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ABBREVIATIONS

AUSAID	Australian Agency for International Development
CIDA	Canadian International Development Agency
CPF	Community Policing Forum
DFID	Department for International Development – United Kingdom
DoE	Department of Education
DoF	Department of Finance
DoL	Department of Labour
DPSA	Department for Public Service and Administration
DWAF	Department of Water Affairs and Forestry
EU	European Union
IDRC	International Development Research Centre
GICD	Gauteng Institute for Curriculum Development
GJMC	Greater Johannesburg Metropolitan Council
GTZ	German Agency for Technical Co-operation
HOD	Head of Department
IDASA	Institute for Democratic Alternatives in South Africa
IDC	DoF Chief Directorate: International Development Co-operation
IPSP	Integrated Provincial Support Programme
JUPMET	Joint Universities Programme for Management Education and Training
LGTP	Local Government Transformation Programme
LOGAM	Local Government Association of Mpumalanga
MEC	Member of the Executive Committee
NORAD	Norwegian Development Agency
NQF	National Qualifications Framework
ODA	Overseas Development Assistance
OECD-DAC	Organisation for Economic Development – Development Assistance Committee
PRC	Presidential Review Commission
RSA	Republic of South Africa
SA	South Africa(n)
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SAQA	South African Qualifications Authority
SAPS	South African Police Services
SIDA	Swedish Development Agency
USAID	US Agency for International Development

EXECUTIVE SUMMARY

Capacity Building is essentially about promoting the ability of government to perform its core delivery objectives, to implement successful programmes and to achieve its mandates in a progressively deepening and sustainable way.

To be effective, Capacity Building activities must be fully integrated into the overall objectives and plans specific to the delivery agency. While this will differ in each context in accordance with various needs and phases of implementation, there are certain general rules. Capacity Building must occur within an institutional, organisational and individual human resource framework that supports and reinforces the different dimensions. This is not easy to achieve: it requires an appropriate partnership between providers and recipients that will support a sound organisation development approach to Capacity Building; it requires commitment on the part of stakeholders and, importantly, time.

During the period covered by this study, Capacity Building emerged as being integral to the core challenge confronted by the South African government: the first three or four years reflected a primary concern with policy development. However, towards the end of the first term in office, government began to refocus its efforts around effective and efficient delivery. In the end, successful implementation requires capacity – something that has been relatively deficient and fragmented in the South African context.

These are the circumstances into which Capacity Building ODA has entered the country.

This study has set out broadly to evaluate the alignment of Capacity Building ODA with the developmental and other needs of the government. Our concern has been to capture the nature of the interface between government and the donor community and what this has meant for the quality of Capacity Building interventions. The report has identified four key interrelated factors that affect the quality of Capacity Building programmes:

- ◆ Donor strategies, capacities and systems in respect of Capacity Building;
- ◆ Government capacity needs and systems;
- ◆ The nature of partnerships established between donors and government for the purpose of implementing Capacity Building interventions; and
- ◆ The form assumed by Capacity Building interventions.

Capacity Building has become an increasingly significant feature of donor strategies in South Africa. In theory, donor support provides flexibility and off-budget room to manoeuvre. It also provides access to specialised skills and knowledge, as well as money. However, whilst there is a clear commitment amongst donors to provide Capacity Building support to government wherever possible, this commitment has been slow to translate into consistently high standard Capacity Building interventions. There is a lack of co-ordination and overall vision amongst donors. There are a lack of criteria and standards by which donors support and assess Capacity Building programmes. The term 'Capacity Building' is used in very vague and imprecise ways. These problems

underpin the fragmentation and dispersal of those many learning experiences that do exist.

In short, there is poor capacity within the donor community *itself* to respond to the Capacity Building challenge. This lack of capacity has its roots at various causal levels:

- ◆ various donor systems and practices exert a negative influence on Capacity Building;
- ◆ there is a lack of practical tools, methods and standards, etc. for translating Capacity Building policy into the realm of good practice;
- ◆ the fact that these policy frameworks themselves tend to be vague, loose and lacking in rigour;
- ◆ this, in turn, is an effect of the lack of both internal and inter-institutional debate within the donor sector around Capacity Building;
- ◆ which, correspondingly, results in loosely defined, often inappropriate and ineffective Capacity Building initiatives.

Within government, systems are chaotic, often impeding delivery. There is a lack of integration between human resource development and strategic and operational planning functions. Management capacity at all levels is a significant problem and this has a key impact on performance. Racial issues articulate uncomfortably with these problems: decades of Apartheid rule have denied black, and particularly African, people job and skill building opportunities that have contributed significantly to the negative capacity situation in the country. Affirmative Action has not addressed the deeper issues concerning negative racial attitudes and perceptions. The capacity situation is even more difficult in the provinces, where there are many organisational, as well as information and co-ordination, breakdowns

Government's handling of its capacity problems has been variable. To date, the government has failed to establish a viable institutional centre to promote and support Capacity Building across the board in at national, provincial and local levels, leaving departments to 'muddle along' as best they can. Too often, government Capacity Building initiatives have been associated in a narrow way with 'training' and - even worse - with short, once-off courses.

We came to the overall conclusion that during the period covered by this study the response within government at a national level to the Capacity Building challenge has, reflected, rather than transformed, the core problems. Capacity Building efforts have, tended to mirror the bigger picture in that they tend to be piecemeal, unco-ordinated, short term, and based on a limited, intuitive approach to the task at hand. In essence, government's ability to utilise donor funds effectively and efficiently in the field of Capacity Building is very low.

In spite of the limitations described above, the team found there to be many excellent Capacity Building initiatives at all levels of government. Programmes. One such initiative is that developed by the Department of Water Affairs to increase capacity of local government as a water services authority. It reflects an integrated and holistic approach and includes much excellent detail as well as specific tools for utilisation.

The team came across a number of similarly impressive Capacity Building initiatives based in various government departments, many of which are / were ODA supported. This leads us to conclude that at least on paper or in isolated pockets within government, the tools for appropriate methodologies for Capacity Building and support do exist and should not have to be rediscovered by every government department. Although these good initiatives tend to get lost very easily, that they exist constitutes an important starting point for Capacity Building within government

STRATEGIC APPROACH

The recommendations are based on a strategic approach that flows from the analysis in this report. We attempt to identify what interventions are needed and how these could potentially give rise to other realistic and feasible possibilities.

No blueprints

At all levels of delivery there are possible interventions that could enhance the use of resources and build capacity. Such solutions are, however, very context-bound. Capacity building must take account of very specific circumstances and needs, based on organisational contexts and possibilities at a particular point in time and phase. Thus solutions cannot be formulaic and general. Nonetheless, a common set of approaches and guidelines can be developed, and common questions can be asked.

Holistic and integrated

The foundation for an approach has been developed in this report. Capacity Building is far more than just training, and simply providing courses, at that. Capacity Building must be holistic, and integrated at the highest levels into the plans of organisations such as government departments. Interventions should be targeted and focused with clear objectives within the overall context. Interventions must be part of an overall plan that takes delivery objectives forward. In this way, interventions are appropriate to the specific problems that have been identified, but also clearly supported and reinforced by the general dynamic or direction of improvement and change.

High-level strategising in government

Capacity building should therefore command high level consideration; Capacity Building must be discussed and understood at the heart of strategic decision-making. A key place to develop this would be in the forum of Premiers. Within departments, too, Capacity Building must be centrally and strategically addressed, conceptualised and interventions organised. The forum of HOD's is crucial in the latter case.

The location, role and powers of relevant Units or directorates responsible for Capacity Building and for donor relations also need to be more carefully considered to ensure sustainable expertise and institutional capacity.

Government leadership

In the context of overall plans for Capacity Building, government leadership is essential in order to decide how to use foreign aid effectively, where best to direct assistance, what sort of assistance is required, and how best to manage and integrate that assistance into the long-term development of that department.

Tackling the racial issue in Capacity Building

It is important that donors address issues related to race as an integral aspect of their Capacity Building interventions. Here the responsibility lies both with government (to stimulate ODA to provide resources for managing racial differences and other issues related to creating an environment conducive to effective Capacity Building), and donors (to ensure this issue is included in debates around Capacity Building in the sector).

Engaging donors to build capacity

In the context of better government systems, and enhanced clarity and leadership from government, donors could be engaged to address their internal problems and procedures. This engagement is part of consolidating a helpful long-term partnership with donors.

Donors should be challenged to address issues in their programmes that hinder the building of capacity particularly in the spheres of donor co-operation and monitoring and evaluation of Capacity Building initiatives. The necessary donor co-ordination could begin at very basic levels, namely developing common criteria for defining Capacity Building and putting in place a database.

Donors need to generate more dedicated Capacity Building expertise, either in-house or as a specific institution-building initiative in order to be able to assess and respond in sound ways to the effects of their programmes.

Institutional location of Capacity Building: DPSA

If the approach above is to fit in with current government approaches to Capacity Building, the activities of the DPSA are crucial. Their present approach is rational and constructive.

Based on careful audits and sectoral reviews, DPSA are identifying particular provinces and departments as priority targets for attention, in accordance with their own resources and capacity. The tools that are in place involve developing a close relationship with recipient structures, and an ongoing programme of hands-on, work-related assistance. This approach will no doubt build a wealth of experience and strengthening of the structures in DPSA to manage and plan ongoing interventions. Donors currently support many of these plans.

Thus, DPSA is well-placed to assist in developing the overall capacity of government departments and to beginning to develop standards and guidelines. A well-functioning DPSA would be able to systematise and collect information

around initiatives and make it available, as well as ensuring strategies to integrate the lessons into organisational practice.

SAMDI

SAMDI's recent history suggests the process of re-establishing its legitimacy and leadership, will need careful thought, realistic planning, and phased implementation. It will need to provide an ongoing service, and generate appropriate models of training and on-the-job support. Nonetheless, an operational SAMDI, with legitimacy and providing a clear service, also has a definite and important role.

SAMDI is in a strategically very important position, being in very close proximity to and interaction with government departments. For the purposes of our recommendations, we will assume that SAMDI will gradually emerge as a more coherent and viable agency. If this proves correct, SAMDI should be able to help identify problems, propose integrated solutions, and play a role both in course delivery and the setting of standards.

DoF

It is also important to note that Department of Finance (and a restructured Department of State Expenditure) also has an interest in the well-managed and effective use of budgets. This becomes even more imperative with the new financial and programme delegations of senior officials in departments. It is important that Capacity Building responsibilities of the Department of Finance are co-ordinated with the strategic plans of DPSA for a well-structured and effective civil service.

IDC

The IDC has as its particular focus, the use of donor funds. It thus has a broad mandate to develop an interest in the relationship between ODA and Capacity Building.

Currently, the IDC does not have 'specialist' expertise or dedicated staff in the area of Capacity Building. Nonetheless, the IDC is in a position to assimilate current knowledge about donors, their motivations, systems and procedures. IDC is well placed to provide information and services that could enable government to better access ODA and use its advantages appropriately. This work is important, as the appropriate use of donor knowledge, expertise and resources, can contribute to Capacity Building in flexible and creative ways that advance government's strategic objectives.

While individual departments and managers will continue to take responsibility for their own specific issues, there is a desperate need for sharing and learning about best practices

IDC also needs to take steps to engage more actively with other departments and levels of government. IDC will thus have to engage in a consultative process to develop and fulfil its mandate at provincial and national level. In

particular, strong collaboration between the IDC , on the one hand, and DPISA and SAMDI on the other hand, would result in the integration of issues around the use of donor funds into a more general plan around Capacity Building.

Limited recommendations

The team's recommendations largely target institutional processes to ensure proper planning and management. It is out of these that more detailed tools and mechanisms can properly be developed, or shared where they already exist, and ways be found to apply the lessons to different situations. This also ensures a more participatory approach that encourages ownership at all levels of implementation.

RECOMMENDATIONS

Our recommendations focus on three thematic areas, each of which is necessary to enhance the quality of Capacity Building. These relate to:

- ◆ Elevating the status of Capacity Building as a theme in both government and donor sectors;
- ◆ Creating an institutional environment conducive to Capacity Building;
- ◆ Establishing the necessary tools for effective Capacity Building interventions.

The first cluster of recommendations aims to develop the level of debate and expertise around Capacity Building in both the donor and government sectors. These include:

ENHANCING IDC CAPACITY BUILDING EXPERTISE

The Department of Finance: Chief Directorate: International Development Co-operation (IDC) should be looking at ways to enhance the quality of its work around Capacity Building. IDC should consider ways of developing specific Capacity Building expertise, perhaps in the form of a dedicated desk officer. A number of the initiatives below could form the core of a programme that develops IDC's leadership and role in the field of ODA and Capacity Building.

Hosting a summit of government departments

As part of its programme of consultations, The IDC should work towards a summit of donor units within government departments to look at issues of management of donor relations, including Capacity Building.

The agenda for such a summit could include:

- ◆ Developing a checklist as a reference document for use by government departments when planning and assessing TA initiatives and programmes
- ◆ Developing similar checklists for all forms of donor intervention, including twinning, overseas visits, etc.
- ◆ Sharing of best practice around sustainable interventions.

- ◆ Sharing of experts and expertise across government structures.
- ◆ As part of the summit, IDC, DPSA and SAMDI should prepare a joint input specifically on Capacity Building issues and the use of ODA.

The high-level integration of Capacity Building plans

During the process of consultation with donor units, a strategy and agenda should be prepared to initiate high-level discussions around Capacity Building issues. IDC, DPSA and SAMDI should play a key role in preparing input for such discussions. The aim would be to develop a common framework and commitment to high-level integration of Capacity Building plans in government, as well as an understanding of the specific input of ODA. One proposed forum would be the meetings of Premiers and the President; another would be in the forum of Heads of Department.

The clarification of policy

An outcome of such discussions (and also of the summit discussed above) should be clarity around key policy issues in regard to donor relations and the use of donor funds. The aim would be to develop broad frameworks and consistency in approach across government. This would help government to assert its primary responsibility in decisions around the best use and channelling of Capacity Building ODA. Such policy clarity would enhance the work and mandate of the IDC, as well as define the role of donor units within departmental structures. Again, a specific focus on Capacity Building would be necessary.

Another component of such policy should relate to integrating the promotion of racial equality and constructive attitudes around race as a central theme of Capacity Building interventions.

CREATING A FAVOURABLE INSTITUTIONAL ENVIRONMENT

The second theme of the recommendation section deals with creating an institutional environment that is more favourable to Capacity Building than that which already exists. Without such an environment it will be difficult to sustain and institutionalise good practice in the Capacity Building field:

Promotion of a more activist role for IDC

IDC should take the initiative to consult and call meetings with all structures responsible for Donor or International Relations in Departments and Provinces with a view to clarifying needs and formulating a service provision plan for IDC, as well as ways of improving the handling of donor relations. This would be part of an ongoing programme of consultation designed to improve the quality of interactions with donors and the effective use of donor funds and expertise at all levels of government. IDC too would begin to clarify its contribution and service in relation to all other structures responsible for donor aid. A clear component of this agenda, would be discussions around Capacity Building.

Co-operation with DPSA and SAMDI

IDC plans should co-ordinate and interface with programmes in the DPSA and SAMDI. A long-term relationship should be established, with the IDC focus being the appropriate use of donor funds for Capacity Building. This strategic alliance of IDC/DPSA and SAMDI, would be in a position to underwrite a number of the initiatives below.

Consistent donor co-ordination in government

IDC should work towards ongoing cross-departmental co-ordination of officials and units responsible for donor relations. This should look at ways of enhancing expertise and interest in donor relations broadly in departments. This structure could also provide the basis for government sharing of lessons, best practice, expertise, and various tools for enhancing delivery in the area of Capacity Building and in other areas. This co-ordination must extend to include provincial structures. A focus on Capacity Building would be a key part of the agenda.

Sectoral co-ordination of donors

Donors should take immediate steps to enhance their co-ordination. This would include establishing a donor forum for the purpose of discussing and sharing best practice around Capacity Building, as well as rationalising activities. A number of other interventions are suggested below, that such a forum could help implement.

Promotion of Capacity Building at local government level

IDC should work with appropriate structures such as SALGA and the Department of Local Government to develop and enhance approaches at local government level, similar to the processes for Capacity Building suggested in the recommendations above.

DEVELOPING PRACTICAL INSTRUMENTS

The third grouping of recommendations deals with the development of practical instruments for good Capacity Building practice. These include:

Proper planning and management

One component of such policy should relate to better planning processes and management of programmes utilising donor assistance. Oversight should be institutionalised at the highest level by Heads of Department. Use of donor funds must be part of general planning processes. Specific programmes should be based on proper audits of need and be highly context-sensitive to the dimensions affecting proper delivery. Capacity building should be seen in the light of a model of ongoing work-related support, with proper sustainability audits and institutional capacity audits made before embarking on programmes.

A donor framework for Capacity Building

One part of the work of such a forum would be a process to examine and develop a common framework for Capacity Building, and to align methods of budgeting and accounting for such programmes. This process would parallel some of the discussions being initiated in government. It is possible IDC would want to call the first of such meetings to kick-start the process and help structure an agenda.

Database and ongoing research

There is a need for an institution dedicated to synthesising and analysing information and experiences in the range of donor Capacity Building issues and practices. A common database needs to be established as a basis for ongoing research. The donor's forum should look at ways of resourcing and sustaining such a structure.

M&E Tools to enhance donor interventions.

Donors should take the responsibility for developing Capacity Building monitoring and assessment tools as a step towards improving the quality of their own input around Capacity Building practice. The institution suggested above should contribute to this debate. It is likely individual donors will have to enhance their own professional expertise in the field of Capacity Building, and consider the possibility of dedicated desk officers to follow through on the lessons of best practice.

Joint sectoral reviews

IDC and the donor forum suggested above should jointly 'kick-start' a process of bilateral co-ordination by hosting biannual meetings for donors in each of the key sectoral programmes (e.g. education, health, local government etc.) for the purposes of exchanging information and discussing best practice. Again, the Capacity Building issue would be formally integrated into the agenda.

Common procedures and formats

Donors should re-examine rules and procedures in relation to their programmes, with a view to streamlining reporting and accounting formats. Donors should work towards uniform formats and simplified requirements for all programmes. The key criteria should be to find the best possible ways of enhancing the developmental impact of programmes.

Donor reporting

Donor accountability and transparency would also be enhanced if the IDC ensured a thorough discussion of donor activities in regular annual donor-government consultation meetings. A tabled item on the agenda would be discussions on donor reports to government submitted in accordance with a specified IDC format. This kind of discussion should generate clear criteria for

structures, procedures, reporting lines, performance agreements and other aspects of the donor-recipient partnership.

The study concludes that although much needs to be done in respect of establishing consistently sound and effective Capacity Building practices, a lot of the groundwork has already been laid. Important aspects of Capacity Building methodologies, tools and implementation experience exist within government. These need to be consolidated and harnessed to ensure a more strategic application of Capacity Building ODA with a view to enhancing the ability of organisations and structures to perform their core functions, and effect delivery to the poor in line with the Reconstruction and Development Programme

1 INTRODUCTION AND TERMS OF REFERENCE

1.1 BACKGROUND

Capacity Building is an issue whose 'time has come'. It has emerged as being integral to the core challenge confronted by the South African government: the first three or four years reflected a primary concern with policy development. However, towards the end of the first term in office, government began to refocus its efforts around effective and efficient delivery. In the end, successful implementation requires capacity – something that has been relatively deficient and fragmented in the South African context.

In asking the question 'what inhibits effective delivery of goods and services?' we are immediately thrust into an analysis of institutional, systemic and other weaknesses inherent in the South African environment. How should the government go about equipping individuals and institutions with the wherewithal to solve their problems and achieve their delivery objectives? It is in this context that Capacity Building has emerged as one of the central cross cutting thematic concerns of both ODA and government.

1.2 DEVELOPMENT CO-OPERATION REPORT

The Department of Finance (DoF), together with the support of the United Nations Development Programme (UNDP) and other donors, is in the process of developing a Development Co-operation Report (DCR) to evaluate donor assistance in South Africa in the period 1994-99. The objectives of the study into Official Development Assistance (ODA) are to:

- ◆ Conduct an evaluation of ODA to South Africa in the period 1994-99;
- ◆ Offer recommendations as to how present and future ODA should be co-ordinated and aligned to the articulated needs and priorities of the South African government as reflected in the MTEF and
- ◆ Develop appropriate systems, mechanisms and tools to be used to conduct evaluations of ODA expenditure in South Africa on a regular basis

A number of key sectors and thematic areas have been selected as part of the evaluation process of past and current practice in ODA. Capacity Building has emerged as a significant cross-cutting component of ODA and has thus been included as one of the 10 themes/sectors to be reviewed by the DCR. Although most donors have expressed a commitment to Capacity Building in their country strategies, the nature of this assistance has varied considerably. In practice, it has ranged from straightforward training, to more strategic approaches such as human resource development, organisational development, policy development and support for enhancing the legal and regulatory framework in which organisations must operate.

The DoF notes that the implementation of Capacity Building activities has highlighted two critical problems:

- ◆ The impact of Capacity Building is difficult to measure and thus evaluate;
- ◆ Technical Assistance – a key form of Capacity Building support – is not always well integrated into government projects and programmes and hence does not always deliver as promised;

The overall objective of this study is therefore to provide a comprehensive picture and analysis of ODA within the thematic area of Capacity Building during the period 1994-1999. As such, the study aims to explore how and to what degree ODA in this area has contributed towards stated government policies as described in the Reconstruction and Development Programme (RDP), the Growth, Employment and Redistribution strategy (GEAR) and the Medium Term Expenditure Framework (MTEF).

Specific objectives of the study are to:

Describe:

- ◆ Capacity Building policies, strategies and activities of both recipients and donors;
- ◆ means by which Capacity Building has been integrated into projects and programmes;
- ◆ problem areas in respect of ODA support to Capacity Building, including ODA support gaps;

Evaluate:

- ◆ the extent to which Capacity Building is aligned to government priorities as described in key policy/framework documents, with specific reference to improved service delivery in areas of poverty alleviation and job creation;
- ◆ Capacity Building strategies adopted by donor agencies and recipients
- ◆ the sustainability of Capacity Building programmes, projects and components, particularly with respect to government absorptive capacity;
- ◆ the efficacy of ODA in the thematic area;
- ◆ the provincial distribution and impact of ODA Capacity Building programmes/projects in selected provinces e.g. Eastern Cape, Northern Cape, Mpumalanga, and Northern Province with respect to:
 - equitable distribution of ODA
 - the alignment of provincial needs and expertise brought in through donor support
 - the alignment of provincial Capacity Development objectives and donor supported activities

Recommend:

- ◆ a way forward for ODA in terms of the strategic directions for the government in the area of Capacity Building;
- ◆ the development of guidelines, mechanisms and tools for monitoring and integrating Capacity Building in future ODA strategies, programmes and projects;
- ◆ mechanisms for improved donor co-ordination

2 METHODOLOGY AND APPROACH

2.1 KEY CHALLENGES IN IMPLEMENTING THE STUDY

A first key challenge presented by this study is the lack of clarity in the terminology 'Capacity Building' and 'Capacity Development'.¹ Capacity Building is ill-defined within the donor community and a rigorous definition has not been pursued by government. This, together with the fact that most donors integrate Capacity Building into project design and do not itemise Capacity Building budget-lines, means that there are no standard mechanisms for recording the allocation and expenditure of Capacity Building funds. There is thus no basis for comparing data across either the donor or government sectors.

A second and related issue resides in the problem that no baseline indicators exist in the field of Capacity Building by which progress might be measured. While various individual assessments of programmes have been initiated by donors, there are virtually no sectoral and departmental audits of Capacity Building based on clear guidelines and criteria.

The emphasis of this report has correspondingly had to shift to a qualitative approach applied without the substantial back up of overall quantitative statistics and correlations.

2.2 METHODOLOGY

As a means of defining the parameters of the study, the team developed a framework for understanding the quality of Capacity Building support provided by ODA. Four key interrelated causal factors were identified:

- ◆ donor strategies, capacities, and systems;
- ◆ government needs and capacities;
- ◆ the nature of partnerships established between donors and government; and
- ◆ the nature of Capacity Building interventions.

By undertaking an analysis of the above factors, we set out to evaluate of the quality and impact of ODA-led Capacity Building initiatives and to track how donors, government and other stakeholders each define the nature and scope of Capacity Building, and how this variance has affected approaches adopted.

¹ We use the term 'Capacity Building', rather than 'Capacity Development', as it is more commonly used by most stakeholders.

The team interviewed respondents from three key institutional categories in accordance with the criteria outlined:

Category of Institution	Number interviewed	Selection Criteria used
Donor Agencies	13	Since most have Capacity Building components, all donors who were available during the research period were interviewed
National Government Departments	8	<ul style="list-style-type: none"> • Specified in TOR • Accessibility • Strategic importance • Generic impact
Provincial and Local Government and Agencies	22	<ul style="list-style-type: none"> • Specified in TOR • Accessibility • Strategic importance

At provincial level, the Eastern Cape, Northern Province and Mpumalanga were included as specified in the study TOR. The other two provinces, Free State and Gauteng were selected on the basis of their strategic importance in relation to key donor projects and programmes being implemented in the Capacity Building sphere

An additional selection of individual academics, consultants, technical assistants and representatives from non-governmental donor agencies was identified in order to complement the key interviews.

There are, of course, limitations to this approach. It is understood that at best, these interviews would reflect the viewpoints of the institution concerned. At worst, they show up the predispositions, wishes or prejudices of the interviewees. It is thus important to see the viewpoints for what they are and understand the approach as a first step. In a more positive light, it was considered useful to compare the perspectives of those interviewed and, in particular, how donors and government often perceive the same issues from very different angles.

3 CAPACITY BUILDING IN SOUTH AFRICA

3.1 DEFINITIONS OF CAPACITY BUILDING

The UNDP has defined Capacity Building as ‘the process by which individuals, organisations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objects’.

They go on to argue that four inter-related dimensions – seen as a ‘continuing learning and changing process’ – are essential for Capacity Building. The

various levels of Capacity Building intervention, as described by the UNDP¹ is reflected below:

Level	Description
Individual	Education, on-the-job training, and formal and informal skills development to accomplish tasks and solve problems are core requirements. This would also include attitudes and values.
Entity / Organisational	A capacitated organisational entity has an organisational structure with a clear mission, and clear goals, functions, systems and resources. Management and leadership are important components of sound organisational practices
Inter-relationships	Focus on systems and sectoral, geographical or other divisions for linked programmes. This would include a wide range of interactions, from more formal partnership agreements to informal or sustained networks.
Enabling Environment / Institutional	This includes the broad framework and context, including policy and legislative frameworks, institutions, socio-economic situation, values and cultural issues, development plans, natural resource management, etc.

This UNDP definition can be distinguished from previous development thinking around Capacity Building which

- ◆ identified Capacity Building as synonymous with training or human resource development
- ◆ had a very limited public sector and institutional focus;
- ◆ gave priority to ‘what and why’ (rather than how) questions;
- ◆ cost-benefit and expert-led practices

As the UNDP argues ‘The role of public institutions in development is now changing. Conventional ideas about social engineering are being supplemented by broader notions on promoting learning, empowerment, social capital and an enabling environment. Attention is being given to the culture, values and power relations that influence organisations and individuals. Donors are using different intervention points into capacity systems. The informal patterns of personal and societal behaviour – the rules of the game – are now better understood. And there is more appreciation of the need to complement, not replace, indigenous habits and practices. All of these are slowly forming into a body of concepts called capacity development’²

Current perspectives on Capacity Building reflects the following elements:

¹ UNDP *Capacity Building*, Management Development And Governance Division, Technical Advisory Paper 2, 1997, p 4-6

² UNDP, vi

Capacity Building characteristic	Description
An approach to development	Reflects the way practitioners engage in development activities. It is through the realisation of the wider aims of the organisation or society as a whole that Capacity Building impact can be measured ¹
Means to an end / Needs based	An explicit intervention that aims to improve the effectiveness and sustainability of an organisation (institution) in relation to its mission, context and need to deliver a particular set of products ²
Process-oriented	Focuses on the organisation development process which requires an appropriate <i>partnership</i> between providers and recipients/target group capable of: identifying problems; assessing options for responding to these problems; formulating strategies that constructively address them; implementing planned and sustained activities so as to impact on the capacity problem.
Ownership by target groups	Linked to the above point: recipient-led approach, promoting indigenous control, local knowledge and participation. Where donors are present, they provide a facilitative input
Holistic and systematic	Has a cross-sectoral emphasis. Looks at dynamic relationship between actors and the overall governance arrangements. Includes focus on enabling environment, culture, power relations that influence the organisation etc.
Systemic	Aspects of a system cannot be changed in isolation, outside of addressing systemic issues
Iterative learning	People and organisations learn in 'iterative cycles', through doing, experimentation and reflection as well as through interactive learning, resulting in participants becoming more aware of the issues, skilled and confident over time.
Institutionalisation	Enhancing the capacities of individuals is not enough: cohesive and coherent institutional frameworks are needed as the locus for the functioning of increased abilities. ³
Needs time	Linked to the above point: thorough-going Capacity Building takes a significant amount of time to take root.

¹ Herrera and Hansen, p5

² Ibid, p5

³ Alan Brews 'The Capacity Building debate' Olive Information Service, 1994, p12

The above framework embodies certain implications for the process of evaluating Capacity Building: though certainly not impossible, it is not easy to isolate the particular dimensions of a multi-layered Capacity Building/transformation process. Nor is it easy to measure specific impacts over relatively short periods of time. Nevertheless, Herrera and Hansen¹ propose three categories to guide the formulation of indicators for the evaluation of Capacity Building activities and programmes:

- **Effectiveness:** what is the impact of the activities on the recipients of the services. What is the output and impact of the organisation, measured against its key objectives and the needs of the target groups or recipients? Are programmes well designed to achieve their objectives? Have programmes been thought through and do they reflect the lessons and best practice from other programmes and interventions? Are they well co-ordinated with other interventions to maximise their effectiveness? In short, is there improved delivery?
- **Efficiency:** how are resources utilised? Are they well-ordered and managed, and applied in a planned and rigorous way, with developmental objectives and methodologies? Are there appropriate information, budgeting, financial, and assessment systems, to enable decisions to be taken and carried out? Do the culture and values of the organisation assist work to be implemented and delivery to occur? Is there the right mix of skills and is it being used or managed appropriately for tasks to be done well.
- **Sustainability:** Is the organisation learning, can it continue its work and adapt to changing situations? How will sufficient inputs be guaranteed over the longer term to guarantee the continuation of the functions and operation of the organisation?

In summary, the goals of Capacity Building are broad, complex and multi-layered. In this paper, we focus on how donor funds are used. Donor funds can fulfil a very special niche, where critical and cutting-edge work is implemented effectively and efficiently. But their acceptance and use, are very much a subset and a part of government's broader successes in relation to Capacity Building. It is tempting, then, to make general comments about the state of government programmes and service delivery or indeed donor implementation *per se*. We attempt to avoid this, except in as much as these factors impact on Capacity Building itself.

In the context of this study Capacity Building is about the ability of government to perform its core delivery objectives, to implement successful programmes and to achieve its mandates in a progressively deepening and sustainable way. Here, since we are looking at the *interface* between government and the donor community, the issue of *partnership* is key. The Capacity Building process and the nature of the partnerships that give rise to and must sustain this process are crucial factors for consideration.

¹ Herrera and Hansen, p6

3.2 THE SOUTH AFRICAN CONTEXT

The South African political and institutional context has had a significant impact on the nature of ODA-supported Capacity Building initiatives.

In 1994, the democratically elected government inherited a state machine that could hardly be described as a conducive vehicle for the reconstruction of a society and delivery of basic needs to its people. At that point, the state was characterised by administrative fragmentation based on racial criteria, a centralised approach to governing, an authoritarian and bureaucratic culture, and, most problematically, an inherently racial bias, in respect of both its delivery orientation and composition of the civil service. The task of transforming the *vehicle* for delivery had to be addressed simultaneously to the radical reformulation of policy content.

Realistically, this two-dimensional project could not have been completed concurrently: the first four years in office saw government focus intensively around the policy development process. The question of restructuring and reconditioning the vehicle for the purposes of delivery and implementation has proved to be a longer term endeavour. The government initiated Affirmative Action policy, *inter alia*, to address these issues.

It is in this context that government-targeted Capacity Building efforts must be placed. By 1998/9 after the core policy development effort had largely been completed, both government and the donor community began intensively to focus their respective efforts on the delivery challenge. From a donor perspective, this meant posing key questions about *how* to help equip individuals, organisations and institutions with the wherewithal to solve their problems and achieve their delivery objectives. Capacity Building, as a means to a greater end, emerged as one of the central, cross-sectoral thematic concerns of ODA .

For the purposes of the analysis, we highlight a number of key issues that impact on the way in which the Capacity Building debate is articulated in the South African context.

3.2.1 Capacity Building and race

When Capacity Building support is brought into this country this happens within a very complex and sensitive racially charged environment. Clearly, decades of Apartheid rule have denied black, and particularly African, people job and skill building opportunities that have contributed significantly to the negative capacity situation in the country. The government has begun to address these issues largely through Affirmative Action policies within the public sector.

In practice, however, Affirmative Action programmes seldom address the deeper, underlying problems. For example, Affirmative Action appointments do not automatically enable incumbents to become effective and efficient in their posts. The process may indeed be negatively influenced by unspoken racial attitudes held by both white and black people: to what extent do white people in authority believe that black people will inevitably fail? To what extent do black

Affirmative Action appointees 'buy into' this perspective? It is inevitable that the general level of capacity must be diminished by the nature of such inter-racial relations and attitudes.

To what extent does government's focus on questions of representivity allow for capacity to be developed? To what extent does government request ODA support with a view to dealing with the specific racial components relating to Capacity Building? By the same token, are donors concerned with these issues? To what extent does ODA take the initiative in bringing in resources for the specific purpose of managing racial differences? A number of donors have had to deal with issues of racial inequality in their own countries. Some have engaged with a fair degree of success here. To what extent have these lessons been brought into the South African debate?

3.2.2 Capacity Building and gender

Whether or not this has born fruit, much has been done by the government to create a conducive environment for building capacity on the basis of an awareness of gender equalities. Similarly, on the basis of international convention, donors have tended to pursue the gender issue as an important priority. Unlike the racial issue, donors have paid far more attention to addressing gender inequality and capacity gaps at both policy and programming levels.¹

3.2.3 Transformation and Capacity Building

Transformation of government is a vaguely used term in South Africa. The issue has been highlighted by the RDP and the Presidential Review Commission amongst other policy guidelines. The term has been used with reference to as diverse questions as the establishment of an integrated, unified public sector to public sector restructuring involving a programme of efficiency and right sizing. Frequently, 'transformation' is used to describe a process of rendering government more racially representative. Increasingly less frequently, it is used to describe a transformation of power relations.

Nevertheless it has been argued² that without a genuine transformation of power relations, the process of Capacity Building can only be partial, since those without or lacking capacity will remain in a state of continued dependence. The public sector in South Africa has long been characterised by a highly autocratic culture that has made it very difficult for its members to think for themselves and act innovatively within the framework of existing rules. This negatively effects the capacity of the public sector to effectively serve the public. Arguably, this issue should be an important focus for Capacity Building processes in the public sector.

¹ For further information, see DCR Gender Study

² Alan Brews, 'The Capacity Building Debate', Olive Organisation Development and Training Information Service, p 8

3.2.4 Building endogenous capacities of local people

The desirability or otherwise of importing foreign capacities (including models, systems and human resources) provides an important undercurrent debate in the South African context. Capacity Building is most effective when interventions are based on rigorous needs analyses in which the local stakeholders are involved and when home grown solutions to problems are found.

The issue is mostly articulated in the context of foreign TA support. Here, the argument is put forward that South Africa *is* able to supply sufficiently skilled personnel to fill TA positions and that foreign incumbents bring with them their own problems that might have detrimental effects on Capacity Building (see below).

3.3 THE SA MANAGEMENT DEVELOPMENT INSTITUTE (SAMDI)

The question of creating an institutional home for an agency charged with the responsibility of promoting and spearheading Capacity Building and training for public sector institutions was not overlooked by the incoming government. SAMDI was established for this purpose. It was set up as an independent unit, which is financially linked to and physically located within the Department for Public Service Administration (DPSA).

It would be reasonable to expect that, as a strategically-placed initiative with privileged access to government departments, SAMDI may well have had a positive, guiding role in respect of Capacity Building in government. However, continual restructuring of SAMDI, confusion over its role and lack of internal capacity meant that, in practice, it has played very little role in defining or systematising Capacity Building practices, even on a narrowly defined basis. In December 1998 all SAMDI training courses were halted.

In this respect, one DPSA official even argued that the very existence of SAMDI held back the process of developing a common approach: everyone assumed that this was the core responsibility of SAMDI, and thus handed over to a non-existent centre any impetus for co-ordination or better strategic definition. Forcing departments to acknowledge SAMDI's official existence, despite its deep problems in practice, only tended to hold back the development or exploration of alternative forms of delivery.

The PRC argued: 'SAMDI, as currently constituted, does not have the capacity to effectively undertake the ongoing process of public management training; accordingly its staff and infrastructure should be rationalised and its role and location clarified.'¹

In spite of its serious failings, the prospect of developing an institutionalised approach to government training support, is present with the new mandate and appointment of a Director-General for SAMDI. Prominent in the new D-G's

¹ Presidential Review Commission

perspectives is an emphasis on an organisational development focus, and the setting up of possible post-course support.

It is not possible to comment on the organisational soundness of SAMDI to achieve these tasks, and the long haul to establish its credibility and leadership as a service provider with a particular niche.

SAMDI: Not a success story for donors

It was clear to the team that the TA's based at the SAMDI Programme Management Unit (PMU) were out of their depth in terms dealing with the broad institutional dynamics at play.

Indeed, PMU staff complained that 80% of their time involved purely administrative and bureaucratic requirements, largely relating to donor procedures, rather than creative thinking. As well, donor funding approval and tranche disbursement was subject to unexplained and problematic delays.

One effect of the delays was the enforced down-grading of certain courses because training personnel became unavailable. Channels of communication from the PMU to the EU were uncertain. Further, many TA's, hired for their professional expertise, ended up 'spending an unexpected amount of time in assisting the SAMDI project teams to adjust to the new project-based approach, and to prepare their project plans.'¹ This bred a largely technician project management component, slightly cynical and divorced from the activities in the field.

When one compares the *general* characteristics of Capacity Building in government with the commonly accepted elements of the Capacity Building paradigm presented above, a considerable gap is evident. ODA has come into, and has both positively and negatively influenced this context. This study now turns to the specific evolution and dynamics of Capacity Building delivery.

4 THE QUALITY OF CAPACITY BUILDING DELIVERY

In the section below, we look at the factors directly influencing the quality of Capacity Building interventions. These cover four areas:

- ◆ Donor policies, capacities and constraints
- ◆ Government capacities and constraints;
- ◆ The nature of the partnerships that bring together these two stakeholders;
- ◆ The nature of the specific interventions.

We examine what donors think of their own approaches and systems, and then look at government viewpoints of donor's performance. We then look at government perspectives on their own Capacity Building needs followed by donor comments. We

¹ Goldsworthy and Humphries, 21.

also attempt to develop a perspective from a provincial and local level, where specific issues of importance tend to surface.

4.1 DONOR STRATEGIES, SYSTEMS, CAPACITIES, CONSTRAINTS

Capacity Building ODA is not simply about the flow of financial grants to meet stated needs. The quality of Capacity Building delivery is influenced strongly (positively or negatively) by what donors bring to the table through programme content, process and interaction with stakeholders. Similarly, donors' Capacity Building policies, methodologies, support systems and their own capacities must be highlighted as key facets of ODA in the Capacity Building arena.

4.1.1 Donor policies

Capacity Building is an increasingly significant feature of donor strategies

This is a fairly pronounced during the period under review. There are three key reasons for this:

- ◆ As pointed out in our introduction, the period following the first democratic elections was characterised by intensive donor involvement in formulating new policy to guide transformation. After three or four years, this shifted. As the country confronted the more recent challenges of creating conditions conducive to development implementation and delivery, the need for Capacity Building and training interventions emerged as a clear priority.
- ◆ This trend has coincided with a growing concern within the international development co-operation community that financial inputs were failing to achieve the desired development impact. Analyses have identified key causes relating, *inter alia*, to weaknesses in the recipients' infrastructural and organisational base. These weaknesses have created difficulties in sustaining and managing development processes. In the unfolding debate around these issues, Capacity Building and Institutional Development have emerged as critical components of the development *and* funding processes.
- ◆ By the mid-90's, many donors had signalled medium term intentions to withdraw from South Africa, given its medium income status. Here, the building of capacity does not necessarily (or simply) constitute a foundation for development funding, but represents an alternative to it. Donors globally pose the questions of how to avoid the promotion of aid-dependency in recipient countries and establish responsible exit strategies with a concern to avoid leaving behind programmes and projects that are bound to collapse or malfunction for lack of funding. The question of organisational and financial sustainability is centrally linked to that of Capacity Building.

The trend is epitomised by the evolution of the programme of the EU, South Africa's biggest donor. The EU Multi-annual Indicative Programme (1997 - 99) includes scant reference to Capacity Building¹, whilst its new Programme, to be

¹ Restricted to a single paragraph on human resource development and a few other oblique references

implemented from 2000, is characterised essentially by its drive to build capacity.¹

This commitment reflects an analysis commonly held in the donor sector: 'Aside from lack of adequate financial resources, the lag in delivery of social services emanated from lack of capacity in planning and efficient management of projects and programmes within most national and provincial government institutions.'²

All government donors interviewed for this study boast some level of commitment to Capacity Building as a component of their programme. Some, like GTZ, considered that the problem in the South African context is a lack of capacity, rather than money.³

Capacity Building has been conceptualised vaguely by donors

What is meant by 'Capacity Building' does, of course, vary considerably depending primarily on the development framework from which people proceed. Development frameworks, approaches and traditions differ markedly.

In practice, however, we found that *very few* of those interviewed reflected a highly sophisticated or specialised understanding of Capacity Building.

The majority of donor agencies spoke of Capacity Building as a cross cutting theme. 'It should be a systematic component of everything. Often, it is the essence of the operation'⁴ Another informant,⁵ suggested that Capacity Building *had* to happen as a *prerequisite* for successfully implementing a project. Interestingly, the examples provided by him make no mention whatsoever of Capacity Building *per se* in the stated objectives and design of the projects. Yet, the informant was able to quote a long and detailed list of Capacity Building successes associated with these projects! To integrate Capacity Building as an approach to development practice to this degree is impressive indeed.

However, the fact that Capacity Building tends to be mainstreamed into sectoral programmes as a cross cutting theme, as indeed it should, seems also to be a reason for the lack of *specific attention* given to an understanding of Capacity Building and how to implement it most effectively.

Donor	CB as sector focus	CB as cross-cutting	Institution-institution support	CB as part of exit strategy	Methodology / Tools	Systems
AusAID	✓	✓	✓	7	7 ✓*	7
CIDA	✓	✓	✓	7	7	7
DANIDA	7	✓	✓	✓	7	7

¹ EC Development Series, 'Partners in Progress' October 1999, p 15

² EU, Country Strategy Paper for South Africa' (2000-02), p 24

³ Interview with Dr Hans Martin Schmidt, German Technical Co-operation, GTZ, 18/01/00

⁴ Interview with Roberto Rensi, EU Advisor, 20/01/00

⁵ Joel Kolker, Housing & Urban Division, USAID, interviewed 20/01/00

DFID	✓	✓	7	7	7	7
EU	✓	✓	7	7	7	7
GTZ	✓	✓	7	7	7	7
Japan	7	✓	7	7	7	7
Nethland	✓	✓	✓	✓	7 ✓*	7
NORAD	✓	✓	✓	✓	7	7
SIDA	✓	✓	✓	✓	7	7
USAID	✓	✓	7	7	7	7

* Partially developed

Capacity Building is closely linked to public sector development programmes

Capacity Building has emerged as a cross cutting theme. Some of the bigger donors (EU, DFID and USAID) also include it as a sectoral focus in the form of 'Public Sector Reform', 'Local Government', 'Good Governance' or some similar sectoral focus directly and purposefully concerned with Capacity Building activities. Bilateral agencies, with relatively small budgets, such as the Canadian (CIDA) and Australian International Development Agency (AusAID) and Norwegian Development Assistance (NORAD) all have relatively prominent public sector development programmes within their overall South African package. They all devote the focus of these programmes to Capacity Building, as this is considered to provide a highly strategic input as well as a good return on the donor investment.

'In view of the relatively modest envelope for Canadian ODA...a conscious decision was made to avoid direct 'service delivery' and 'infrastructure' projects. The general country level approach has been to plan projects which *enhance and develop the overall capacity* (emphasis included) of public sector and civil society organisations.'¹

Capacity Building to address racial inequalities

In none of our interviews with donor representatives was mention made of ODA Capacity Building projects or interventions implemented with a perspective of addressing racial inequality (although a few donor respondents reflected an awareness of the complexity and sensitivity of such issues). The team came across a few isolated initiatives aimed at supporting Affirmative Action and encouraging representivity, such as DFID's local panel of consultants aimed at promoting and supporting black expertise in a range of fields. However, such initiatives were either well hidden components of more broadly defined programmes, or, as we suspect, they are few and far between. Certainly, there was no evidence of Capacity Building ODA designed with a view to bringing in

¹ OECD/DAC Review: Canadian Development Assistance, SA, p 3

resources for the purpose of managing racial differences and damaging racial attitudes that impact so negatively on the process of building capacity.

Capacity Building as inter-institutional support

It does appear that within the donor spectrum, perhaps the most sophisticated and thought-through approaches to Capacity Building come from the Scandinavian countries and Netherlands, where Capacity Building tends to be located in a broader institutional context. An evaluation of NORAD's approach states that:

'(I)nstitutions are increasingly seen as a key factor in the development process, and institutional development constitutes a major concern of Norwegian development co-operation.... The concept of institutional development is defined, embracing five levels: individual, organisational, network, sectoral and national. The first two of these levels involve human resource development and organisational development respectively, while the last three all entail some form of system development.'¹

A SIDA Development Counsellor spells out the implications of this approach: 'The principal is to develop the *whole* institution; otherwise, putting little bits into the system will get lost. You must have a holistic approach'²

DFID's approach to Capacity Building partially overlaps with this holistic, institutionally-based understanding.

At a very general level, there is a policy commitment amongst donors to the integration of Capacity Building into their policies and programmes. Yet we must conclude that the debate around what constitutes Capacity Building and how best practice can be achieved is extremely weak. This is reflected in the poor quality and lack of rigour characterising donor policies around Capacity Building. This becomes clearer as one looks at the practicalities of this policy vision.

Below we look at how Capacity Building policies are translated into practice.

4.1.2 Capacity Building methodologies and systems

There is no doubt that over the past couple of decades the international donor community has made enormous strides developing Monitoring and Evaluation (M&E) tools and frameworks, as well as general donor management systems. The planning methodologies, in particular, have been found to have a valuable Capacity Building spin-off for recipients. For example, a number of government departments felt that the rigorous EU framework, with its emphasis on developing logical frameworks and key performance indicators, had helped staff to go through a useful learning experience.

¹ Evaluation Report: Institutional Development in Norwegian Bilateral Assistance, Centre for Partnership in Development with Nordic Consulting Group

² Interview with Thomas Kjellson, First Secretary, SIDA, 26/01/00

Nevertheless, in spite of the very rigorous tools available, Capacity Building tends to be hidden in the sub text of these tools. Interviews with donors exposed the almost uniform paucity of *dedicated* Capacity Building methodologies, tools, standards and systems that are in place and utilised in practice by project officers. 'Much reliance is placed on institutional memory. There are no practical checklists or guidelines.'¹

USAID, whilst consciously concerned about Capacity Building, does not have mechanisms in place to facilitate internal learning or sharing around this as a cross cutting issue:

'We seem to be in a very early stage of evaluating the impact of our Capacity Building...Only in the last few years has USAID explicitly moved to support transformation in government requiring the strengthening of its capacity. We do not have enough experience to know what isn't working.'²

USAID tends to focus on its sectoral experience and analysis. There is no person who is responsible for Capacity Building and no processes in place to ensure institutionally based co-ordination, monitoring etc.

In addition to the absence of tools for monitoring and evaluating Capacity Building, the lack of in-house human resource capacity for M&E has a negative impact on the quality of Capacity Building interventions. Where embassy or agency staff is limited, as is the case in the EU, SIDA and DANIDA, there tends to be a dependency on external consultants to do the M&E work. Since Capacity Building interventions, being so process-oriented, require a more hands-on and responsive approach on the part of donor partners, donors' own capacity deficiencies in this regard may limit the Capacity Building impact of their programmes.

Given the generalist nature of donor policies with respect to Capacity Building, it is perhaps not too surprising that policy has been slow to translate into concrete Capacity Building tools, appraisal and Monitoring and Evaluation (M&E) systems and internal learning mechanisms. Even the more developed Scandinavian policies seem not to have been systematically implemented.

Nevertheless, there are positive signs that some, like the Netherlands Embassy, are moving in this direction with the running of regular programme staff meetings aimed at developing a shared methodology, as well as future plans for joint embassy staff training on strengthening institutional development mechanisms.³ Additionally, AusAID is in the process of developing a checklist for assessing the impact of their Technical Assistance (TA) programme. On a positive note, the team should add that, when the issue of introducing Capacity Building-specific methodologies, tools, standards and systems was raised with donor representatives during the interviews, the idea generated a degree of interest.

¹ Interview with Roberto Rensi, EU Advisor, 20/01/00

² Interview with Patrick Fine, Education Team Leader, USAID, 19/01/00

³ Interview with Janny Poley, First Secretary, Royal Netherlands Embassy, 31/10/00

4.1.3 Donor constraints

Does ODA have the effect of building or undermining capacity in government? We began by looking at the effect of some of the general constraints that characterise donor systems and practice. We conclude that some of these constraints, including those reflected in the above section, may indeed have a negative effect on the quality of ODA Capacity Building support. This would apply to those aspects of donor practice in particular that *negatively shift or distort the internal dynamics and development pace of a project*.

In providing support, donors may overlook the lack of local absorptive capacity

There are a number of pressures that might contribute to donors overlooking a critical issue such as the capacity of recipients to absorb external funding. Like government departments, donors often face a 'spend-or-lose-your-budget' syndrome, resulting in a strong donor driven process. Donors in this situation may disregard the question of local absorptive capacity and the developmentally negative consequences thereof.¹ Throwing 'big money' at a situation may ironically create many more problems than are solved. How does an institution absorb significant amounts of money for implementation, whilst simultaneously trying to build up management capacity?²

Similarly, provincially-based officials complained of 'donor over-enthusiasm' particularly during the early days of democratic government to muscle in on fragile departments who had only just defined their approaches and adjusted their organisational frameworks.

Donor-driven time and framework constraints may be detrimental

Government donor agencies tend to be less flexible and more subject to donor-driven time and framework constraints demanded by bureaucratic administrations. These, too, may have negative implications for the development process. For example, the real pace of progress may not be sufficient to satisfy head office requirements or expectations,³ resulting in external pressures which distort a project's internal dynamics and pace of development.

Political roleplayers may negatively influence the Capacity Building process

Some government officials reflected that it was not unusual for ODA initiatives to have their roots in wider politically-driven negotiations or relationships with donors, rather than in the development imperatives found on the ground. This trend is often accompanied by political pressure (from donor and recipient contexts) for highly visible performance and short term showpiece outputs. Given that Capacity Building processes generally need both an organic

¹ Interview with Roberto Rensi, EU Advisor, 20/01/00

² Interview with Knud Johansen, Minister Counsellor, DANIDA, 20/01/00 who mentioned that a number of projects simultaneously funded by Denmark and other larger donors had been practically confronted by this dilemma.

³ Interview with Geert Vansintjan, Development Co-operation, Belgian Embassy, 26/01/00

relationship to a set of organisational needs and objectives and lengthy time frames to complete, the negative potential of political intervention in development is clear.

The lack of donor co-ordination may create confusion and incoherence

Capacity building can best be implemented in a context characterised by rational, integrated and co-ordinated planning. The team found a number of instances where competing models or systems were being encouraged (and sometimes imported) by different donor agencies into different provinces. Which system would be most appropriate in the context of the particular problems an individual province faced? And would the differing systems be able to 'talk' to each other in a rational way? These kinds of questions are tend not to be dealt with in a co-ordinated fashion.

Whereas donor co-ordination and information sharing has the potential to promote far more effective planning around and understanding of Capacity Building, this is either not happening at all or it is taking place infrequently or in an *ad hoc* manner.

Summary

Poor donor capacity to respond to the Capacity Building challenge has its roots at various causal levels:

- ◆ various donor systems and practices exert a negative influence on Capacity Building;
- ↓
- ◆ there is a lack of practical tools, methods and standards, etc. for translating Capacity Building policy into the realm of good practice;
- ↓
- ◆ the fact that these policy frameworks themselves tend to be vague, loose and lacking in rigour;
- ↓
- ◆ this, in turn, is an effect of the lack of both internal and inter-institutional debate within the donor sector around Capacity Building;
- ↓
- ◆ which, correspondingly, results in loosely defined, often inappropriate and ineffective Capacity Building initiatives.

Donors are largely aware of the major criticisms raised. However, the point must not be missed that donors themselves may be a contributory factor to the capacity problem. It is critical that donors acquire the capacity to understand the development environment and what is required to create an enabling environment for the building of capacity.¹

¹ Brews A, 'The Capacity Building Debate', Olive Organisation Development & Training Information Service, p4

It is possible that only when donors themselves begin to view their own institutional and capacity development as being important – a meaningful subject for reflection, critique and debate – will a higher quality of Capacity Building practice begin to be mirrored in the activities of their partners.

4.2 GOVERNMENT CAPACITIES

The table that follows provides a summary of the problems and issues confronted by National and Provincial government departments with respect to Capacity Building as well as generalised donor responses and views of these issues.

In its research, the team was impressed to discover just how self-critical government is, as well as the high level of awareness of major problems and shortcomings to be found in government.

We came to the overall conclusion that during the period covered by this study the response within government at a national level to the Capacity Building challenge has, reflected, rather than transformed, the core problems. Capacity Building efforts have, tended to mirror the bigger picture in that they tend to be piecemeal, unco-ordinated, short term, and based on a limited, intuitive approach to the task at hand.

At a provincial level, the kinds of problems identified nationally tend to be reflected, and indeed often amplified. Provinces face specific procedural and systemic breakdowns. These relate, on the one hand, to the complexity of inter-governmental relations and issues of provincial autonomy; and on the other hand to the lower levels of skills often pertaining at an institutional and organisational level.

In effect, the range of Capacity Building issues to be confronted at provincial level tend to be more complex than those faced at national level. Ironically, it is in the provincial context that capacity levels are far lower. This is precisely in the context in which interventions are most needed, and precisely the context in which strong leadership and a clear planning framework are least likely to emerge

The urgency of facilitating Capacity Building at provincial and municipal levels is a factor anticipated in the South African Constitution. Section 125 (3) states: 'the national government, by legislative and other measures, must 'assist' the provinces to develop administrative capacity required for the effective exercise of their powers and performance of their functions.'

It is interesting to note that the form of Capacity Building needed (administrative) is not qualified or elaborated upon, nor is there a specific requirement for effective exercising of the powers delegated. In terms of the new public service regulations, Capacity Building is delegated to each of the departments respectively. The role of the office of the premier is one of co-ordination.

In respect of Capacity Building at local government level, we must note that the local government system in the country is in the final stage of its democratic

transition. This, coupled with the new demarcation process, will see the amalgamation of municipal borders and therefore the amalgamation of the municipalities. Therefore a strong need was identified for organisational development of the new institutions. Additionally, respondents felt that much Capacity Building work was needed in the area covering the relationship between local government councillors and officials, including existing 'power relations' and role/function clarification.

Local government respondents discussed Capacity Building largely in the context of the training of councillors and municipal officials. The largest single training initiative constitutes a R10m project implemented by the SA Local Government Association and funded by NORAD. The project covers *inter alia* the following areas:

- ◆ Core Councillor Training
- ◆ Labour Relations policy and practise
- ◆ Gender policy and training

The Local Government Transformation Programme had its own separate set of Capacity Building initiatives. It was launched partly for the purpose of establishing a 'knowledge bank' of learning that can act as a resource for the local government actors leading the transformation process. Capacity Building has been taking place to meet the requirements of the various white papers on local government. These include Integrated Development Planning, Local Development Objectives and the Local Economic Development processes.

Donor perceptions largely reflect the kind of analysis that has been made within government, though perhaps often expressed with less sympathy or understanding for the problems or the dynamics and forces at work.

More specifically, donors perceive government capacity problems to fit largely (but not exclusively) into two categories:

- ◆ lack of capacity to translate strategic visions into operational plans. Here donors referred to the capacity to think through *systematically* each consecutive step entailed in putting (generally very good and exciting) strategic concepts into practice;¹ and,
- ◆ lack of capacities related to 'people management', including skills around team building and motivation, maximising participation of colleagues, dealing with staff dissatisfaction and conflict management.

A number of donor representatives considered that the above were exacerbated by continuity problems specific to the 'revolving door' policy in terms of which top leadership in the civil service shifted along with outgoing cabinet ministers and MECs.²

¹ Representatives from USAID, EU and DFID, *inter alia*, shared reasonably similar perspectives on this issue

² DFID, Japanese Development Co-operation, *inter alia*.

NATIONAL DEPARTMENTS	PROVINCIAL DEPARTMENTS	DONOR PERSPECTIVES
<p>Capacity Building in isolation Departmental-based Capacity Building programmes, where existing, tend to be developed and implemented in isolation of larger departmental strategies.</p>	<p>Not identified as a problem by respondents. But likely to be as significant a problem at provincial level.</p>	<p>Not identified as a particular problem by donor respondents.</p>
<p>Institutional location Often, responsibility for Capacity Building is located in a specialist department (such as HRD). This frequently leads to the removal of Capacity Building from day to day programme implementation and the possibility of tensions or competing priorities between different units within a department</p>	<p>This is as great a problem in the provincial context as it is at national level. Could even be exacerbated by additional structural and institutional problems at provincial and local levels. Co-ordination usually takes place through the Office of the Premier</p>	<p>Not identified as a particular problem by donor respondents</p>
<p>Organisational Disjunctures Various systemic problems create an environment which is unfavourable to effective Capacity Building, such as:</p> <ul style="list-style-type: none"> • Misalignment of policies / strategies with the realities of costing, feasibilities and impact projections resulting in disjunctures between strategic visions and actual service outcomes; • High turnover of senior staff creating discontinuities in administration, financial, programme and project management and monitoring and evaluation functions. 	<p>Loss / promotion of staff, particularly at fairly senior levels has often led to the loss of 'champions' for projects.</p>	<p>Fragmented understanding of institutional and system problems in government Some Donors (USAID; SIDA) reflected that the replication of Capacity Building and other projects require a 'champion' to drive such projects through the implementation process.</p>
<p>Capacity Building and absorptive capacity Unlike donors, respondents from national department representatives did not perceive there to be a problem in the capacity of the <i>state</i> to absorb incoming donor funding.</p>	<p>Provincial government respondents had a better sense of the negative capacity impact of 'too much donor money'. But they described the problem as 'over-zealousness' by donors seeking ways of spending unspent funds.</p>	<p>Some donors considered that senior management in government tend to over-estimate the capacity of their institutions to absorb donor funds, thus having a negative effect on capacity.</p>

NATIONAL DEPARTMENTS	PROVINCIAL DEPARTMENTS	DONOR PERSPECTIVES
<p>Capacity Building as Training Some Departments identify Capacity Building with a narrow and superficial focus on course training. Such initiatives tend not to be approached in a strategic manner, but rather accord with a shotgun, one-size-fits-all approach, in which the same toolkit is brought in to deal with differing problems</p>	<p>An example of this problem is provided by the Department of Health initiated a 'Provincial Human Resources' training programme consisting of mainly one-day interventions in specialist areas. Data provided is number orientated and training choices seem not to reflect strategic priorities or relevance.</p>	<p>Most donors understood Capacity Building in a broader light than just training. None made mention of the problem of being requested to support narrowly focussed training initiatives.</p>
<p>Capacity Building at the 'coal-face' Not identified as a particular problem by national departments.</p>	<p>At the implementation 'coal-face', Capacity Building often needs to focus on very elementary and basic day to day tasks that need improvement. For example, simply filling unfilled vacancies; literacy and driving skills for police officers; or basic financial and personnel leave records in schools.</p>	<p>Donors sometimes tend to assume that Capacity Building challenges end with addressing high-powered managerial gaps, and do not pay attention to the rudimentary tasks at the coal-face.</p>
<p>Lack of donor co-ordination within departments Capacity in Departments to liaise and co-ordinate with donors varies considerably. Those that are better equipped tend to have dedicate ODA specialist units or functionaries, but here the quality of co-ordination depends on the seniority of personnel engaged and the level of integration of ODA related issues within the department.</p>	<p>Provinces tend to face greater difficulties in donor co-ordination than national departments. There is no "one-stop' office where provinces can turn to seek advice on their business plans or the matching of their needs to resourcing available through the donor community. This is further compounded by the role of the Intergovernmental relations function that is expected to also cover donor co-ordination and/or international relations</p>	<p>Donors generally recognised the co-ordination problems experienced by government, particularly at national level, but reflected no strong ideas about how to deal with these generally or in the Capacity Building context.</p>
<p>Government lead times for implementation National departments also face</p>	<p>Long donor lead times for implementation appear to be an even bigger problem</p>	<p>Long government lead times for implementation in combination with donor</p>

<p>their own bureaucratic delays linked to Tender Board and procurement requirements.</p>	<p>for provincial departments. The risk exists, due to donor reporting time frames and budget cycles, that the project may lose the funds if not spent timeously. Stringent Tender Board and procurement requirements add to the problem. Repeated reporting to a donor that a matter is before the tender board places the credibility of the provincial counterparts (albeit wrongly) in question.</p>	<p>agencies' own time frame inflexibilities contribute to overall ODA inefficiencies. Donors are generally aware of this, but find it difficult to make practical changes to deal with the problem.</p>
<p>NATIONAL DEPARTMENTS</p>	<p>PROVINCIAL DEPARTMENTS</p>	<p>DONOR PERSPECTIVES</p>
<p>Project Ownership Project ownership is of particular importance to Capacity Building: National departments tend to experience two key problems:</p> <ul style="list-style-type: none"> • Projects tend to be conceived of by top department management (or indeed politicians), with little effort to ensure 'buy-in' from departmental stakeholders on whom implementation critically depends; • Projects are conceived of in 'ivory tower' fashion and in isolation from the difficult practical realities that the rest of the department is struggling to contend with. 	<p>Provinces appear to experience very similar ownership problems to national departments. Provincial line departments also have the added difficulty of dealing with projects that have been agreed to by the national department, political office bearers and the donor. These projects may have 'strings attached' to them that may not suit the province or be in conflict with provincial strategies. A similar result occurs where projects emerge out of 'deals that are struck' during the visits of politicians to / from SA and the donor countries.</p>	<p>The question of 'buy in' was identified by donors as one of the biggest constraints to implementing effective Capacity Building interventions, particularly as applied to provincial contexts, with the EU and USAID providing a variety of concrete examples illustrating this point.</p>
<p>Government determination of priorities Departmental respondents generally felt departmental priorities were asserted. But it is not clear whether government believes non-sectoral national priorities are being addressed through donor support.</p>	<p>Not identified as a problem by provincial respondents.</p>	<p>Some donors considered that the government was taking insufficient lead in making its development priorities known to donor agencies.</p>

NATIONAL DEPARTMENTS	PROVINCIAL DEPARTMENTS	DONOR PERSPECTIVES
<p>National Capacity Building Needs</p> <p>Certain factors emerge consistently in interviews and documentation as key deterrents to the building of capacity ¹ By the same token, these factors provide an indication of where Capacity Building initiatives could productively be directed:</p> <ul style="list-style-type: none"> • Lack of an <i>integrated relationship</i> between human resources development, strategic planning, organisational realignment and budgeting <p>And within this context:</p> <ul style="list-style-type: none"> • Lack of management capacity, including performance management frameworks; • Lack of information systems, generating performance data and linking this with expenditure; • <i>Ad hoc</i>, short-term and superficial human resource planning and implementation 	<p>Provincial Capacity Building Needs</p> <p>Provincial respondents together with the Integrated Implementation Programme Report identify key Capacity Building needs in the following areas. These closely mirror national needs:</p> <ul style="list-style-type: none"> • Lack of strategic plans and leadership capacity • Lack of implementation / operational plans and capacity • Lack of human resource development plans and capacity • Lack of financial management capacity • Lack of communication capacity and commitment 	

Thus far, this study has focused on the many constraints and problems associated with existing capacity and Capacity Building initiatives in the country. This analysis, however, needs to be balanced by a discussion of the positive Capacity Building achievements in government.

In many respects, changes in the workings of government during the past five years have been truly remarkable. Even the shift of vocabulary used in departments to include the terms 'output' or 'programme management', indicate seismic shifts in the way government now works compared to the inherited system. There are, in fact, many excellent Capacity Building initiatives to be found across the board.

One example of a very fine approach to Capacity Building is provided by the Department of Water Affairs in its discussion paper that outlines an approach

¹ The most coherent analysis of systemic and human resource weaknesses in the civil service is provided by the Presidential Review Commission

towards Capacity Building of local government as a Water Services Authority. Within the overall aim of building support, tools, processes and conceptual understanding, a number of key objectives:

- ◆ Co-ordination and collaboration with Department of Provincial and Local Government, provincial departments, other departments, and institutions providing training and support
- ◆ Identifying priorities at local level
- ◆ Strengthening generic skills within local government
- ◆ Increasing specific water-sector capacity
- ◆ Building local government capacity and support institutions.

A key table identifies the elements on which Capacity Building initiatives are to be based :

- ◆ Providing generic tools linked to practice
- ◆ Learning 'through doing' in pilots
- ◆ Participatory approaches and building on and sharing lessons
- ◆ Intersectoral co-ordination and integration
- ◆ Interventions appropriate to local context
- ◆ Responsiveness to immediate needs
- ◆ Facilitating processes and access to support
- ◆ Establishing new appropriate structures
- ◆ Providing skeleton frameworks that can be made context specific.

The intention is to introduce the Capacity Building programme in a phased manner.¹

In short, *on paper* the Capacity Building approach is an integrated and holistic one and includes much excellent detail as well as specific tools for utilisation. It is linked to an impressive trainers' handbook, that covers a host of legal, strategic, and educational issues for organisers or officials in the field.

The team came across a number of similarly impressive Capacity Building initiatives based in various government departments, many of which are / were ODA supported. This leads us to conclude that at least on paper or in isolated pockets within government, the tools for appropriate methodologies for Capacity Building and support do exist and should not have to be rediscovered by every government department. Although these good initiatives tend to get lost very easily, that they exist constitutes an important starting point for Capacity Building within government.

¹ WSDP, p2 and 3 Capacity Building support

A model approach for Capacity Building The Department of Labour's Labour Market Skills Development Programme

In the Department of Labour, Capacity Building has been carefully strategised and integrated into management plans. The Skills Development Act is an intervention in Capacity Building, designed to establish Sectoral Education and Training Authorities (SETA's) in all economic sectors, establishing the legislative framework for these institutions, and for imposing and collecting levies to fund activities, etc.

With objectives clearly defined, the department set about defining appropriate functions and designing structures to deal with these. Some ten planning committees were established, including policy development, SETA implementation, marketing, Capacity Building, etc.

Within each planning committee, a flat project-based task-oriented structure was put in place, drawing on key people from the Chief Directorate and elsewhere, irrespective of 'rank' and hierarchy. This was based on a careful analysis of the skills required and personnel available. Tensions with the HR sections, who felt their territory was being impinged upon, were negotiated away by creating the whole process as a participatory pilot, with potential extension to other areas. Within the planning committees, cross-cutting issues were defined and a centre of responsibility established. Gaps in skills were identified, and strategies devised to fill these through appropriate training and support. Also, a process to attract and retain skilled and professional staff was put in place, with a link to certificated study and post-graduate advance as an incentive.

The DoL's relative clarity around Capacity Building is reflected in its relationships with donors. The department controls and directs these relationships in accordance with its needs and interests. The EU and other donors have been drawn into the strategic planning and implementation phases of projects and are included in the lines of accountability and reporting alongside departmental officials. This made it easier to insist that a single reporting format be developed, based on the EU systems.

Each planning committee included a Technical Assistant, reporting to a local departmental official. The functions, skills required, procedures and outputs for TA's were developed. Where inappropriate, the department has the powers to replace TA's, as has happened in one case. Altogether, there are some 150 TAs expected to be in place – yet the department feels confident about their roles being clearly defined and thus their ability to make an appropriate and accountable input as required.

In this way, the Chief Directorate has been drawn in as a learning organisation, which 'develops policies, structures, partnerships and solutions to problems.'¹

¹ DoL, Skills and Activity Matrix, 2

4.3 PARTNERSHIPS

Unlike other sectoral focus areas, Capacity Building *primarily* involves a *process-oriented* input. In practice, this means that to be effective, Capacity Building processes need to be iterative, flexible and responsive to constantly changing contexts. The issue of *donor-recipient partnership* becomes critical as a factor influencing the quality of the Capacity Building intervention. This partnership is not critical in situations where donors are simply handing over a grant for flexible, open-ended use by the recipient, or the donor is playing a straightforward facilitative role (as in the case of AusAID's facilitation of country exchange visits).

The generic question we need to ask is whether the donor partnership establishes *conditions conducive* to the delivery of good Capacity Building practice. In particular¹:

- ◆ Is there a common donor-recipient understanding of priorities and problems and how problems should be addressed through project interventions?
- ◆ What is the degree and nature of donor involvement in the implementation phase?
- ◆ In what way does the *type* of financial support provided contribute to the Capacity Building function?

Donor and government representatives were interviewed with a view to assessing as accurately as possible the significance they placed on the process of building and sustaining solid relationships and Capacity Building partnerships with recipient partners. Additionally, we looked at some of the constraints surrounding the establishment of such partnerships.

4.3.1 Building partnerships

The question of donor-recipient relationships featured strongly as a concern amongst many interviewed donors. The partnership concept underlines the significance of a relationship which is marked by openness, mutuality and shared responsibilities.² The asymmetrical nature of power in donor-recipient relations does, however, make it difficult to achieve this level of partnership. The more one uses the partnership idea as an *operative concept* to define respective roles and responsibilities in the practical implementation of development programmes, the better the possibilities of translating partnership into something meaningful, which can also impact positively on the quality of Capacity Building interventions.

Thus partnership needs to be built at both bilateral and donor-project levels. The former should provide the necessary consistent framework, reflecting the key development principles, criteria, policy prescriptions, within which sectoral partnerships can be meaningfully forged.

¹ Issues raised by Ruth Herrera and Finn Hansen in their 'Review of Danish NGO Activities in Developing Countries: Nicaragua in the 1950's and 1960's', p 11

² Recipient responsibility and the practice of NORAD's role as donor, NORAD, 1999, p 8-9

Donor respondents reflected that partnerships are built in the context of ongoing engagement around project planning and implementation. Here they highlighted a number of key criteria for building good partnerships:

- ◆ A thorough planning process which allows each party to form realistic expectations of the other;
- ◆ A 'bottom-up' design process which allows stakeholders at all levels to participate in the project within a team framework.

GTZ, in particular, stood out in its concern for rigorous planning: being an implementation agency, the establishment of solid partnerships takes on an additional significance.¹ *Inter alia*, the (mandatory) three-day planning workshop ensures stakeholder 'buy-in' to the project and sets the parameters for the ongoing partnership.

The EU, too, places great emphasis on the project planning process as a prerequisite for successful project implementation, but pointed out that even before one reaches the planning stage itself, the basis for a sound relationship must first have been established. The level of department-donor communication and the degree of clarity and commitment that characterises this dialogue stage are critical. The flow of communication from the donor into the corridors of the government department and *visa versa* needs to be effective from the very start.²

The EU considers that very few departments have the necessary skills to relate to donors and sustain a good and efficient partnership. This point is supported by the team's findings in the field.

Even where departments have specialised Donor Units, no consistent understanding of donors functions, constraints and potential emerges. Instead, we tend to see an ad-hoc response to funding requests and programmatic co-ordination. Many of those placed at the interface between the donor and the department do not understand or respect the framework within which donors (are often forced to) operate. As a result, 'one tends to get stuck on minor issues, whilst important matters are not dealt with.'³

The emergence of a more specialised cadre of official to relate with donors, and the spread of their concerns and issues across programme management in departments, would obviously enhance the points of interaction.

The EU has integrated this problem into its most recent strategy formulation: 'Capacity building must also include support whenever necessary to SA departments both at national and provincial level *to enhance their ability to plan and co-ordinate donor assistance* in order to improve consistency and efficiency of external funding.'⁴ (Emphasis added)

¹ Interview with Dr Hans Martin Schmidt, German Technical Co-operation, GTZ, 18/01/00

² Interview with Roberto Rensi, EU, 20/01/00

³ Ibid.

⁴ EU, Country Strategy Paper for South Africa' (2000-02), p 5

One should, however, add that this debate needs to apply both ways: donors too need to enhance their understanding of and respect for the pressures and constraints under which government officials operate.

4.3.2 Sustaining partnerships through deliberate efforts

Developing the necessary communication skills and donor expertise in recipient departments /donors is, however, only one ingredient required for establishing successful relationships. *Sustaining* the relationship requires strong mutual trust between the parties. Given the structural inequality inherent in the donor-recipient relationship, this is something of a challenge. We are accustomed to the extensive lists of reporting and other requirements demanded by donors of their recipient organisations. Two-way accountability is more difficult to achieve.

There is strong evidence that most donors are ready and willing to embrace government policy frameworks as well as to respond to stated areas of priority, as negotiated by the IDC. Nevertheless, we hear of fewer cases where donors are prepared to challenge their own internal bureaucracies with a view to bending inflexible rules, or where donors make an effort to report directly to government around their activities.

There are, of course exceptions: AusAID is well known for its flexibility and willingness to respond to recipient needs; CIDA provides an interesting example of an attempt to develop two-way accountability. The agency presents a 'Results Statement' – a brief account of the Canadian programme in the country – to the IDC at their joint annual consultative meeting. The CIDA respondent considers that this provides a very useful as a basis for constructive engagement with the DoF and provides the Department with a simple mechanism for monitoring the effectiveness of overseas development assistance.¹

These are the kinds of two-way accountability mechanisms that are likely to help sustain the donor-recipient relationship by enhancing the degree of mutual trust, if not at project level, then at least at the level of communication between senior government representatives on both sides.

The question is what kind of institutional arrangements will support the building of strong and meaningful donor-recipient partnerships.

4.3.3 Government underplays partnership idea

Interestingly, the issues of the partnership relationship as such did not feature as a major issue in discussions with government. Clearly they tended to prefer a hands-off approach with as few strictures as they could get away with. Much of the tension within relationships seemed to be reduced to procedural issues.

Nonetheless, the twin poles of the partnership issue have been suggested earlier: on the one hand, a strong desire for the discretionary off-budget support that grows from a relationship and often a genuine appreciation for the skills

¹ Interview with Steve Hallihan, Development Counsellor, Canadian High Commission, 31/0100
Graeme Bloch, Merle Favis and Jeets Hargovan /International Organisation Development/June 2000 29

and support provided. On the other hand, there is suspicion and anger at perceived donor motives and donor-induced pressures.

There is also a sense that only government is subject to accountability criteria and reporting procedures. In the end, it appears, donor power over funding and other assistance gives them leeway to perform inconsistently or in ways that suit their own programmes rather than developmental needs.

In this situation, donor representatives need to transcend these problems to create good face-to-face personal relationships in which they add real value to discussions and show that solutions and advice can bring benefits.

4.4 CAPACITY BUILDING INTERVENTIONS

If Capacity Building is *an approach* to development – a response to the multi-dimensional process of change, then it would be inappropriate to assume that it always takes certain specified forms¹.

The quality of a Capacity Building intervention is not only determined by the particular instrument used. It is also determined by other key factors:

- ◆ whether the intervention forms an integral part of a sound overall approach to development;
- ◆ the quality of preparation prior to implementation;
- ◆ the accuracy with which problems are identified;
- ◆ the level of integrity with which partnerships are built; the degree to which stakeholders have committed to the project etc.

It is, however, relevant to look at the various component forms and strategies associated with Capacity Building with a view to drawing out best practice experience as well as high risk approaches.

We identify seven different forms of Capacity Building. These reflect key findings in the field: the list is not meant to be exhaustive. Additionally, the listed Capacity Building forms are not mutually exclusive: in practice, a Capacity Building intervention or project is likely to involve a combination of inputs, which are likely to mutually reinforce one another in order to achieve a particular strategic result. These are:

- ◆ Technical Assistance
- ◆ Inter-institutional relationships
- ◆ Twinning arrangements
- ◆ Structured internships
- ◆ Peer group education
- ◆ Networking programmes
- ◆ Sustainable training strategies

The above forms of Capacity Building intervention could also involve any or all of the following Capacity Building strategies¹:

¹ Deborah Eade: 'Capacity building – an approach to people-centred development', 1997

- ◆ *Unstructured accompaniment*: activities which facilitate unstructured learning through working 'shoulder-to-shoulder', asking the right questions, making suggestions, linking up people, mentoring etc.;
- ◆ *Structured action learning*: such as workshops, where learning is structured through specified programmes, agendas, objectives and processes;
- ◆ *Formal training*: formal training courses, often in specific 'hard' skills;
- ◆ *Resourcing*: budget support which underpins other Capacity Building strategies.

4.4.1 Technical assistance (TA)

The most common form of donor support for Capacity Building is the provision of human resource skills drawn from the international development arena and placed in a South African institutional context with a view to introducing and transferring specific capacities. Most donors interviewed embraced some aspect of TA support and some place a fair degree of significance on this support in their policy statements, to name a few:

EU: 'Capacity Building and knowledge creation should be strengthened with a high level of technical assistance, building a specific EU/SA partnership between specialised institutions (universities, municipalities, regions, professional organisations, research institutes etc) and through supporting innovative projects, research and evaluations.'²

Canada: 'Rather than present 'packaged' solutions to development challenges, the Canadian Bilateral Programme has attempted to provide SA with access to Canadian expertise, models, best practices and experiences ...relevant to the current challenges being faced. In this regard, the programme has also focussed its efforts on providing SA with access to *current Canadian practitioners* for project planning and delivery activities.'³

AusAID aims to 'promote the interchange of Australian and SA ideas and experiences in public sector reform, as well as to provide expertise in sectors where Australia represents international best practice.'⁴

Globally, enormous donor resources are applied through the TA system. Why is TA such a widespread phenomenon in the world of development assistance?

The rationale for promoting TA includes:

- ◆ Donor assistance can be used to promote long term, sustainability of the recipient organisation through the development of internal capacities brought about through TA;
- ◆ TA's can add value that budget contributions cannot;
- ◆ Donor assistance can be used to fill skill gaps;
- ◆ It is possible to draw on the best human resources available globally;

¹ 'Funding Capacity Building: an evaluation of the Oxfam-Canada (SA) CBO Capacity Building Programme', A Kaplan, M Msoki, S Soal, 1994

² EU, Country Strategy Paper for South Africa' (2000-02), p 5

³ OECD/DAC Review: Canadian Development Assistance in South Africa, p5

⁴ AusAID brochure

- ◆ The TA system is a concrete means of promoting goodwill and co-operation between nations.

The above arguments take on special significance in the South African context, given the country's status as a middle-income earning nation which does not warrant significant levels of overseas donor assistance in the long term. A number of donor representatives interviewed considered that South Africa does not need financial aid *per se*, but rather capacity in the form of human resources and new, more effective, institutional systems.

Critics of the TA system argue that the way the system is implemented means *donor needs*, rather than the recipient country's needs are the ones being met. For example, Technical Assistance allows for very large flows of donor aid to be channelled back to the country of origin. Similarly, TA is sometimes linked to promoting the importation of significant volumes of capital equipment or technology from the donor country. And less obviously, the TA system often gives the donor agency access to the internal workings and dynamics of government departments and this, in turn, helps these agencies to develop their own analysis and policies in respect of the host country.

This study was not sufficiently in-depth to allow us to assess the relevance of the critique in the South African context. Our findings did, however, make it clear that certain, very distinct risks are associated with the long term TA system in particular:

- ◆ **Creating dependency:** TA's can end up filling the gaps created by bad departmental planning and budgeting. For example, under pressure from departmental staff, TA's may well find themselves performing line department functions.¹ In itself, this form of dependency will work to undermine, rather than build capacity and unless a measure of awareness of the need for peer training is brought into the job, the dependency problem will show up when the TA eventually leaves;
- ◆ **Failure to transfer skills:** The (often hidden) assumption underlying technical assistance is that TA's will pass on their skills to local personnel, so that by the time he/she departs, real capacity would have been built in that work context. The problem with this assumption is that TA's are most often recruited for their skills, rather than their abilities to transfer these skills: the ability to do something well, does not automatically imply the ability to teach or mentor in that area.² Even if skills *are* successfully transferred, it is not always possible to *retain* these skills at an institutional level. It is often the case that a single local counterpart is involved in the learning process and this person is either unable to pass on new skills, or ends up leaving the department soon after (or even before) the TA departs.
- ◆ **Generating power struggles and tensions:** Long term TA carries risks of generating tensions and conflicts between the incoming advisor and resident

¹ Interview with Patrick Fine, Education Team Leader, USAID, 19/01/00

² Fine considered that it is the exception to the rule that skills are transferred by TA's and perhaps unrealistic to expect this to happen.

staff. In some instances, the TA, as a highly capable person, is perceived as a threat to local staff because he/she is a long term factor in the work situation. In other cases, TA's themselves are part of profit-making consultancies vying for influence and long-term contracts.

- ◆ **TA's experiencing adjustment difficulties:** It is not always easy for TA's to adjust to the local culture or to adopt an appropriate lifestyle. Similarly, such people may come in with very definite and inflexible ideas about how to do something, which are inappropriate for the local context. These difficulties can create problems for the local institution that ends up having to provide support to the incoming TA.

The evaluators of the Danish Transitional Assistance Programme found that bringing education specialists into the South African context was not as easy as originally anticipated: 'The lesson learnt is that entering a controversial and complicated field such as education requires wide international experience particularly in multi-racial and diverse societies'.¹

- ◆ **Limits of legally binding contracts:** Even when it has become clear that the TA in question is the wrong person and should be discharged, legally binding contracts may prevent or deter the donor agency from acting to withdraw his/her services.
- ◆ **Creating dual lines of accountability:** It may not be clear to TA's as to whom they should be accountable: the agency that recruited them and/or brought them into the country, or the government department, or both. In the view of SIDA,² it is very important that, in order to avoid confusion, conflict and a host of other problems, a clear line of TA accountability be established to the department or work context in which he/she is placed. Indeed, there are often not clear rules for the selection of TA's, or monitoring their performance, and thus channels of redress may be very murky and difficult.
- ◆ **Ownership of the process:** If a department does not have sufficient capacity to take full ownership of the TA process as a whole, there is the risk that the given project will end up being driven by the TA and/or externally established objectives. CIDA policy emphasises this as a key precondition for successful TA support: 'We are reliant on an appropriate level of organisation, co-ordination and empowerment in the department we are working with.'³ In the words of those who drafted the USAID Joint Programme Assessment: 'Strategies for Capacity Building need to take into account the ability of the structures and individuals to effectively assimilate and utilise the technical inputs, rather than become swamped with a multitude of unco-ordinated training 'assistance'.⁴

For South African recipients of TA support, the issue is how to manage and/or minimise the risks associated with the system. One way is to circumvent the

¹ Evaluation Report: Danish Transitional Assistance to South Africa, Carl Bro Management, August 1998, pg 69

² Interview with Claes Norrlof, Counsellor, Swedish International Development Agency, 26/01/00

³ Interview with Steve Hallihan, Development Counsellor, Canadian High Commission, 31/0100

⁴ Republic of South Africa/United States Agency for International Development, Joint Programme Assessment, JM Statman, RC Prinsloo, p 18

potential problems by avoiding long term TA support, as does AusAID. Another way is to manage the risks by establishing a developmentally appropriate framework within which to plan and implement the TA process. Emerging from interviews with donor representatives was the basis for a four-pronged checklist for planning and implementing the TA process, as reflected in the box below.

TA management checklist

- ◆ *Proper planning*: ensure that TA fits into a rigorously planned developmentally integrated project; which includes a variety of mechanisms to ensure skills transfer and development of appropriate attitudes; which is driven by the recipient department and has also been thoroughly consulted at all relevant levels to ensure that there is sufficient 'buy in', and which pre-empts potential problem areas on the basis of existing conditions (eg conflict resolution, monitoring of effects of TA exit etc);
- ◆ *Rigorous and consultative recruitment process*: ensure that the right person is recruited in accordance with criteria related to practical experience, cultural adaptability, teaching/mentoring/communication ability, etc. Choosing local TA's where possible;
- ◆ *Preparing the institutional context* to ensure there is fertile ground for maximum integration of benefits, including involvement of responsible departmental team of people, who can help to institutionalise new learnings;
- ◆ *Ensuring appropriate lines of accountability* within the department and, at the same time, building in adequate donor monitoring mechanisms such as mid-term reviews etc with the flexibility and scope to act to withdraw the TA if necessary.

4.4.2 Inter-institutional relationships

The evolution of inter-institutional relationships as one form of Capacity Building is partially a response to the limitations of TA, partially an outgrowth of a particular development tradition. It is found in Scandinavian and Dutch agencies, and to some extent in DFID. In an effort to bring about integrated and holistic institutional change, players from the private, civil and public sectors enter into various forms of institutional co-operation aimed at strengthening capacity and expertise in the institutions of the partner country.

'Institutions are increasingly seen as a key factor in the development process, and institutional development constitutes a major concern of Norwegian development co-operation'¹.

¹ Institutional Development in Norwegian Bilateral Assistance - Synthesis Report, Royal Norwegian Ministry of Foreign Affairs, 1998

The Norwegian agency, NORAD, explains the rationale for building inter-institutional relationships between South African and Norwegian institutions as an important basis for a sustainable and independent means of long term co-operation which can continue to be built long after the donor has withdrawn.¹ There are a number of important ground rules governing the building of inter-institutional relationships²:

- ◆ that the relationship between parallel institutions in the two countries should form a natural part of the overall co-operation agreement;
- ◆ that the recipient institution be encouraged to select the Norwegian institution with which it wishes to co-operate and, in this context, is able to identify its own needs and priorities in respect of that institution (through study visits and direct exposure to the Norwegian institution etc);
- ◆ that, equally, the Norwegian partner institution desires to enter into the co-operative relationship. (The long term sustainability of the partnership is partially dependent on it being mutually beneficial);
- ◆ that NORAD is responsible for assessing the quality and cost-effectiveness of the performance of the Norwegian partner;
- ◆ that this co-operation, normally involving recipient countries and Norway, could also include South-South and tripartite (South-South-North) partners.

The advantages of this form of Capacity Building lie in the partner- rather than donor-driven nature of the process: the recipient institution in particular determines the pace of the process and makes all the key decisions, whereas the donor acts as a catalyst, facilitator and external monitor of the process.

Additionally, unlike the conventional TA placements, inter-institutional partnerships may be built at many different levels of exchange and exposure: senior management/political, middle management, technical levels, to name a few. The institutional nature of the partnership means that less reliance is placed on individuals to make it work.

Inter-institutional relationships are also seen by both NORAD and SIDA as a more advanced means of Capacity Building than TA, and as a path finder for future development co-operation: 'Institutional co-operation is expected to take over a large portion of the role played by personnel assistance.'³

'In the course of establishing these new forms of co-operation, the scope and objectives of the programmes will be changed. Instead of financial support to a sector or programme, co-operation will consist of individual projects which contain a great deal of Swedish know-how. Co-operation with stable, growing economies will have a greater emphasis on economic, scientific and cultural co-operation for the mutual benefit of both parties'⁴.

¹ Interview with Anne Strand, Counsellor, Royal Norwegian Embassy, 24/01/00

² Recipient Responsibility and the practice of NORAD's role as donor, NORAD, 1999, p 8-9

³ NORAD and Development Co-operation in the Nineties, NORAD booklet, p 14

⁴ SIDA looks forward: SIDA's programme for global development, 1997, p 27

4.4.3 Twinning arrangements

The twinning of institutions is another form of inter-institutional partnership. It can be a very effective strategy for technical co-operation and means of transferring knowledge between institutions, particularly at local government level. Swedish SIDA and Canadian CIDA both place significant emphasis on local level twinning. This kind of relationship can be 'kick started' through donor funding of a single component. It might then be able to develop its own momentum in accordance with the needs and priorities of the two parties.¹

It has emerged through the interviews that all the provinces have 'twinning agreements' with international partners. This vehicle has been used to supplement the ODA and nationally driven Capacity Building initiatives. The strict legality of these agreements is a moot point. The Constitution, in S 231(1) states that 'the negotiating and signing of all international agreements is the responsibility of the national executive.' Nonetheless, some provinces have used these agreements effectively for study tours, exchanges of public servants, investment promotion and formal training linked to SA tertiary institutions.

4.4.4 Structured internships

The implementation of structured internships involves a combination of structured and informal inputs within a mentor framework. An interesting example² of using structured internships as an instrument of Capacity Building was provided by the Netherlands Embassy who, over the last few years, have been working with the Department of Welfare to integrate successful models of child and youth care systems into the South African context.

The Department chose six youth/childcare models to pilot. At least two of the successful models are being used for the purpose of replication elsewhere in the country: the Port Elizabeth-based 'Stepping Stones' initiative and the Phandulwazi Youth and Child Care Centre in King Williams Town. Both operate as learning centres which train departmental staff and youth workers from elsewhere in the country in the implementation of the model. Interns spend about a month at the learning centre before returning to their own contexts. The drive behind this exercise is that interns should be in a position to replicate all or part of what they have learnt in their home situations. Following their training, interns are given an opportunity to maintain contact with their mentors as a way of addressing problems as they arise.

This form of Capacity Building is a potentially very helpful and cost effective tool for building *champions* – people who develop the commitment to implement and advocate for a particular project idea in their own local contexts. Without such project champions the replication of models is likely to become a top-down, supply-driven effort with limited potential for success.

¹ Interview with Dag Sundelin, First Secretary (Development), SIDA, 26/01/00

² Interview with Janny Poley, First Secretary, Royal Netherlands Embassy, 31/10/00

4.4.5 Peer group education

Another form of Capacity Building widely recognised for its effectiveness is peer group education. The Netherlands Embassy has found this to be a very useful method for exposing a particular target group (in this case a grouping of Youth Workers) to other similar groups based in different contexts. The challenge of the donors and project designers is to create a potential learning context where participants are able to share experiences and problems. Participants undertake study trips or exposure visits hosted by a peer grouping. This process tends to 'fast track' people's thinking, enabling them to move from an individual to a global perspective very quickly. It also has the effect of raising self-esteem and awareness within the beneficiary group.

This peer learning approach bears some similarities to the inter-institutional development technique: both involve effective methods of rooting new learnings in an institutional or organisational context.

4.4.6 Networking programmes

Another form of Capacity Building similar to those mentioned is networking. It draws on methods such as exposure visits, exchange of information and joint activities between groups with common objectives and visions.

The Scandinavian countries, Netherlands and DFID all indicated that networking methods were typically used in one way or another in their respective programmes as a means of building capacity.

There were varied opinions as to the efficacy of exposure visits, though in many cases these were said to have successfully exposed officials to wider options and ideas for implementation. A key problem identified with visits abroad – usually to the donor country – is the environment in which the study tour takes place. It is not always possible to translate the learning into relevant ideas the local conditions. If inadequately planned, short study visits have the potential of turning into 'development tourism'.

Departments reflected that study tour organised through AusAID had generally been positive. Public servants from Australia have visited provincial programmes as consultants. Their experience in the public sector has helped the provincial departments deal with the challenges faced.

4.4.7 Sustainable training strategies

Many Capacity Building programmes and interventions include some formal training component. On its own, once-off training is perceived as being very limited as a Capacity Building mechanism. However, it often constitutes a crucial input in the context of an integrated programme implemented over a period of time. Increasingly, donors are looking towards 'train-the-trainer' strategies, as well as means of institutionally rooting successful training programmes in the South African context.

Training does *not* equal Capacity Building

In a review of institutional capacity-building initiatives under the President's Education Initiative, involving teacher colleges, one consultancy noted that 'it was generally agreed that Capacity Building within our current context is narrowly perceived as training. It is therefore not inconceivable for people to equate one mode of delivery, that is workshop-based training, with Capacity Building'. An unfortunate result, apart from the deeper level of empowerment, is weak pedagogical modelling. A favourite involves 'decisions to use a very weak cascade mode of delivery such as train ten people for ten days and get them to train one thousand within the week. While these decisions have the potential to compromise the quality of many projects and programmes, they also spread resources thinly and leave very little (if any) resources to support follow up, monitoring and evaluation.'¹

If not handled correctly, the initiatives have the potential to create substantial resentment from the recipient partners. In a particularly negative case, a national department had agreed to training courses being 'driven' from the donor country. Apart from the long lead times, the appointed consultants used their own material that had not been adapted to the local conditions. A one-year course thus ended up taking three years to complete.

There has been particularly negative criticism of the Japanese & Singapore training interventions, co-ordinated by SAMDI. It is reported that the courses have not been adapted for the SA context.

A concern expressed by many respondents was the ability to retain staff who received training, particularly overseas training. The Greater Johannesburg Metropolitan Council has adopted a policy that requires the incumbent to sign a contract that agreeing to pay back the full costs of the trip in the event of the official resigning within a specified period.

Given the centrality of training to Capacity Building interventions, it is worth looking in greater depth at a few specific initiatives aimed at setting up institutionalised and sustainable training programmes linked to broader Capacity Building aims.

JUPMET

JUPMET is a consortium of universities providing training in the areas of public development and management, as well as activities such as curriculum development. Under JUPMET, a range of specialist courses at different levels were to be offered, with an emphasis on assisting the disadvantaged universities. A number of very interesting initiatives have been taken, including mentored teaching methodologies to ensure course standardisation, and decentralised delivery of central thematic frameworks. JUPMET has exceeded

¹ September and Sedibe, PEI p22

its 3-year targets with some 6500 people trained on various degree, certificate and non-certificated courses.

However, 'Universities do not, as a matter of course, carry out tracer studies and impact assessments. Without these, it is difficult to assess whether the courses are, in reality, achieving the goal of 'enhancing the performance and management capacity of the Public Service'. For example, we do not know if JUPMET graduates go on to management appointments within the Public Service, and if so, what effect their training is having on the performance of their duties. Neither do we know what the relative impact of short courses is, compared with graduate courses.'¹

Perhaps most crucially, there are no real plans for long-term sustainability once the financing period ends and hence there is a real risk that the JUPMET consortium might not survive.

Imbewu

An interesting example built on a strong sense of ownership, is the Imbewu project of Department of Education in the Eastern Cape, initiated in 1997 with £7,5m from DFID. This joint venture with donors and South African NGO consultants, had five goals, relating to:

- ◆ the improvement of teaching and learning in primary schools;
- ◆ management and functioning of government bodies;
- ◆ materials for learning and teaching; and,
- ◆ the improvement of DoE management systems and practices at provincial, regional and district levels.²

Its first principle was joint ownership, with key Directors of the department involved in the Steering Committee. The project team was heavily biased towards South African expertise. Of key importance in its success has been its 'practice-based inquiry approach to training'. This methodology is worth quoting in full:

- ◆ 'training is one of a set of activities aimed not only at equipping participants with skills, but also coaching them to work together as teams in making schools and other institutions function more effectively;
- ◆ the content of all training modules is directed towards improving the competencies of managers, principals, teachers and school governing body members, as needed in their respective places of work;
- ◆ short courses are interspersed with practical assignments linked to the jobs of the trainees;
- ◆ workplace support to trainees is provided by members of the training teams, working alongside the relevant managers.'³

¹ Goldsworthy and Humphries, 24

² Taylor, p7

³ Taylor, 8

Departmental officials are integrated into the training teams, and over the life-span of the project it is expected line managers will continue with both training and support structures.

This multi-level and integrated approach, with sustainable and creative methodologies, provides an important model. '(T)he starting premise of Imbewu is that, while addressing this issue at the level of the individual school certainly can make a difference, such efforts are neither replicable in other schools nor sustainable in the longer term if, in addition, capacity is not built into the DoE to drive quality management and teaching throughout the system.'¹

One issue that should be raised is the existence of a well-structured project whose dynamic may in fact be seen as situated alongside the formal department, and the tensions this could create as a parallel process provides more resources and support delivery to institutions such as schools.

The Imbewu model involves multi-levelled intervention and ongoing work-related support. The interventions will be integrated and hands-on, and provide ongoing work-related support over time. The aim is to appoint long-term consultancies that can operate in close conjunction with provincial project leadership. Plans can be developed that are very sensitive to the specific contexts in which problems are to be solved.

4.5 A NOTE ON NGO CAPACITY BUILDING

We did not explore in depth the issues of ODA and Capacity Building amongst NGO's. We did, however, speak to the Transitional National Development Trust (TNDT), itself a highly influential funder of, *inter alia*, Capacity Building initiatives located in civil society.

TNDT was capitalised with R50m from the South African Government and R70,1m from the EU, and tasked with the fast-track funding of NGOs and Community-based Organisations (CBOs) so as to help ensure their financial viability during a difficult period of transition. By 2000, some seven percent of the TNDT's funds (or R12,6m) was assigned to Capacity Building and training.

In TNDT's experience, NGOs and CBOs, especially those in rural areas, have difficulty in implementing basic project planning practices, putting in place systems to implement their objectives, as well as a serious problem with financial management. A database of local service providers has been drawn up, and money set aside for a dedicated fund to help small organisations access these as necessary. Field officers were primed, and procedures put in place to enhance discussion about appropriate ways to build this type of capacity. The short-term nature of this funding, however, might limit the gains that could be achieved through longer-term process of Capacity Building.

Organisations often found a need for this support to be ongoing - training of individuals often gave them the mobility to move on to other employment.

¹ Taylor, 9

Further, in a number of cases, 'consultants ended up carrying on the service indefinitely with no apparent imparting of skills to staff'.¹

Another problem was staff attending training, but finding 'they lacked assistance in implementation on returning to the organisation, and the acquired skills were not put to use.' Nonetheless, there was a feeling that the support given had enabled organisations at the very least to more adequately structure themselves to meet their requirements for funding. In addition, one survey noted that TNDT itself had taken a decision to work with a core of permanent staff in its own operations rather than bring in consultancy expertise. This, it was argued, was beneficial, since the need for control and coherency on the part of a development funder is strengthened.

5 RECOMMENDATIONS

5.1 STRATEGIC APPROACH

The recommendations developed in the section below, are based on a strategic approach that flows from the analysis in this report. This means asking not only what interventions are needed, but also how key recommendations would open up other possibilities. Tied to this is the question as to what is realistic and feasible at this point. We must also identify the institutional location of changes so that processes will be driven and taken forward in a sustainable way.

5.1.1 No blueprints

At all levels of delivery there are possible interventions that could enhance the use of resources and build capacity. Such solutions are, however, very context-bound. Capacity building must take account of very specific circumstances and needs, based on organisational contexts and possibilities at a particular point in time and phase. Thus solutions cannot be formulaic and general.

5.1.2 Common guidelines

Nonetheless, a common set of approaches and guidelines can be developed, and common questions can be asked.

5.1.3 Holistic and Integrated

The foundation for an approach has been developed in this report. Capacity Building is far more than just training, and simply providing courses, at that. Capacity Building must be holistic, and integrated at the highest levels into the plans of organisations such as government departments. Interventions should be targeted and focused with clear objectives within the overall context. Interventions must be part of an overall plan that takes delivery objectives forward. In this way, interventions are appropriate to the specific problems that

¹ Ngidi, 41

have been identified, but also clearly supported and reinforced by the general dynamic or direction of improvement and change.

5.1.4 High-level strategising in government

Capacity building should therefore command high level consideration; Capacity Building must be discussed and understood at the heart of strategic decision-making. A key place to develop this would be in the forum of Premiers. Within departments, too, Capacity Building must be centrally and strategically addressed, conceptualised and interventions organised. The forum of HOD's is crucial in the latter case.

The location, role and powers of relevant Units or directorates responsible for Capacity Building and for donor relations also need to be more carefully considered to ensure sustainable expertise and institutional capacity.

5.1.5 Government leadership

In the context of overall plans for Capacity Building, government leadership is essential in order to decide how to use foreign aid effectively, where best to direct assistance, what sort of assistance is required, and how best to manage and integrate that assistance into the long-term development of that department.

5.1.6 Tacking the racial issue in Capacity Building

It is important that donors address issues related to race as an integral aspect of their Capacity Building interventions. Here the responsibility lies with government (to stimulate ODA to provide resources to manage racial differences and other issues related to creating an environment conducive to effective Capacity Building), and donors (to ensure this issue is included in debates around Capacity Building in the sector).

5.1.7 Engaging donors to build capacity

In the context of better government systems, and enhanced clarity and leadership from government, donors could be engaged to address their internal problems and procedures. This engagement is part of consolidating a helpful long-term partnership with donors.

Donors should be challenged to address issues in their programmes that hinder the building of capacity particularly in the spheres of donor co-operation and monitoring and evaluation of Capacity Building initiatives. The necessary donor co-ordination could begin at very basic levels, namely developing common criteria for defining Capacity Building and putting in place a database.

Donors need to generate more dedicated Capacity Building expertise, either in-house or as a specific institution-building initiative in order to be able to assess and respond in sound ways to the effects of their programmes.

5.1.8 Institutional location of Capacity Building: DPSA

If the approach above is to fit in with current government approaches to Capacity Building, the activities of the DPSA are crucial. Their present approach is rational and constructive.

Based on careful audits and sectoral reviews, DPSA are identifying particular provinces and departments as priority targets for attention, in accordance with their own resources and capacity. The tools that are in place involve developing a close relationship with recipient structures, and an ongoing programme of hands-on, work-related assistance. This approach will no doubt build a wealth of experience and strengthening of the structures in DPSA to manage and plan ongoing interventions. Donors currently support many of these plans.

Thus, DPSA is well-placed to assist in developing the overall capacity of government departments and to beginning to develop standards and guidelines. A well-functioning DPSA would be able to systematise and collect information around initiatives and make it available, as well as ensuring strategies to integrate the lessons into organisational practice.

5.1.9 SAMDI

SAMDI's recent history suggests the process of re-establishing its legitimacy and leadership, will need careful thought, realistic planning, and phased implementation. It will need to provide an ongoing service, and generate appropriate models of training and on-the-job support. Nonetheless, an operational SAMDI, with legitimacy and providing a clear service, also has a definite and important role.

SAMDI is in a strategically very important position, in very close proximity to and interaction with government departments. For the purposes of our recommendations, we will assume that SAMDI will gradually emerge as a more coherent and viable agency. If this proves correct, SAMDI should be able to help identify problems, propose integrated solutions, and play a role both in course delivery and the setting of standards.

5.1.10 DoF

It is also important to note that Department of Finance (and a restructured Department of State Expenditure) also has an interest in the well-managed and effective use of budgets. This becomes even more imperative with the new financial and programme delegations of senior officials in departments. It is important that Capacity Building responsibilities of the Department of Finance are co-ordinated with the strategic plans of DPSA for a well-structured and effective civil service.

5.1.11 IDC

The IDC has as its particular focus, the use of donor funds. It thus has a broad mandate to develop an interest in the relationship between ODA and Capacity Building.

Currently, the IDC does not have 'specialist' expertise or dedicated staff in the area of Capacity Building. Nonetheless, the IDC is in a position to assimilate current knowledge about donors, their motivations, systems and procedures. IDC is well placed to provide information and services that could enable government to better access ODA and use its advantages appropriately. This work is important, as the appropriate use of donor knowledge, expertise and resources, can contribute to Capacity Building in flexible and creative ways that advance government's strategic objectives.

While individual departments and managers will continue to take responsibility for their own specific issues, there is a desperate need for sharing and learning about best practices

IDC also needs to take steps to engage more actively with other departments and levels of government. IDC will thus have to engage in a consultative process to develop and fulfil its mandate, at provincial and national level. In particular, a strong collaboration by IDC with DPSA and SAMDI, would integrate issues around the use of donor funds into a more general plan around Capacity Building.

5.1.12 Limited recommendations

The team's recommendations largely target institutional processes to ensure proper planning and management. From these, more detailed tools and mechanisms can be developed or shared where they already exist, and ways found to apply the lessons to different situations. This also ensures a more participatory approach, encouraging ownership at all levels of implementation.

5.2 RECOMMENDATIONS

5.2.1 Enhance IDC Capacity Building expertise

The Department of Finance: Chief Directorate: International Development Co-operation (IDC) should be looking at ways to enhance the quality of its work around Capacity Building. IDC should consider ways of developing specific Capacity Building expertise, perhaps in the form of a dedicated desk officer. A number of the initiatives below could form the core of a programme that develops IDC's leadership and role in the field of ODA and Capacity Building.

5.2.2 Work with DPSA and SAMDI

IDC plans should co-ordinate and interface with programmes in the DPSA and SAMDI. A long-term relationship should be established, with the IDC focus being the appropriate use of donor funds for Capacity Building. This strategic alliance of IDC/DPSA and SAMDI, would be in a position to underwrite a number of the initiatives below.

5.2.3 More activist role for IDC

IDC should take the initiative to consult and call meetings with all structures responsible for Donor or International Relations in Departments and Provinces with a view to clarifying needs and formulating a service provision plan for IDC, as well as ways of improving the handling of donor relations. This would be part of an ongoing programme of consultation designed to improve the quality of interactions with donors and the effective use of donor funds and expertise at all levels of government. IDC too would begin to clarify its contribution and service in relation to all other structures responsible for donor aid. A clear component of this agenda, would be discussions around Capacity Building.

5.2.4 Ongoing co-ordination in government

IDC should work towards ongoing cross-departmental co-ordination of officials and units responsible for donor relations. This should look at ways of enhancing expertise and interest in donor relations broadly in departments. This structure could also provide the basis for government sharing of lessons, best practice, expertise, and various tools for enhancing delivery in the area of Capacity Building and in other areas. This co-ordination must extend to include provincial structures. A focus on Capacity Building would be a key part of the agenda.

5.2.5 Summit of government departments

As part of its programme of consultations, The IDC should work towards a summit of donor units within government departments to look at issues of management of donor relations, including Capacity Building.

The agenda for such a summit could include:

- ◆ Developing a checklist as a reference document for use by government departments when planning and assessing TA initiatives and programmes
- ◆ Developing similar checklists for all forms of donor intervention, including twinning, overseas visits, etc.
- ◆ Sharing of best practice around sustainable interventions.
- ◆ Sharing of experts and expertise across government structures.
- ◆ As part of the summit, IDC, DPSA and SAMDI should prepare a joint input specifically on Capacity Building issues and the use of ODA.

5.2.6 High-level integration of Capacity Building plans

During the process of consultation with donor units, a strategy and agenda should be prepared to initiate high-level discussions around Capacity Building issues. IDC, DPSA and SAMDI should play a key role in preparing input for such discussions. The aim would be to develop a common framework and commitment to high-level integration of Capacity Building plans in government, as well as an understanding of the specific input of ODA. One proposed forum would be the meetings of Premiers and the President; another would be in the forum of Heads of Department.

5.2.7 Policy clarification

An outcome of such discussions (and also of the summit discussed above) should be clarity on key policy issues in regard to donor relations and the use of donor funds. The aim would be to develop broad frameworks and consistency in approach across government. This would help government to assert its primary responsibility in decisions around the best use and channelling of ODA. Such policy clarity would enhance the work and mandate of the IDC, as well as define the role of donor units within departmental structures. Again, a specific focus on Capacity Building would be necessary.

5.2.8 Proper planning and management

One component of such policy should relate to better planning processes and management of programmes utilising donor assistance. Oversight should be institutionalised at the highest level by Heads of Department. Use of donor funds must be part of general planning processes. Specific programmes should be based on proper audits of need and be highly context-sensitive to the dimensions affecting proper delivery. Capacity building should be seen in the light of a model of ongoing work-related support, with proper sustainability audits and institutional capacity audits made before embarking on programmes.

5.2.9 Integrate issues around racial inequality

Another component of such policy should relate to integrating the promotion of racial equality and constructive attitudes around race as a central theme of Capacity Building interventions.

5.2.10 Donor co-ordination

Donors should take immediate steps to enhance their co-ordination. This would include establishing a donor forum for the purpose of discussing and sharing best practice around Capacity Building, as well as rationalising activities. A number of other interventions are suggested below, that such a forum could help implement.

5.2.11 Develop donor framework on Capacity Building

One part of the work of such a forum would be a process to examine and develop a common framework for Capacity Building, and to align methods of budgeting and accounting for such programmes. This process would parallel some of the discussions being initiated in government. It is possible IDC would want to call the first of such meetings to kick-start the process and help structure an agenda.

5.2.12 Joint sectoral reviews

IDC and the donor forum suggested above should jointly 'kick-start' a process of bilateral co-ordination by hosting biannual meetings for donors in each of the

key sectoral programmes (e.g. education, health, local government etc.) for the purposes of exchanging information and discussing best practice. Again, the Capacity Building issue would be formally integrated into the agenda.

5.2.13 Database and ongoing research

There is a need for an institution dedicated to synthesising and analysing information and experiences in the range of donor Capacity Building issues and practices. A common database needs to be established as a basis for ongoing research. The donor's forum should look at ways of resourcing and sustaining such a structure.

5.2.14 Develop M&E tools to enhance donor interventions

Donors should take the responsibility for developing Capacity Building monitoring and assessment tools as a step towards improving the quality of their own input around Capacity Building practice. The institution suggested above should contribute to this debate. It is likely individual donors will have to enhance their own professional expertise in the field of Capacity Building, and consider the possibility of dedicated desk officers to follow through on the lessons of best practice.

5.2.15 Develop common procedures and formats

Donors should re-examine rules and procedures in relation to their programmes, with a view to streamlining reporting and accounting formats. Donors should work towards uniform formats and simplified requirements for all programmes. The key criteria should be to find the best possible ways of enhancing the developmental impact of programmes.

5.2.16 Donor reporting

Donor accountability and transparency would also be enhanced if the IDC ensured a thorough discussion of donor activities in annual donor-government consultations. A tabled item on the agenda would be discussions on donor reports to government submitted in accordance with a specified IDC format. This kind of discussion should generate clear criteria for structures, procedures, reporting lines, performance agreements and other aspects of the donor-recipient partnership.

5.2.17 Local government

IDC should work with appropriate structures such as SALGA and the Department of Local Government to develop and enhance approaches at local government level, similar to the processes for Capacity Building suggested in the recommendations above.

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7 APPENDIX 1: INTERVIEWS

7.1.1 List of donor representatives interviewed

1. Andries Mangowkwana, Programme Officer, SDC
2. Anne Strand, Counsellor, Royal Norwegian Embassy (NORAD)
3. Asha Newsum, Senior Governance Adviser, Department for International Development (DFID)
4. Claes Norrlof, Counsellor, Swedish International Development Agency (SIDA)
5. Dag Sundelin, First Secretary (Development), SIDA
6. David Urquhart, First Secretary(Development), Australian Agency for International Development (AusAID)
7. Dr Hans Martin Schmid, Director, German Technical Co-operation (GTZ)
8. Dr Roberto Rensi, Counsellor, Delegation of the European Union (EU)
9. Geert Vansintjan, Development Co-operation Section, Royal Belgian Embassy
10. Herbert Schmid, Co-ordinator - Swiss Agency for Development Co-operation (SDC)
11. Janny C Poley, First Secretary, Royal Netherlands Embassy
12. Joel Kolker, Housing & Urban Development Division, USAID
13. Karen Freeman, USAID
14. Knud V Johansen, Minister Counsellor, Royal Danish Embassy (DANIDA)
15. Nomea Masihleho, Unit Leader Civil Society Programme, Democracy & Governance Team, USAID
16. Patrick C Fine, Education Team Leader, United States Agency for International Development (USAID)
17. Remy Duiven, Programme Officer, SDC
18. Seiichi Otsuka, Minister, Embassy of Japan
19. Steve Hallihan, Development Counsellor, Canadian High Commission -
20. Thomas Kjellson, First Secretary (Development), SIDA

7.1.2 National department interviews

1. Adri Solomons, Director, Dept of Labour
2. Adrienne Bird, Chief Director, Skills Development, Dept of Labour
3. Bertus Siebert, Director, Finance and Provisioning, SAMDI
4. Charles Erasmus, EU Programme Manager, SAMDI
5. Colleen Purkis, Programme Director, JUPMET
6. Dhianaraj Chetty – Director, Development Support, DoE
7. Dr J Mokgoro – Director-General, SAMDI
8. Dr S Hendricks, Chief Director Human Resources, Dept of Health
9. Dr T Coombe, Deputy Director-General, DoE
10. Duncan Hindle, Chief Director Human Resource Management, DoE
11. Ghaleeb Jeppie – Director, International relations, DoE
12. Godfrey Mokate, Chief Director, Local Government Development and Support
13. Hanlie van Dyk-Robinson, Chief Director, Sectoral Review and Analysis (SRA) DPSA
14. Johan Visser, Head, Transformation Unit, DoE
15. Khaya Ngema, Deputy D-G: IPSP, DPSA
16. Mr Ruan Kitshoff, Director, Office of the Director General, DPSA
17. Mrs Makwakwa, Director, International Health Liaison, Dept of Health
18. Nathan Sassman, (tracking and monitoring), Development Support, DoE
19. Neil Nel, Programme Management Services, Dept of State Expenditure
20. O'Hara Diseko, Director HRD, DPSA
21. Roelf du Preez, Corporate Services, Education Support Unit (consultant)
22. Roger Govender – Director, Human Resources, Dept of Welfare
23. Salaama Hendricks, Director for Schools, DoE
24. Ursula Evans, Director, SRA, DPSA

7.1.3 Provincial/local interviews

1. Dr Garth Batchelor, Director: Environment Management Department of Agriculture and Nature Conservation, Mpumalanga Provincial Government
2. Dr, Nomsa Mlondo, Acting Director: Training and Development Office of the Premier, Mpumalanga Provincial Government
3. Dr. John Carneson Deputy Permanent Secretary, Department of Education Province of the Eastern Cape,
4. Dr. M C Annadale de Villiers, Chief Director: Corporate Services Office of the Premier, Northern Province
5. Dr. Mvuyo E Tom, Director-General Province of the Eastern Cape,
6. Mr A J Venter, Provincial Secretary Safety and Security, Free State Provincial Government
7. Mr Adrian Oelofse, Director: Human Resource Management Office of the Premier: Gauteng Provincial Government,
8. Mr Ben Nkambule, Co-ordinator: Inter-governmental relations., Office of the Premier Mpumalanga Provincial Government,
9. Mr Bruno Vilane Head of Department, Department of Local Government, Traffic Control and Traffic Safety
10. Mr D Mazolo Mafu, Permanent Secretary Department of Safety and Security, Province of the Eastern Cape
11. Mr Godfrey Mokate, Chief Director, Department of Provincial and Local Government
12. Mr H Pieterse, Chief Executive Officer: Free State Local Government Association ,
13. Mr Jan E Volschenk, Head of Department, Department of Agriculture and Nature Conservation, Mpumalanga Provincial Government,
14. Mr Joe Mbenyane, Inter-governmental relations. Office of the Premier, Mpumalanga Provincial Government
15. Mr Mayur Maganlal, Donor Co-ordination iGoli 2002 Project, Greater Johannesburg Metropolitan Council
16. Mr Mukwevho Shavani, Chief Training Officer Office of the Premier: Gauteng Provincial Government
17. Mr Mzwandile Mangcu, Inter-governmental Relations Department of Education Province of the Eastern Cape
18. Mr Nic Erasmus, Head: Management Services, Nelspruit Town Council
19. Mr Osborne Nzimande, Committee / Projects Officer, Local Government Association of Mpumalanga
20. Mr Rashid Seedat, Project Manager: iGoli 2010 Partnership Greater Johannesburg Metropolitan Council
21. Mr Roger Naidoo, Assistant Director: Strategic Environment Management, Department of Agriculture and Nature Conservation Mpumalanga Provincial Government
22. Mr Sean Phillips, Deputy Director General: Department of Public Works Northern Province
23. Mr Silas Mbedzi, Programme Manager: Local Government Transformation Programme
24. Mr Siphon Mthetwa, Acting Director:, Local Government Association of Mpumalanga
25. Mr Tom Waspe, Chief Director: Support Services Gauteng Department of Education. Gauteng Provincial Government
26. Mr. M Donald Skepu, Assistant Director Eastern Cape Local Govt Association
27. Mr. Phillip Cole, Project Manager, Imbewu Project
28. Ms Daisy Mafubelu, Director: Human Resource Development, Department of Health – Free State
29. Ms Joanne Murphy, Director: Human Resource Development, S A L G A
30. Ms Lynn Darwin, Free State Province Transformation Programme, Office of the Premier Free State Provincial Government
31. Ms Magda Blom, Chief Training Officer, Department of Health – Free State
32. Ms Nelly Mafontshe Malefetse, Deputy Director: Local Government Training, Department of Provincial and Local Government
33. Ms Ntokozi Hlubi, Acting Strategic Executive: Human Resource Management Greater Johannesburg Metropolitan Council
34. Ms Philiswa Mdikane, Chief Director: Finance Department of Education, Province of the Eastern Cape

35. Ms Priscilla Moshebi, Deputy Director: Human Resource Development, Department of Health – Free State

7.1.4 Other interviews

1. Afsaneh Tabrizi, CEO, TNDT
2. Alana Potter, Training Officer, Mvula Trust
3. Cassim Khan, Training Officer, TNDT
4. Dr Michel Carton, University of Geneva
5. Dr Tom Williams, Director EU Technical Support Programme to DoE
6. Jean de la Harpe, consultant to DWAF
7. John Baker, Technical Assistant Ausaid, DoE.
8. Dr Kenneth King, University of Edinburgh
9. Dr Nick Taylor, Director, Joint Education Trust
10. Mashwashle Diphofa, Programme Manager, Joint Education Trust.
11. Patrick McCarthy, Training and Development Officer, PSMDP, DPSA.
12. Robin Mitchenson – Technical Assistant, Public Sector Management Development Programme, DPSA
13. Sam Mputi, consultant, Dept of Welfare