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Meso-level capacity development

It is generally recognised that we need to bridge the gap between macro policy levels and local communities. Practical exchanges among different levels of action need to be facilitated to achieve a better mutual understanding between policy-makers and implementers. This notion of 'linking up', 'networking', 'building connections' and 'strengthening interactions' is certainly not new to the development discourse. But there has been a revival of the debate on developing the capacities of organisations located in-between macro-level institutions and the local level. This is particularly relevant given the massive reform programmes loaded onto partner countries in the South in recent years and the challenge of turning often ambitious policy maxims into action.

There has been substantial conceptual thinking on capacity development for *meso entities* such as local and regional governments, NGO membership organisations, and private-sector associations. There is much less documentation, however, on HOW to operationalise the concept from a development cooperation perspective. This takes the partner country situation as the point of departure, with external assistance playing a facilitative role in response to local demands and strategies. A number of large development agencies have made attempts to implement such thinking at a macro level, but few organisations have gone a step further in working specifically at the interface between national policy-making and poverty reduction at a local level.

The rationale behind this issue of *Capacity.org* is to look at the experiences of the SNV Netherlands Development Organisation in meso-level capacity development. The SNV had a background in programme implementation, but decided in 2001 to fundamentally reorient itself towards capacity-building and advisory work. After three years' experience with this new focus, the SNV wants to share its conceptual rethinking and to describe various ongoing capacity development processes at a meso level.

The three case studies presented are from the SNV's work in the education sector in Tanzania, infrastructure development in Bhutan and the establishment of market chains in Ecuador. Though the case studies are very different, there are similarities between them in terms of what made change happen. They show the importance of local ownership and collaboration for change and innovation. They also underline the fact that capacity development means separating assistance from primary control over project funds. And they make clear that support for effective meso-level capacity development requires broad advisory skills. These can range from organisational diagnosis and strategising to a careful facilitation of networks, while simultaneously taking account of policy and institutional changes at a macro level. The SNV has drawn a number of conclusions from these observations on the capacity development needs of meso-level actors and the advisory approaches and processes that best support them. These conclusions are listed in the epilogue.

The information is complemented with selected web references to tool kits and background materials provided by the SNV and various other organisations working in this field.

From theory to practice: case studies in meso-level capacity-building

Since a modest start in life as a voluntary work organisation in the 1960s, SNV Netherlands Development Organisation has steadily grown and professionalised over the years to become a recognised development player employing 1,400 staff in 26 countries. By the turn of the millennium, SNV had established a strong reputation for providing technical assistance and performing a wide range of development projects and programmes, often financed with Dutch bilateral aid. In 2001, the SNV decided to fundamentally reorient its operations towards capacity development through the delivery of a distinct set of advisory services. Having formerly taken on line responsibilities in combating poverty, the SNV now supports meso-level organisations in their struggle against deprivation, exclusion and poverty imbalances. Meso-level organisations provide services to groups of poor people, represent their interests and/or create enabling environments. Their performance is critical in nurturing and sustaining local initiatives to alleviate poverty. Examples of meso-level organisations are local and regional governments, large community-based organisations, NGOs and civil-society representative organisations. This issue of *Capacity.org* reflects on the theory and practice of capacity-building, on how the SNV's advisory practice is taking shape, and on some of the key lessons that have been learned.

Capacity development and changing aid mechanisms

Concerns about capacity development arose in the 1980s, often from a heightened awareness that the local population should remain primarily responsible for their own development if any changes for the better were to be sustainable. 'Field workers' or 'project teams' worked hard to come to grips with constantly changing and seemingly conflicting demands: an urge to fill glaring capacity gaps without overruling the primordial responsibility of the beneficiaries to take their own initiative and remain in control. It was only with the publication of the Berg report on 'Rethinking Technical

Cooperation' (1993) that the notion of capacity-building became synonymous with the need for reform in international cooperation itself. Paraphrasing Oliver Cromwell, an African delegate had the following to say about technical assistance: 'You have stayed here too long for all the good you have been doing. In the name of heaven, go!' (Berg 1993, p. 13). Clearly, ownership and control were firmly on the agenda. A major reorientation of the organisation of the 'development industry' took shape in the 1990s:

- the emphasis shifted from project implementation to larger-scale programmatic or sectoral vehicles (e.g. SWAPs);
- technical assistance was replaced by notions of capacity development and institutional development;
- government-to-government agreements (based on setting the 'right' and often conditional policy frameworks) and budget support were put in place to enhance national 'ownership' of development processes;
- societal interaction and consensus for effective development were encouraged, by poverty reduction planning processes among others¹.

Underlying the rethinking of the organisation of development cooperation was a deeper debate centring on the nature of development. From the 'structural adjustment' era, the pendulum moved towards the concept of 'human development', rooted *inter alia* in the work of the late Mahbub ul Haq and Nobel prize-winner Amartya Sen. In his seminal book published in 1999, entitled *Development as Freedom*, Sen defines poverty essentially as capability deprivation, a definition that goes well beyond the more limited notion of income poverty. Development is therefore seen essentially as an expansion of capabilities or a widening of people's choices. The capability to participate in and influence government, to learn and develop, to engage in a career, to lead a reasonably healthy and fulfilling life, to raise a fair income and to enjoy freedom from vio-

lence, oppression and discrimination are all essential to a universal concept of the quality of human life. Human development therefore always treats people as an end and not only as a means of development. The World Bank's Development Report 2000/2001 (which also had an impact on the strategic choices made by the SNV in this period) presented similar insights, albeit viewed from a different angle, based as it was on a deeper understanding of the multi-dimensional nature of poverty (and its variation between and in countries) and of the precise (and varied) value of macro-economic growth and non-market factors such as governance and social institutions in combating poverty.

In recent years, the United Nations Development Programme (UNDP) has made a powerful contribution to the operationalisation of the human development concept and the successful Millennium Development campaign. As one of UNDP's innovative publications on capacity development stated, '*capacity development is arguably one of the central development challenges of the day, as much of the rest of social and economic progress will depend on it. [...] If the purpose of human development is to extend human capabilities, then capacity development is not merely a stepping stone towards higher levels of human development; it is an end in itself*'².

Reality check

But has all this made a difference? What does it mean for front-line actors who are trying to combat poverty and improve governance? Has anything changed for the better?

Imagine that you are '*an NGO leader, or a local government official, or a representative of small firms in a certain region. This may be a province of Vietnam, a region in Cameroon, a district in Kenya or a sierra in Bolivia. You may have been educated to an advanced level, or you may be self-made. You see yourself as a professional, a manager. You have thousands, probably tens of thousands, of beneficiaries, people belonging to the poorer*

segments of your society. The international deals your country has struck with donors do not mean much to you. You have participated in PRSP workshops on one or two occasions, but found them clouded in impenetrable, international jargon. Whilst you are aware of the importance of such workshops, they don't do much to solve your problems. What you face in reality is that some of the key actors who influence your work have completely different outlooks on the problems. And your organisation needs to deal with you a number of specific issues (ranging from HR to ICT) that are not easily solved. You have problems with certain national regulations and see various policy processes going in directions that will harm your cause. Long-standing political and interest divides significantly hamper new dynamics. Your organisation's financial situation remains uncertain and highly dependent on changing donor or national priorities. You could do with some serious support: a free-spirited sparring partner or someone who could help you to solve some of your more mundane organisational problems. Maybe someone who can force a breakthrough in the mentality of your staff, or someone who can help you cross certain institutional divides and broker new relationships. Most probably you want a combination of several of these. Who should you turn to? Consultants you cannot afford and who don't have a clue about your reality anyway? A former professor or director-general doing consultancies for international agencies? It's hard to get any meaningful support. In the meanwhile, you battle on.

It is the SNV's current experience that local organisations working at what we call the 'meso level' are critical agents in the fight against poverty and the improvement of governance. They operate between the realms of 'national policies' and 'community development' and link these. They make policies work and negotiate room for local dynamics and realities. It is our experience that their situation does not improve as easily or as quickly as the changes taking place in the logic of international cooperation, necessary though these may be. Though 'national ownership' may be strengthened in the international cooperation context, this does not necessarily lead to strengthened ownership within a society as a whole. In some cases,



Photo: Reinout van den Bergh

'SNV chose to reorient its staff from being implementers to being genuine advisors.'

the emphasis on sector-wide approaches, national execution and the 'right' policy frameworks even centralises powers and reduces accountability to and the scope for local actors. Meso-level organisations find themselves stuck between a rock and a hard place, between the urgent needs and ambitions of their stakeholders or beneficiaries and the stubborn reality of government policies, sticky fiduciary requirements, and limited access to precious sources of support.

Some generic characteristics of demand

The type of imaginary client sketched above is all too real. Many of the organisations such clients represent:

- face a complex set of problems that are more challenging than those facing many managers and leaders in the so-called 'developed' countries;
- have developed strongly in professional outlook and have often gone beyond the initial stages of organisational development;
- work in an environment dominated by national and external dynamics and systems;
- can command only limited countervailing power and have little access to high quality advisory support.

Clients like these are seldom in need of a standard organisational assessment requested by

an external agency. They may benefit though from a meaningful advisory relation that doesn't come with a strict policy agenda or donor criteria, but which is responsive to their needs. They may need assistance that combines professionalism with a realistic understanding of their institutional and socio-political environment. They may benefit from advisory power that serves the true emergence of own dynamics and capacity.

Changing the SNV to meet the demand of meso-level organisations

Serving the perceived needs of local organisations is what the SNV has chosen to do since 2001. This means fostering the emergence of 'capability' growth (in Sen's terms) at meso levels. It was a radical choice, and forced the SNV to:

1. Separate itself from the primary control over substantial fund flows to its local partners. The SNV largely abolished the 'project implementation' mode that had been one of its strengths and that many donors also expected from it.
2. Reorient its staff from being experts and implementers (even when acting more and more in conjunction with local actors and with a capacity-building flavour) to being genuine advisors, with all the insecurities and quality demands that are inherent to this role.

3. Become a demand-driven, customer-oriented organisation, with simple but far-reaching measures such as working only in response to customer demand and an explicit agreement as to what it should do, and introducing performance targets for the number of days spent working on genuine customer assignments.
4. Explicitly maintain and build its body of knowledge as an expertise-based and output-oriented organisation, rather than an input-oriented implementing organisation.

These challenges required far-reaching changes not only in the SNV's organisation, but also in its own capacity development process: the creation of advisory teams serving portfolios of clients, a reassessment of staffing needs, a reorganisation of the head office to make it capable of managing demand-oriented field offices, dramatic

changes in planning logic and management indicators, the delineation of main specialisations and practices, and the building of networks of expertise to support these.

The proof of the pudding is in the eating

In the next three articles, practitioners will discuss three examples of the type of advisory work that has emerged from the choices made by the SNV in 2001. These are cases from three different continents and from three very different sectors: education, road construction and market development. They are all work in progress, reflecting a significant degree of learning over several years. The concluding epilogue draws a number of cross-cutting conclusions about the key concerns of meso-level customers, the type of things that help them most, and the advisory styles and skills that are required to support successful capacity development at their level.

- 1 These (seemingly) radical changes have not led to changes in the actors working in the sector, as Rogerson, Hewitt and Waldenburg point out in *The International Aid System 2005 - 2010: Forces for and Against Change* (Andrew Rogerson with Adrian Hewitt and David Waldenburg, Overseas Development Institute, London, Working Paper 235, March 2004).
- 2 *Capacity for Development. New Solutions to Old Problems*, edited by Sakiko Fukuda-Parr, Carlos Lopes and Khalid Malik, Earthscan Publications, London, 2002, p. 20. For an excellent summary of the broader concept of human development, see *Readings in Human Development* edited by Sakiko Fukuda-Parr and A.K. Shiva Kumar, Oxford University Press, 2003.

Jan Ubels, Head knowledge management unit SNV,
jubels@snv.nl
Johan van de Gronden, Director SNV,
jvdgronden@snv.nl

A District Education Board in Tanzania: using joint action to create cooperation

In the Same District of Tanzania, key stakeholders in education are closely working together in a joint platform known as a District Education Board (DEB). Its main objectives are to improve governance in the education sector through stakeholder involvement, and to mobilise and coordinate resources for the delivery and improvement of primary education services. The DEB was created as an experiment in 1999, based on the outcome of a capacity development process facilitated by SNV Tanzania through its (then) PAMOJA project. It is intermittently supported in its learning journey jointly by PAMOJA (now a Tanzanian capacity-building NGO) and SNV Tanzania. The experiences of the Same District Education Board are being replicated in other districts in the country as a model for a multi-stakeholder platform in the education sector.

Context

Tanzanian society was for long time dominated by a strong, central state, which developed in the decades after independence with a nation-building and developmental mission. The unifying ideology marginalised or even suppressed civil society and the private sector, with basic service delivery as a priority and government monopoly. Tanzania achieved fame with its social policy, which resulted in (almost) universal access to primary education. The acceptance of a neo-liberal agenda through structural adjustment has strongly reduced the role of central government in the provision of services and curtailed its capacity to give leadership to society. The role of elected local governments is being strengthened through decentralisation policies, while political liberalisation is creating multi-party politics and is also leading to the emergence of a civil society

(mainly in the form of NGOs). As the state withdraws from the economy, so more room is being created for the private sector (now hailed as 'the engine of growth').

In the education sector, these developments have spawned a wide array of actors and service-providers. Although the government no longer has a monopoly, it is reluctant to accept this fact for ideological and political reasons. NGOs and churches, through donor support, are increasing their profile, but services are limited and rather patchy (focusing more on secondary education). The private sector, still weak, tends to restrict service provision to urban centres. By the late 1990s, a renewed interest emerged in education through sector reforms and sector-wide approaches. The principle underlying these recent approaches is national ownership, often translated as bringing government

dominance back into the education sector. Although there is now a greater tendency to involve local communities in education, their participation is instrumental (i.e. 'deciding on the colour of the paint') rather than constituting a genuine voice in decision-making (Land and Hauck, 2003).

It is against this background that the experiences of Same District should be seen. When structural adjustment policies were adopted in Tanzania, education enrolment and standards declined dramatically. Same District was a double victim of this trend, as its performance also fell compared with other parts of the country. Due to the high population pressure and an early exposure to missionary influences, the tradition since early colonial times had been for many Same children to attend school. But the district, once famed for its educational performance, was reduced to an educational backwater in the 1980s and 1990s, with dilapidated facilities, average enrolment and indifferent results.

Capacity development support

In the second half of the 1990s, Same District Council entered into a capacity development relationship with SNV Tanzania. The role of SNV Tanzania was one of facilitation, i.e. supporting the Education Department (and gradually an increasing number of actors in the District) in its own learning process. This facilitation process consisted of three stages (based on the framework developed by Van der Velden, 2003: 14):

1. Analysis: this was based on the prevailing policy environment and the educational performance in the district. The Education Department of the District Council saw its role as basically operational, i.e. following instructions from the central ministry wherever possible and ignoring others that went beyond its remit. Thanks to a carefully crafted iterative process (consisting mainly of small-scale workshops, meetings and joint study visits), Education Department officials were put into contact with efforts from outside government (i.e. small community-based NGOs, community groups, churches). They began to realise that these efforts were also contributing to policy implementation. The

SNV's role at this stage was that of a broker. By taking time to build up relationships with all actors, actual and potential change agents could be identified and trust created for arranging face-to-face events. These were then used to tease out a shared understanding. Building informal relations was a crucial ingredient for the more formal events and occasions. The process resulted in an awareness that the Education Department could not 'solve the problem' on its own and created the basis for an action-learning cycle.

2. Experimentation: if the Education Department could not realise its goals on its own, with which actors could it work together? This formed the basis for an experiment bringing together a pastoralist NGO with the District Council. For a long time, Council officials had accused pastoralists, who lived on the margins of the district (in more ways than one), of refusing to participate in education due to outmoded cultural practices. The pastoralist NGO accused the government of discriminating against their community, making educational participation difficult, if not impossible. Through a negotiated process, the Council and the pastoralist NGO started working together to raise enrolments by children from pastoralist

communities. Building on the shared understanding created in the earlier part of the process, the key role of SNV Tanzania lay in fostering the development of specific cases in which both parties could work together. While the SNV initially played a bridging role in communication between the two parties, it gradually came to be more directly involved.

3. Mediation: a more structural form of cooperation was sought, based on the experiment of working with civil society. Through a process of consultation, stakeholders agreed on the formation of the Same DEB, made up of representatives from the Same District Council (both the political and the executive arm), civil society (church and NGOs), direct stakeholders (i.e. teachers and parent committees) and appointed professionals. The key driving force behind the formation of the DEB was the wish to create a common platform through which all stakeholders could contribute to improved educational performance in the district. As there was no immediate institutional framework within which the DEB could operate, it could not take over the role of the Education Department, but worked alongside it, giving advice and developing complementary activities. At this formative

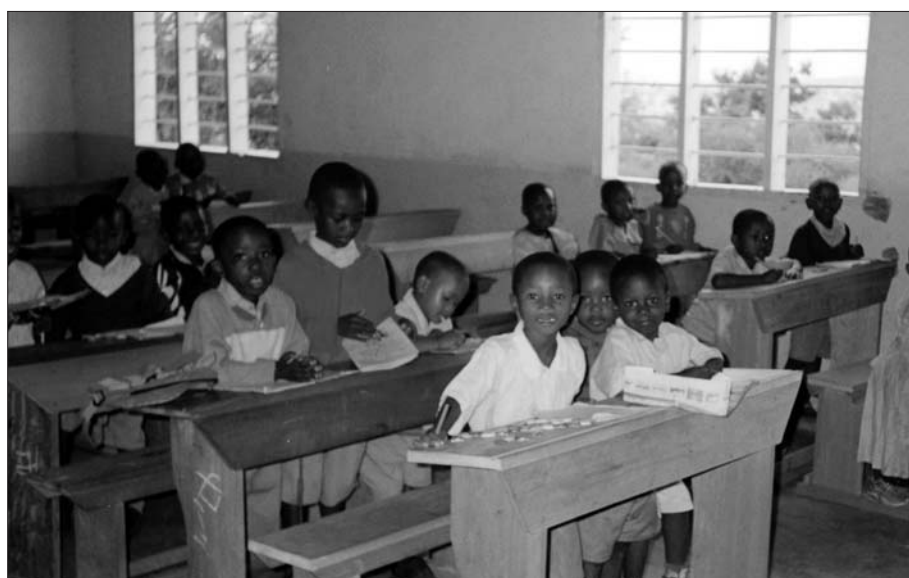


Photo: SNV.

'The number of primary schools serving the pastoralist community had increased from 5 in 1998 to 14 in 2002 and 22 new nursery schools were established within the same period (with a combined enrolment in 2002 of 553), almost entirely owned, funded and managed by the pastoralist communities.'

stage of the DEB, SNV Tanzania provided the expertise for developing the model and encouraged actors to take part in the experiment.

Since its establishment in 1999, the DEB has acted as an advisor and supporter to the District Council, encouraged civil-society organisations to invest and participate in the (primary) education sector, mobilised resources from within the district communities, the Same diaspora and donor agencies, and has performed activities of its own where no direct implementing agency has been available (thus expanding implementation capacity). These activities have enabled the Same DEB to strengthen the link between local government and civil society and have created a positive atmosphere for coordinated, joint action in the district, breaking a long cycle of despondency.

The sustainability of the Same DEB is all the more remarkable given the difficulty of finding room for policy initiatives and experiments within the centralised bureaucratic culture of Tanzanian society. It is a testimony to the determination of the actors in Same (in particular the educational leadership) that the Same DEB has continued to evolve. Long-term support from SNV Tanzania is now limited to regular organization development interventions, as demanded by the Same DEB and carried out jointly with the local PAMOJA organisation.

Results

Probably the most important result achieved by the establishment of the Same DEB is the creation of a new way of working (Vander Velden, 2003: 14). Participation is becoming a catchword in Tanzania, as elsewhere. However, rarely does the relation go beyond the provision of information or at most consultation (including feedback in decision-making). In Same, signs are now emerging of civil society and (local) government working together, and perhaps even working towards empowerment. This trend, already noted in

an earlier contribution to *capacity.org* (Lerise, 2000), has become further entrenched.

There have also been three concrete results.

1. *Pastoralist enrolment*: Whereas fewer than 160 pastoralist pupils attended primary school in Same in 1998, this figure had increased to 973 by 2002. The number of primary schools serving the pastoralist community increased from five in 1998 to 14 in 2002. Twenty-two new nursery schools were founded within the same period (with a combined enrolment in 2002 of 553), almost entirely owned, funded and managed by the pastoralist communities.
2. *Primary school exam performance*: Although the value of exam performance is limited, it can nevertheless serve as a proxy indicator for the quality of education. Same District was consistently a good performer in end-of-primary school exams in the 1970s, and was known as one of the best rural districts in the country. In the 1980s and 1990s, its performance deteriorated (even compared to the rest of the country), reaching a low point in 1996, when it was ranked 38th in a league table of 110 districts. Since the start of the Same DEB, it has steadily climbed the league table, reaching 10th place in 2003 and even surpassing a number of urban districts (a unique event in the Tanzanian situation).
3. *Improvement in educational facilities*: In 2002, Tanzania launched a Primary Education Development Programme (PEDP), a long-term programme supported by the major donor agencies by means of a basket fund. One of the programme's first activities was the construction of additional classrooms; Same was given funding to build 24 classrooms. By involving local communities and civil society through the DEB,

Same District has managed to build 34 classrooms with the same amount of money and with greater ownership (see also: Land and Hauck, 2003: 22).

Within the current development debate, processes are seen as equally or even more important than outcomes (Fukuda-Parr et al, 2002). The Same DEB is an interesting example in this debate, demonstrating as it does how working across the government-civil society divide not only leads to more inclusive processes, but can also result in improved educational outcomes. Other districts have replicated these achievements, and some eight other districts have established their own DEBs in the past two years, usually with facilitation from PAMOJA and/or the SNV. Both organisations are now seeking to raise national awareness of these achievements, in order to secure a stronger institutional base for the DEBs by explicitly including them in national policies.

Rinus van Klinken, Senior advisor SNV Tanzania,
rvanklinken@snvtanzania.org
Willy Lazaro, Executive Secretary, Same DEB

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The road to sustainability: environmentally friendly road construction in Bhutan

An environmentally friendly road project in Bhutan is a stepping stone for the SNV Netherlands Development Organisation in its quest to improve collaboration between the various actors involved in road construction, and align the work of ministries involved in road construction more closely with poverty reduction policies.

Bhutan needs roads

The small Himalayan kingdom of Bhutan, locally known as the 'land of the thunder dragon', has a population of about 700,000 of whom some 80% live in rural areas. With a 73% forest cover, Bhutan has one of the richest biodiversities in the world and has also been declared one of the ten global biodiversity 'hotspots'. Against the backdrop of this fragile mountain ecosystem and the country's rich biodiversity, the government of Bhutan recognises the importance of sustainable development and has therefore chosen to walk a 'middle way', balancing economic growth against the preservation of natural resources.

One of the keys to the country's social and economic development is the presence of an efficient and cost-effective road network. Currently, Bhutan has about 4,000 km of roads, but many rural communities are still cut

off from the road network and depend on animal and head-load transport. Road projects are one of the largest land users in the country. Inadequate road construction techniques have a significant impact on the environment and on sustainability (see box). Balancing road construction and nature conservation is a major challenge.

World Bank loan for feeder roads

In 1999, the Royal Government of Bhutan was granted a loan by the World Bank for the construction of 122 km of feeder roads, to improve rural community access to markets, schools, health centres and other aspects of the economic and social infrastructure. The overall objective is to improve the quality of life and productivity of rural communities. In line with the Bhutan government's conservation objectives and the provisions of the Environmental Assessment Act (under development at that time), the government decided that environmentally friendly construction techniques should be used for building roads.

Environmentally friendly road constructions

By then, the Bhutan branch of the SNV had already been involved in supporting the first ever environmental impact assessment for a

road in the District of Zhemgang. The experiment included assessing the potential environmental impact as well as the measures for preventing and mitigating environmental damage caused by road construction. Based on this track record, the SNV was asked to devise an Environmentally Friendly Road Construction (EFRC) concept and to build capacity within the Department of Roads (DoR) for EFRC. SNV Bhutan was supported by a grant from the Royal Netherlands Embassy in New Delhi. The parties involved signed a tripartite agreement at the beginning of 2000.

Starting off with a team of four advisors and a budget for short-term specialist assignments, the SNV began working on the DoR's capacity for handling the more technical aspects of environmentally friendly road construction. The capacity of the project team was built mainly by means of on-the-job support and training, in-country training courses, workshops and regional study tours. DoR staff remained responsible for the construction process and the disbursement of the World Bank loan. DoR staff and contractors were trained in dealing with technical specifications, making contract documents, and using technical manuals. Management and supervision tools were tested and developed, for use on this and on other projects.

EFRC, a resounding success

After three years, an evaluation of the first phase¹ revealed that EFRC had been a resounding success from both an environmental and a financial viewpoint. Roads built using EFRC techniques were not only better for the environment, they were also cheaper.

The initial investment during the first two years of construction is higher than in the case of a road constructed by means of traditional methods. The higher level of investment goes hand in hand with higher road standards and quality, however. This means that maintenance and monsoon restoration costs are substantially lower over the total lifetime of the road. The improved quality of the road also leads to lower vehicle operation costs, which has a significant positive impact on the economic ben-



Photo: SNV *'Bulldozers have been replaced by excavators, which allows for the loading of tippers and the transport of excavated surplus material and debris to selected spoil disposal sites.'*

efits derived from the roads. Other economic benefits are fewer road blockages, less stocking of essential supplies by communities, less damage to flora and fauna and less damage to (private) properties and cultural heritage sites. All in all, based on cumulative expenditures and benefits, EFRC roads become economically viable after about nine years².

Early successes just the beginning

It became clear during the first phase that substantial efficiency improvements could be achieved in three areas that are not strictly part of EFRC:

1. The introduction of EFRC laid bare many structural problems related to contractors' work management, supervision by the DoR, quality systems, job responsibilities, accountability, communication, road selection and master planning. There was room for improvement in all these areas.
2. The SNV realised that the positive impact of EFRC could be greatly enhanced if decisions about road construction took account of the wider socio-economic and environmental context. Roads must be constructed in such a way as to maximise their contribution to poverty reduction and minimise their adverse impact on flora and fauna. For EFRC to become sustainable and even more effective, the DoR (which was initially an inward-looking and implementation-oriented organisation) had

get to involved in broader policy debates on environmental safeguards and regulations, investment levels and economic rates of return in road construction and in road network planning. The SNV facilitated a stakeholder analysis and SWOT analysis in order to raise awareness of these opportunities at the DoR. An Integrated Organisational Model was used to identify priority intervention areas that went beyond the confines of the EFRC project framework. In this regard, the SNV acknowledged right from the start that the project had a limited mandate in the first phase, with a strong focus on technical innovation and scant attention for policy-making.

3. Being outwardly oriented means reaching out not just to higher decision-making levels, but also to districts and other actors. A very substantial part of road construction and maintenance is managed at district level. The DoR could get a lot more out of EFRC if district engineers also adopted it, and if rural communities could generate income from the maintenance of the roads. Furthermore, the capacity of contractors also needs to be enhanced if EFRC is to be successfully implemented.

Mainstreaming and scaling-up EFRC

Enticed by the outcome of a cost-benefit analysis of roads built using EFRC techniques, the Ministry of Finance decided to allocate

higher investment budgets per kilometre in the Ninth Five-Year Plan. This allowed the DoR to formally adopt EFRC as a policy. The DoR is now committed to constructing good-quality roads using environmentally friendly techniques.

Meanwhile, the SNV's involvement with the DoR has entered a second phase, with a much broader mandate and an advisory team of 10 in total. While the SNV will continue to support the construction of 'World Bank roads', the SNV also intends to help the DoR consolidate EFRC techniques and scale-up the EFRC approach. An important element of scaling-up in which the SNV is involved is the integration of EFRC in the curricula of educational institutes, especially the Royal Bhutan Institute of Technology (RBIT). The EFRC techniques and management tools developed as part of the project are also being used to strengthen the capacity of contractors and the capacity of professional associations in the construction industry.

The SNV's support also extends to other stakeholders, including contractors and other road agencies involved in the construction of farm and forest roads in particular. The SNV helps districts to undertake 'District Master Planning', in which decisions on road selection take account of socio-economic development potentials and population densities. The SNV is currently working on an experiment to help districts involve local communities in road maintenance.

Environmentally friendly road construction

Traditional road construction techniques cause major damage to the mountainous environment. The selection of road locations is not based on the identification and avoidance of geologically and environmentally sensitive areas. Bulldozers are used to cut the full road width in mountain slopes, frequently resulting in unstable slopes. Excavated materials are thrown directly down the road, causing severe damage to the vegetation cover and leaving fragile slopes exposed to monsoon rains. The high risk of landslides due to the construction method used, coupled with the lack of consideration given to water management, leads ultimately to high repair and maintenance costs in the lifecycle of the road. The EFRC method takes account of the specific site conditions from the very outset. These conditions include geologically sensitive areas, wet areas, rocks, paddy fields and areas with a high environmental and cultural value. The aim of the method is to prevent and mitigate environmental damage as much as possible. Detailed survey data are collected about forest cover, soil classification, slope steepness, water sources, cultural heritage and other factors. Many problems can be avoided during construction by building roads away from geologically hazardous and culturally

vulnerable areas; this also improves the quality of the road and extends its life span. The design and drawings include locations of spoil deposits, barriers, walls, drainage points and other structures. Cuts into mountain slopes are minimised. Especially where the slopes are fragile and prone to landslides, part of the road width is made in fill, by constructing retaining walls. The number of trees felled is kept to a minimum; trees are felled only within the road corridor. Excavators are used instead of bulldozers, which means that tippers can be loaded, and excavated surplus material and debris transported to selected spoil disposal sites. Excavated materials are segregated in order to optimise re-use. Excavation is undertaken in benches, starting from the top batter with a smaller excavator, with subsequent excavation to the final level being performed by a medium-sized excavator. Barriers constructed from logs or boulders at about 10-15 metres below the road are used to catch falling materials and in some cases to allow for the controlled dumping of excavated materials. Controlled blasting is adopted in order to minimise damage to the surrounding hill environment and to prevent the slopes from being destabilised. All this is part of the repertoire of EFRC.

Lessons learned

Rather than undertaking an overall organisational needs assessment, the SNV's input consisted of technical innovation and the experience required for working with district and local communities. For the purposes of EFRC, the SNV analysed and improved the project cycle of a road. The broader capacity needs as well as the measures required to address these needs became evident and accepted as techniques were developed. The fact that the SNV performed an advisory rather than an operational role created ownership for EFRC within the DoR and allowed the DoR to strengthen its own capacity. There was some resistance at first, however, due to the higher workload imposed on staff.

It was crucial to link up with and appeal to the outside world. Making the case for the economic viability of EFRC was vital in obtaining the support of the Ministry of Finance for higher investment levels in the Ninth Five-Year Plan. Creating an enabling environment at policy levels by means of seminars, brochures, newsletters, a movie and media coverage was essential in order to secure commitment to EFRC and to facilitate a change process at the Department of Roads. Instead of being a merely technical process, the DoR sees EFRC as an interactive process in which relationships have to be built with other (local) stakeholders.

Such a process approach cannot be boxed in a single assignment with standard terms of reference. Thanks to the SNV's long-term commitment and insight into development processes in Bhutan, it was possible to gradually move beyond the initial project objectives and explore and strengthen linkages with other stakeholders.

¹ Final Report RAP TA.

² Economic Analysis of EFRC & Transport Network Approach; ICT, DoR and SNV, June 2004. N.B. An initial comparison by the project team and the World Bank in 2002 produced the same result.

By Hendrik Visser,
Senior advisor SNV Bhutan,
hendrik@druknet.bt

The bamboo product chain: creating opportunities for small producers in Ecuador

Bamboo, from poverty to fashion

Ecuadorians have traditionally regarded bamboo as a timber product of little value. Bamboo plants are usually picked after three or four years of ageing by small groups of farmers in Amazonia or in the coastal area, i.e. the province of Manabí. Bamboo is used mainly for building modest, low-quality houses in rural areas and slums. These houses are not built to last. Bamboo is also used as a base material for the construction of cement and concrete houses. Most of the bamboo produced is used by the farmers themselves or sold to lorry-drivers. Small farmers can use the extra revenue generated by the sale of bamboo to pay for unexpected expenses such as medical bills.

Bamboo has become fashionable of late, however, and is now used for durable parquet floors, wooden panels and other industrial applications. In the coastal area, large landowners hit hard a few years ago by falling meat prices, decided to convert thousands of hectares of their land into bamboo plantations. In collaboration with national and foreign investors, they engaged in a new, highly profitable industrial activity. Many small producers took a fresh look at bamboo, and started to wonder whether bamboo might not also have a business potential for them.

Certain local actors, including local NGOs, officials of the Ministry of Agriculture and larger entrepreneurs driven by social motives, expressed interest in exploring the opportunities offered by bamboo for reducing poverty. Supported by SNV advisors, they came up with a new strategy for supporting the entire bamboo production chain. This would benefit a whole range of stakeholders, including small producers (over 5,000 families) and traditional bamboo gatherers, as well as small traders, lorry-drivers, manufacturers and exporters.

Interest groups set up forum

The idea was first put to the established bam-

boo farming industry, who expressed interest because they saw opportunities to expand. The SNV subsequently conducted an in-depth evaluation of the bamboo production chain. This diagnosis was based on the participation of actors across the entire production chain and revealed a number of problem areas. This process and its findings encouraged small farmers, lorry-drivers, landowners, manufacturers, shippers (exporters) and government authorities (i.e. the Ministry of Agriculture, the Ministry of the Environment and the Ministry of Housing) to come together to discuss their problems. After six months of work and advocacy, the Ministry of Agriculture institutionalised this forum by creating the 'Bamboo Advisory Council' (CCB). This was a vital step, as institutionalisation meant that the forum was more resilient and also that the sector now had an official mechanism for influencing sector policy. However, the Council still needed a lot of strengthening in order to become a focal point for consultation and policy-making in the bamboo sector. The quality of representation was an issue, especially in relation to the representatives of small producers. Not only was there no consensus as to the strategies to be pursued, there was also a lack of trust among many of the participants. Following its formation, the Bamboo Advisory Council became the main 'client' of the SNV's advisors.

Creating a shared vision

Although all actors believed in the potential of the bamboo business, nobody (except, perhaps, the agro-industrial groups) had any clear ideas about the path to follow or the specific strategies that were needed. In November 2003, the SNV organised a strategic planning workshop that was attended by 30 representatives from the main players in the production chain. After two days' work, the participants drew up a document setting out the Advisory Council's philosophy, mission, strategic objectives, activities, values and principles, as well as the roles and responsibilities of the various actors. The



Photo: SNV 'Bamboo, from construction material for the poor to fashionable parquet floors.'

participants also agreed to establish three inter-sector task forces, each of which was tasked with developing and monitoring an action plan. One task force was to focus on the international and national markets, a second task force was asked to come up with ways and means of consolidating the Bamboo Advisory Council, and the third task force was requested to produce a development plan for bamboo and its derived products that would enhance added value locally.

Building transparency, capacity and collaboration

Each task force has spent the past few months working on its action plan, with the assistance of the SNV. In line with the joint development programme for bamboo in

Ecuador, the task forces assigned different responsibilities to different actors in the chain. For example, supported by some national NGOs, local producers designed a national market survey of bamboo products, analysing the commercial prospects of certain promising segments (e.g. panel construction for communal houses, sticks for banana plantations, etc.). Industrialists and some small producers together monitored an international market survey drawn up by a consultant contracted specifically for this task. Supporting agencies such as CORPEI (Export and Investment Promoting Corporation) have channelled financial resources through the Advisory Council in order to enable these activities to be performed. The SNV's advisors are working out ways to strengthen the capacities of small producers in areas with which they are not familiar, such as competitive analysis and quality management, so that these producers can meet the high standards set by the international market, environmental certificates, etc. The actual training sessions will be given by experienced local NGOs.

New approach fosters trust and equity

The incorporation of the chain approach represents a radical change in the SNV's working methods. In the past, the organisation worked only with small producers. Now the SNV supports a wide range of actors, including unorganised local peasants and big agro-industrialists. These groups may never have had an opportunity to work together. One of the most challenging problems at the outset was to overcome the lack of trust between the different actors and their ignorance of each other's realities. Used in a participative way, the chain approach enables actors to visualise and have a shared understanding of the product chain in terms of costs and bene-

fits. This creates transparency, improves trust and creates more equal relationships.

The SNV is now helping to forge an alliance between small producers, whose assets are land, labour and bamboo production skills on the one hand, and agro-industrialists, with their management and investment capacities and commercial contacts, on the other. Such an alliance has much more viability and impact than a new product chain consisting solely of small producers. For this reason, the SNV supports the conclusion of long-term contracts between small suppliers and agro-industrialists, as both parties stand to benefit from these. The small producers will benefit in terms of higher prices, security of sales, provision of inputs, and information. The agro-industrialists will benefit for their part from a secure supply of inputs, i.e. produce of the right quality delivered in sufficient quantities and in time.

The presence of a person or institution to facilitate the building of alliances is vital. The ability of the SNV¹ to view things from the perspectives of different actors in the chain (i.e. small and large, public and private) has been a key factor in bringing the parties together and in overcoming the prejudices that have obstructed the development of new production initiatives for many decades.

1 The SNV has used the product chain approach successfully in the coffee and banana sector. For example, it helped to get small farmers involved in the product chain for exporting 'okay bananas' to Europe.

By Christian Marlin,
Senior advisor Ecuador,
cmarlin@snv.org.ec

Resources / Further reading

SNV's new way of thinking is mirrored in 21 so called "reference guides". Each guide provides a large variety of information like literature, papers, documentation, readers, cases, tools & instruments, an overview of knowledge institutions and of many useful links to websites for those who do have access to the internet. Most of the information is in English and also available on CD-ROM.
<http://www.snvworld.org/themes/index.cfm?fuseaction=showReferenceGuides>

CIDA's Capacity Development Tool Kit addresses a wide range of capacity development issues, including organisations and networks
http://www.acdi-cida.gc.ca/cida_ind.nsf/o/526fd794e5c4261385256c61006405e0?OpenDocument

The LED Tool Kit - A website containing analytical tools, methodologies and case studies relating to local economic development
<http://www.wiram.de/toolkit/hexagon/hexa-target-group-SMEpromotion.htm>

Developing meso-level institutions, by Abid Ulla Jan (2002), a tool box with detailed practical information on how to set up community development organisations
http://icssa.org/ICSS%20-%20Themes_development_book_download.htm

For more tool kits and information, see also *Capacity.org* no. 20 (<http://www.capacity.org> previous newsletter section)

Discussing interlinkages between capacity-building, SWAs and decentralisation

A report on the International Conference on Local Development, Washington, 16-18 June 2004¹

More than 300 professionals gathered recently in Washington, USA, for a conference on local development organised by the World Bank, KfW development bank, the German Federal Ministry for Economic Cooperation and Development, and the Inter-American Foundation. The key issue at the conference was how to reconcile three different local development approaches:

- 1 sector-wide approaches (SWAs), in which control is usually vested in ministries and local communities are reached through functional committees;
- 2 the devolution of powers to local authorities (otherwise known as decentralisation); and
- 3 direct support for community-driven development initiatives (for example, through social funds).

The idea of the conference was to work towards a more integrated framework for these three approaches. The conference also served a World Bank internal purpose. As James Wolfensohn (WB president) acknowledged in his opening remarks, within the World Bank there are three different units dealing each with these different approaches, and there had been little communication between these units. The conference was an attempt for these units to talk to each other better.

The case of Benin

Sef Sloomweg (SNV) presented the case of Benin, where five teams of SNV advisers are supporting 30 of the country's 76 municipalities. These have been given the daunting task of taking on more responsibilities as part of a decentralisation process². Decentralisation in Benin covers a wide variety of fields, including spatial development, roads, transport, water supply and sanitation, health care and education. It is hoped that bringing the decision-making process closer to the people will encourage the government to be more responsive and accountable, as well as more effective in the delivery of services. The SNV is advising municipalities on how to draft municipal development plans, mobilise resources and implement their plans. The SNV advisers are working in conjunction with other local actors such as NGOs, municipal and district development associations, ministries' local service-delivery units, etc. The decentralisation of responsibilities to local bodies is hampered by two main constraints: a lack of

capacity and a lack of coherence between development interventions.

'Participation and leadership cannot be bought, but should be rewarded'

Municipalities lack capacity in a variety of areas including the administration of funds and the development of plans that have public support. In its own capacity-building approach, the SNV encourages the local government to take the initiative and claim ownership of local processes. The SNV prefers not to work with municipalities who claim not to be able to organise a participatory process without the input of considerable external resources. Sef Sloomweg emphasised that 'participation and leadership cannot be bought, but should be rewarded'.

Capacity-building constrained by lack of coherence between interventions

When it comes to rewarding good performance, decentralisation is hampered by a second constraint: a lack of coherence between different development interventions. Local governments are often bypassed by sector-wide approaches and social funds in support of community-based initiatives, administered through centrally managed funding mechanisms. These parallel mechanisms prevent municipalities from taking real responsibility for priority-setting and deciding on public investments. Also, there is less potential for achieving synergy among development interventions and local actors find themselves facing a plethora of officials, processes and procedures. Nor are the various funding mechanisms used in such a way as to act as an incentive for rewarding good leadership and local participation.

'SWAs need to be reviewed'

In his closing speech, Kurt Hildebrand, Head of the Governance and Decentralisation Policy Division at KfW, acknowledged the problems posed by these shortfalls and called on the World Bank to review the SWAs. Communities should be reached through local governments rather than through parallel or departmentally-based structures, he said, in order to ensure sustainability and to be able to build democratic practices and capacities. This focus on local government and local development needed to be reflected in macroeconomic and sectoral policies as well. Local development was not a matter of tinkering at the edges, but should be placed at the heart of the development debate. He therefore called upon practitioners to scale-up their experiences:

'In addition to local professionalism, we need to create a national profile'.

Taking care not to throw the baby away with the bath water

The SNV also supports a more coordinated approach that would allow municipalities to take on real responsibility for the municipal development process. Much more mileage could be gained from capacity-building at a meso level if national development strategies were harmonised. Wherever possible, meso-level capacity-building should include funding for municipal public investments and mechanisms that reward performance, transparency and good governance. However, one must be wary of throwing the baby away with the bath water. Deconcentrated sector agencies can do a great deal in helping to improve and raise the efficiency of service delivery, especially in sectors requiring a standardised approach, such as health and education. A study performed by the ECDPM (2003, with support from the SNV³) on building coherence between sector reforms and decentralisation points out that this applies especially to settings in which the conditions for decentralisation are weak. The challenge in Benin is to secure coherence between sector reform strategies, deconcentration measures and limited devolution that may be of strategic importance in ensuring the more effective delivery of key services and the promotion of local participation in the development process.

- 1 The SNV was represented at this conference by a team of three senior advisers: Joel Alcocer (SNV Bolivia), Rinus van Klinken (SNV Tanzania) and Sef Sloomweg (SNV Benin). See also: <http://www.world-bank.org/sp/ldconference/index.asp>
- 2 The new constitution adopted by Benin (6.6 million inhabitants in 2002) in 1990 introduced the notion of the decentralisation of government powers. It took until January 1999 for laws to be published setting out the details of the decentralisation process. The procedure for municipal elections was published in March 2000. Benin introduced a first level of decentralisation, viz. municipalities ('communes' in French) in December 2002. The first local elections were organised in January 2003. Since March 2003, each municipality has had its own elected council.
- 3 Tony Land & Volker Hauck, 'Building coherence between sector reforms and decentralization: do SWAs provide the missing link?'. ECDPM Discussion Paper No 49, September 2003, supported inter alia by the SNV.

Epilogue: conclusions for effective capacity development support

Each of the three cases described has resulted in a verifiable reduction in poverty and an improvement in governance. In Tanzania, better access to education and better educational results have been combined with a more effective use of scarce resources and implementation capacity. In Bhutan, better roads are being built at a lower cost, improving access to markets and social facilities in addition to a range of other benefits. Not only that, but the government is now in a better position to decide what sort of roads to build where, and various institutional mechanisms for assuring quality have been put in place. In Ecuador, market opportunities are being created for small bamboo producers and other underprivileged groups, whilst there has been a significant improvement in the balance of power in the bamboo industry at the same time. Given that there have been such significant outcomes, it is possible to discern any general patterns behind the changes? And, are there any conclusions we can draw in terms of how to provide effective support for capacity development? Yes, there are:

- 1 Achieving meso-level results is not a matter of implementing policies. It is a matter of creating local solutions that work, 'reinventing locally' (Lopes & Theisoehn 2003)¹. Meso-level actors need support that is geared towards their concerns and is controlled by them.
- 2 The SNV has learned that in weak, fragmented and often conflictive institutional meso environments, the best way to achieve results is not by strengthening individual actors only, but by working towards joint action. This unleashes collective capacity leading to results that cannot be achieved by a single actor on its own. An advisor must therefore be able to work at the interface between organisations. He or she should facilitate interaction leading to improved relations, while respecting the client's freedom to determine the pace and intensity of partnership building.
- 3 It is in helping to sort out new added-value propositions and in bringing parties together around these that successful advisors can make a difference in meso environments. This requires more

emphasis on the 'entrepreneurial' dimension of advisory work, alongside the regular 'participatory' and 'facilitative' angles.

- 4 For successful meso-level initiatives to be consolidated, and replicated if possible, they need to be supported by macro-level policies and resources. Meso-level organisations therefore need to influence higher-level decision-making and capture public attention. The challenge for national actors is to foster relative autonomy for local innovation and to learn from it.
- 5 Supporting effective meso-level capacity development requires a broad advisory scope: a) diagnostic and strategising, b) organisational strengthening, c) facilitation of collaboration and networks and d) support for policy and institutional influence. Combining these dimensions requires a high level of process skills, teamwork and the integration of sectoral and capacity development expertise.

The SNV is using these lessons to further shape its advisory practice by focusing on five main 'practices' in the following fields:-

- market access for the poor;
- responsive and accountable local government;
- joint action for basic services delivery and local economic development;
- collaborative forest management;

sustainable pro-poor tourism. The SNV also operates in several smaller, regionally oriented practices, including:

- gender equity in change;
- collaborative water management;
- dry land management; and
- renewable energy/biogas.

- 1 Lopes (Carlos) & Theisoehn (Thomas) "Ownership, Leadership and Transformation: Can we do better for capacity development?", UNDP/Earthscan Publications 2003.

The European Centre for Development Policy Management (ECDPM) launched Capacity.org as a tool for development researchers, practitioners and decision-makers. As a website and a newsletter, Capacity.org combines information on capacity development policy and practice within international development cooperation with debate on policy issues and practical experiences. It acts as a platform for dialogue by providing a channel for informed review and synthesis of the complex issues faced by development practitioners and policy-makers.

Focusing on both the 'why' and the 'how' of capacity development, Capacity.org seeks to unravel the complexity of ideas and practices underpinning the term 'capacity development'. To achieve this, the editors particularly encourage the exchange of perspectives and experiences from the South, so as to ensure that discussions are rooted in reality.

Our aim is to make Capacity.org a joint effort, mobilising and sharing a range of capacities and expertise. Interested individuals and organisations can help make Capacity.org an effective communication tool for people seeking to alleviate poverty through capacity development by contributing information, lessons, ideas, opinions and feedback. Any offers of co-finance or for linking up with related initiatives are very welcome.



This issue of Capacity.org has been produced in cooperation with SNV Netherlands Development Organisation, a multicultural development agency based in The Netherlands and operating internationally. SNV supports organisations in 26 countries in Africa, Asia, Latin America and Europe, which want to develop and improve their capacities.

Comments, suggestions and requests should be addressed to Volker Hauck, European Centre for Development Policy Management (ECDPM), Onze Lieve Vrouweplein 21, NL-6211 HE Maastricht, The Netherlands, Tel +31 (0)43 350 29 00, Fax +31 (0)43 350 29 02, E-Mail cb@ecdpm.org, website www.ecdpm.org

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