the capacity development of institutions, organizations, and individuals.

The legislative framework, including regulations for political, fiscal, and administrative decentralization, provided the enabling environment for the reestablishment of the local governments system.

The approach involved a conscious effort to enable local councils to enhance their abilities to identify and sustainably address development challenges.

Action learning on prioritization of development issues, participatory planning processes, coaching for senior officers, and technical and managerial training.

Introduction of a competition-based incentive system for strengthening local councils administrative performance.

The strategy sought to orient, sensitize, and educate all key stakeholders on the new local government system, including roles and responsibilities, functional relationships, and accountabilities of various agencies.

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es, coaching for senior officers, and technical and managerial training. Publishing local council rankings based on the Comprehensive Local Government Performance Assessment System, and linking those scores to development funding, offers a strong incentive for strengthening administrative performance. Local councils are now fully staffed and operational: each council has a core staff of development planners, internal auditors, monitoring and evaluation officers, and procurement officers with the necessary capacity to manage their service delivery functions.

**Development partners' support**

The process of decentralization in Sierra Leone was supported by the Institutional Reform and Capacity Building Project (financed by the International Development

Association). Its project development objective was to “support the post-conflict Government of Sierra Leone to establish a functioning local government system and improve inclusiveness, transparency, and accountability of public resource management at all levels of government”. A multi-donor trust fund financed by the European Commission and the UK Department for International Development also provided support.

The project’s capacity building approach involved a conscious effort to enable local councils to enhance their abilities to identify and sustainably address development challenges. The capacity building programme did not limit itself to training or transfer of knowledge and skills—the traditional focus of capacity building programmes—but helped develop the necessary environment for stakeholders to effectively undertake their responsibilities. Accordingly, capacity building support was provided for information, education and communication activities, training, organizational and institutional development, financing and financial management, physical infrastructure, and logistics and equipment.

*(The story draws from V. Srivastava and M. Larizza. 2011, “Decentralization in Postconflict Sierra Leone: The Genie Is Out of the Bottle”, in P.Chuhan-Pole and M. Angwafo (eds) Yes Africa Can: Success Stories from a Dynamic Continent, Washington D.C, World Bank.)*



# UGANDA – Using multi-stakeholder processes for capacity development in an agricultural value chain

## Context

The vegetable oilseed sub-sector is one of seven strategic areas selected by the Ugandan Government's Poverty Eradication Action Plan. Oilseeds account for over 60 percent of the country's vegetable oil production, and directly affect the livelihoods of over 12 million Ugandans. However, production cannot meet domestic demand: around 60 percent of the vegetable oil consumed in Uganda is imported as crude palm oil and blended with locally produced sunflower oil.

Multi-stakeholder platforms are a key vehicle for building capacities in the value chain. They promote shared understanding, collaboration, and innovation. This intervention focused on establishing effective national and regional platforms, while strengthening the capacities of specific actors. The platforms engage producer organizations, small-, mid- and large-sized processors, input suppliers, traders and warehouse owners, government agencies, research organizations, higher learning institutions, financial institutions, business development service providers, and development organizations.

## Development results

Dialogue and concerted action brought greater efficiency throughout the value chain and within four years there were

significant gains, not just in engaging farmers, but also in production, productivity, and farmers' incomes. Sunflower became the leading raw material for edible oil processing in Uganda and there was substantial import substitution of palm oils. All this is currently helping the country to save some \$100 million per year. Sesame and maize oil production has also increased.

As a result of increased interaction between actors in the value chain, several input suppliers collaborated to make better seed varieties available to farmers.

## Results

Sunflower became the leading raw material for edible oil processing in Uganda.

The country is saving some \$100 million per year in import substitution of palm oils.

Input suppliers have made better seed varieties available to farmers.

Better harvest collection practices brought efficiency gains to both farmers and processors.

A rural market information system empowered farmers.

Banks created new financial products for small farmers, and a number of actors joined to successfully advocate for more conducive government policies and financing for the sub-sector.

Better harvest collection practices brought efficiency gains to both farmers and processors. A rural market information system empowered farmers, better price arrangements benefitted both farmers and traders, and more effective practices and implements were extended. Banks, meanwhile, created new financial products for small farmers, and a number of actors joined to successfully advocate for more conducive government policies and financing for this sub-sector.

In the former conflict areas of eastern, northern, and northwestern Uganda particularly, the sunflower industry was revived and annual production rose steadily to over 300,000 tonnes in 2009. The price of oilseeds also grew from some UGS 200 per kilo (€0.05) in 2007 to UGS 700 per kilo (€0.18) in 2010, with a corresponding rise in farmer incomes. Poor households also benefitted from more stable conditions for marketing their product. Some 100,000 farmers now produce oilseed, benefitting more than 500,000 people. It is estimated that in the long term, some 400,000 farmers and their families could benefit.

### Enhanced performance

The interventions helped create multi-stakeholder dialogue and actions. They made producer groups stronger, which



helped them develop into market-led co-operatives. They also brokered access to value chain financing, created business-to-business links, helped service providers organize themselves into clusters, and supported advocacy for effective public policy management.

SNV Uganda involved local capacity builders in planning, processing, implementing, and evaluating the activities, and in documenting the results.

The key growth in capacity has been the development of multi-stakeholder relations, which have been substantially improved by active dialogue. An external evaluation, using the 5C framework, showed that the ability to relate has grown strongly, both within the value chain and with external actors. That, in turn, has significantly strengthened the value chain's ability to deliver meaningful development results.

#### Capacity development investments

Multi-stakeholder platforms are a key vehicle for building the value chain. They promote shared understanding, collaboration, and innovation.

Promotion of dialogue and relations between actors in the value chain.

brokered access to value chain financing.

Creation of business-to-business links and organization of service providers themselves into clusters.

Advocacy for more effective public policy.

## Support to the capacity development process

### *National investments*

The potential of the vegetable oilseed subsector has been realized by the value chain actors themselves. These actors generated further interest in the sector's development among donors and other development organizations, researchers, public institutions, NGOs, and local and international financial institutions.

Government policies on liberalization and privatization were conducive to the sector's development by creating an enabling environment for investments. Restored peace provided political stability, which, in turn, contributed to the return of farming families. Production was also boosted by rising global food prices and a high national population growth and demand for food, including cooking oils. An expanding domestic market and the wider East African market have contributed to make the sector more dynamic.

Ugandan commercial banks also supported the process. An agricultural loan guarantee scheme with Stanbic Commercial Bank was negotiated for oilseed farmers to access loans for ploughing implements with a 50 percent guarantee from donors, which benefitted 50,000 producers. The Centenary Bank developed an Animal Traction Loan (leasing), secured by business contracts between farmers and pro-

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cessors, using farmers' Savings and Credit Cooperative Organizations.

### *Development partners' support*

SNV collaborated with Wageningen and Makerere universities, local consultants, and NGOs to provide flexible capacity development for the multi-stakeholder processes and to groups within the value chain. The team provided between 100 and 300 days of input per year.

As the collaboration within the value chain grew, it attracted donor contributions. The national multi-stakeholder process negotiated a guarantee scheme from DANIDA for the Uganda National Agro Dealers Association to access imported hybrid seeds from Mukwano Industries and to distribute them to farmers. USAID and DANIDA support helped to set up practical demonstrations of how to improve agronomy practices. IFAD and the Uganda Government committed to support the production of local hybrid varieties.



# ZAMBIA – Support to the water sector

## Context

Access to safe drinking water is a key factor in the economic and social development of any country. Zambia has a population of 13.5 million people and an urbanization rate of 39 percent, but as recently as 2006 only two-thirds of the country's urban population had access to safe drinking water. This was largely due to poor town planning and investment strategies, along with inefficient management structures, unclear division of responsibility, and rapid increases in Zambia's urban population.

## Development results

Since 2006, the provision of safe water supplies to urban dwellers has increased from two-thirds of the population to more than three-quarters. With combined investments in infrastructure and capacity development, the installation of 400

'water-kiosks' has given 800,000 people in low-income urban and peri-urban communities access to safe drinking water. The government is planning to expand access to the entire urban population – an additional estimated 2.85 million people – by 2015.

## Enhanced performance

The 1994 National Water Policy reformed Zambia's water sector, which is regulated and economically sustained by the National Water and Sanitation Council. Among the most significant outcomes was the establishment of 11 Commercial Water Utilities, which provide water and sanitation services to 92 percent of the urban population.

The optimization of institutional structures and processes has made water and sanitation institutions perform better. This is part of an approach that has enhanced capacities at the political, organizational, and individual levels, which has enabled resources to be managed more effectively and has produced tangible results.

Training has enabled ministries, local governments, and utilities to identify their needs and plan for their organizational and infrastructure priorities. For example, the National Water and Sanitation Council now monitors the progress of commercial utilities and produces

### Results

Investments in infrastructure and capacity development have helped bring clean drinking water to more than 77 percent of urban dwellers.

400 'water-kiosks' have given 800,000 people in low-income urban and peri-urban communities access to safe drinking water.



an annual report on their activities and achievements.

With a view to ensuring sustainability, beneficiaries pay a subsidized tariff for water and sanitation services which covers the systems' long-term maintenance. The commercial utilities, for their part, have understood that their clients' willingness to pay for services is linked to the quality of the services provided. Therefore, client satisfaction is now driving the utilities' management capacities and service orientation. The introduction of standard operating procedures and the development of a monitoring and reporting system have allowed achieving cost recovery through sales at water kiosks and from metered consumers.

The experience of successful planning and implementation has allowed local governments and the commercial utilities to develop further sanitation and water supply projects. The Devolution Trust Fund is a multi-donor basket fund, including funds from the Zambian Government, the governments of Denmark, Germany, and Australia, and the European Commis-

sion. A supervisory board oversees disbursement of funds to projects and provides the framework for the development of the water and sanitation sector in Zambia. The Fund places particular emphasis on results, such as the number of people with services. It has funded the expansion of the implementation model and the development of a national scaling-up strategy for water and sanitation. It is hoped that with the Fund's support, the national programme will be able to service most of Zambia's peri-urban areas within the coming years.

## Support to the capacity development process

### *National investments*

Government leadership to move forward with the reforms has been critical; this included the political will to create a regulatory body for the privatization of parts of the operations. The Government leadership also made adequate budgetary provisions to support the implementation of such institutional changes. Several laws and regulatory frameworks were introduced and, in 2008, the National Water and Sanitation Council implemented the Regulation by Incentives programme

### **Capacity development investments**

National leadership supported reforms in the water sector and introduced new laws and a regulatory framework in the water sector.

National leadership ensured adequate budget for implementation of reforms.

Establishment of 11 commercial water utilities.

Client satisfaction is driving the utilities' management capacities and service orientation.

Introduction of standard operating procedures and an M&E system.

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which drove improvements in water and sanitation services.

### ***Development partners' support***

Zambia's development partners combined capacity development (through long-term technical cooperation provided largely by the German Government) with finance for selected utility infrastructure projects and contributions to the multi-donor basket fund.

Capacity was developed through a combination of participatory organizational

development and policy advice with individual skills and career building. The regulatory authority, commercial water supply companies and district governments all benefitted from participatory reviews of their structures, procedures, and capacities. This also led to improved operational skills, procedures, and manuals, and a greater orientation to service and commercial sustainability. Individual skills were addressed through formal training courses, workshops, and exchange of information.

This approach to capacity development helped institutions and other stakeholders to improve their grasp of their obligations and responsibilities. It also helped to bridge the gap between the demand and supply sides of service delivery, particularly making the supply process more coordinated and effective. The approach was piloted for two years, after which the national authority adopted it as the standard strategy for urban water supply.



BMZ



Federal Ministry  
for Economic Cooperation  
and Development



# ZAMBIA – Building capacity of small and medium-sized businesses: the Zambia Chamber of Small and Medium Business Associations

## Context

The Zambia Chamber of Small and Medium Business Associations (ZCSMBA) was established in 2000 as a national body to represent the interests of micro, small, and medium enterprises (MSME) in the country. It is a private organization driven by its 96 member associations representing more than 200,000 MSMEs.

Until 2009, Zambia had no policy on small and medium enterprises. The absence of a coherent and separate regulatory and fiscal regime, along with an unfriendly business environment, was the main obstacle to developing the small scale business sector in Zambia. ZCSMBA was established to provide a prominent forum through which business association leaders and members could advance and protect the interests of MSMEs in public policies, facilitate and stimulate the provision of demand-driven business development services to MSMEs by business associations, and develop an internal management and business development support system for dedicated and committed business associations.

In order for ZCSMBA to achieve its objectives; it has employed the following strategies: (i) invested in its staff members by increasing their skills and knowledge (ii) leveraged its partnerships with pri-

vate sector organisations to increase the scope of services its members can get from them; (iii) undertaken issue based lobby and advocacy campaigns on issues identified by its wider membership; (iv) provided training to local trainers who understand the environment in their respective localities; (v) mobilized ef-

## Results

The Zambia Chamber of Small and Medium Business Associations is a member-driven organization representing more than 200,000 businesses.

A national membership organization organized from the grassroots with minimal reliance on international aid.

Successfully influenced Government policies to develop a friendlier business environment for SMEs including lowering the costs of licenses and permits.

1,000 entrepreneurs were trained in various business skills, such as developing business plans and leadership skills.

Facilitated access to credit for SMEs.

Supported access to markets for rural farmers.

Established telecentres and provided ICT training in rural areas.

At least 40% of beneficiaries are women.



fectively its network of members spread across the whole country, (vi) participated in national and technical committees where relevant issues for its membership are discussed.

### Development results

ZCSMBA and its member associations lobbied the Government of Zambia to develop an SME policy promoting a friendly business environment for SMEs. The Govern-

ment approved and adopted the policy in 2009 and, for the first time, the country had a policy detailing interventions and initiatives specific to SMEs that would enhance and organise their contribution to the economy. With the policy in place, ZCSMBA also lobbied with the Government to improve access to the Citizen Economic Empowerment Fund, which had not been readily accessible to its members.

In 2009, ZCSMBA, in collaboration with the Zambia Business Forum, has also lobbied successfully the Ministry of Commerce, Trade and Industry and the Lusaka City Council for a reduction in the license and permit fees charged on its members and other SMEs.

The project has helped to enhance the skills of its member associations. Between 2007 and 2010, some 1,000 entrepreneurs were trained in various business skills, such as developing business plans and leadership skills.

ZCSMBA signed a Memorandum of Understanding with the National Savings and Credit Bank establishing a facility of US\$500,000 for exclusive financing of ZCSMBA affiliated members at affordable interest rates and more relaxed lending terms.

Seven agribusiness centres located in rural areas provide information on market access for smallholder rural farmers. The centres are also used to train members in ICT skills. ZCSMBA has also developed the capacities of district business associations to write proposals. To date, one centre has successfully secured funding.

The project has mainstreamed gender in all its activities. This has included ensuring that at least 40 percent of project beneficiaries at all levels are female. This is in line with the proportion of female mem-

#### Capacity development investments

Invested in its staff members by increasing their skills and knowledge.

Leveraged its partnerships with private sector organisations to increase the scope of services its members can get from them.

Undertaken issue based lobby and advocacy campaigns on issues identified by its wider membership.

Provided training to local trainers who understand the environment in their respective localities.

Used effectively its network of members spread across the whole country.

Participated in national and technical committees where relevant issues for its membership are discussed.

bers in Business Associations affiliated with ZCSMBA. Of the 394 direct beneficiaries of various exchange visits and trainings, such as training in leadership skills, business proposal writing, business management, board roles and responsibilities, 180 have been women.

## Enhanced performance

The project has significantly enhanced ZCSMBA'S institutional and human capacity. When the project started, ZCSMBA had five staff. It now has 15 full-time staff. The Chamber has also permanent and fully equipped offices, and other capital assets, including vehicles. This allows it to effectively and efficiently implement its activities and to communicate with its stakeholders.

Studies have assessed changes in the operating environment of small and medium enterprises. With the support of the Zambia Information and Communications Technology Authority, three district business associations were funded. They now have state-of-the-art, multipurpose telecentres where members can access Information.

ZCSMBA continues to play the role of middle-man between its member associations and the Government, linking members with service providers for the members' various capacity needs.

## Support to the capacity development process

### National investments

ZCSMBA was formed by Zambian promoters who received catalytic fund-

### Find out more

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ing from The African Capacity Building Foundation. Its members comprising indigenous SMEs have contributed their own resources to make the public-private interface forum operational. ZCSMBA has also managed to attract financing from the Zambia Governance Fund.

### Development partners' support

A number of donors are financially supporting ZCSMBA, which has managed to raise \$1.5 million to date. Financing from the International Finance Corporation has been used to help prepare ZCSMBA's strategic plan and other capacity building needs. The European Commission has co-financed some of ZCSMBA's projects, including the construction of a resource centre for small and medium enterprises. ACBF funding has enabled computers, furniture, and literature to be purchased for the centre. The Canadian International Development Agency have signed a Memorandum of Understanding, through International Trade Centre, and have contributed (US)\$28,000 towards training women exporters.

Other partners were expected to add their support during 2011, including the governments of Saudi Arabia and Finland, the African Development Bank, and the Trade Facilitation Office of Canada.











## GETTING TO SUSTAINABLE RESULTS THAT MATTER

To be effective for sustainable results, aid and development cooperation must support country efforts rather than replace them, building on existing capacity and inclusive country ownership. These case stories from Africa, Asia and the Pacific, Europe and Latin America illustrate how country-led capacity development processes can lead to sustainable development results.

The Learning Network on Capacity Development is an informal and open network of individuals and organisations sharing a common interest in improving capacity development practice. The network aims to promote and facilitate sharing of lessons and learning on capacity development and promote changes for better practice at the global, regional and local levels.

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