

viewpoint

Capacity Building and the State

'Building real capacity entails the ability to sustain a dynamic and productive interaction among leaders, the institutions of government and civil society.'

The shifting discourse on capacity building has all too often been led by the needs of donors rather than being based on the needs of civil society and local community. There is growing concern that despite the rhetoric about equitable relations over the past decade, practice belies the rhetoric, with donors continuing to dictate what kind of capacity is to be supported and how.

This issue of *Ontrac* explores some of the dilemmas associated with capacity building programmes in recent years in the context of general budget support and the new aid architecture.

Current ideas about capacity and building capacity have been influenced by major shifts in development thinking since the early nineties. Despite the complexity of the topic, whereby changes in context affect the way capacity building is undertaken, there have been attempts to create basic standards of good practice, particularly with regard to partnerships. There is growing interest, for example, in trying to ensure that North–South capacity building processes are premised upon local ownership of programmes and on genuine partnerships between donors and recipients.

These ideas have arisen from an awareness of the pitfalls of one-way functioning and the failure of official development programmes to generate sustainable cooperation. Subsequently, there was a gradual transition from old forms of capacity building which

emphasised raising individual technical capacities, to those that have emphasised a developmental approach that places primacy on the relevance of the broader environment.¹

The current donor approach (through the Paris Declaration) emphasises the need to strengthen the State and institutions, after two decades of downsizing of the public sector, through policies of neoliberalism. During this period, capacity building concentrated on NGOs and civil society. Much was achieved there not only in terms of embedding development programmes, but also in strengthening civil society to act as a channel for distribution of public resources and in representing the voice of marginalised communities.

This most recent transition in donor policy — reversion to support for state institutions — appears to have been led by concerns over the implementation of major initiatives such as the Millennium Development Goals, or the Commission for Africa.²

As argued in *Ontrac* 33 (Aid Harmonisation: Challenges for Civil Society), it would seem perfectly reasonable to channel donor funds through the State in order to increase 'efficiency' and reduce transaction costs. However, there is increasing concern among some NGOs that this dramatic shift in policy has not been clearly thought through in relation to issues of governance and accountability, and over the ability of states to deliver major development programmes without the active engagement of civil society.

A shift in policy also has major implications for capacity building. If

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In this issue:

Kasturi Sen discusses civil society capacity building and the State in the context of the changing aid architecture; Charlie Buxton and Asiya Sasykbaeva outline the challenges of capacity building in Central Asia after the recent revolutions; practitioners at Concern share their perspectives on important capacity issues for poverty reduction; Brenda Lipson acknowledges a home-grown, long-term success story that wouldn't call itself capacity building but fits the capacity-building ideal; and Louis Callewaert discusses the realities of State–civil society capacity building within the wider global aid structures.

one focuses solely on issues of institutional capacity building, it becomes apparent that the neoliberal legacy of contracting out state functions has left most public sector institutions weakened and sometimes dysfunctional. The current policy to reverse this trend by saturating the weakened public sector with donor funds leaves room open for a loss of accountability and encourages poor governance. Some would argue that donors have developed a sense of collective myopia that could result in a return to the unsustainable days of dependence and a donor-driven agenda for development.

There are some who would argue that the donor agenda has *always* been geared to supporting the status quo. As some of the articles in this issue of *Ontrac* indicate, few of the major policy initiatives of recent times have allowed any sort of autonomy, though they give the impression of doing so (Callewaert). The fact that donors are suddenly keen to create effective, autonomous and magnanimous 'states' is part of the process of collective dishonesty, and as NGOs we should perhaps not be deluding ourselves.

If one were to examine, for example, some of the core themes of the agenda of reform such as better governance or accountability and the targeting of initiatives to support these, one would quickly discover that such themes sit uncomfortably close to the dominant discourse (promoting markets and the corporate sector) and hence *most* measures to strengthen capacity are geared towards this.

If good governance is defined as guaranteeing political and economic benefits for the whole of society rather than selected groups of individuals, one needs only to look at donor-State-led initiatives such as Structural Adjustment Programmes and more recently PRSPs (see *Ontrac* 32) to see that good governance under the guidance of what Callewaert describes as 'the bourgeois state' has failed rather miserably. It also highlights the importance of terminology — for many pivotal donors such as the World Bank, in

all dimensions of development programming, good governance means 'sound economic management'.³

By implication, the definition of 'bad governance' translates into poor fiscal practices and insufficient economic restructuring. In this context, good governance has been taken as a top-down and often donor-driven approach for public sector reforms, to the exclusion of the social sector and the needs and concerns of poor and marginalised communities who often constitute the largest segment of developing country populations.

In fact, the major development policies of the past two decades have largely been defined in economic terms, and as an essential part of the larger neoliberal agenda they promoted large-scale privatisation of essential services and ensured compliance. Issues of redistribution or accountability of governments to the poor and marginalised, who often fare high in the

rhetoric of making poverty history, seem to have slipped off this agenda again. This will have major implications for the type of capacity building to be undertaken.

It is important for NGOs and for civil society organisations (CSOs) to be able to read between the lines. Capacity building as it currently stands through the Paris Declaration and plans currently being implemented by major donors for aid harmonisation may appear rational on the surface, but there is the growing likelihood that fund-starved CSOs and NGOs will be co-opted to implement unequal and oppressive policies.

In order to prevent this, a redefinition of governance and accountability by the poor and for the poor throughout the world is needed, both in the North and the South.

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¹ Milen Anneli (2001), *What do we know about capacity building?* WHO Department of Health Service Provision. Geneva: World Health Organisation.

² Teskey, G. (2005), *Capacity Development and State Building*. London: DFID Governance and Social Development Group.

³ Australian Council for International Development (ACFID) (2005), *Good Governance Development Reference Programmes*.

INTRAC Conference on Civil Society and Capacity Building CHANGES, CHALLENGES AND CHARTING THE FUTURE

11th to 13th December 2006, Oxford, UK

INTRAC will be holding a major international conference on the subject of the changing environment for civil society capacity building.

Six years into the new millennium the world feels like a very different place from the last years of the twentieth century. For those engaged in capacity building, these changes are felt as increasing pressures for conformity with the orthodoxies of the aid industry. The space for dissent, exploration and experimentation has been shrinking as the harmonisation and aid effectiveness agendas take hold.

INTRAC believes the time is ripe to bring together those who are promoting the new aid orthodoxies with those who are committed to processes of civil society strengthening through self-defined capacity development.

The conference will explore some of the following issues:

- **The shifting paradigms in the scenario of aid and the enhanced focus on the State rather than civil society.**
- **The enabling factors and constraints to achieving a quality capacity-building practice which maintains a vision of equitable social development whilst operating within the increasingly muddy terrain of globalisation and widening inequalities.**
- **The way that aid orthodoxies are increasingly frustrating civil society efforts to ensure a demand-driven capacity-building practice which is sensitive to context and process.**
- **The need to chart the future for capacity building and collectively move forward with strength and awareness of rapidly changing aid architectures.**

Participants will be a global mix of invited representatives from official agencies; INGOs; trusts and foundations; capacity-building practitioners; and academics/researchers.

Contact Events Coordinator Zoë Wilkinson for more information: zwilkinson@intrac.org