**Making Reforms and Capacity Development Happen**

**Background**

The Busan’s [building block on effective institutions](http://www.aideffectiveness.org/busanhlf4/fr/themes/building-blocks/558.html) underlines the importance of strengthening institutional capacity to deliver sustainable results. It is underpinned by a *New Consensus on Effective Institutions for Development*, whereby partners countries and institutions have agreed to focus on four areas: 1) partner-led design and implementation of institutional and policy changes that consider the factors that make reform and capacity development happen; 2) partner-led joint assessments of country institutions, systems, resilience and capacity development needs; 3) Country-led evidence gathering on institutional performance; 4) knowledge sharing at regional and global levels.

Partners supporting this building block have started discussions on how to move this agenda forward. As part of this agenda, LenCD can contribute by facilitating dialogue and mutual learning around the factors and processes in the design and implementation of reforms and capacity development that make the difference between success and failure.

Complementing other partners’ initiatives, LenCD can contribute to this agenda by creating and maintaining a virtual and physical ‘*space’* where practitioners can interact, discuss and find knowledge material on these critical elements that make or break capacity development and reform efforts. These will include: political drivers and constraints to reform, change management, coalition building, stakeholder engagement and adequate roles of external partners, and other ‘*soft’* elements of change processes that stand in between the technical and political side of reforms and capacity development. These areas cut across, complement and support the contribution that other communities of practices offer in the areas of public administration reform (PAR), public financial management (PFM), M&E and managing for development results (MfDR), procurement and other country systems.

**Objective of this initiative**

This initiative aims at strengthening the community of practitioners working on capacity development, and at connecting it to existing, more specialised communities that have committed to the New Consensus on Effective Institutions. The LenCD initiative will do this by convening dialogues and facilitating learning around the cross-cutting “soft” topics of the practical drivers of, and constraints to, reforms and capacity development; it will provide CD practitioners, in partner countries and development agencies, with access to peer learning opportunities and to a comprehensive set of experiences, learning resources, tools, methodologies, and other resources on capacity development, to make reform happen.

**Proposed phases of this initiative**

1. Online moderated discussion (2 weeks) – on LenCD discussion forum – to define the key topics that LenCD should focus on, to contribute to the Effective Institutions agenda.

The online discussion will be supported by the note enclosed in the annex. The note proposes that LenCD focuses on three areas of work; that is three specific aspects of the change process: 1) change management; 2) coalition building and 3) measuring capacity development results. The note takes some steps forward towards setting some minimal parameters to start defining these three areas and articulating the specific content of LenCD work under these areas.

1. Virtual meeting (2 – 3 hours) of partners supporting the Effective Institutions agenda (see list below), to discuss how concretely LenCD can best provide support to the EI agenda, complementing initiatives brought forward by other partners and specialised communities of practice.

Proposed topics for discussion:

* Briefing from leading organisation/s on steps for bringing forward the Building Block on Effective Institutions (summary of meeting on BB on Effective Institutions, 26 June, Paris) and identification of the capacity development aspects of this work
* Learning and knowledge needs of partner countries and practitioners
* Thematic areas to be supported by LenCD and by other partners and CoPs and corresponding responsibilities;
* Identification of LenCD specific and measurable outputs.

Participants may include, for example:

Representatives of the following countries and institutions, which signed-up to the Effective Institutions Building Block: Cambodia, Canada, Consorcio Andino, Corporacion PBA, Denmark, France, Ghana, Ireland, Korea, Moldova, Netherlands, New Zealand, Peru, Philippines,  Rwanda, South Africa, United Kingdom, United States, Zambia, ACBF, Africa Union/NEPAD, Asian Development Bank, CARICOM, CABRI, European Commission, IFAC, INTOSAI, LenCD, OECD, UNDP, World Bank. Also, representatives of the following communities (CoPs) and networks: PFM Task Force, Procurement Task Force, MfDR/RBM-M&E, PAR.

1. Launch of in-depth online discussions on LenCD thematic areas of focus: 1) change management, 2) coalition building, 3) results and CD. The online discussions will be held on the LenCD discussion forum space and will run for 4-6 weeks each.
2. Opening of country windows where CD practitioners working in specific contexts can seek advice, contact colleagues and experts involved in work on the ground, review lessons, understand what works, and others. Country windows will be led by in-country CD practitioners.
3. Learning event (2 days) on lessons and experiences with supporting capacity development for making institutions more effective and reforms happen. The learning event will be organised in one leading country under the EI agenda, including Cambodia, Rwanda, South Africa, Ghana, the Philippines, or others.
4. Follow-up virtual meeting (2 -3 hours) to agree on further steps to deepen and advance the EI agenda.

**ANNEX**

**Making Reforms and Capacity Development Happen**

**Defining LenCD focus areas**

**Background**

To support partners fulfil the commitments made in Busan under the Effective Institutions Building Block, LenCD will create and maintain a ‘*space’* , both virtual and physical, where capacity development practitioners can interact and exchange experiences on how to catalyse and support reform processes at the country level. In collaboration with other partners and networks, LenCD will nurture and support a growing and dynamic CD community of practitioners (CoP), facilitating exchanges and dialogues, and providing a comprehensive body of evidence, guidance or ‘how to pages’, case stories, toolkits, examples, lessons learned and other learning material.

The capacity development practice areas that this LenCD initiative will cover are the so-called ‘*soft’* elements of the change process, which stand in between the technical and political side of reforms. These soft elements of the change process are, for instance, coalition building, assessing change readiness, change management, measuring capacity development results, and others. But which of these shall LenCD focus on? What does the CD community need?

This note has been prepared to open a discussion around the content of LenCD work to support the effective institutions agenda. It proposes that LenCD focuses on three areas of work; that is three specific aspects of the change process: 1) change management; 2) coalition building and 3) measuring capacity development results. The note takes some steps forward towards setting some minimal parameters to start defining these three areas and articulating the specific content of LenCD work under these areas.

By opening this discussion, LenCD would like to hear the following from its community:

1. Are these areas complementing (or overlapping with) the work of other communities of practice and networks?
2. Are these thematic areas critical to support practitioners in their work with change processes?
3. Has the articulation of these areas captured all or most of their elements? If not, what has been left out that should be included?
4. What are the knowledge products and learning services that the community needs in these or other additional areas?

**Change Management**

Change management is what makes change happen. It is about utilising and fostering capabilities such as change leadership, visioning, strategic planning, communication, commitment, space and others, to manage and successfully complete organizational change processes.

Institutional change processes that are successful are those where these capabilities are available and appropriately applied to ensure that the intended change is brought about and the intended outcomes achieved. For instance, processes of change management leverage capabilities that create a space and shape a culture, where people can express ideas without fear, can test new solutions, make mistakes and correct actions. Managing change also means leveraging the capacity to shape a vision that is reasonable, appealing and shared by most. It also means commitment to realise that vision and keeping others continuously engaged and motivated. Managing change effectively also calls for strategic planning capacity, communication and empowerment, to ensure genuine shared ownership of the change process and to mobilise energies and ideas.

Under the change management theme, LenCD could promote learning and knowledge exchange along the following sub-themes:

Key capacities needed to promote and manage change:

* + Change leadership to create a space where change can happen, ideas can be shared and tested; etc...
	+ Visioning to help shape a shared and appealing vision for the future;
	+ Commitment to follow through decisions and to bring the change process to completion, keeping others engaged and continuously motivated;
	+ Communication to communicate the vision, create consensus and bridge divisions;
	+ Strategic planning to understand situations and progressively shape the path for change to unfold;
	+ Learning and innovation to provide new solutions and approaches to organisational bottlenecks;
	+ Spaces where new solutions can be tested and mistakes can be made, ideas can be safely shared and debated, grievances can be voiced and heard;
	+ And others

How to nurture and mobilise these capacities:

* + Methodologies, tools and approaches to nurture and mobilise the capacities necessary to make change happen;
	+ What are the drivers of such capacities? How to leverage them?
	+ Case studies/stories about how these capacities have been nurtured and mobilised successfully;
	+ And others

**Coalition building**

Coalition building is about applying capacities such as leadership and communication for preparing the ground for change to happen.

Processes of change touch upon vested interests. Managing change effectively means that some of these interests have to be accepted, others negotiated, and others again have to be put aside. For all of these situations, coalitions need to be formed. The greater coalitions are and the more traction they have. Coalitions break fragmentation, help shape a unified path, bring coherence to the messages and actions around the change process, and dilute fear. Internal coalitions are important to promote and push change from within, bring others on board, and create a space where there is broad consensus about what this change will bring about and how it will unfold, what each interest group will have to give in and what it will gain or retain. External coalitions add arguments to justify change, help maintain commitment and momentum for change and push for it when off-course. The process of building coalitions can be very complex and political in nature, requiring communication skills and change leadership, vision and capacity to engage. Critical is also a space where groups and people feel safe to change their positions and embrace change; where they feel they are welcome and they have a role to play.

Under the coalition building theme, LenCD could promote learning and knowledge exchange along the following sub-themes:

Key capacities needed for coalition building

* + Leadership to forge alliances for change;
	+ Communication to bring others to embrace a vision for change;
	+ Capacity to analyse situations, understanding which interests each group carries, what are the implications of change on certain actors, who are the actors that are more likely to let go their interests and those who are less likely to do so;
	+ A space where is safe to change sides, without feeling excluded;
	+ And others

How to support capacities for coalition building

* + Methodologies, tools and strategies to foster leadership for coalition building;
	+ Engagement strategies;
	+ Tools, methodologies and approaches for analysing situations and contexts, to scan the environment where change happen;
	+ What are the drivers of such capacities? How to leverage them?
	+ And others

**Measuring Capacity Development Results**

Capacity development is a complex process of change, which is political in nature and has to do with cultural and societal changes. Development actors in countries and development organisations face the same challenges of capturing results from change processes and investments in capacity development. 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 and can be achieved in a relatively short time and. 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. While results from these processes take a long time to come about, they nevertheless manifest themselves at different levels and at different times.

Under the measuring capacity results theme, LenCD could promote learning and knowledge exchange along the following sub-themes:

Results frameworks that can better capture results from investments in capacity development

* + Experience from countries and development organisations
	+ Dialogue with the RBM-MfDR community of practice on how to best capture results from CD processes in results frameworks that are widely adopted
	+ And others

Defining results from capacity development process

* + How to define and measure results from processes aiming at strengthening ownership, building coalition, strengthening leadership capacity, etc...