



IMPROVING EXTERNAL ASSISTANCE TO
CAPACITY DEVELOPMENT IN FRAGILE
SITUATIONS



INTRODUCTION

This document summarises key findings and recommendations of the Working Group on External Assistance to Capacity Development, which is one of four working groups established by the International Dialogue on Peacebuilding and Statebuilding. The other three working groups centre, respectively, on aid instruments, strategic planning and political dialogue. Agendas for the working groups were formulated at the first meeting of the International Dialogue on Peacebuilding and Statebuilding in Dili, Timor Leste, 9–10 April 2010. They are described in the ‘Dili Declaration’, which urges participants to *‘develop recommendations for improving and harmonising support to capacity development, recognising the critical contribution of South-South co-operation. Recommendations [should] also address how to avoid policies that undermine the capacity of developing countries and support statebuilding.’*

The findings on capacity development presented here are the culmination of working group consultations that took place in November 2010 (Paris), April 2011 (Kinshasa) and May 2011 (Paris). These meetings drew on four major information sources:

- country-level evidence and the experiences of the working group members
- a synthesis of existing international knowledge, analyses and experiences from research on capacity development in fragile situations
- comments from international peers
- civil society input to the Kinshasa meeting

The recommendations are timely as they respond to the *Cairo Consensus on Capacity Development* (March 2011) which invited the International Dialogue and g7+ to develop a protocol on capacity development in fragile situations.

1. PROBLEM STATEMENT

The political and institutional context in fragile and conflict-affected states is often characterised by insecurity, uncertainty, underlying tensions and unresolved grievances. Conflict, weak institutions and poverty are inter-linked and reinforce one another, which constitutes a serious obstacle to peace and development.

External partners do not always pay sufficient attention to the particularities of fragile environments. They often engage in ill-conceived interventions that result in ineffective and even potentially harmful ‘support’. Consultations of the working group on capacity development identified four key shortcomings of external support in fragile situations:

- supply-driven and fragmented programming by development partners which creates parallel public-sector structures
- severe market distortions due to development partners’ hiring procedures and salary top-up policies
- a disconnect between technical assistance, civil service reform and the broader statebuilding and change agenda
- a focus on short-term results by development partners at the expense of sustainable outcomes

This paper responds to the demand for guidance on effective support to capacity development in fragile situations. First, however, it briefly clarifies what ‘capacity development’ means in such contexts and how effective change can be effected in a fragile setting. This deeper conceptual understanding opens the way to a wider strategic perspective on support to capacity development in contexts of fragility. The practices of partner countries and development agents has led to both productive capacity development experiences as well as to a number of major bottlenecks. Both the highs and the lows were signalled during the consultations and are documented in the literature. It is against this backdrop, that the working group puts forward its recommendations in the final part of this paper. These aim not to be comprehensive, but rather, were chosen to address the most critical areas for making effective change happen.

2. CONCEPTUAL UNDERSTANDING OF SUPPORT TO CAPACITY DEVELOPMENT IN FRAGILE SITUATIONS

The working group's analysis is embedded in a wider body of learning on capacity development, in particular, capacity development support in situations of fragility. The international community, including capacity development practitioners from developing countries, has reached broad consensus on how to conceptualise 'capacity', 'capacity development' and 'support to capacity development' (see box 1).¹

Box 1. International understanding of capacity, capacity development and support to capacity development

Capacity is the ability of people, organisations and society as a whole to achieve their objectives and to manage their affairs successfully. It involves three levels, the individual, the organisational and the enabling environment, which are interdependent.

Capacity development is the process by which people, organisations and society as a whole strengthen, create, unleash, adapt and maintain capacity over time. In the past, capacity development was understood as what outsiders can do to build the capacity of others, like training or technical assistance. Today, however, it is seen as an endogenous process for which in-country partners are responsible. This goes well beyond the technical level and entails a concern with the wider political context in which capacity development takes place and the incentives generated by organisations and the overall environment to pursue change.

Capacity development support refers to what external partners can do to promote, accompany, facilitate or catalyse capacity development and related change processes. The endogenous perspective means that capacity development cannot be imported. It must fit with the respective country context. Hence, no recipe for effective capacity development support exists. Together with country partners, the assistance of development partners needs to be tailored based on sound analysis of the capacity situation, including the political context in which the assistance takes place.

Capacity development, understood as an endogenous process, takes place in all societies – including fragile situations. Yet building capacity for effective state-society relations is of special relevance when addressing peacebuilding and statebuilding in a fragile setting. Immediately after

¹ The information in this section as well as box 1 builds on the following documents: OECD/ DAC. 2006. *The Challenge of Capacity Development – Working Towards Good Practice*; World Bank/ WBI. 2006. *Building State Capacity in Africa* (edited by Levy and Kpundeh); UNDP. 2007. *Capacity Development During Periods of Transition*. Practice Note; OECD/ DAC. 2009. *From Good Principles to Better Practice*. Issues Brief 3, July; OECD/DAC. 2009. *Capacity Building in Fragile Situations*. Note. 28 April; OECD/ DAC. 2009. *Southern Perspectives on Capacity Development*. Issues Brief 6, December; OECD/DAC. 2011. *Supporting Statebuilding in Situations of Conflict and Fragility*. Policy Guidance; Interpeace. 2011. External Assistance to Capacity Development – Civil Society Input into the International Dialogue on Peacebuilding and Statebuilding Working Group Meeting in Kinshasa, 13–14 April.

conflict, relations between social groupings are often fraught. Some will have lost their trust in state institutions. At these junctures, capacities for reconciliation and conflict resolution (including local dispute resolution mechanisms) are of cardinal importance. These put a premium on state organs' ability and willingness to govern, serve, inform, be transparent, interact and cooperate constructively with a wide range of social groupings and representative bodies. On the other hand, it also requires responsible civil society groupings capable of strengthening people's awareness of their rights and obligations towards the state and facilitating popular participation in identifying problems and shaping a collective vision.

To support capacity development strategically per country, it is therefore important to clarify 'what for' and 'how'. This exercise should recognise that capacity development is more than a technical issue. It is political, as it touches on relational issues, power structures and questions of governance. Hence, formulating an understanding of capacity development cannot be done in a centralised manner by government and development agencies alone. A wide range of country partners must be considered and supported, including civil society, the private sector and hitherto excluded groups. This is particularly important in countries where state representatives have demonstrated limited willingness for change.

An emphasis on political processes and state-society relations serves to direct the focus of interventions towards development of wider state functions, country processes, systems and incentives (see box 2 for an example from Northeast Somalia). Such support differs from activities that originate from the broader aid effectiveness agenda, like public financial management, procurement, audits and evaluations. Capacity development of those systems might be relevant, but their importance must be assessed in relation to the statebuilding dimension and not their more narrow significance for aid effectiveness.

Box 2. Puntland (Northeast Somalia): influencing budget allocations

Open budgets (incomes, allocations and expenditures) at the national and local level are a central requirement for parliaments and citizens at large to be able to discuss and debate with the state the critical choices and trade-offs that need to be made. This is not only in the interest of citizens but also of the state – it can significantly reduce the level of mistrust in government and thereby the cost of governance. Some years ago, no public information was available about the incomes and expenditures of the Puntland Regional Administration in Northeast Somalia. With some effort, a non-state actor started putting together information about the incomes and resource allocations of the regional administrations budget. It transpired that the resource allocations to health and education were very small. They then worked effectively with the Puntland authorities to see these increased. Some international assistance actors have deliberately invested in enhancing the capacities of their non-state partners to understand and analyse national budgets.

Source : Interpeace (2011)

3. EXPERIENCES WITH EXTERNAL SUPPORT TO PEACEBUILDING AND STATEBUILDING

Ahead of the consultative meeting in Kinshasa, country representatives and development partners were surveyed to gain complementary information for the discussions. Table 1 highlights some of the responses to the survey. These convey development partners' efforts to improve their way of working as well as considerable criticism from the countries' side about unproductive behaviour of development partners in fragile and conflict-affected countries. The working group's three consultative meetings revealed some of these key problems as well, but they also brought out emerging good practices in approaches to supporting capacity development.

Table 1. A selection of country and donor comments

Principle of external support	Country comments	Development partner comments
<i>Assess and catalyse existing capacities: if possible support an ongoing initiative</i>	<p>'They refuse to build on what we have already'</p> <p>'They do not even consider adapting our (PFM) processes'</p>	<p>'Much has changed in our agency. We now have a range of tools for assessing existing capacities'</p> <p>'We now use a "lighter" form of tool'</p>
<i>Limit expectations; identify and respond to demand for assistance; understand the context and adapt to country-specific circumstances</i>	<p>'Successful cases were based on demands'; 'where ownership and leadership were strongest'</p> <p>'They are inflexible: their approaches were un-adapted; the failures were unrealistically formulated'</p>	<p>'The process of developing a support strategy enhances dialogue on stakeholders' vision, and clarifies where visionary leadership exists'</p>
<i>Acknowledge that there are risks in fragile state environments</i>	<p>'For 30 years technical cooperation has not respected the mutual obligations inherent in capacity development'</p> <p>'Their standard approach (to risk) is to insist on a project management unit'</p>	<p>'Risk aversion is entrenched in aid agencies: risk and results drive behaviour'</p> <p>'They have constituencies driving them for results: now. This acts as a disincentive to counterparts'</p> <p>'Working on capacity issues in post-conflict states involves pervasive risk and failure. Both need more explicit management'</p>
<i>Coordination of external support is vital. Responsibility lies with the host country government</i>	<p>In early days, most technical cooperation was ad-hoc: donors did what they liked. Achievements, especially considering the huge expenditure, were modest</p>	<p>'There is competition between donors: at least for "image" and "branding" of achievements' 'Comparative advantage amongst donors is now being recognised'</p>

Source: Watson (2011)

The need to prioritise solid understanding of how to approach capacity development

The working group discussions overall observed that external capacity development support has failed to contribute effectively to institutional transformation and the broader statebuilding agenda. International and domestic actors have given too little attention to developing a common and coherent strategy for capacity development taking externally provided resources into account as well as existing in-country capacities that can be built upon.

Formulation of such a joint perspective cannot be technocratic; and it needs to go beyond dialogue between government and development partners only. The voice of civil society must be brought in, as underscored in the example from Kenya (box 3). Events in Kenya also demonstrate that

statebuilding is a broad political and societal process in which civil society can play a constructive role to help pacify a country. Yet to play this role, civil society has to be seen as more than just a service provider. It also needs to receive capacity development support to boost its ability to get effectively involved in building state-society relations.

Box 3. Kenya: violence and political settlement

Kenya is not considered a fragile state. Yet significant violence erupted in early 2008 over the disputed results of a national election. Government and opposition entered into a highly antagonistic relationship, while violence among people led to many deaths, rapes, extensive displacement and much loss of and damage to property. This was certainly a 'fragile moment'. How it was handled would have significant consequences. The pressure from citizens and their engagement with both government and the international community played a critical role in halting the violence and restoring peace. The citizen groups gathered crucial evidence that informed most of the peacebuilding efforts, as well as the ongoing justice programme at the international level. The peace and statebuilding effort continues to be monitored by both the donors and citizens, with the government borrowing some of the capacity from citizens during one of the key outcomes of the peace effort: a constitutional referendum.

Source : Interpeace (2011)

Technical cooperation has been widely criticised in recent years. Questions have been raised about its value for money, the way development partners work and the personnel deployed. Commentary has also focused on the lack of strategic reflection on the role that technical cooperation can play in relation to institutional transition in fragile situations and how it can be linked to public sector and civil service reform. These are issues that must be addressed as part of a wider capacity development strategy. Looking at technical cooperation from a broader capacity development perspective means, among others, that development partners will have to overcome obstacles to pooling resources. This will clear the way for joint funding of capacity development support and reduce individual agencies' reliance on mobilising their 'own' technical personnel. Calls for well-functioning and jointly funded capacity development funds for mobilising essential expertise in a coordinated manner under partner country leadership have to be taken seriously and explored. Box 6 sketches a positive experience with a capacity development fund in Kosovo.

Risk averseness and parallel implementation by development partners

Development partners have been criticised on a range of issues related to their support to countries moving back from situations of fragility and conflict. Yet development agencies' actions in such contexts are determined largely by the way they have to operate vis-à-vis their own constituencies and also by uncertainty about how to operate in a given situation. Support is generally underpinned by risk-averse behaviour, often intensified by an overly results-oriented, short-term focus instead of recognising the importance of processes and the achievement of wider development outcomes over time. In a number of cases, development partners have also been criticised for excessive 'branding' (or flagging) of their support.

These factors have led to the excessive use of donor-managed parallel implementation units and a reliance on capacity development support that is mobilised, managed and controlled by the development agency. The situation is worse when several donors are active in a single institution, working in parallel without adequate coordination of their actions. Such experiences have sparked calls for donors to move more proactively to harmonise their activities and to test ‘shadow alignment’ approaches which aim to gradually build and strengthen country-owned systems.

In practice, development agencies seldom have transition plans for when and how to exit or align with emerging partner country structures and systems. This leads to an overall lack of steps to effectively accompany in-country partners in transitions from parallel to national structures. Numerous experiences demonstrate that the systematic use of parallel project implementation units, without embedding them in a longer term strategy for capacity development and change, seriously undermines the development of public-sector capacity. It may even result in a ‘dual public sector’. Box 4 summarises two such experiences, in Afghanistan and the Democratic Republic of Congo.

Box 4. Project implementation units: the risk of creating a parallel public sector

All stakeholders, development partners included, agree that parallel project implementation units represent one of the most problematic areas of development partner practice, creating a parallel public administration system where development partners take decisions on appointments and accounting relationships. Although development partners largely agree that PIUs (project implementation units) are necessary in some fragile situations, particularly in the early recovery stage, their use can lead to exclusion of government from its normal functions – such as in Afghanistan, where an international development partner has almost entirely taken over the Ministry of Defence functions. Because they offer few possibilities for civil society or media oversight, they can also have a negative influence on state-society relations. When they provide services, they can also undermine the relationships between central and local authorities. Despite pledges in the Paris Declaration to reduce parallel PIUs, their numbers are actually increasing in some countries, such as the Democratic Republic of Congo (DRC) where the current number of 146 is four times what it was in 2006. Some development partners have suggested endorsing the formation of PIUs within state ministries as an intermediate measure, but there is fear that this could lead to their deeper institutionalisation.

Source : DAC (2011a)

Weaknesses on the side of partner countries to formulate priorities and to direct outside assistance

Countries emerging from conflict and fragility tend to be highly unstable, which holds the focus of in-country partners on matters that must be addressed in the short term. Little space and time is then left for engaging in long-term strategic reflection. There is seldom a shared national vision on development, a clearly prioritised plan, and agreement on how external support to capacity development ought to be provided and managed. Moreover, overall institutional capacity, particularly availability of experienced human resources in key government organisations, is often insufficient to impose national priorities over development partner preferences.

The combination of a short-term orientation nationally and limited capacity to coordinate and direct external support reduces the effectiveness of technical cooperation and other forms of capacity development. External support then is often used for gap filling and implementation of programmes through parallel structures instead of being applied fully to capacity development. The absence of a national entity or institution that can effectively coordinate, manage and monitor external support can also result in country partners' misuse of weak in-country institutions to pursue their own political agenda. For example, a country partner might try to outpace competing departments, ministries or other organisations by mobilising technical cooperation on its own, for its own organisational objectives, without coordination with the national leadership which might have other priorities for allocation of external support. Such actions increase transaction costs for the central government from managing and coordinating multiple development partners – to the detriment of the overall capacity of the country.

Such environments place high demands on the role of external partners supporting effective capacity development. External supporters need to be well informed, accompanied by capable representation in the partner country, and positioned to strategically manage and direct the assistance jointly with country partners. Support to institution-wide approaches will enable the public sector to gradually take over and lead the development process. Box 5 highlights such an approach in support of Mozambique's education sector.

Box 5. Accompanying the creation of ownership in the Education Sector Working Group: Mozambique

This case from FASE, the Basket Fund for the education sector in Mozambique, originates from research carried out in 2006. While FASE has moved on, it highlights the potential benefits of a more relationship-oriented way of working. Six donors supported the Fund and accompanied the Ministry of Education and Culture's (MoEC) education sector reform. In 2004, a portion of the Basket Fund was earmarked for the MoEC to recruit and pay for international experts with financial management knowledge. The donors supporting FASE insisted that the experts should be appointed in accordance with international recruitment standards, but selected, contracted, managed and supervised under the leadership of the MoEC – a plan that required intense dialogue between development partners and the MoEC leadership as the idea was initially not fully supported by the MoEC. Once the experts were in place, however, the MoEC began to value the experts who had been mobilised and who reported to senior government officials only. After two years, the MoEC extended their contracts for another period of two years, while the donors could observe the progress achieved from a greater distance. Had development partners simply adopted a hands-off and administrative approach in supporting the education sector reform, without investing in relationship-building and dialogue, successful recruitment of experts under the ownership of the ministry would probably not have happened.

Source : Hauck & Soto (2007)

Perpetuation of ineffective and short-term technical support and personnel

Mobilisation and management of technical cooperation personnel, particularly international staff, is mentioned repeatedly as a major obstacle to effective capacity development. In most of the cases

international advisors are accountable to development partners, and information about their cost is not made transparent to in-country partners. Neither is the purpose of mobilising a particular expert always clear to all involved. On the development agency side, significant challenges may be involved in getting the right kind of personnel -- with the skill and inclination to encourage capacity development. A further problem is that identification, coordination, and delivery of technical assistance in fragile situations is often done without the close involvement of country partners. This aspect may particularly contribute to making such support highly ineffective.

These shortcomings have stimulated discussions on alternatives to the current tendency of development partners to mobilise technical experts from within their own countries only. Partners in the developing countries are asking why local and regional expertise cannot be considered more often, including the many young graduates who face unemployment after their studies. In some countries, women's potential to contribute in development processes has been largely disregarded, though the reservoir of women who have completed higher education is growing. Similarly, diaspora are being called upon in some fragile contexts, as they may offer comparative advantages over other international experts in terms of country knowledge, cultural understanding and language. Working with a diaspora, however, is not without challenges. Careful measures must be established to mobilise their expertise successfully, in a way that is conducive to development of the public sector.

Finding the right balance between short-term and long-term assistance is another concern. The commitment of development partners often stops at the funding horizon of a three- to five-year financing agreement. This then also signals the end of the technical assistance and associated personnel, offering little support to institutional transition. Country partners need assurance that the external assistance will stay for longer. A ten to fifteen year reform period should be considered a realistic timeframe to help get a sector in a fragile or conflict country on a path to development.

Other observers point critically to the intensive use of short-term consultants by some development partners. Truncated missions involve relatively high transaction costs and are considered much less effective than longer term assignments in which an expert is fully embedded within an institution, reports to the country partners, and contributes on a day-to-day basis to building an organisation from within. But no blueprint approaches can be followed, as support must be tailored to a country's own priorities. In Kosovo, for example, a range of technical cooperation was mobilised, some of it in the form of short-term assignments, through a Capacity Building Facility. In this case the approach was successful in putting urgent expertise in place in a timely fashion (box 6).

Box 6. Kosovo: mobilising urgent short-term and longer-term expertise through a Capacity Building Facility

In May 2004, UNDP and its partners established a Capacity Building Facility (CBF) to achieve standards for Kosovo defined by the UNMIK mission. The programme utilised a multi-pronged approach to avoid the hazards of capacity substitution while still achieving necessary quick results.

- Coaching services were offered to select middle and senior level civil servants where a skilled counterpart acted as an 'on the job' coach or mentor.
- The CBF sought not only to transfer relevant technical skills, but, perhaps more importantly, to enhance leadership skills and promote an active approach to reform through results-based change management, initiative, accountability, and risk-taking.
- Advisory services offered greater technical support through the employment of full-time advisors for one year, to strengthen capacities to formulate and guide the implementation of institutional reforms.
- Short-term technical advisory services (TAS) allowed the CBF to show quick results by providing consultants for short-term (two to six week) technical assistance.

The combination of these components allowed the CBF to respond quickly to the needs of ministries and donors without sacrificing long-term capacity development objectives.

Source : UNDP (2007)

Distortions of national salary structures

Development partners' hiring procedures and salary top-up practices for local and regional staff can have distorting effects on national salary structures. They may in fact be a key factor in undermining whatever capacity remains in the public service. Successful capacity retention strategies for the public sector are difficult to realise and are seldom addressed proactively and conjunctively by development agencies and their country partners. Useful lessons can be derived from past attempts to address the problem, for example, in Tanzania with the creation of a temporary salary enhancement scheme (box 7).

Experience demonstrates the low priority that is often given to linkages between provision of capacity development support (particularly in terms of technical cooperation personnel) and the broader civil society reform agenda. To build national organisational capacity and to support key state functions, development partners should make efforts to harmonise their remuneration of local experts to national salary structures. To address the pay problem, consultation participants suggested testing a variety of approaches following a step-by-step process. Country partners agree on the need to scale up from individual sectors and ministries and integrate support gradually into a larger programme of civil sector reform, including – eventually – merit-based hiring and promotion systems with salaries based on market rates.

Box 7. Tanzania salary enhancement rates

In Tanzania, the Selectively Applied Salary Enhancement (SASE) scheme was predicated on a pay reform that saw salaries rise for civil servants in general, increasing gradually over a five year period, and paid for by savings and economic growth. The salaries for individuals selected for their importance to the reform process were set at their post-reform levels at the outset of the scheme, funded through donor budget support. The supplement was dependent on annual performance, and was effectively phased out as salaries of other civil servants caught up under the pay reform. However, the government was slow to implement the pay reform on which the SASE was predicated, and donors tended to 'projectize' their support, i.e. link funds to specific salary supplements. This experience demonstrated that salary supplementation schemes that were politically viable and supported (enjoying sustained political will) could benefit from being realistic in their time horizons. This could in turn encourage donors to make good on their commitments (in the Tanzania case, a separate fund was administered by the government, which made it less prone to earmarking than direct budget support).

Source : UNDP (2007)

4. GENERAL LESSONS FROM SUPPORT TO CAPACITY DEVELOPMENT IN FRAGILE CONTEXTS

As a general rule, development partners should work from the premise that the more fragile a country context is, the more effort must be made to understand it thoroughly in all of its aspects and to follow support approaches that are iterative and incremental, not guided by rigid blueprints, predetermined approaches or linearity. Yet this also poses dilemmas. There is likely to be an urgent need for stabilisation in the short term, which may seem to call for delivery in parallel of whatever country structures or systems remain. At the same time, endogenous capacities will need to be developed progressively at different levels to sustain institutional transition in the medium to long term.

A range of lessons from support to capacity development in fragile situations have emerged in recent years.² Without purporting to be conclusive, a number of these can be mentioned:

- Development partners and partner country representatives should be committed to finding nationally relevant solutions to institutional problems rather than seeking to impose externally derived institutional templates; the aim should be a ‘good fit’ not ‘best practice’.
- The length of engagement has to be appropriate to the challenges involved, with development partners seeking an appropriate balance between short-term, visible impact and long-term structural change.
- To do this effectively, the capacity priorities and the most adequate entry points for capacity development need to be identified. Where state capacity is weak but political will is present, capacity development efforts need to focus selectively on core state functions.
- Stakeholders should be aware of the distortions that a large development partner ‘footprint’ can cause to national institutions, particularly when the most qualified individuals are drawn out of public service. New capacity development initiatives should not erode or duplicate existing capacity; consequently parallel systems of delivery and accountability should be avoided.
- A pragmatic approach to capacity development is required in fragile situations. A balance should be found between direct engagement for service delivery and facilitating learning and ownership. Recognise also that no choice will accommodate all concerns – trade-offs need to be managed.

² These build on UNDP’s Default Principles for Capacity Development (2003) listed in Annex 1, the literature and consultations and reflect a broad consensus amongst the main players.

- The focus cannot be solely on the state and formal institutions, but the importance of prioritising state-building dimensions has to be recognised. There will be little scope for developing capacity and managing politics and other important affairs in fragile situations. As such, capacity development will also be about the emergence of leadership, relationships and trust in a multi-stakeholder environment.
- There needs to be effective communication and understanding among stakeholders about the purpose of capacity development support, the role technical cooperation, the appropriate processes and the potential benefits, costs and trade-offs.
- Last but not least, supporters to capacity development must show humility, remain realistic and do no harm.

5. RECOMMENDATIONS

Against the background of the above analysis and lessons learnt, members of the Working Group on Capacity Development have formulated the following recommendations.

Recommendation 1:

Shape and endorse at the highest possible level the ground rules between key country actors and development partners on how to approach capacity development

- Depart from internationally accepted capacity development principles when developing a capacity development approach, including the need to build on existing capacities, and design initiatives that reflect ‘emergent’, or gradual, approaches with a clear results-orientation, rather than firmly, or narrowly planned projects or programmes.
- Formulate a Policy or a Code of Conduct, to shape a joint agreement among key domestic and international players, including civil society representatives, on the approach to supporting capacity development from the outside. This should clarify the role of TC in support of capacity development, as well as other forms of capacity development support, and explain the role of the respective partners in mobilising and managing such support.
- Set up a mechanism for a regular joint monitoring and dialogue of these ground rules and progress in the achievement of capacity development results. Such a dialogue and monitoring should include civil society actors as well as providers of TC personnel where relevant.

Recommendation 2

Use a variety of approaches to support capacity development and to mobilise expertise to fill temporary capacity gaps, starting with local and regional resources

- Identify possible alternative approaches to support capacity development, beyond the mobilisation of TC and expertise, including, outsourcing and public-private-partnerships, mobilisation of civil society organisations, research institutes, the media or community involvement. Replace ad hoc trainings with longer term on the job training using “collaborative work-training methods” such as twinning arrangements, peer assistance and job-sharing and based on a wider CD strategy.
- Prioritise local and regional expertise, including national young graduates and experts from the Diaspora. Put a particular focus on women whose capacities are often not recognised. Consider international and senior long-term consultants only for absolutely critical high-level positions as their costs might have negative impacts. International TC positions for

gap-filling should be individually approved by government and development partners, overall numbers being monitored by government and report to national authorities as line staff, and not to donors.

Recommendation 3

Improve the coordination of capacity development support through the increased use of pooled funding mechanisms and by strengthening national capacity for managing CD support

- Increase the proportion of capacity development support, including technical cooperation personnel, which is funded through pooled and flexible funding mechanisms, for example jointly managed capacity development funds or multi-donor trust funds. Identify a lead capacity development donor/agency per sector which will act as the main focal point for high-level dialogue with government and for supporting the identification of TC priorities and TC personnel.
- Build systems that allow national governments to manage and monitor the performance of capacity development support, with a particular focus on TC, ideally through country systems. Where such is not possible, co-management and co-monitoring arrangements with external partners should be applied. For the procurement of TC, take steps that will build the capacity of national partners to apply international procurement standards and to identify expertise on their own.
- Set up sector/theme level dialogue between country actors and development partners about the overall intensity of TC support and ways to harmonise and align it. Consider carefully whether actions that add separate TC from a development organisation to already existing TC support by other development partners in the sector risks more harm than good.

Recommendation 4

Eliminate implementation arrangements that work in parallel to national systems

- Where multiple Project Implementation Units (PIUs) or project entities in a national institution exist, limit these to one PIU that is managed under the leadership of the organization and that is step-wise aligned with government structures and procedures. All other PIUs should be phased out gradually.
- Ensure that any parallel arrangements that are considered indispensable for strategic reasons have a clear strategy to exit, or approach to gradually align with government structures and procedures to avoid that the authority of line managers and agencies outside ministries is undermined. Apply “shadow alignment” approaches to the extent this is possible.

Recommendation 5:

Reduce distortions in national salary structures caused by non-harmonised pay practices

- Salary top ups for civil servants should only be paid to entire ministries and through the government budget or through pooled funds/MDTFs. Parallel top-up payments by development partners should be phased out with immediate effect. Top up levels should be agreed with the appropriate public authority, e.g. civil service commission.
- Agree on key steps to establish a unified remuneration package for national expertise/contractors (including pay, fringe benefits, etc.) for national experts, national advisors and members of the Diaspora working in government institutions as well as development agencies. This pay scale should be gradually aligned with pay reforms in the civil service

Recommendation 6

Improve the quality of development partner TC personnel and adapt operations to allow for a more flexible mobilisation of capacity development support

- Mobilise TC personnel for strategically relevant international expertise that can offer a mix of qualifications, ranging from technical skills to empathy, process and communication skills. Such individuals should be able to continuously scan the political and social context, dialogue about it with their partners and to situate their assistance in the context of a wider statebuilding process.
- Review and adapt procedures and regulations for the mobilisation of capacity development support, with a particular focus on TC and TC personnel, in a way that allows for more flexibility in identifying and recruiting adequate expertise, including expertise from the South, and that allow for country partners to take the lead in supervising, managing and assessing the support.
- Establish knowledge sharing and learning mechanisms for development agencies and country partners to systematise and learn from positive capacity development experiences.