

Capacity Development BRIEFS

SHARING KNOWLEDGE AND LESSONS LEARNED

APPLYING A CAPACITY-RESULTS FRAMEWORK IN LAO PDR AND OTHER PILOT COUNTRIES

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Achieving the Millennium Development Goals (MDG) and poverty reduction objectives of developing countries requires a substantially greater investment in capacity development. This translates into action at three levels: improving the skills of individuals, developing organizational processes and systems, and creating an enabling environment that can support the achievement of these goals. The process of planning and implementing strategies for strengthening capacity can seem overwhelming for development practitioners. Unbundling the capacity elements into actionable components at the institutional, organizational, and individual levels and linking them to specific results can eliminate much of the perceived complexity that often accompanies the planning process. One way to begin is by using a capacity-results matrix to work through the process. Such a matrix is designed to help prioritize results, disaggregate capacity constraints, determine needed capacity interventions, and agree on indicators to measure progress.

A series of consultations with the East Asia-Pacific Regional operations of the World Bank that began in 2003 focused on the need to develop a strategy to incorporate capacity development at the heart of Bank operations. The Region had decided to make Lao PDR a capacity development pilot country and to test this more comprehensive approach at integrating capacity into Bank work. A new country assistance strategy (CAS) would provide the instrument for testing the strategy. As a starting point, WBI conducted an internal assessment of ten completed and ongoing sample projects from a cross-section of service delivery sectors, including a review of project appraisal documents, implementation completion reports, Operations Evaluation Department reviews, and supervision reports. WBI also conducted interviews with task team leaders to assess the impact that capacity development interventions had on project results. Key findings from the assessment include the following:

- *Design:* An assessment of the planning stages of projects in the Lao portfolio revealed that only a few of the projects identified specific capacities needed for achieving results. Lessons included

the need to (a) communicate to the client that capacity is critical to the success and sustainability of the project and (b) encourage stakeholders to invest resources for bridging the capacity gap. For example, the Forest Management and Conservation Project emphasized the importance of communicating to government officials and other stakeholders the multiple benefits of investing in capacity development, particularly at the community level. Building capacity for village-based management would result in more efficient tax and royalty collection, which would enhance regional and central budgets.

- *Implementation:* Assessment of the implementation stage revealed the vital role of committed leadership in generating client cooperation, the higher effectiveness of learning-by-doing compared with lecture-style training, the importance of effective monitoring and evaluation of capacity development interventions to measure performance gains, and the importance of defining clear, up-front objectives for client training. For instance, in the Land Titling Project, compensation for external technical advisers was based not



only on completing the training, but also on measurable learning gains among the trained clients.

- *Monitoring:* Many of the projects lacked adequate indicators to measure capacity development. Where measurable indicators were present, the timelines provided were often overly ambitious. Main lessons included the importance of setting realistic targets and timelines, identifying resources required to achieve the project goals, and encouraging effective communication with the client to ensure that performance targets and timelines are clear and achievable.
- *Sustainability:* One of the most notable lessons was the need for sustained involvement throughout the life of the project, which allows for better monitoring of performance. In the transport sector, for example, the key to attaining this involvement was convincing the stakeholders that maintenance of roads is as essential as construction and is best achieved through an increased focus on capacity development. Those projects with an increased focus on capacity development proved more effective in sustaining project outcomes.

In light of the findings of the project portfolio review, a simple capacity-results matrix was developed as a tool for engaging clients on a results-oriented capacity development approach. The objective of this matrix is to (a) identify capacity gaps that constrain project outcomes, (b) design interventions to address these gaps, and (c) develop indicators that can be jointly monitored with the client.

What Is the Capacity-Results Framework?

The capacity-results framework is a tool for use jointly by Bank staff and the client to facilitate dialogue and strategic thinking on critical capacity issues. The framework strategically focuses on capacity and knowledge at the institutional, organizational, and individual levels (see table 1).

- At the institutional level, the enabling environment helps shape how organizations and individuals can effectively perform their functions and solve problems in any given sector.
- At the organizational level, issues relevant to task-oriented organizations, such as management systems and business processes, need to be assessed. The way all these organizations collectively interact and operate to generate target outcomes ultimately determines overall organizational capacity.
- At the individual level, key learning areas, motivational factors, assessment tools, and learning delivery mechanisms need to be thoroughly assessed as part of a comprehensive well-structured and results-oriented capacity-building program.

The results chain, on the left of the table, focuses on assessing the current level of capacity of ministries, agencies, and other local institutions; designing interventions to address capacity gaps; and agreeing with the client on a realistic timeline and set of indicators to monitor progress toward achieving the desired results.

Table 1: The Capacity Results-Framework

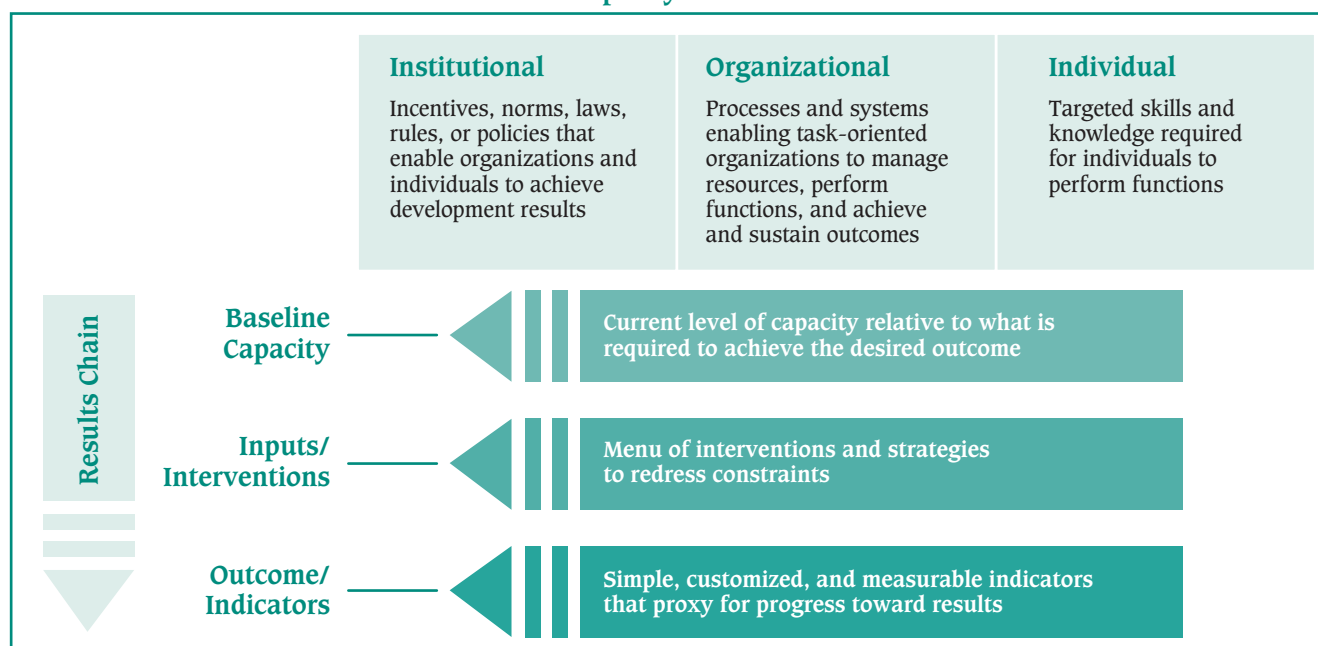


Table 2: Example of a Capacity-Results Framework (Lao PDR)

Objective: Strengthening capacity of the Ministry of Communication, Transport, Post, and Construction (MCTPC) to sustain and scale up the road maintenance culture

	Institutional (norms, incentives, rules)	Organizational (business processes and systems)	Individual (skills)
Capacity constraint	<ul style="list-style-type: none"> Lack of clarity and weak accountability of provinces for managing the Road Maintenance Fund (RMF) Continued dependence on donors to finance RMF 	<ul style="list-style-type: none"> Low management capacity in provinces in procurement, monitoring, and financial management in the private sector and at the village level Weak performance measurement 	<ul style="list-style-type: none"> Low levels of technical, administrative, and managerial skills in planning, reporting, procurement, monitoring,
Capacity development interventions	<ul style="list-style-type: none"> Country-to-country dialogue to share and demonstrate good practice in maintenance culture Public information strategy through periodic reporting to broaden awareness of RMF status 	<ul style="list-style-type: none"> Consultant report assessing needs and baseline capacities of core and support functions Workshop to disseminate results and implement performance measurement system across provinces Study completed on functional benchmarking to improve performance 	<ul style="list-style-type: none"> Training for staff by MCTPC in the above key functions provided Series of formal events and informal learning activities implemented by MCTPC for multiple stakeholders (government and contractors) in key support functions
Intermediate outcome	<ul style="list-style-type: none"> Increased clarity by MCTPC and other stakeholders on roles and responsibilities for managing the RMF 	<ul style="list-style-type: none"> Standardized indicators used by MCTPC to benchmark and measure performance of core and support functions 	<ul style="list-style-type: none"> Improved competence in performing technical administrative and managerial functions
Indicators	<ul style="list-style-type: none"> Increase in share of RMF covered by national budget 	<ul style="list-style-type: none"> Increase in number of provinces using performance indicators Increase in the number of provinces autonomously managing core and support processes 	<ul style="list-style-type: none"> Increase in number of qualified staff in performing core and support functions

For example, one of the objectives of the Second Road Maintenance Program (RMP2) is to scale up the road maintenance culture and strengthen capacities at the provincial levels for managing the road maintenance fund (see table 2). During the pre-appraisal mission, the World Bank and the Ministry of Communication, Transport, Post, and Construction designed a comprehensive human resource strategy intended to institutionalize skills and processes required for decentralization in all provinces. The World Bank and the government reached an explicit agreement to submit a satisfactory capacity development proposal. The client has welcomed using this systematic capacity-results tool, which is embedded both in the project document and in a capacity-building Policy and Human Resources Development grant.

Expected Benefits of a Results-Oriented Approach to Capacity Development

- Expands focus beyond building individual skills to strengthening organizational systems and creating an enabling environment in which individuals and organizations operate
- Encourages country ownership of results by jointly developing indicators for monitoring program interventions and tracking progress on developing capacity at each level
- Acts as an analytical process tool that (a) helps assess capacities needed to achieve specific development results, (b) facilitates the design of interventions and clarifies accountabilities at each level, and (c) can be used by the country to improve communication and coordination with donors around critical capacity issues
- Is replicable for capacity gaps or problems regardless of sector.

Table 3: Examples of Application of a Results Approach in Madagascar

WBI is engaged in ongoing governance work in Madagascar and is providing support to the Governance and Institutional Development Project (known by its French initials PGDI) management team, contributing to the development of a clear results framework at the national level. This includes the alignment of capacity investments with priority results of the country.

At the level of the PGDI, the capacity-results framework is currently being used in the development of annual work programs, curriculum reform, and monitoring frameworks for two civil service training institutes supported by the project.

This approach has also been introduced in Madagascar and Chad, where capacity development activities are currently under implementation. (See tables 3 and 4)

The 2005 Lao PDR CAS presented an opportunity to pilot a process of integrating capacity development into different CAS instruments. This is a dynamic learning process that will be continuously reviewed and updated as new lessons emerge during implementation. The capacity-results framework was introduced as a tool to help initiate dialogue with the client on critical capacity issues. One way of helping clients grapple with the capacity problem is by directly linking capacity constraints with priority results. The results chain, as illustrated earlier in the capacity results framework, allows development practitioners to think backward from the outcome and to prioritize

Table 4: Examples of Application of a Results Approach in Chad

WBI is working with local counterparts in the civil service and representatives from public and private local institutes that provide training in the field of public financial management. The objective is to define and prioritize clearly the capacity development needs in the civil service, while assisting local training institutes on building their capacities to respond to this demand.

In the first phase of this work, WBI worked with a number of local training institutes to internalize the capacity-results approach and help them better focus their capacity development programs. This work has resulted in the institutes coming together to create a confederation of Chadian training institutes with the aim of improving access to and exchange of information and expertise nationally and internationally. Representatives from this confederation are currently participating in intensive in-country consultations with civil service representatives to develop a comprehensive action plan for improving the public financial management system.

and sequence actions and inputs at the three levels. Although this method may prove useful in prioritizing capacity issues for Bank teams, ownership of the approach by the client will be critical to its successful implementation. This approach will also enable governments to communicate to development partners their priorities for external assistance in capacity development.

Peer reviewers: Zafar Ahmed, senior economist in the East Asia-Pacific Region of the World Bank, and Dorte Kabell, a Danish evaluation specialist.

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