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**Effective States and Engaged Societies:
Capacity Development for Growth, Service Delivery,
and Empowerment in Africa**

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I. AFRICA'S ENDURING CAPACITY DEVELOPMENT CHALLENGE

1. For nearly three decades, African countries and their development partners have acknowledged that problems of poverty and weak institutional capacity are inextricably linked. The lack of state capacity to carry out basic public management functions means that large segments of the population do not have access to basic social services. Weak state institutions impose costs on entrepreneurs, exacerbate their risks, and help perpetuate barriers to competition (for example, by failing to enforce a robust legal and regulatory framework), thereby stunting economic growth.¹ By the same token, entrepreneurs often lack the know-how to take advantage of opportunities to enter and effectively compete in nascent and emerging markets. Community and civil society groups also lack the capacity to organize themselves to influence government planning and budgeting processes and contributing to the delivery of basic services. Institutions of higher learning and think-tanks lack the personnel, resources, and incentives to undertake relevant applied research, and support knowledge sharing between public, private, and civil society sectors. Overall, developing the capacity to undertake collective action and embark on private initiatives is a high priority for African countries that aim to secure the economic and social fundamentals of sustainable development.

The Partnership For Capacity Building In Africa And World Bank Support.

2. Early awareness of these challenges as well as a shared sense of urgency led to efforts by the Bank and its partners to support capacity development in Africa through the 1980s. These initiatives culminated in a more systematic and joint initiative in 1990 to establish the Africa Capacity Building Foundation (ACBF) to help prioritize and coordinate capacity building activities, and the African Capacity Building Initiative Fund to finance activities for enhancement of indigenous capacity for policy analysis and research at the regional and national levels, including through regional networks and centers of excellence, national policy think tanks, universities, development management institutes and government policy units. By the mid-1990s, the Bank and its partners sought to deepen and scale up this partnership approach by expanding the ACBF's regional mandate to support capacity building in Africa; continuing to rally more partners to support the approach; and adapting Bank policies, instruments and operational practices to more emphatically support homegrown initiatives and indigenous capacities. Led by its African Executive Directors, intensive consultations with the wider African development community and its partners resulted in the establishment of *the Partnership for African Capacity Building* (PACT). The PACT sought to deliver on the commitment of African leaders and their development partners, including the World Bank, to address capacity constraints in a more systematic manner *inter alia* through comprehensive assessment, support for homegrown strategies for capacity building, and the evolution of donor aid modalities in ways that develop rather than deplete country capacities.²

¹ World Bank. *World Development Report 1997*, WDR 2004, WDR 2005.

² World Bank. *Partnership for Capacity Building in Africa: Strategy and Program of Action*. A Report of the Africa Governors of the World Bank to Mr. James D. Wolfensohn, President of the World Bank Group, September 28, 1996.

3. The implementation of the PACT approach has proceeded on two fronts. The first involved ACBF's formal incorporation of PACT objectives into its program in 1999-2000, thereby expanding its support for capacity building in six core competency areas: economic policy analysis and development management; public administration and management; professionalization of private sector and civil society voice; financial management and accountability; enhancement and monitoring of national statistics; and strengthening of policy analysis capacity of national parliaments.³ The second front on which PACT implementation proceeded was through IDA financing of capacity building projects and programs in client countries across Africa as part of the Bank's normal operations.

Changing Context and New Opportunities.

4. The PACT approach both anticipated and benefited from some of the profound changes underpinning the advent of Poverty Reduction Strategy processes. PRS processes spawned considerable efforts to diagnose the capacity and institutional underpinnings of poverty reduction more systematically, and to design local and national level interventions to address these constraints. These efforts built on technical developments in the analysis and assessment of institutional constraints, as well as a growing body of operational experience and research on the design and implementation of institutional reform and capacity development initiatives.⁴ The PRSP era also paved the way for important innovations in the way donors (and specifically the Bank) do business such as the introduction of serial budget support (PRSCs) and Sector Wide Approaches (SWAs) aligned with government systems; harmonization of donor efforts around country-owned benchmarks for poverty reduction; and the development of various country level multi-sectoral programs related to public sector reform and public financial management, community-driven development, and the fight against HIV/AIDS. A proliferation of regional networks of practitioners, thinkers, and policymakers have strengthened the continent's regional capability to respond to country demand.⁵

5. In addition to the advent of PRSPs and Bank efforts to align with client-driven processes, the capacity development agenda across Africa stands to benefit from a constellation of favorable historical and political factors. Since the mid-1990s, the process of democratization and the devolution of authority to local governments has continued to generate bottom-up pressures for more effective and accountable governance. Concurrently, African and donor countries have come to recognize that the elusive quest for growth is in part a function of governance, and specifically the ability of state and civil society actors (including the organized private sector) to establish and enforce appropriate rules of the game, carry out credible and transparent policymaking and implementation processes, and deliver services to the private sector in a timely and efficient manner (for example, licensing and registration, court services, or urban land).⁶ As a result of these trends, governance - writ large - has now become a central issue in African development including the fight against corruption. In addition, the realignment of aid practices—in part, due to successful advocacy by African leaders—served to embolden African governments and regional entities such as the AfDB, AU, NEPAD, and UNECA which now insist that greater attention be given to the quality of aid. By the same token, they have also become more willing to be held accountable—through independent and peer review—for the effective use of aid resources in the pursuit of poverty reduction goals. Taken together, these broader dynamics offer the necessary stimuli for institutional change in African countries. They contribute to what, in some cases, is an unprecedented demand for

³ Annex 1 details the sources of funding for ACBF before and after its integration of the PACT approach.

⁴ WDR 1997; OED. *Evaluating Public Sector Reform*. 2001.

⁵ World Bank. *A Sourcebook for Poverty Reduction Strategies*. Volume 1., 2002.

⁶ WDR 2005; World Bank. *Strategy Framework for IDA's Assistance to Africa*. 2003; World Bank. *Can Africa Claim the Twenty First Century*. 2000; Eifert, Gelb, Ramachandran. *The Business Environment and Comparative Advantage in Africa: Evidence from the Investment Climate Data*. 2004.

effective capacity development—whether through public sector reform, strengthening civil society, or private sector development.

The Enduring Capacity Development Challenge.

6. Despite the progress made since the launch of PACT as well as an increasingly favorable global context, many African countries continue to face an uphill battle in ensuring sustainable improvements in their institutional endowments. Countries, at various points on the spectrum of capacity development, still face the task of reversing the brain drain of highly skilled workers with incentives for capacity retention and utilization; reviving failing service delivery systems to help achieve the Millennium Development Goals (MDGs); combating corruption and political capture while promoting a competitive environment for private sector led growth; safeguarding populations from civil strife and crime by establishing the rule of law; opening up closed decision-making processes through greater inclusion of civil society and citizens; and replacing dilapidated tertiary educational systems with highly networked, well-resourced centers of learning. For countries that have undertaken institutional development efforts over the past ten years or longer, there is growing recognition that capacity development is a moving target. Progress is iterative; successes often unearth new layers of constraints. At the same time, the capacities required to secure the economic and social fundamentals of poverty reduction continue to grow in terms of scale and complexity. The political, technical, and financial requirements of meeting the enduring challenge of capacity development are substantial.

7. In helping African countries meet this challenge, the World Bank and its partners again find themselves at a crossroads. How can African countries and their partners contend with the increasing breadth of capacity problems that constrain growth, service delivery, and empowerment, while simultaneously drilling deeper to tackle their underlying causes through activist processes of learning by doing and accountability? Are there conventional approaches, for example, in civil service reform or higher education, that have produced mixed results, and therefore require radical re-think given the urgency of capacity depletion trends? How can the Bank—working with multilateral, bilateral, and regional institutions—respond more rapidly and creatively in response to expressed demand for capacity in the private, public, and civil society sectors? How can we ensure that Bank support helps unleash latent capacities in African countries, while simultaneously deepening accountability for achieving intermediate and long term results? What constitutes the “bottom line(s)” in terms of measuring the impact of capacity building on service delivery, empowerment, good governance, or the investment climate? Our answers to these and other questions will form the basis for revitalizing the Bank’s approach.

II. OPERATIONAL TASKFORCE ON CAPACITY DEVELOPMENT IN AFRICA

Objectives.

8. Encouraged by the African Governors of the World Bank, Mr. Wolfensohn has asked an Operational Taskforce to review and update the Bank’s approach to helping develop the capacities of African states and societies to secure the economic and social fundamentals of poverty reduction. The Taskforce—led by Mr. Callisto Madavo and supported by a Working Group drawn from operational units in the Africa Region and WBI, as well as the PREM Anchor—will focus on the practical and operational challenges of improving the responsiveness, efficiency, and efficacy of Bank support for Africa’s ongoing

capacity building efforts. It is expected that such improvements would also serve as a catalyst for the larger international effort to scale up support to capacity development in Africa.

Expected Outputs.

9. This objective will be achieved by (i) drawing on the growing body of empirical work on country experiences with capacity building in Africa, including internal and external reviews; (ii) reviewing and updating the Bank's approach to support capacity development in Africa based on key PRSP-era principles including client ownership, strategic selectivity, aid effectiveness, and a results-orientation; (iii) identifying the implications for "how the Bank does its capacity building business" in Africa including how the Bank can better align support with client needs and priorities as expressed in PRSPs, improve the menu and mix of financial and knowledge products within CASs, develop harmonized approaches to scaling up support, and help clients measure the results of capacity building; (iv) recommending a plan of action for the Bank—consistent with the PACT approach—to support a sound platform from which multilateral, bilateral, and regional partners can reinforce and scale up homegrown efforts to develop capacities for collective action and private initiatives;⁷ and (v) developing a robust monitoring framework for assessing the progress of capacity building efforts, as well as their impact on country institutional endowment and key poverty reduction objectives such as service delivery, empowerment, good governance, and investment climate.

10. Building on these outputs, the final product will be a report, *Effective States and Engaged Societies: Capacity Development for Growth, Service Delivery, and Empowerment in Africa*, which will be prepared in draft by the end of August 2005. It is envisaged that the report will serve as a guidance document for revitalizing and improving the Bank's operational approach to capacity development in Africa. It could also help move forward the approach to capacity development across the wider donor community.

III. FRAMEWORK

A Working Definition Of Capacity Development.

11. At its outset, the PACT approach adopted a broad definition of "capacity" as the people, institutions, and practices that enable countries to plan, implement, and monitor their development objectives.⁸ Over the past decade, a considerable body of analytic work supported by the international community as well as policy analysis on the part of African governments has helped improve our understanding of capacity development and our ability to measure its impact on institutional performance.⁹

⁷ "Collective action" typically refers to the collaboration of two or more individuals in addressing both market failures (for example, through the provision of public goods in response to free-rider problems) or government failures (for example, through the establishment of checks and balances on bureaucrats, or community involvement in or competitive delivery of services due to inefficiencies in hierarchical, public provision). There is a vast literature on the subject including M. Olson. *The Logic of Collective Action*. 1965; E. Ostrom. *Governing the Commons*. 1990.

⁸ World Bank. *PACT: Strategy and Program of Action*. 1996.

⁹ The literature on capacity development is considerable. Some key sources include E. Berg, *Rethinking Technical Cooperation*, 1993; World Bank, *Perspectives on Technical Assistance*, OCS, 1998; F. Leautier, *World Bank Institute*, 2002; UNDP, *Capacity for Development: New Solutions to Old Problems*, 2002; F. Fukuyama. *State Building, Governance, and World Order in the 21st Century*. 2004.

Put simply, most working definitions of capacity, currently in use, focus on the ability individuals and the organizations within which they operate to effectively and efficiently achieve their objectives as a function of (i) their **skills**, including their ability to exercise leadership and manage change; (ii) the monetary and non-monetary **incentives** to perform within organizations; (iii) the **organizational systems and structures** (for example, firms, public sector agencies, or NGOs) including systems and structures, formal and informal rules, procedures, and business processes; (iv) access to **resources** necessary to provide for maintenance and acquisition of assets necessary to perform; and (v) the **enabling environment** within which organizations function *inter alia* establishing appropriate “rules of the game” (for example, checks and balances on the executive, or competition policy to ensure a fair playing field in the market) and unleashing *effective demand* for performance (for example, competition from alternative providers during service delivery, or organized pressure from citizens for greater transparency of Government processes and accountability of state actors).¹⁰

12. Skills, incentives, organizational systems and structures, resources, and the broader enabling environment—including effective demand—enhance institutional performance. All these five elements of capacity development are critical to success, whether we are concerned with central government ministries supporting policymaking and regulation, entrepreneurs taking advantage of opportunities in a competitive environment, or municipalities supporting service delivery, or the capacity of civil society institutions to help empower citizens.

Capacity Development For What And For Whom?

13. Taking this broader view, capacity development is necessary but not sufficient to achieving results on the ground. An equally important principle underpinning the PACT approach—and one that is broadly acknowledged in the literature on implementation—is the importance of focusing efforts around a clear set of country-owned and defined objectives and expected results, and then following through with viable implementation strategies. Successful leaders of institutional change are those that ask and answer the question(s): “capacity building for what? For whom?”¹¹

14. Following the advent of PRSPs and the launch of NEPAD, African countries have increasingly viewed the goals of capacity development as enabling individuals and organizations across the public, private, and civil society sectors to undertake collective action and embark on private initiatives that secure the economic and social fundamentals of poverty reduction by empowering the poor, improving service delivery, fostering a favorable investment climate.¹² To pursue poverty reduction goals successfully, African countries—and specifically state actors (in the executive, judicial, and legislative branches of government), the organized private sector, and civil society—have increasingly recognized the need to strengthen key links in the chain of **collective action**, described below.¹³

- **credible and stable rulemaking** (for example, constitutional reforms, lawmaking and law revision, establishment of alternative dispute resolution mechanisms);
- **inclusive and strategic prioritization processes** (for example, broad-based involvement including of civil society and the private sector in Poverty Reduction Strategy and other

¹⁰ Levy and Kpundeh, 2004.

¹¹ Pressman and Wildavsky, 1984; Kingdon, 2002; Osborne and Hutchinson, 2004; Schaffer, 1989; Wilson, 1991.

¹² World Bank. *A Sourcebook for Poverty Reduction Strategies*. Volume 1, 2002.

¹³ These elements of collective action are drawn from numerous sources including the World Bank’s *PRSP Sourcebook*, 2002; WDRs 1997, 2003, 2004, 2005; *Reforming Public Institutions and Strengthening Governance*, 2000; Levy and Kpundeh, *Building State Capacity In Africa*, 2004.

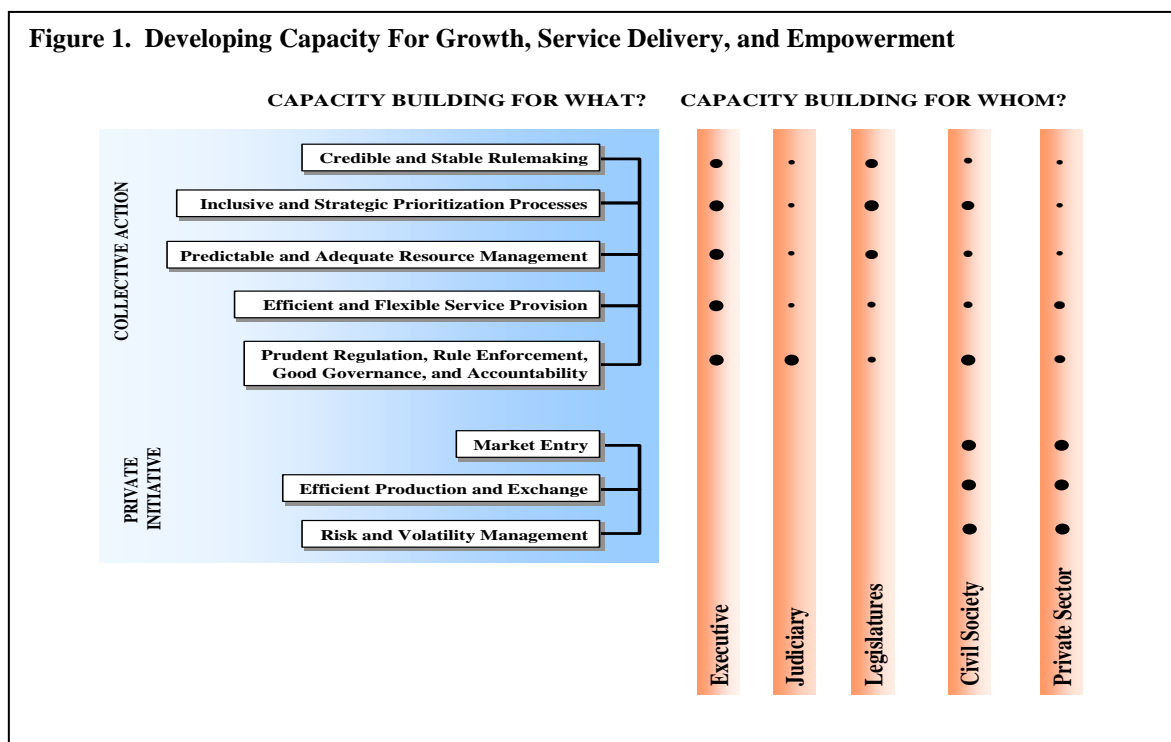
policymaking processes, investment advisory councils involving the private sector, organization of NGO and other civil society fora);

- **predictable and adequate resource management** (for example, medium term expenditure frameworks, planning and budgeting systems, intergovernmental fiscal relations, customs and revenue administration, as well as efficient management and development of assets such as land and labor in urban and rural areas);
- **efficient and flexible service provision** (for example, private provision of infrastructure, devolution or autonomization of delivery responsibilities for health and education services, community involvement in the provision of local public goods, or public-private partnerships in providing knowledge services such as in-service training, technical assistance, and applied research); and
- **prudent regulation, rule enforcement, good governance, and accountability** (for example, the capacity to regulate the private sector in specific sectors such as telecoms or banking, transparent and market-oriented corporate governance arrangements, efficient court administration and expanded access to justice, or other recourse mechanisms for citizens, legislative oversight of public sector agencies, effective monitoring and evaluation systems, and a free press).

15. Equally important are the capacities of individuals and their organizations (for example, entrepreneurs or civic leaders) to embark on **private initiatives** in response to the opportunities offered by larger institutional environment within which they function. Typically, individuals and their organizations require a range of capacities to function effectively including the capacity to **identify opportunities for entry** (for example, in a particular market), efficiently **produce and exchange** (or trade) by minimizing costs, and **manage volatility** of the micro and macro-level risks associated with uncertainty.¹⁴ As noted below, in the steady state, private entrepreneurs or local elected officials should develop these capacities in response to the prevailing incentives to perform. However, there is growing recognition that efforts to kick start this virtuous cycle are required, particularly in settings characterized by dysfunctional equilibrium, where such capacities have rarely been developed or utilized before (Figure 1).¹⁵

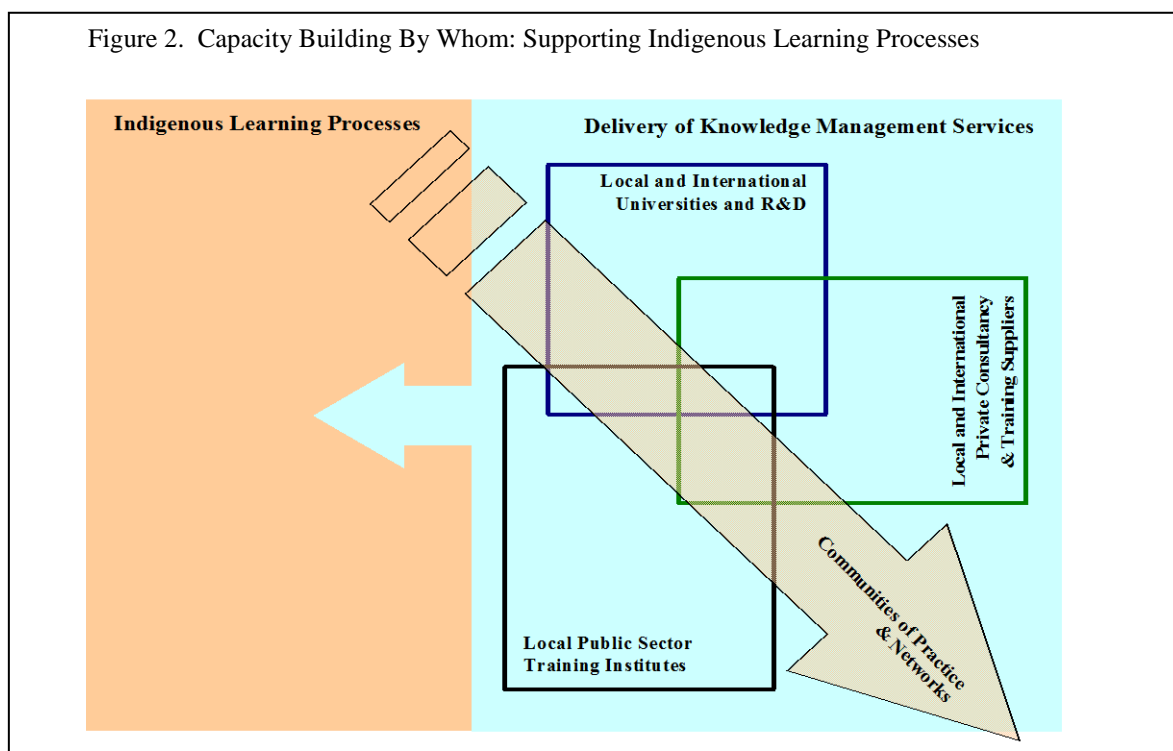
Capacity Development By Whom?

16. Most capacity development takes place when people and organizations adapt and learn in response to the pressures, opportunities, and incentives that a particular institutional context provides. Whether they be public sector managers and their staff, private entrepreneurs, or civic leaders, people learn



by doing and develop capacities in response to the effective demand for these capacities. Demand-side pressures to perform generate the need for new knowledge or new ways of doing things; they require the timely and appropriate transfer, sharing, and management of knowledge. Feeding indigenous learning processes therefore requires the provision of a wide range of capacity building “services” including bulk, on-the-job training, and pre-service training, short-term technical assistance (both local and foreign), analytical support, management consulting, applied research including assessment and impact evaluation, and linkages to communities of practice (Figure 2). An important question that more countries are asking is *who* delivers these “services” to private, public, and civil society clients embarking on capacity development efforts. There is growing acknowledgement of the need to systematically build local “capacity to build capacity” by strengthening institutions across the knowledge sector that supply this range of services, which are so fundamental to capacity development; these include the university systems including those involved in distance learning, local consultancy and training suppliers, public sector training bodies, regional and international knowledge networks, professional associations (for example, accountancy and bar associations).

17. Over the past decade, these elements of collective action and private initiative have provided the focus for country level capacity building efforts—from leadership training to structural and institutional reform—across the public sector, in civil society, and the private sector. Since the launch of PACT, the Bank and other partners have helped countries with programs to build or **develop state capacity** through *inter alia* strengthening of economic management in central ministries, modernization of public financial management and revenue administration; decentralization, civil service reforms (including the introduction of performance management systems), judicial and legal reforms, legislative oversight, strengthening of regulatory functions, and anti-corruption efforts. The Bank has also supported **sector-specific capacity development** to improve service delivery, for example, through switching away from individual projects to sector development programs in areas such as health, education, and water, which have supported policy and program development, administrative strengthening and workforce development, financing of investment and recurrent needs, and strengthening of the monitoring and evaluation systems. Several of these efforts have also included initiatives to foster **capacity development for civil society** to participate in strategic decision making (e.g. in prioritization and planning), in the delivery of service, and



accountability processes. A growing portfolio of support is being provided to stimulate **capacity development in the private sector** *inter alia* through the provision of matching grants, support for services provided directly to firms (such as trade licensing and investor advisory councils), and labor market development operations. Finally, there has been considerable experience in supporting efforts to building the **capacity to build capacity** *inter alia* by supporting the strengthening of tertiary education including the university system (for example, Makerere University, the Virtual University Initiative, and the Association of African Universities), private and public in-service training and management institutions, fostering communities of practice within and across countries in discrete areas such as urban management, ICT, public sector accounting and auditing, business education, economic analysis, and agricultural research. Annex 2 provides examples of interventions that support capacity development for public action to address market and government failure and capacity development to stimulate private initiative.

An Entry Points Approach to Capacity Development.

18. African countries have adopted a variety of approaches to developing the capacity for scaling service delivery, promoting growth, and empowering citizens in response to the demand for change. These approaches have ranged in complexity from a focus on one or two aspects of collective action (for example, CDD and public financial management in Malawi) to nation-wide comprehensive strategies that seek to run multiple capacity building initiatives in parallel (for example, the ambitious “state transformation” agenda in Ethiopia).

19. Two broad lessons from the past two decades of institutional reform efforts around the world underpin this greater diversity of African initiatives. The first lesson is that capacity building efforts are most likely to succeed when they respond to specific stimuli for change—or the *effective demand* (for example, from citizens and communities, consumer groups, or the organized private sector)—within a particular country setting. For instance, efforts focused on CDD may be most relevant in context where the drivers for change are local communities and other organized groups at the grassroots level. Alternatively, an organized private sector along with enlightened technocrats may provide the impetus for improving the investment climate by strengthening regulatory capacity in key sectors, improving service delivery to firms including licensing, land management and development, and reducing arbitrariness in customs and tax administration. Depending on the nature of these stimuli, their political economy underpinnings, and available resources, African countries may choose to respond with comprehensive, catalytic, or more gradualist programs of capacity building and capacity development. These responses require leadership and political commitment to foster reform constituencies while driving implementation and achieving tangible results.

20. The second lesson is that change processes can have *cumulative* and mutually reinforcing impacts on country institutional endowments.¹⁶ For instance, improvements in the predictability, transparency and adequacy of resource management through medium term expenditure planning and better budget execution reduces the risks that service providers face in providing more cost efficient service. These improvements can also provide incentives for greater involvement of local communities in local government planning processes.

¹⁶ Levy and Kpundeh, 2004.

IV. APPROACH

21. Using the framework described above, the proposed approach will focus on gleaning lessons from country-specific and sectoral cross-cutting experiences with various aspects of capacity development in Africa. In addition, a candid and fresh look at the Bank's own operational approach is proposed, based on key PRSP-era priorities including client ownership, strategic selectivity, aid effectiveness, and a results-orientation. It is envisaged that this approach to reviewing the capacity development experience, described below, will help highlight the implications for "how the Bank does business" in Africa.

Learning From Africa's Experience—What Works And How To Build On It

22. Before and after the launch of PACT in the mid-1990s, many African countries implemented a broad array of approaches to capacity building—from targeted, catalytic approaches, focused on one or two areas of collective action to comprehensive ones. These efforts were supported by multilateral, bilateral, and regional institutions. The Bank is but one of several members of Africa's capacity development aid consortia. The diverse country and donor experiences provides a basis from which to learn and identify what works and how to build on it.

Cross-Country Experience In Key Sectors And Thematic Areas.

23. Early indications are that more in-depth review of sectoral and thematic issues of strategic importance are required to identify what works and how we can build on it. Five sets of issues are proposed for focused cross-country review:

- **Public Financial Management.** The last decade has seen an expansion of public financial management reform efforts in more than 24 Sub-Saharan African countries (ref to HIPC tracking data) designed to strengthen the budget as the key tool for coordinating public action and signaling the direction of policy among state actors and increasingly those in civil society and the private sector. Existing sources of evaluation evidence will be reviewed for the cross-cutting experience with Medium Term Expenditure Frameworks; related budgeting and accounting reforms; internal and external audit; legislative oversight; strengthening of the accounting profession; and improvements in measuring financial management capacity (for example, by drawing on HIPC AAP, PERs, CFAAs and CPIA monitoring). Also of interest are ancillary efforts to deepen financial accountability in the private sector and civil society.
- **Public Service Reform And Performance Management.** Following a mixed track-record with civil service reform over the 1980s and the early 1990s, several African countries sought to broaden the scope of such effort beyond rightsizing, wage bill rationalization, and wage decompression. These subsequent efforts have tended to focus on the process of change, and have relied on more disaggregated approaches to remuneration. In addition, efforts have been applied to strengthen linkages between budget, cabinet, and policymaking processes, adopt performance management approaches, and incorporate a concern for ethics management. These contemporary approaches to persistent problems of poor civil service management, low wages, and performance in Africa warrant a fresh look.
- **Community Driven Development And Decentralization.** For over a decade, several countries have sought to empower citizens and improve the responsiveness of service delivery through community driven development (CDD) approaches of varying degrees of complexity and ambition. In some countries, social funds or similar mechanisms have been employed to support

local level investments and capacity building in local services such as schools, health facilities, feeder roads and sanitation schemes. Such efforts were often undertaken in parallel to local governments that operate with a modicum of autonomy. In other cases, countries adopted more assertive stance to the creation of an autonomous local government sphere by devolving authority for a broad range of services, and ensuring fiscal autonomy to meet the investment, capacity, and recurrent needs of local governance. This wide range of approaches to “bringing the state closer to people” comprise a discernable strategy to grapple the legacy of centralized and hierarchical regimes in many African countries. Assessing their effectiveness across countries will be critical in understanding the viability of this particular set of entry points to capacity development. Lessons should also shed light on the promise and challenge of scaling up participatory governance.

- **Health Sector Capacity Building.** Certain countries have tried to rapidly build capacity on a sector-by-sector basis in order to drive service delivery results that are critical to achieving the MDGs. The health sector, for instance, has tended to benefit from increased spending allocation to it in the PRSP era. Yet, given the complex characteristics of health systems in Africa, sectoral performance has been hampered *inter alia* by institutional constraints on public sector management systems; weaknesses in the incentive framework for frontline workers (resulting in brain-drain); weaknesses in regulating and involving private professional and traditional providers; a lack of awareness and therefore weak demand-side pressures on the part of user groups. The health sector experiences could shed light on how to enable actors across the private, public, and civil society sectors to help improve sectoral outcomes. They should also highlight lessons on the synergy between cross-cutting public management capacity (for example, in financial management and procurement) and sector-specific capacity (for example, of nursing assistant cadres).
- **Fighting Capacity Erosion Due To HIV/AIDS.** The scourge of HIV/AIDS continues to erode the capacity of countries to pursue their development objectives on a sustainable basis. In many countries, the pandemic has contributed to rapid attrition of skilled and semi-skilled personnel in civil services, sectoral workforces (for example, teachers and nurses), private sector firms, and institutions of higher learning. Lessons will be sought on more effective approaches to slowing and halting the negative impact of HIV/AIDS on institutional endowments including short term strategies for managing people and organizations to achieve results even within high attrition settings.
- **Tertiary Education, the Knowledge Sector, And the Capacity To Build Capacity.** There is growing awareness that the sustainability of long term capacity development depends in part on the indigenous supply of high caliber talent and more broadly, country capacity for knowledge generation and management. A stocktaking of the tertiary education experience across Africa should shed light on the policy, governance, fiscal, incentive, and labor market issues involved in expanding access to and the quality of tertiary education including those involved vocational as well as specialized higher education (for example, business education). At the same time, lessons can be learned from recent developments in some countries about the creation of knowledge networks between tertiary education institutions, local research institutions, and regional and international counterparts; the formation of communities of practice among professionals in the private, public, and civil society sectors with in-country and international counterparts; as well as the strengthening of in-service training suppliers. Of particular importance is the need to take a second look at conventional views on financing and management of higher education in Africa, in part by comparing them to some of the more dynamic experiences in East and South Asia, and other regions.

Country Experiences—How Do Capacity Building Efforts Add Up?

24. Country-specific cases are designed to complement sectoral reviews by helping understand better how various capacity building initiatives “add up” in terms of country level impact on institutional endowment and related development outcomes such as service delivery, empowerment, and investment climate.¹⁷ Of particular interest in the cases are the prior conditions including political economy factors, as well as the strategies adopted by the countries (for example, whether comprehensive or selective). We have selected country cases—totaling twelve—that run the gamut from highly advanced countries to those just emerging from conflict and shall organize them as follows:

- **Sustaining Capacity To Perform.** Since their independence, for many African countries, the *durability* of institutional change—the degree to which desirable capacity and institutional development are “locked-in” or irreversible—remains elusive. In some cases, steady progress in building capable states, competitive firms, and effective civil society institutions over years have apparently been stripped away by the scourge of civil conflict, HIV/AIDS, and related crises. Yet, a few other countries have managed—in the face of crises—to sustain their policymaking, economic and resource management, and governance capacities to ensure a favorable investment climate, responsive service delivery, and participatory governance. To better understand the determinants of durability, the **Bostwana** and **Mauritius** experiences with capacity development will be reviewed.
- **Building Momentum For Comprehensive Transformation.** A few countries on the continent stand out in terms of their ability to introduce, sustain, and progressively deepen and broaden capacity development efforts over time. Over the course of a decade, **Ethiopia**, **Tanzania**, and **Uganda**, each in their own way built on a consensus-based vision for far-reaching transformation of the state (in its relation to society) and systematically introduced public sector reform programs—with differing emphases—that address the challenge of aggregate fiscal discipline, fiscal autonomy, efficiency and effectiveness, as well as accountability. The review will seek to understand the technical and political economy underpinnings of these cumulative country efforts to articulate and maintain a national vision for transformation; the progressive introduction of key public sector reforms in parallel such as public financial management, public service reform, and decentralization; and the development over time of innovative process change modalities, which provide incentives for scaling up capacity development across ministries or agencies and across tiers of government (for example, the Performance Improvement Fund in Tanzania, and intergovernmental transfers for capacity building in Ethiopia and Uganda).
- **Service Delivery, Resource Management, And Investment Climate As Entry Points.** In most countries, the prior conditions necessary to launch comprehensive and radical capacity building and institutional reform efforts rarely materialize. The vast majority of countries have to be opportunistic and selective in finding “entry points” that respond to specific stimuli for change, and then progressively catalyze broader capacity building constituencies over time. Over the 1990s and early part of the twenty first century, several countries in Africa appear to have identified three types of catalytic entry points for building capacity to undertaken collective action—improving service delivery, enhancing governance of public resource management, and fostering a favorable investment climate. In some cases, one or more of these entry points have been used to catalyze improvements institutional performance and promote demand-side pressures. Given the broad array of country experiences characterized by the catalytic approach, three types of case reviews are envisaged. First, **Malawi** case will provide an insight on how

¹⁷ Measures of country institutional endowment will be drawn from existing World Bank country level monitoring systems such as the CPIA and WBI Governance Indicators, as well as other sources.

CDD might be used as a catalyst for capacity building in settings where the stimuli for change is de-limited. Second, **Benin** and **Burkina Faso** represent countries that have used public financial management as an entry point and goal of their capacity building efforts. Third, reviews of the **Ghana** and **Madagascar** experiences shall help develop a view on early efforts to develop capacity to improve the investment climate *inter alia* through strengthening regulatory capacity, improving customs and revenue administration, and fostering investor fora.

- **Building the Basics After Conflict.** Civil conflict continues to threaten the stability, durability, and efficacy of states and the societies that support them. Over the past decade, a number of countries have successfully rebuilt their basic institutions of state, society, and private sector in the aftermath of civil crises. Typically, these efforts have sought to build the capacity of state actors to undertake basic functions such as macroeconomic and fiscal management and law enforcement, and at the same time, use capacity building efforts to correct for some of the perceived causes of crisis (for example, strengthening the capacities of law enforcement officials to ensure equal protection, ensuring the openness and inclusiveness of decision processes, demobilizing and re-training combatants, empowering grassroots communities through CDD efforts). A review of the **Mozambique** and **Rwanda** experiences with post-conflict capacity building is proposed.

Improving the Way We Do Business

25. Reflecting its growing importance, capacity building is now identified as a key objective of country PRSPs, and therefore Bank assistance strategies in Africa at the country, sectoral, and project level. While more thorough review of the full range of capacity development support provided by IDA is required, the portfolio for state capacity building in Africa (including public expenditure and public financial management support and reform, civil service reforms, decentralization, anti-corruption, as well as tax administration and customs) grew to approximately USD 657.5 million by 2004 (not including budgetary or other balance of payments support). In addition, a considerable amount of knowledge services through ESW and AAA leveraged by Africa clients to support state capacity building including analytical and monitoring activities including HIPC AAPs, CFAAs, CPARs, IGRs, PERs, and sectoral ESW focused on capacity issues.¹⁸ Also, a wide arrange of WBI services including training programs, analytical work, and support for networking and knowledge sharing across Africa with an estimated budget of \$8 million annually.

26. The overall effectiveness of past and ongoing Bank supported efforts is mixed, and varies by country as well as sectoral and thematic areas. It will be important to understand the Bank's historical and ongoing performance in supporting capacity building in terms of its larger corporate priorities of enhancing strategic selectivity, improving responsiveness to clients, and ensuring a results focus to our capacity building portfolio. Equally important is the need to develop an informed perspective on the underlying institutional processes, incentives, and skills sets that impact the degree of *customization*, *responsiveness*, and *results orientation* of Bank support for capacity building in Africa. These issues are discussed further below.

Customization.

27. Greater appreciation for the "entry points" approach to capacity building suggests that blueprints or one-size-fits-all approaches to capacity building are not likely to succeed. Rather, a key issue is how effectively the Bank has been able to help its clients identify capacity constraints as well as entry points for capacity development in their PRSPs. Moreover, it would be important to understand how effectively the

¹⁸ IGRs are Institutional and Governance Reviews.

Bank has aligned its business planning (CAS) as well as its project identification processes to robust entry points for capacity development. Emerging lessons will be sought on how the Bank can make more informed choices about the mix of lending and knowledge-based instruments that support capacity development efforts in countries (Annex 5).¹⁹

Responsiveness.

28. In addition to better customization or fit of CASs, an ancillary issue is how modalities for delivering capacity building support can be made more responsive and efficient to dynamic client demand. Since the launch of the PACT approach, the Bank has encouraged further development (and in some cases, innovation) of its financial and non-financial *product line* to support sustainable capacity development of African states and their in-country partners (for example, serial budget support PRSCs, programmatic capacity building and technical assistance, sector-wide approaches in health and education, the HIV/AIDS MAP, as well as IGRs and client-driven PERs). In addition, in some cases, capacity building efforts have benefited from Bank-wide support for greater decentralization of staff to Country Offices, as well as the broader Bank-wide simplification agenda.²⁰ These efforts are also increasingly harmonized with support from other donor partners. A critical issue is whether trends in production innovation, Bank decentralization, and donor harmonization have demonstrably improved the efficiency and relevance of capacity building support vis-à-vis client demand. It is equally important to identify the mechanisms by which technical assistance (TA) and technical cooperation—for example, programmatic versus projectized financing of TA, utilizing PIUs or mainstream Government institutions—are most likely to add value, rather than undermine the capacity development objectives of client countries.

Results Orientation.

29. The advent of PRSPs and results-based CASs highlighted the importance of achieving tangible results. Making progress in terms of results orientation requires greater focus on M&E (including stronger linkages between project rating and country level monitoring systems, for example, CPIA and HIPC AAP) as well as the systems, structures, and incentives that Bank staff in helping clients meet the challenge of implementation (for example, clustering and consolidating tasks into larger programs, decentralizing task teams, and strengthening country leadership teams). Of particular importance is the Bank's ability to measure the impact of its support to capacity development at the country level, for example, in terms of enhanced quality of public administration, improved service delivery, better management of public resources, the creation of viable local governments, or a more favorable investment climate. Recent methodological developments in measuring the impact of capacity development, including a greater focus on intermediate outcome indicators should inform this review.²¹ It would be important for lessons that emerge to also be informed by the larger institution-wide efforts to improve the Bank's effectiveness in lending, knowledge sharing, and achieving results.

¹⁹ Icebreakers Cohort. *Improving Strategic Selectivity And Instrument Choice: An Approach to Country Programming in the Africa Region*. World Bank Background Paper. April 2003.

²⁰ OPCS, 2003.

²¹ In this context, intermediate outcome indicators refers to those which measure the impact of change efforts on the quality of institutions, for example, the comprehensiveness of budgets as measured by the HIPC AAP, or the incidence of corruption as measured by the WBI-Kaufmann indicators.

V. METHODOLOGY

Literature Review.

30. As a starting point, the existing operational and empirical literature on capacity development in the areas described in paragraph 11 will be reviewed, i.e., on state, sector-specific, civil society capacity building, as well as the capacity to build capacity. This review will enable identification of knowledge gaps to be filled through additional work.²² Key sources of information for the literature review includes the Bank and other multilateral bodies, including IMF and UNDP; bilateral agencies and OECD-DAC, African institutions including AfDB, NEPAD, and UNECA. In addition to multilateral and bilateral sources, the Taskforce will also tap the experience of regional facilitators of capacity building such as the Africa Capacity Building Foundation (ACBF); regional and sub-regional networks for policy research and management including AERC and MEFMI; regional centers of excellence such as IDEP; and emerging model institutions in tertiary education such as Makerere University. The role of North American foundations such as the Rockefeller and Ford Foundations will be assessed in the context of these reviews. Data from the reviews will include the Bank's portfolio in support of capacity building over the past decade. Building on this overview, it is envisaged that sectoral and country case-based analysis, described below, will shed light on the operational implications of capacity building support.

Sector And Thematic Studies.

31. The approach to the sector and thematic studies will be cross-country comparisons based on existing data and studies. For example, the assessment of capacity building in public financial management can build upon the recently completed comprehensive reassessments of the action plans to strengthen the capacity of HIPCs to track poverty-reducing public spending. These reassessments have been undertaken in 21 African countries that were also assessed in 2001. They apply 16 indicators and allow identification of the factors of success in capacity development over a three-year period. This analysis can be supplemented by country-specific assessments in non-HIPCs by examining selected PERs, CFAAs, CPARs or comprehensive financial management assessments. Similar comparative capacity assessments may not be readily available for all the proposed sectoral and thematic studies. Where comparative sector-specific information (for example, on HIV/AIDS) is available, the task of the proposed studies will be to focus specifically on capacity issues. A particularly important source of information will be surveys and interviews with focus groups of sector specialists, starting with Bank task managers. Annex 4 provides a preliminary checklist for such sectoral reviews.

Country Case Studies.

32. Each country case-study will seek to capture the particular capacity development path of the country. A starting-point would be the CPIA ratings of recent years, since the CPIA criteria (Annex 3) and ratings assess the current quality of policies and institutions across sectors in a country in relation to international benchmarks. The country cases will seek to better understand the trajectory and path-dependence of capacity development in the country, based on existing country-specific analyses and indicators. The cases will explore the country's early capacities and capacity weaknesses (macro-economic, fiscal, institutional and political resources and opportunities) as well as its upstream and downstream responses and chosen capacity development entry points and paths. In keeping with the case analysis approach adopted for the Shanghai Conference and Learning Process, these cases will focus on the "how

²² The literature review will be closely coordinated with WBI's ongoing work in establishing a capacity development resource center, which involves an extensive review and compilation of the literature from Bank and external sources.

to” lessons of implementation. In so doing, they will examine the effectiveness of different entry points for capacity development and the interaction of state institutions, civil society, private sector and capacity-building institutions.

Alignment Of Bank Processes And Instruments To Homegrown Efforts:

33. The analysis of customization, responsiveness and results orientation of the Bank's capacity building and utilizing activities in Africa (Section 5) will be based on a review of selected CASs and PRSCs in the context of PRSPs (Annex 5). The body of formal quality assurance and evaluation of Bank support for capacity building shall form the basis for this part of the review including reports from QAG, OED, OPCS, network anchors as well as the operational units in the Africa Region and WBI, in order to provide the necessary data on the portfolio and country level performance (for example, the CPIA indicators and the ARPP). At the same time, the feedback of operational teams—virtually and through focus group discussions—will be sought to identify emerging approaches as well as persistent constraints on more selective, responsive, and results oriented delivery of assistance.

VI. CONSULTATION PROCESS

34. Critical to the PACT preparation process a decade ago was the importance of ensuring the ownership of those who are and those who will be actively engaged in capacity building and development efforts in Africa. In building on this example, the Taskforce shall build into its working arrangements a participatory process both within the Bank, anchored in the operational units of the Africa Region and WBI; and with interested African clients (through the EDs and the Governors they represent), regional African institutions, the broad array of multilateral and bilateral agencies, and foundations involved in supporting capacity development on the continent.

Consultations Within the Bank.

35. Within the Bank, consultations are underway with senior managers and relevant staff within the Africa Region and World Bank Institute (WBI) in order to build on the actual operational experience in supporting capacity development. Inputs have been sought on specific issues relevant to sectoral or country cases including (but not limited to) tertiary education, health, ICT, local government, and business education. In addition, feedback will be sought from the Public Sector Anchor in PREM, QAG, OED, PSD, OPCS, IFC, and MIGA *inter alia* to enrich the current Bank-wide thinking on capacity building and institutional development, and to inform the Taskforce of recent developments in the Bank's policies and instruments which may have implications for how capacity building efforts are supported in the future. Insights from the Bank's experience in other Regional Vice Presidencies will be sought in areas of interests (for example, perhaps South Asia's experience with ICT applications for e-government, or East Asian countries' experience with performance management).

36. This internal consultation process has been launched with initial brainstorming session in late November 2004 with senior managers from AFR, WBI, IFC and PREM, as well as the African Executive Directors. In keeping with the need to build ownership among operational units, the consultation process will be deepened by engaging country directors, sector managers, and their staff in the AFR region through structured interviews, virtual discussions, and focus groups (where feasible). Similar efforts are envisaged to garner feedback from managers and staff in WBI. It is also envisaged that consultations will include

other key networks including ESSD, HD, INF, PSD, and SDV. Formal review processes will be undertaken with the senior management of the AFR Region and WBI, and guidance will be sought from the ED's Offices, and the President's Offices.

External Consultations.

37. Of particular importance to the Taskforce is ensuring that sufficient attention is given the African Voice as well as those of Africa's myriad development partners. The Taskforce has therefore initiated early consultations with leading African institutions such as the AfDB, ACBF, AU, NEPAD, UNECA, and regional economic communities such as SADC, ECOWAS, and COMESA; regional African research networks, universities, GDLN centers, and training institutions such as AERC, MEFMI, GIMPA, and ESAMI; and stakeholders in select countries. In addition, consultations are underway with bilateral partners through the OECD-DAC forum (including bilaterally with DfID, GTZ, JICA, and USAID); multilateral agencies including UNDP and related UN agencies; leading foundations such as the Ford, Packard, and Rockefeller Foundations; related high level fora such as the Blair Commission on Africa.

38. Over the January-March 2005 period, members of the Taskforce will participate in workshops organized by the OECD-DAC and AfDB / UNECA to ensure close involvement in the ongoing discussions and debates on capacity development among bilateral agencies and African institutions respectively. In addition, it is envisaged that the consultation process should include electronic discussions with the constituencies mentioned above, and with particular emphasis on African stakeholders. Finally, visits to case countries will be carried out early in the process to solicit feedback on the concept note and brainstorm about approaches to designing the case analyses.

VII. TASKFORCE COMPOSITION

39. The Taskforce is chaired by Mr. Callisto Madavo and staffed by a technical Working Group comprising eleven World Bank staff drawn from the offices of the African Executive Directors (3 staff), the Africa Regional Vice Presidency's operational units (4 staff), the PREM Public Sector Anchor (1 staff), and the World Bank Institute (3 staff). The Group will be responsible for the technical work is led by Msrs. Benno Ndulu and Michael Sarris. Annex 6 provides a list of members of the Working Group

40. In addition, an Advisory Group will be constituted to ensure that the Working Group benefits from real time consultation with senior Bank managers and multilateral partners. The Advisory Group will comprise key senior managers and experts from within the Bank including sector managers and country directors from the Africa Region and WBI to ensure that the work of the Taskforce is rooted in the units that will be ultimately expected to implement its findings. In addition, the Advisory Group will include representatives from the offices of the African Executive Directors of the World Bank, and representatives from the IMF and UNDP. Regular discussions with the Advisory Group will be supplemented by the above-mentioned consultations with African institutions, the leadership in select African countries, bilateral agencies, and leading thinkers on the topic of capacity development.

VIII. PROCESSING SCHEDULE, WORKPLAN, AND BUDGET

41. The Taskforce's work began in late November 2004 and will be completed in advance of the 2005 Annual Meetings. It is envisaged that a virtual Concept Note Review will take place by January

14th, 2005. Progress reports will be produced on March 30, 2005 and June 15, 2005, and the first full draft of the Taskforce's final report is expected by August 31, 2005.

42. A preliminary work plan of deliverables to be prepared as inputs to the Taskforce is summarized in Table 1. The responsibilities and deliverable dates are to be completed. It is envisaged that a variable cost budget of approximately \$450,000 will be required to undertake the key inputs detailed in this concept note, undertake a robust consultation process, and deliver an output consistent with the objectives stated in Section 2. The time of staff involved in the Working Group is covered by the staffs' respective units.

Table 1. Work Plan of Inputs

Item	Date
1. Literature Review	January 31, 2005
a. Internal	
b. External	
c. Overview of Bank And WBI Portfolios	
2. Sectoral and Thematic Reviews	May 30, 2005
a. Public Financial Management	
b. Public Service Reform And Performance Management	
c. Health Sector Capacity Building	
d. The Fight Against Capacity Erosion Due To HIV/AIDS	
e. Community Driven Development And Decentralization	
f. Tertiary Education, the Knowledge Sector And the Capacity to Build Capacity	
3. Country Cases—11	May 30, 2005
a. Sustaining Capacity To Perform (Botswana, Mauritius)	
b. Building Momentum For Comprehensive Transformation (Ethiopia, Tanzania, Uganda)	
c. Service Delivery, Resource Management, and Investment Climate As Entry Points (Malawi, Burkina Faso, Ghana, Madagascar)	
d. Building The Basics After Conflict (Mozambique, Rwanda)	
4. Progress Report	March 30, 2005
5. Second Progress Report	June 15, 2005
6. First Full Draft Report	August 31, 2005

ANNEX 1.

COMMITMENTS BY DONOR TO ACBF-PACT (IN USD MILLIONS AND%)

Phase	World Bank	Other Multilaterals	Non-African Bilaterals	African countries	Total
ACBF Phase 1	15 (18%)	13 (16%)	51 (62%)	3 (4%)	82 (100%)
ACBF Phase 2	15 (22%)	11 (16%)	39 (58%)	3 (4%)	67 (100%)
ACBF-PACT	129 (55%)	19 (8%)	81 (35%)	6 (3%)	235 (100%)

ANNEX 2. EXAMPLES OF INTERVENTIONS SUPPORTING CAPACITY DEVELOPMENT

Types of Capacity Building	Actors Involved					Elements of Capacity for Collective Action or Private Initiative Addressed
	Executive	Judiciary	Legislature	Civil Society	Private Sector	
1. Economic Management	■		■		■	<ul style="list-style-type: none"> ■ Strategic Prioritization ■ Resource Management
2. Public Financial Management	■		■	■		
3. Revenue Administration	■		■		■	
4. Public Service and Civil Service Reforms including Performance Management, Pay and Employment	■		■	■		<ul style="list-style-type: none"> ■ Strategic Prioritization ■ Resource Management ■ Service Provision ■ Regulation and Enforcement
5. Ethics and Anticorruption	■		■			<ul style="list-style-type: none"> ■ Regulation and Enforcement
6. Decentralization and CDD	■			■	■	<ul style="list-style-type: none"> ■ Resource Management ■ Service Provision
7. Urban Management	■				■	
8. Capacity Development for Improved Investment Climate including Customs, Inland Revenues, and Land Management	■				■	<ul style="list-style-type: none"> ■ Service Provision ■ Regulation and Enforcement
9. Sector-specific Capacity Development						<ul style="list-style-type: none"> ■ Resource Management ■ Service Provision
10. Legal and Judicial Reforms		■				<ul style="list-style-type: none"> ■ Rulemaking ■ Regulation and Enforcement
11. Strengthening the Knowledge Sector including Tertiary Education, Research Bodies, and Networks	■			■	■	<ul style="list-style-type: none"> ■ Strategic Prioritization ■ Resource Management ■ Service Provision ■ Regulation and Enforcement
12. Matching Grant Schemes					■	<ul style="list-style-type: none"> ■ Opportunities for Entry ■ Efficient Production
13. Labor Market Development and Vocational Training					■	<ul style="list-style-type: none"> ■ Opportunities for Entry ■ Managing Risks

ANNEX 3. 2004 CRITERIA FOR CPIA

A. Economic Management

1. Macroeconomic Management
2. Fiscal Policy
3. Debt Policy

B. Structural Policies

4. Trade
5. Financial Sector
6. Business Regulatory Environment

C. Policies for Social Inclusion/Equity

7. Gender Equality
8. Equity of Public Resource Use
9. Building Human Resources
10. Social Protection and Labor
11. Policies and Institutions for Environmental Sustainability

D. Public Sector Management and Institutions

12. Property Rights and Rule-based Governance
13. Quality of Budgetary and Financial Management
14. Efficiency of Revenue Mobilization
15. Quality of Public Administration
16. Transparency, Accountability, and Corruption in the Public Sector

ANNEX 4. PRELIMINARY CHECKLIST FOR SECTORAL REVIEWS AND COUNTRY CASES

SECTORAL REVIEWS

- a. Alignment with the larger development agenda
 - i. Capacity building in your sector is evident in PRSPs of AFR clients, and reflected in the ongoing CASs or CASs in preparation
 - ii. Existing review mechanisms in client countries are tasked with *inter alia* review of capacity building efforts in your sector

- b. Capacity building in your sector is defined as one or more of the following.
 - i. Rules of the game/legal and regulatory framework __
 - ii. Working systems _____
 - iii. Organizational effectiveness _____
 - iv. Individual incentives _____
 - v. Skills development and HRD _____
 - vi. Change management and leadership development __

- c. Specific types of capacity building interventions
 - i. Look at the types of interventions listed below
 - ii. How would you describe the scope of cap bldg interventions
 - a. Comprehensive (for example, part of larger public sector reforms). In other words, is your sector heavily involved in country efforts that combine two or more of the following reform efforts?
 - Public service reform _____
 - Anticorruption and related efforts _____
 - Revenue sector reforms _____
 - Decentralization and/or urban management reforms _____
 - Justice systems reform _____
 - Public financial mgt reform (including MTEF) _____
 - Capacity to building capacity (Higher education, in-service training institutions, research) _____
 - b. Catalytic
 - Sector specific capacity building _____
 - CDD based efforts _____

- B. Emerging good practice and innovative approaches
 - a. Are there any particularly innovative approaches in your sector that can be replicated (as part of a comprehensive, catalytic or incrementalist approach)?
 - b. Are there key elements of emerging good practice for capacity building in your sector that should serve as part of a quality assurance checklist for future or ongoing operational work in your area?

- C. Instrument choice and instrument mix for lending/granting and knowledge services
 - a. The following instruments are used in support for capacity building efforts in your sector (thinking in terms of cap bldg broadly)

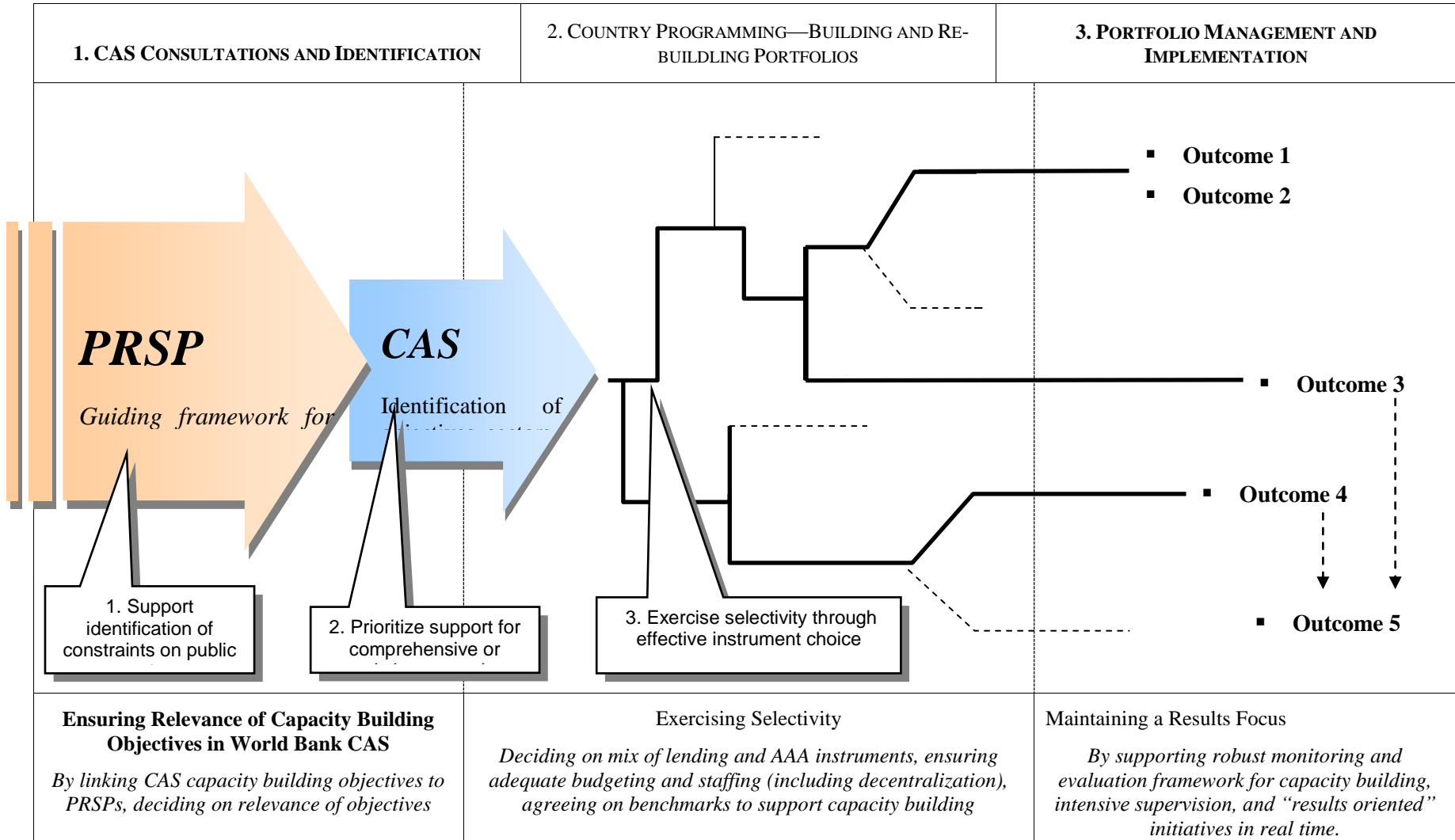
Types of Instruments	Types of cap blding support	Frequency
1. Budget support		
2. Programmatic investment		
3. Project support		
4. ESW or other TA/AAA		
5. WBI Services		

- b. What are the emerging lessons in terms of the mix of instruments that is necessary to effectively support comprehensive, catalytic, and incrementalist approaches to cap blding in your sector (e.g., PRSCs with programmatic cap blding).
 - c. To what extent are other units increasingly involved in support cap blding of your sector (give examples of particularly frequent partnerships across units).
 - d. Other donors or other development partners including regional institutions in Africa? Which are particularly prominent in your sector?
- D. What progress has been made in measuring the impact and ensuring a results focus on capacity building efforts?
- a. How is impact on institutional development in your sector typically measured? Any particularly good examples of impact measurement? Where do clients typically require more support in terms of M&E?
 - b. What provisions are made to provide a stronger results orientation on capacity building?
 - i. Link to the Government's planning and budgeting, and performance mgt system
 - ii. Period surveys of public officials and clients including the private sector and civil society
 - iii. Conditioned access to capacity building facilities, or matching grant facilities for the beneficiaries of capacity building
 - c. What are critical success factors for the sustainability of capacity building efforts and also their likely impact on sectoral performance?
 - d. Are they important reviews or reports the Taskforce should be aware of in your sector?

COUNTRY CASES (TO BE ELABORATED)

- 1. Prior conditions
 - e. Macro-fiscal conditions
 - f. Assessment of institutional endowment if data is available
 - g. Historical factors and political economy
 - h. Underlying stimuli for change
- 2. Country response
 - a. Upstream: Comprehensive vs. catalytic approach
 - i. Entry points approach (types of entry points)
 - i. Design of capacity building response (program vs project)
 - ii. Assistance and implementation modalities (leveraged from multilateral, bilateral, and regional sources)
 - b. Downstream: Quality of execution disciplines
 - i. Spillovers and externalities, as well as impact on service delivery and investment climate.
 - ii. Where relevant, the role of the World Bank including Bank processes

ANNEX 5: ENSURING SELECTIVITY, RESPONSIVENESS AND RESULTS FOCUS OF CAPACITY BUILDING EFFORTS IN CASS



ANNEX 6. COMPOSITION OF TASKFORCE WORKING GROUP

A. Taskforce Chair: Mr. Callisto Madavo

B. Working Group Composition

Region/Unit	Staff
Africa Region	1. Benno Ndulu (Team Leader) 2. Navin Girishankar 3. Armand Atomate 4. Yongmei Zhou
World Bank Institute	5. Michael Sarris (Team Leader) 6. Mark Nelson 7. Nidhi Khattri
PREM	8. Poul Engberg-Pedersen
Executive Directors' Office	9. Mamadou Woury Diallo 10. Ita Mary Mannathoko 11. Haruna Mohamed 12. Pamela Khumbah