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PARTNERSHIP FOR CAPACITY BUILDING IN AFRICA

STRATEGY AND PROGRAM OF ACTION

*A Report of the African Governors of the World Bank to
Mr. James D. Wolfensohn, President of the World Bank Group
September 28, 1996*

FILE COPY

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PREFACE

BACKGROUND

At independence, African leaders faced a fundamental challenge of translating their initial opportunities into the means for overcoming the numerous constraints they faced. They needed to improve the quality of life for their people and to develop institutions that would be capable of ensuring that improvements were sustainable. To achieve this, they faced several immediate tasks:

- *Achieving national integration.* The first task was to instill a sense of national unity around key development objectives. Integrating a new nation meant that a government needed to assert its presence throughout the country.
- *Nurturing polyarchy.* It was also important to foster a representative system of government without, at the same time, unleashing forces that might threaten the survival of the state. This proved to be extremely difficult in a number of African countries where opportunists, taking advantage of the new democratic institutions, made a bid for power on the wave of ethnic and/or regional sentiment.
- *Creating legitimate authority.* Africa's independence rulers also needed to establish a reputation for nationwide legitimacy and credibility that would allow them to carry out their development programs with the goodwill and political support of the society. This was no small task in countries where expectations had already been raised too high.
- *Building human capital.* To overcome the shortage of professionals, particularly in public office, it was vital for Africa's independence leaders to increase the number of trained and skilled workers. For many leaders, this meant investing in national education programs. However, these tended to be focused on mainly university education.
- *Building institutions.* Another key challenge was to build public institutions where they did not exist. This was crucial for the new leaders if they were going to be able to plan and implement their national development programs.
- *Creating and controlling wealth.* Another challenge was to create enough wealth so that the plans of the new leaders could be implemented. However, because expectations were so high, and the need to generate economic growth so immediate, meeting this challenge often meant exploiting available resources to their fullest, and later, (it would also come to mean) nationalization and even expropriation of foreign-owned enterprises.

Meanwhile, for many leaders, it was equally important to ensure that the government had adequate control over the acquisition and distribution of resources. This was necessary both to accomplish national development goals and to have the resources needed for political control.

- *Expanding regional economic cooperation.* Another fundamental challenge was overcoming the constraint of trade being almost uniquely with the former colonial power. Virtually all leaders of the independence era expressed firm support for greater regional economic cooperation, and most willingly entered into agreements with neighboring states and formed one of several regional groupings.
- *Protecting sovereign autonomy.* Finally, the new leaders had to accomplish all of the above without giving up autonomy to either other African leaders (for example, through regional economic relationships) or to foreign donors. This was particularly difficult insofar as external relationships often implied relegating a degree of control over the allocation of resources within the country's borders.

Responding effectively to these challenges required building governments that were *efficient and responsive*. To do this, would have required time and political breathing space, whereas most African leaders had little of either—or at least that was their perception. As a result, for most leaders, short-term measures became long-term habits. Very often, power became not an instrument for the accomplishment of collective national goals but rather the personal fiefdom of individual rulers, maintained to safeguard their political careers. In any event, long-term investments for good *governance and capacity* were largely forgotten, leaving Africa deprived of the *human and institutional bulwarks* that were so tellingly absent when they were needed to withstand the global economic storms of the 1970s and 80s.

THE AGENDA NOW

As African countries embark on economic, political, and social reforms in the 1990s, the issues of human and institutional capacity have emerged as a top priority for development. During the World Bank's Annual Meetings in October 1995, we, the African Governors of the World Bank Group raised this important issue with Mr. James D. Wolfensohn, President of the World Bank Group. Mr. Wolfensohn agreed to work with the Governors to take concrete steps towards improving capacity in Africa.

Mr. Wolfensohn then asked the Africa regional management team to work with us to develop more effective ways to help build capacity in Africa. In collaboration with the regional management team, the African Executive Directors of the World Bank, who were delegated by us to work with the World Bank on their behalf, launched a series of consultations with African experts and authorities on capacity building from around the

world. A meeting in Nairobi (December 4–6, 1995), brought together African government officials, business people, representatives of nongovernmental organizations, scholars, and other stakeholders to discuss priorities and lay down the basic principles to be followed. Based on these deliberations, a paper was prepared as background for a meeting with a delegation of African Ministers of Finance with Mr. Wolfensohn on February 16, 1996, to discuss what should be done.

The ministers requested—and Mr. Wolfensohn agreed—that the World Bank sponsor a series of subregional workshops around Africa to build a consensus on the constraints affecting capacity building and to generate ideas for ways to tackle them. Workshops were subsequently held in Addis Ababa, Abidjan, Libreville, and Johannesburg, which spurred Ghana, Kenya, and Nigeria to hold concurrent national workshops as well. These meetings brought together a select group of Africans with a deep understanding of the issues involved and a wide range of expertise. The meetings, chaired by the African Executive Directors of the World Bank, considered the nature of the capacity problem, what constitutes an environment conducive to capacity building, priority areas for action, instruments for building capacity, and ways of making partnerships with the World Bank and donor agencies more effective tools for building capacity in Africa.

Subsequently, a Working Party, consisting of African and non-African development researchers and practitioners, was commissioned by the African Executive Directors to undertake a study on how the World Bank might refashion its own policies, instruments, and operations in Africa in order to enhance the impact of its interventions on capacity building in the region.¹

In order to identify the capacity building needs and challenges in Africa, National Capacity Assessments were undertaken in twelve countries (Burkina Faso, Côte d'Ivoire, Comoros, Gabon, Ghana, Guinea-Bissau, Guinea, Kenya, Malawi, Tanzania, Uganda, and Zambia). These assessments, undertaken by local specialists, identified the most economically debilitating human and institutional capacity deficiencies, analyzed their origins, and put forward proposals for addressing them.

Under the guidance of a Steering Committee chaired by the African Executive Directors of the World Bank, the present document was prepared by the Secretariat to the Capacity Building Partnership, on our behalf, which was established within the World Bank to support the initiative. This report attempts to *synthesize* and *reflect on* the views of those, primarily in Africa, who have contributed to the process of defining the state of capacity in the Region, and it also tries to identify a path which, if followed, will result in the effective creation, maintenance, and utilization of capacity.

¹ *Partnership for Capacity Building in Africa: A Report of the Working Party on the Impact of Bank Policies, Instruments and Operational Practices on Capacity Building in Africa.* World Bank. June 1996.

The report is a synthesis of ideas that emerged from the workshops in Africa, national capacity assessments, and an evaluation of the impact of World Bank policies, methods, and operations in the continent. It begins by describing what the capacity building opportunities and challenges were in Africa in the past, and how African governments responded. Next it attempts to evaluate the current deficiencies in capacity that exist in the continent, and to point out where such deficiencies hinder Africa's development efforts. Third, in view of the important role the World Bank has played and continues to play in Africa's development, the report makes suggestions on options for actions, and possible strategies, to help Africans overcome their skills deficiencies and shortages. Finally, a strategy is suggested regarding how Africa, the World Bank, and other development partners may come together and join in efforts to build capacity and skills that endure.

In presenting this report to the World Bank and subsequently to the donor community at large, the African Governors will not attempt to provide a complete response to the vast and complex challenge of improving capacity building in Africa. Rather, the report represents one step in a *process* which needs to be pursued long into the future. Secondly, capacity building is by no means a new issue; in fact, each of the issues raised in the report has been discussed before. So what differentiates this document? There are three answers. First, on this occasion the report is the result of a consultative process that has been carried out mainly in Africa, and mainly by Africans. Second, the background work was done in several African countries, which made it possible to draw certain broad conclusions and to analyze them on a regional basis. And third, instead of tackling the capacity building problem in a partial way, the report looks in a more systematic and comprehensive manner at the problem as a whole, and considers how it will be possible to move forward over a broad area. Indeed, the absence of a broad approach in the past was probably a main reason why previous attempts to tackle capacity deficiencies in Africa had such a limited effect.

EXECUTIVE SUMMARY

BACKGROUND

As African countries embark on economic reforms and political liberalization, the issues of human and institutional capacity have emerged as a top priority for development. That is why we, the African Governors of the World Bank Group, raised this important issue with Mr. James D. Wolfensohn, the President of the World Bank Group in the Annual Meetings in October 1996. Together with Mr. Wolfensohn, we launched a process to develop more effective ways to build and utilize capacity in Africa. What follows is a summary of the synthesis of the consultations that were carried out in Africa.

THE STATE OF CAPACITY IN AFRICA

Lack of consensus on the main thrust of capacity building in Africa has contributed to the inadequacy of past capacity building efforts. For the purposes of this report, "capacity" refers to *the people, institutions, and practices that enable countries to achieve their development goals*. Capacity building is not like physical investment; it entails more than training or the building of institutions. Increased capacity involves learning by doing, and the development over time of more effective practices. Capacity building is investment in human capital and institutions and practices, and is a means to an end, rather than an end in itself. For capacity building to be effective, it must be focused on each country's development agenda.

The National Capacity Assessments reveal severe capacity deficiencies in the public and private sectors, and in civil societies in most African countries. The collapse of educational systems and training capacity in the continent has considerably weakened the capacity of African countries to effectively redress their capacity constraints. Overall, capacity has steadily deteriorated in many countries since independence.

In the *Public Sector*, the capacity to design and implement policies, manage and monitor the economy, design and implement budgets, mobilize resources, and manage external resources are weak or nonexistent. Little attention is paid to staff or skills development in the civil service, and the cultures of accountability and meritocracy have practically been forsaken in favor of short-term gains and opportunism. Judicial, legal, and regulatory capacity is sorely lacking, a factor at the root of the poor governance that has undermined the development of capacity and the efficient use of existing capacity.

In a liberalizing economic environment, competitive forces should compel *the private sector* to strengthen its capacity to respond efficiently to demand. This process is under way in Sub-Saharan Africa, but the private sector continues to face serious

obstacles, including (a) low skill levels among entrepreneurs; (b) a weak support infrastructure and inadequate access to finance and information about export opportunities; (c) weak physical infrastructure, particularly transportation and communication; (d) an insecure legal environment, including inadequate protection of contractual and property rights and ineffective and corrupt dispute settlement mechanisms; (e) burdensome and intrusive bureaucratic and regulatory regimes; and (f) social and official antipathy towards entrepreneurship and profit seeking.

Civil society, ranging from parliamentarians and trade unions to nongovernment organizations (NGOs), academics, church groups, voluntary welfare associations, and the news media, is weak across Africa. The lack of an open society hindered the emergence of civil society, and even as governments in the region become more liberal and open, they continue to resist civil society as a full partner in development. On the other hand, much of civil society lacks the basic skills in organization, communication, financial management, and advocacy to fully realize its potential as a partner to government.

Education and training have badly deteriorated across the whole of Africa. Access to basic education is getting even more limited, particularly for girls and women. The quality and relevance of education have declined due to the lack of qualified and motivated teachers, poor instructional materials, unsuitable curricula, and poor facilities. Postsecondary and vocational training institutions lack the capacity to provide adequate training, and universities all over Africa are barely functioning.

In most countries, the capacity deficiencies are interrelated. Without an efficient and skilled public sector, the economic, political, and social environment and policies necessary for sustained growth cannot be effectively maintained. A weak private sector frustrates the aims of economic liberalization and privatization and is unlikely to achieve its objective as the engine of growth. A fledgling civil society is unable to effectively participate in safeguarding the nascent process of democratization and enhancement of national dialogue about development issues. And, without a high-quality education and training system, the skills required to support economic, political and social development cannot be developed and sustained in sufficient numbers.

THE REASONS FOR THE CAPACITY DEFICIENCIES

Governance and the disabling environment

Poor governance is now generally recognized as the root of Africa's capacity problems. This fact was highlighted in both the subregional workshops and in the national capacity assessment reports. In most countries, narrow political considerations have taken precedence over the public interest and broader issues of development, power is personalized rather than imbedded in rules and institutions, patronage and corruption pervade administrative and political culture, and there is no accountability and transparency in the public sector. Amidst all these, the role of the state has been extended

well beyond its technical and managerial capacities. The failure of governance has created an environment that is antithetical to the development of capacity in both the public and private sectors and in civil society, and has contributed to the collapse of the educational system.

The role of donors

The World Bank and other donors' activities have often exacerbated capacity problems in Sub-Saharan Africa. The Working Party Report concludes that the World Bank has tended to "exacerbate Africa's capacity problems through approaches that have been supply driven and geared to satisfying internal institutional demands rather than attacking the more difficult task of helping African countries build capacity to do things for themselves and take full responsibility for their own economic and social development." This reduces the incentive for African states to develop capacity, make better use of existing capacity and, ultimately, become less dependent on external support.

Donors' flawed approach to capacity building in Africa is partly attributable to host governments' failure to develop a coherent vision of capacity building, thus allowing donors to impose their own ideas. "All too often, African governments have found cozy accommodation with dependency, despite adopting the rhetoric of self-reliance." Unfortunately, there has been a degree of complicity between donors and client countries to maintain the status quo.

A STRATEGIC APPROACH TO CAPACITY BUILDING

Africa's immense capacity deficiencies, as well as the constraints faced by donors, demand a targeted, strategic approach. The consultative process in this exercise identifies several critical elements that can form the basis for such a strategy. It was underscored throughout the workshops and in the national capacity assessment reports that capacity building programs or projects failed in the past because the behaviors and processes that accompanied their preparation and implementation were flawed. The strategy presented in this report, which reflects the observations that emerged throughout the consultative process, has two main underpinnings: *first, there must be fundamental change in behavior and processes by African countries and donors and, second, capacity building efforts must focus on the most critical areas.*

Capacity building is a means and not an end in itself. A capacity building strategy must therefore be based on a larger vision of economic and social development, and on the capacity needs implied by such a vision. Instead of capacity building being one among other components in a project or program, it must become *an integral part of the development agenda.* What is called for here is a change in the development paradigm. Countries must be the owners of their capacity building strategies and processes. They

must assume the responsibility for donor coordination and take the lead in ensuring that donor supported actions are in line with nationally defined capacity building strategies.

THE ROLE OF AFRICAN LEADERSHIP IN CAPACITY BUILDING

The importance of government commitment to capacity building cannot be overemphasized. Thus far, experience has clearly shown that capacity building efforts will go nowhere unless African governments recognize the need for capacity building themselves, accept the responsibility for leading efforts to achieve it, and manage donor support in ways consistent with their own capacity development plans. In sum, efforts in Africa have so far failed, for the most part, precisely because they have been driven by outsiders.

MAKING THE WORLD BANK A BETTER PARTNER FOR CAPACITY BUILDING IN AFRICA

The proposed strategy implies a major change of “culture” within the World Bank’s Africa Region, from a culture of doing things *for* African countries, to helping them build capacity to do things *for themselves*. This change needs to be strongly promoted by management at all levels in the World Bank’s Africa Region, and especially by the regional vice presidents. The desired changes include (a) ensuring that countries play the lead role in project identification, preparation, and implementation; (b) designating success in capacity building as an important element in evaluations of Bank staff and manager’s performance; and establishing a focal point within the Africa Region with responsibility, authority and resources to encourage and monitor capacity building.

SELECTIVITY AND PRIORITIZATION IN MEETING CAPACITY BUILDING NEEDS

While capacity problems affect practically all facets of African economies, attempts to address these problems on too broad a front are bound to fail. With competing demands on scarce resources, Sub-Saharan African governments and the donor community must need to prioritize capacity building needs and focus *efforts on the most critical areas*. The areas, as identified by the National Capacity Assessments (NCAs) as most needing attention include (a) public sector reform; (b) policy analysis, monitoring, and evaluation; (c) auditing, accounting, and financial management; (d) the legal system; (e) business promotion and development; (f) civil society and improving learning and education; and (g) information technology.

Strengthening capacity in the public sector

Professionalization of the civil service. Improvements in the efficiency of the civil service are required both for good governance and as a prerequisite for better economic performance. To reestablish a professional civil service, the following actions

need to be guaranteed: (a) merit-based recruitment and career growth; (b) security of tenure; (c) salaries that ensure a decent standard of living; (d) political neutrality; and (e) meaningful training and career development. Each country would have to embark on its own broadly consultative process of assessment and diagnosis in formulating a strategy of public sector reform.

Policy analysis, monitoring and evaluation. African governments must enhance their capacity in *policy analysis, monitoring, and evaluation* if they are to meet their economic development goals. Each country needs to establish a policy analysis and monitoring institute or unit to help create an appropriate national policy environment for the adoption of sound economic policies, for instance, by strengthening statistical data and analysis, and the demand for its use, and by improving the management records and all other related activities necessary for macroeconomic management. The World Bank and others could provide advice at each stage of project design, for example, by assisting countries in analyzing and diagnosing their current decisionmaking and policy analysis systems.

Accounting and auditing. A sound *accounting and auditing infrastructure* and appropriately trained accounting and auditing professionals are critical prerequisites for sustained economic growth. Efforts by governments and the donor community are needed to help national and regional accounting agencies to develop accounting and auditing standards and to manage programs for training accountants and other professionals.

The legal system. A functioning *legal system* is vital for a country's development. African governments need to enhance their capacity to draft laws, improve the judiciary, and upgrade the legal profession as a whole. This effort must be based on each country's own perceived need and commitment to the rule of law and a sound and effective judicial system. Legal reform is a long-term process; any approach should begin by tackling the most essential elements first.

Leadership and development management. Capacity building requires leadership and development management. A vision of the state of capacity needed is essential along with a good understanding of the processes that can produce capacity. The development of leadership and management is a precondition for the development of all other capacity. It is proposed to launch initiatives for (a) in-service training and development activities for institutional leaders and managers; (b) preservice education and training for persons with leadership potential; and (c) improvement in the decision-making environment for leaders and managers in key public and civil sector institutions.

The private sector

If the current emphasis on private sector development is to bear fruit, effective *business promotion and development* programs are required. Such programs would deliver low-cost training to entrepreneurs and small businesses in areas of management

most useful to them. Other related areas include strengthening of private sector institutions, such as the Chamber of Commerce and Industry and other professional business associations. Underlying these proposals is an awareness that government actions go a long way towards determining an enabling environment for private sector development.

Civil society

Enhancing the capacity of *civil society* is crucial to developing a pluralistic form of government. This can best be done by the free exchange of information. Communications must therefore be strengthened through professional training in media skills, leading to increased geographical coverage of information. The capacity to collect, analyze, and disseminate accurate and objective news and information is an essential precondition for sustainable socioeconomic development and environmental management in Africa. It also is recognized that the newly established legislatures need enhanced capacity if they are to perform a useful and effective role.

Education and training

Although access to education in Africa has improved, the *quality of education* still remains a major problem. A majority of African countries therefore need to implement initiatives to improve the *quality of basic education*. Such initiatives might involve developing new policies and establishing special bodies to formulate strategies, and education programs and projects for schools. African governments also need to pay attention to the *revitalization of universities* to improve higher education. In this context, the World Bank should reconsider its approach to investment in higher education and should, for example, (a) provide assistance in developing countries' own strategies for higher education; (b) support a study on regional cooperation in higher education to derive lessons of experience; and (c) increase its investment support to institutions of higher learning. Furthermore, the donors and especially the World Bank could also create a special grant fund, similar to the Institutional Development Fund, to finance pilot projects and research that is specifically aimed at improving the quality of basic education in Africa.

Revitalizing African universities. African Governments will have to embark on a series of exercises leading towards the development of strategies for higher education. The World Bank should in turn reconsider its approach to investment in higher education and could, for example, (a) provide technical assistance in the development of governments' own strategies for higher education; (b) support a study concerning past and present cases of regional cooperation in higher education in order to derive lessons of experience; and (c) increase its investment support to institutions of higher learning.

Regional centers of excellence. As part of country efforts to build capacity in Africa it is proposed that several regional centers of excellence (RCEs) be established to complement national efforts at addressing deficiencies in education and training. The

RCEs would respond to the need for skilled people in core areas identified in the national capacity assessments. These areas include policy analysis, project implementation, business and financial management, accounting and auditing, development management, and administration and leadership. The RCEs would offer training programs designed to address critical skills deficiencies and serve as hubs for new approaches to teaching and research, with a special focus on practical application of knowledge.

Information technology (Africlearning 2001). Sub-Saharan Africa lags behind the rest of the world in the availability and use of modern *information technology*. *Africlearning 2001*, a program for responding to this challenge, has now been prepared by African experts and endorsed by African Governments. Africlearning 2001 will support related national and regional initiatives already under way in the area of information technology, and will provide resources to speed up technological progress. It will also support private initiatives, such as the "Virtual University" project. The World Bank should play a lead role in organizing international support for Africlearning 2001.

MONITORING AND EVALUATION OF CAPACITY BUILDING

Sub-Saharan African countries should make a commitment to the monitoring and evaluation of capacity building strategies and programs. Such a commitment, backed by the development partners, will require clearly defined objectives, roles, and responsibilities, as well as methodology and criteria indicators. The aim of the exercise will be to ensure that capacity building activities are actually being implemented and producing the results.

THE WAY FORWARD

The African Governors believe that the method of implementation and delivery of the program of action described here is extremely important. Hence they propose the creation of implementation mechanisms in three interacting spheres: within African countries, within the World Bank, and at the international level. Specifically, the proposals include the following:

- *Creation of national capacity building secretariats* responsible for aggregating and mobilizing local capacity building efforts, as well as serving as a key interface with international donors.
- *Major changes in Bank policies and procedures*, centering on the mainstreaming of capacity building in Bank operational practices.

- *Creation of a Bank focal point (secretariat) responsible for coordinating, helping to implement, and monitoring the Bank's capacity building activities in Africa.*
- *Creation of an international Consultative Group for Capacity Building in Africa, presided over by the World Bank President.*
- *Creation of a Trust Fund for Capacity Building in Africa to help support and catalyze broader international financing for national capacity building efforts.*

The World Bank is called upon by the African Governors of the World Bank Group to provide support in mobilizing international assistance for the Partnership in Capacity Building in Africa.

INTRODUCTION: CAPACITY AND DEVELOPMENT

Challenges and Responses

Donors and African governments have responded to Africa's highly visible lack of human and institutional capacity through a variety of programs and projects that have had little impact on the continent's continuing crisis of capacity. In fact, a major hurdle to sustained economic performance in Africa is that so much of the basic work of development is performed by outsiders. It is often they, rather than Africans, who set development priorities, develop planning goals, and see to the implementation of development activities; in this way, many African countries have lost the capacity for *owning* their development process. When this is the case, development programs are very often not sustainable.

As is evident from the National Capacity Assessments discussed below, the need for capacity exists in virtually all sectors and areas of African economies. Government capacity to *analyze, plan, implement, and monitor development* is low. *Agricultural growth* requires capacity for research and rural extension services. Having national *health* standards implies having adequate capacity for the delivery of services beyond restricted urban areas. Accessible and high quality *education* necessitates capacity for managing education systems. *Private sectors*—whose growth is vital for economic takeoff to occur—are fostered by positive government policy environments and mechanisms for the enforcement of contracts, anti-monopoly legislation, and so forth. Africa lags behind the rest of the world in its *technological and research* capacities. The groups and organizations that constitute *civil society* play a vital role in mobilizing and articulating social demands and in eliciting accountable performance on the part of the state; yet they too require the capacity to mobilize and inform their constituencies and to communicate and negotiate with their governmental and private sector interlocutors.

All these areas of the capacity problem are linked. It is difficult to conceive of developing capacity for research and extension in the agriculture sector without a corresponding increase in the capacity for rural infrastructure. It is equally difficult to imagine strengthening skills in government agencies for planning, budgeting, and implementation without improvements in the quality of professional training available through the education system. Private sector growth will require the development of capable regulatory and judicial institutions and management training. *Policies to address capacity must look at the big picture and take account of the ways in which capacity deficits in one sector or area affect capacity in others.*

Clearly, the challenges and opportunities now facing Africa require that developing the capacity of African governments becomes one of the highest priorities. The ultimate objective should be to *create capacity for capacity building*; that is, African

countries should strengthen their own ways and means for generating capacity when and where it is needed, and to meet the goals they formulate and implement themselves. To achieve this, a commitment by the national leadership is fundamental. In other words, the success of future capacity building endeavors in Africa will depend mainly on the commitment and initiative of African countries themselves. Addressing the continuing gaps in capacity takes an added urgency in light of the need to manage human resources and organizations in ways that correspond to a rapidly changing, globally competitive economic environment.

If there is one, most obvious lesson that can be drawn from the experience of the generation after independence in Africa, it is the crucial importance of establishing *good governance*. This is because the only reliable way of creating an enabling environment and the capacity for economic development—and the type of capacity that is of interest to us here—is with good governance. Thus leadership is paramount. Obviously there are as many differences in style and manner, ability and character, and kinds of power as there are leaders. But there is little that can be done from the outside about the character of such leadership. Top leadership is a matter of the vicissitudes of politics, in the same way that much of the present negative economic circumstances are a matter of everything from drought to bad judgment to downright plunder.

Understanding Capacity Building

There are different opinions on what “capacity” means. Attempts by the development community to define capacity building have been so broad that they have rendered the concept meaningless and have reduced the legitimacy and force of clarity of the concept. Consequently, the concept has become elusive.

For the purposes of this report, *capacity is the combination of people, institutions, and practices that permits countries to achieve their development goals*. Capacity engenders the self-reliance that comes with the ability of people and institutions to make choices and take actions to achieve the objectives they set for themselves. This entails the ability to identify and analyze problems, formulate solutions, and implement them. Capacity building is, therefore, *investment in human capital, institutions, and practices*.

The discussions at the workshops and the National Capacity Assessment reports reflect a common understanding that this ability depends on several key factors which include (a) the *institutions* that a country has, (b) the *human resources* available to these institutions, (c) the *financial and material resources* at their command, and (d) the *work practices* followed by them. These key elements are described briefly:

- The institutions which have an impact on development are organizations or units within organizations, in the public sector, the private sector, and the civic sector. The very existence or nonexistence of these organizations may

significantly influence the capacity of a country to develop. The existence of policy analysis units in public sector organizations, the existence of financial institutions geared to the needs of small businesses in the private sector, and the existence of independent think-tanks and nongovernmental organizations in the civic sector are all examples of organizations that need to exist in a country in order for it to have the capacity to develop.

- *Human resources* refer to the number of people available in these institutions, as well as the kinds and levels of skills they have. The capacity of all institutions depends on the extent to which they have the right number of people, with the right mix of skills, at the right levels of operation and management. The skills which are most relevant to development range from those required to do policy analysis, planning, programming, and budgeting to those required in project implementation. *Leadership and management skills are particularly important* and may in fact determine the limits of the capacity available, even when all other ingredients are abundant.
- Financial and material resources are regarded as an important ingredient of capacity. Organizations need financial resources in order to acquire “production” inputs as well as appropriate recurrent budgets for key developmental activities. However, it is important to note that participants in the workshops and the assessments attached even more importance to (a) the ability of governments and institutions to mobilize resources and (b) their ability to utilize these resources effectively and in accordance with development objectives.
- Work practices cover a variety of factors which relate to ways of doing things, or how institutions and people work. They include the arrangements and procedures which organizations put in place in order to structure people’s work, as well as the specific methods and techniques which people use in performing their work. They refer to matters such as bureaucratic structures and devolution of authority and delegation; they refer also to practices such as clientelism, the personalization of power and patronage. Both *professionalism* and *institutional autonomy* are referred to in the discussions and the assessments as key factors which have an impact on capacity. The message is that the capacity of a country may be greatly constrained, or remain largely underutilized, if the leaders of the country and the managers of its institutions allow poor governance practices to persist.

Some fundamental lessons about capacity building have emerged from the consultations:

- The building of capacity must be a central element of the development process. This means that the factors indicated above need to be incorporated into all development work and become an integral and central component of it.
- Institutions, people, and practices are all inter-related; it is not possible to improve capacity by dealing with these components one at a time. All three should be addressed simultaneously.
- Many factors which influence capacity cut across all sectors of society and the economy. Therefore, it is sometimes necessary to design multisectoral capacity building initiatives.
- Capacity building is a continuous, long-term process. Therefore, capacity building initiatives need to be given sufficient time for implementation. However, capacity can be built also through a series of shorter-term activities (including pilot operations), provided these activities are designed to build on each other and to achieve the ultimate, longer-term objectives.
- Institutions are the key entry points for capacity building activities. A country's capacity is to a large extent the cumulative result of the capacities of its institutions. Thus, there is no better way to address capacity than to create strong, effective, agile and autonomous institutions.
- African countries differ considerably in their capacities. Although all are in need of capacity building, each needs to address a somewhat different set of factors in ways which are consistent with their own economic, political, and social circumstances. Therefore, "one size fits all" solutions are inadequate. Each country needs to assess its own capacity and have its own strategy for capacity building.

The assessment of capacity needs to be done by the people whose capacity is at stake, and the capacity building strategies need to be developed by them as well. This is required not only to produce correct assessments and realistic strategies, but also to ensure that by devising these strategies themselves, Africans will ultimately own them.

PART I: THE PRESENT STATE OF CAPACITY

1. THE STATE OF HUMAN AND INSTITUTIONAL CAPACITY

The findings of the national assessment teams provide significant details that confirm what is generally reported about the state of capacity across Africa, including the common themes sounded in the sub-regional workshops. The picture that emerges is even more troubling than what is generally believed. There are severe capacity constraints in literally all sectors in almost all the countries, characterized by a shortage of skilled staff, weak institutional environments which undermine the proper utilization of existing capacity, inadequate training facilities and, therefore, limited capacity to satisfy the need for skilled people. The essential technical tools required to promote development—capacity to formulate and implement policies, and to manage the economy, statistical services, topographical units, meteorological and hydrological services, agricultural research services, social conservation institutions and financial institutions for mobilizing domestic resources—are weak or nonexistent. Most African countries lack a complete data base on public sector employment, and auditing and accounting principles and procedures, as well as the profession, are poorly developed.

The deficiencies of the African state in promoting development are reflected in the consistent lack of capacity of governments to generate revenues, to link budgeting with planning, to collect information on their own debts, and to audit public accounts. Governments have not published audited accounts for as long as five years in a number of countries, and those which produce any reports rarely meet statutory deadlines. The profound weakness of the state is also manifest in high debt levels and low revenues, declining wages, a lack of discipline and accountability, low morale in the public service, and a persistent brain drain from the continent.

The private sectors in most African countries are small, have limited capacity for business development and for financial and resource management. The development of civil society has been neglected for a long time and, as a result, the emerging civil society is still too weak to play a significant role in governance. The legal system does not function in a manner which gives confidence to participants in private sector activities.

Almost every African country has witnessed a systematic regression of capacity in the last thirty years; the majority had better capacity at independence than they now possess. Many countries have lost professionals with valuable skills to more prosperous neighbors or to the developed world because of poor motivational practices, poor governance, internal conflicts, and civil wars. Guinea presents the most classic example of this decline. At independence, Guinea had a highly motivated public service, with clear rules on recruitment, promotion, and appointments to senior positions. Public sector

infrastructure—roads, telephones, and so on—were adequate and well functioning. All these have broken down today.

a. Capacity in the Public Sector

A country's ability to manage its own affairs is contingent upon the existence of an effective government system. The government's level of efficiency in policy formulation, articulation, and enforcement, for example, has far reaching implications for other sectors. The state is the principal actor in the facilitation of an enabling environment within which the private sector, civil society, and other elements of society function. It is imperative that the government has the capacity to better define its facilitation role and functions, particularly in policymaking, the judicial system, the planning and management of public expenditure, and the provision of public services.

In practically every country, the civil service was found to be too large in nonessential areas and in critical need of personnel in others. The civil service is also too politicized and lacking in professionalism. Even where skills are available, they are underutilized because of poor deployment, a weak institutional environment, lack of morale, or political interference in administration and the assignment of responsibilities.

The structure of most civil services is outdated and cumbersome. There is a lack of congruence between civil service structures and their objectives, and little semblance of hierarchy, specialization, and coordination. The result is a multiplication of ministries and blurred distinctions between line and staff managers. Civil service remuneration is extremely low, and employment benefits (such as pension schemes, health facilities, and loan schemes), which used to make the civil service attractive, are no longer attainable in many countries. This has led to "institutionalized corruption," laxity and general lack of discipline in the civil service. Civil servants have little commitment or zeal for civil service work.

Specific capacity deficiencies in the civil service include:

Staffing levels and skills. Staff shortages in key professional areas—engineers, accountants, and economic analysts and managers—has created dependence on external assistance for basic professional services.

Out of approximately 30,000 public service employees in Gabon, only about 5,000 (16.7 percent) possess the relevant skills for their jobs. There is a high level of dependency on expatriate staff in many sectors. In Tanzania, 44 percent of civil servants are assigned to tasks for which they do not have appropriate skills, while 51 percent of those assigned supervisory roles lack the required administrative skills.

Staff development. Opportunity for professional development and skills enhancement is limited, unsystematic, and poorly coordinated.

Institutional environment. The bureaucratic infrastructures and regulatory frameworks in many countries are outdated and not suitable for the management of a complex economic system. Poor leadership, coupled with insufficient incentive schemes, lack of focus, and weak management have further weakened institutions in the public sectors.

Policymaking and implementation. The policymaking agenda for most countries has been driven by donor institutions using technical assistance to carry out policy analysis and formulation. Lack of demand for local policy analysis institutions and experts has resulted in their neglect and marginalization. Capacity to implement policy is also limited; hence the general failure to translate policies into programs.

Budgeting and expenditure control. Planning and budgeting functions are weak, and several countries lack a rigorous system of evaluation, prioritization, and monitoring of projects. Ministries and government departments routinely experience overruns. Budgeting and planning processes tend to be inadequate, poorly organized, and politicized.²

Accounting and audit. Most countries have very few accountants and auditors. In addition, there are problems of quality control, weak regulatory frameworks, no systems development unit, and no code of ethical practices. These create problems of expenditure control, management of public finance, revenue processing, and monitoring of public expenditures.

Statistics and data generation. Statistical and data management capacity is lamentably deficient. Statistical information as well as data collection and storage are lacking, and there are limited training opportunities for statisticians. Many countries do not produce such basic data as price indices, national accounts, basic social indicators, labor statistics, current trade figures, and production estimates for key sectors. Because of the inability of statistical offices to produce accurate, relevant, and timely information, policymakers have turned to ad hoc and anecdotal information as a basis for their decisions.³

² For example, the Planning Commission in Tanzania lacks research capacity and has limited expertise in statistical analysis and modeling techniques. It is also not well organized and is ill-equipped. As a result, donors have by-passed it in favor of short-term technical assistance by foreign experts who offer little training to their Tanzanian counterparts.

³ The Bureau of Statistics in Tanzania lacks specialized skills in management, statistic processing, and computer skills. The Bureau's functions are also scattered among several organs. The Bureau obtains 50 percent percent of its data from twenty regional offices which are poorly coordinated. The problem of coordination is also reported in Zambia, among sections of the Central Statistical Office (CSO) and between CSO and other government agencies—especially offices in statistics. The Bureau is also too bureaucratic and lacks autonomy.

Revenue generation. Most countries have serious problems with tax collection, resulting in a systematic decline in tax revenue as a percentage of GDP.

Public sector performance is hampered by:

- A large size, poor management skills and systems.
- A legacy of political appointments and nepotism, resulting in the mismatch of skills, misapplication and underutilization of existing capacities.
- A lack of resources to implement public sector programs, retool essential services and office facilities, and carry out in-service training.
- An entrenched, poor work culture, aggravated by the poor remuneration of workers, which encourages corruption and economic rent-seeking and poor accountability and transparency.
- A large and poorly managed parastatal sector, which consumes sizable subsidies from the Treasury with no returns to the economy.
- A poor information base and lack of effective systems to share available information, leading to poor policies and strategies.

b. Legal and Regulatory Capacity

Many countries have obsolete laws, weak law reporting, and a dearth of trained and experienced legal personnel. In addition, the administration of justice is often slow and inefficient, and judicial systems are poorly staffed and ill-equipped.

Obsolete nineteenth-century laws that have been discarded in most parts of the world still govern in the primary areas significant for economic development in sub-Saharan Africa. Yet law reform skills and experience are limited. Many sub-Saharan African countries have not published their laws for years, and the majority do not report court cases and if they do so, it is several years after judgments have been rendered. The inadequacy in law reporting means that lawyers practice law with incomplete knowledge of the law and private business and individuals do not know what laws apply to their daily transactions and activities.

African lawyers need new skills to adequately serve their changing economies and to be competitive in an increasingly global economy. But opportunities for professional development are limited. Law faculties, like the rest of the universities of which they are a part, have suffered a gradual decay in the last thirty years. The quality of instruction has seriously declined because of heavy turnover, poor work conditions, inadequate support for research and scholarship, and lack of basic instructional materials. Many law faculties still use curricula that were designed in the 1960s.

Professional law associations are poorly organized and inadequately equipped across the continent. Without strong professional associations, legal practice is left

unregulated, resulting in the inefficient delivery of legal service, ethical problems, and a poor public perception of the profession.

There are critical vacancies in the judiciary, especially at the higher levels, because of poor remuneration and working conditions. Poor facilities and infrastructure—libraries, recording facilities, filing systems and courtrooms—and poor case management result in delays and inefficiencies in the administration of justice. This perpetuates the perception that courts are corrupt and forces the public to turn elsewhere for relief. There are also lingering questions about political interference and judicial independence.

In Malawi, the number of Resident Magistrates has dropped from twenty-two five years ago to only nine today. The Malawi Supreme Court of Appeal and the High Court share four court rooms in Blantyre; when the Supreme Court of Appeal is sitting, the eleven high court judges share the three remaining court rooms, one of which is permanently reserved for criminal matters. In Lilongwe, three High Court judges share one courtroom or have to take over the Resident Magistrate's court.

Evidence is taken longhand, and most courts have no typewriters. There is only one library in the Blantyre High Court; Judges in Lilongwe use the British Council Legal Resource Center and the Attorney General's Chamber Library. Most magistrates courts do not have the statutes books of Malawi.

Source: Malawi National Capacity Assessment Report, July 1996

African governments over the years created tight controls over business activities, which necessitated detailed regulations and bureaucratic structures to monitor and enforce the regulations. Many of these regulations and bureaucratic processes became a burden on the economy and are irrelevant in a privatized economy. Market orientation demands a major transformation in the organization, structure, and skills base in government. For instance, as utilities are privatized, the old parastatals go out of business and the government assumes the role of regulating the new private utility—usually a monopoly—on matters such as rates, public safety concerns, and consumer interests. The structures for this new function and the relevant skills and experience required to sustain them are not available in most African countries.

The capacity inadequacies in the judiciary and in the legal system as a whole pose major constraints to the development of capacity in the public and private sectors and in civil society. Professionalization of the public service—defining the limits of acceptable professional behavior, accountability, and independence—requires clear standards of professional conduct, a streamlined structure, and enforceable administrative standards of justice. The private sector cannot develop without an effective and efficient legal framework, modern laws, and adequate protection of investment interests. Local as well as foreign investors have little faith in the machinery of justice in Africa as the instrument of the regulation of disputes and this accounts particularly for the low levels of foreign direct investments into Africa, compared to other parts of the developing world..

c. Capacity in the Private Sector

Capacity deficits in the private sector in Africa can be attributed to several factors, key among which are a historical antipathy towards the private sector, poor policy environment, and burdensome administrative and regulatory requirements. The establishment of huge parastatal organizations with enormous subsidies in virtually every sector—agriculture, transport, animal husbandry, manufacturing, and service delivery—crowded out the local private entrepreneurs. Only foreign-based multinational corporations could effectively compete with the parastatals. A poor policy environment has also undermined the growth of the private sector. Government policies and regulations, by imposing onerous and unreasonable requirements, have not created the appropriate environment for capacity building in the private sector. The result has been the discouragement of local entrepreneurship and the blossoming of the informal sector, especially in petty trade and crafts.

With the exception of the informal sector and a small expatriate group, there is practically no private sector in Gabon. In the Comoros there are only about twenty private companies with an annual turnover of 100 million CFA francs (about US\$200,000). Due to Guinea Bissau's peculiar historical circumstances, the formal private sector has been in existence only from 1987.

Equally stifling to the growth of the private sector is the antipathy that has long existed in the public sector vis-à-vis the private sector, resulting in burdensome administrative red tape and a lack of understanding of the needs of the private sector. The private sector is therefore constrained by excessive regulations, overreliance on public enterprises, and inappropriate administrative interventions. Dysfunctional legal frameworks further hinder investment and entrepreneurial development.

In addition to the poor environment, basic entrepreneurial skills and support services are lacking. Capacity deficiencies exist in key areas such as accounting, marketing, finance, and banking. There is also limited capacity for organizational and entrepreneurial skills development and accounting practices. Institutions such as the Chamber of Commerce and Industry and Employers' Associations are typically weak in providing much needed support service and advice. The informal sector is constrained by a lack of training and limited access to finance. Although it is an essential part of the private sector, the informal sector encounters difficulties in obtaining credits from the formal banking system to finance its activities.

d. Capacity in Civil Society

With the moves towards pluralistic democracy in many countries in the Region, there has been an opening of the political systems and debates on a broader range of social actors and organizations. These include not only political parties, but also trade unions, the media, and other interest or pressure groups. Nongovernmental organizations

are growing and multiplying in many countries, a process which external donors have encouraged by channeling an increasing proportion of funds through these organizations. The national capacity assessments suggest that civil society organizations are subject to characteristic strengths and weaknesses.

The term *civil society* is used to cover all institutions which participate in development but which do not have any allegiance to the government. These institutions vary from well established political parties and trade unions to village self-help groups. Civil society is relatively weak across Africa because the lack of open societies prevented its emergence for a long time. Even now, governments in the region do not as a rule consider civil society a partner in development. Governments still rarely involve civil society in decisionmaking, and when they do, it is generally at the behest of the donor community.

Churches, religious organizations, and nongovernmental organizations which act as intermediaries lack basic management skills, the ability to access information, as well as communication and mobilization skills. There is a need for education for legislators and for professional organizations to set standards of professional conduct, to discipline infractions, and to promote professional development.

Of the 234 East African nongovernmental organizations surveyed, 38 percent are in the service sector, 25 percent in capacity building/income generation sectors, 6.4 percent in community action sector, 17.5 percent in target groups sector, and 13 percent were cooperatives and commercially-oriented nongovernmental organizations.

Problems highlighted included:

- *Technical.* Lack of skill to efficiently design and run projects.
- *Finances.* Most depended on external sources of finance.
- *Isolation from other nongovernmental organizations.* Limited horizontal linkages prevent the sharing of experiences and have prevented nongovernmental organizations from bringing together their collective strength to shape the ongoing reform process.
- *Donor driven problems.* Dependence on donors results in a prevalence of donor-shaped agendas and a narrowly defined work perspective.
- *Lack of consultation with communities.* Especially for the donor-driven projects this lack of consultation often results in the project's targeting needs which may not be urgent to the communities.
- *Official interference* from both local and state officials.
- *Poor infrastructure,* especially in the rural areas where the major target groups live, limits the activities of the nongovernmental organizations.

Source: "Non Governmental Organizations in East Africa," Center for Basic Research (Uganda, February 1994).

e. Institutional Environment

Institutional weaknesses in the public as well as the private sectors include the absence of modern management techniques, a lack of efficient procedures and practices, and ineffective communication systems. These are factors that critically affect the institutional capacity of the region. This is evidenced, according to the reports, by low motivation and poor performance across the board.

Institutional problems are made even worse by the current scarcity of material and financial resources, making it difficult and sometimes impossible to procure the inputs necessary for the development of capacity. This is true of nearly all economic sectors. In the public sector, governance related problems make optimal allocation of scarce resources impossible. Office space and equipment, logistic support, and professionals with strategic skills cannot be obtained.

f. Education and Training

The subregional workshops and national capacity assessment reports see an important double-link between education as well as training, and capacity: on one hand, poor capacity to design and deliver quality education and training results in poor education and training institutions; on the other, poor education and training institutions produce poor graduates, whose knowledge and skills are inadequate for further training and for the world of work. The reports are unanimous in stating that education and training, from primary to university levels, constitute a major constraint on the development of capacity. The educational system is suffering from neglect and decay, with per capita expenditure for primary and secondary education dropping in real terms. Access to basic education is still fairly limited in most African countries, and the quality of primary and secondary schools has been steadily declining across the continent. Access to primary education in sub-Saharan Africa is well below the world average, and, while other countries are making gains, there is in fact an overall decline in enrollment ratios in primary schools. Access for girls is even lower.

The illiteracy rate in the population over twelve years of age is 68 percent in Guinea Bissau and 50 percent in the Comoros. There is a relatively high rate of repetition in the school systems. In the Comoros, the repetition rate is 33 percent across the board (36 percent in primary institutions, 25 percent in high schools, and 18 percent in secondary schools). In Gabon, out of 753 mathematics and physical sciences teachers in secondary schools, 557 (74 percent) are expatriates.

Per capita expenditure in primary and secondary education in African schools has dropped in real terms because of the massive growth in enrolments, which was not accompanied by an equal growth in education budgets. Several countries, such as Ghana and Malawi, recently decided to provide universal free education at the primary level, but

it is questionable whether they will be able to attain this goal considering the already burdened educational facilities and their resource constraints.

In 1994/95, the government of Malawi introduced free education, resulting in a 50 percent increase in pupil enrollment, from 1.9 million in 1993/94 to 3.2 million in 1994/95. In response to the increased enrollment, the government recruited 20,000 untrained teachers to supplement the 24,000 trained teachers. As a result, nearly half of the teachers in Malawi are now untrained. In addition, there is a shortage of learning materials (five pupils per book) and classroom space. School management is poor; headmasters lack management skills. In addition, there are gender disparities and high failure and drop-out rates.

The University of Malawi is in a state of crisis—talented staff are abandoning campus, students are protesting overcrowded and inhospitable living conditions, and staff are complaining about conditions of service, compensation, and the lack of transparency in management and decisionmaking. Many classes at the university number over 100 students, but there are only two lecture halls that can house that number; first year chemistry students share the same laboratory with physics students. Chancellor college, which was designed for 650 students, now has 1,450 students.

The government proposes to allocate US\$112 million to education development for the next ten years—US\$72 million for basic education, US\$26 million for universities, and US\$14 million for management training institutes. But this amount is clearly inadequate to meet even basic needs.

The quality and relevance of available education is also declining. In many sub-Saharan African countries, school curricula and orientation at the primary, secondary, and even tertiary levels have not been reviewed since colonial times and contain little of relevance to societal needs. Education is still largely knowledge based, with little or no attention paid to cultural values or development objectives. Students leave school without acquiring useful skills. From primary through university education, there is an obvious drop in the quality of education. Educational institutions in countries such as Ghana, Uganda, Kenya, or Côte d'Ivoire, which in the 1970s could compete on a global scale, are now pale shadows of themselves. Universities have deteriorated sharply in academic and administrative standards.

The reasons for the decline in the quality of university education in Africa include:

- *The overarching problem of maintaining quality in the face of expanding numbers and financial constraints.* For instance, while the University of Zambia grew at an annual pace of 15.4 percent in the 1970s (it slowed to 6.7 percent in the 1980s), its academic and administrative standards deteriorated sharply during the period. According to Ghanaian entrepreneurs, "the training institutions have been left far behind in technology.... Engineering students

require considerable training and re-orientation after graduation to bring them to the required level of competence.”

- *The decline in the output and quality of research.* The limited research activity at the University of Ghana, for instance, is often “donor driven,” giving the University and researchers little room for developing relevant independent research.
- *The inability to sustain graduate-level training.* Because of reduced university resources, the demands of undergraduate training take precedence over training at a graduate level.
- *A shortage of up-to-date books and journals and a lack of necessary equipment and materials for teaching and research in the sciences.* These are additional constraints on teaching at all levels.
- *A rapid increase in student enrollment.* This has put an additional strain on facilities.
- *University managerial systems that were not prepared for the sudden influx of students.* In the early years of their development, buttressed by inherited notions of autonomy, facing little competition from rival institutions, and benefiting from government support, universities had little incentive to pay attention to systematic self-evaluation. As each of these enabling factors has eroded, so, too, has the quality of university management systems which are outdated and ill-equipped to handle the tasks of educating increasing numbers of trained students. The decline of the teaching environment is accompanied by the decline of the real incomes of professional and support staff. In many cases, this leads staff members to find additional jobs to supplement their salary, and even those who do not look elsewhere for additional funds cannot help but suffer in their teaching and research efforts. For instance, the University of Zambia lost 198 lecturers to neighboring countries between 1984 and 1994, 66 percent of whom held Ph.D. degrees. Underpaid university lecturers often use their offices as contact points to get outside jobs.
- *The social significance of universities has led many political figures in Africa to view them with a “nascent antagonism.”* This often leads to interference by the state in the affairs of the academic community.

The scale of decline among universities varies from one university to the next, as do the factors which have led to the decline. “The decline of individual universities depends upon such broad factors as the presence of civil peace, the wealth and resilience of the national economy, the nature of the national political culture, the policy environment of higher education, and the scope and quality of external assistance. It also depends upon such specific factors as the vision, imagination, courage and managerial skills of vice chancellors and their colleagues, the tenacity with which academic staff

members are able to sustain academic values against the odds, the threshold of self-sacrifice among university people, the level of alienation or identity between students and the political leadership—and whether the water system works, power supplies fail, or roofs leak” (Coleman).

Poor education systems are at the same time a cause, an effect, and a symptom of declining capacity. The inadequate provision of public education is an aspect of a malfunctioning public service, but at the same time it exacerbates the situation because of the failure to transmit the appropriate skills and knowledge necessary to development.

In Ghana, all sectors show considerable capacity inadequacies, the intensity of which varies from sector to sector, and within sectors, by sector...the quality of personnel entering [all sectors] has deteriorated extensively in the last decade or so. This is blamed both on poor preparation from educational and training institutions, as well as increasing difficulty to provide adequate in-house training in many establishments.

There is a growing consensus that capacity to handle various technical and managerial activities in most sectors of the Ghanaian economy has worsened considerably in the last two decades, and efforts to rebuild these have not been successful. Ghana, like many other countries, failed to adapt its human resource development Programs towards exigencies of changing socioeconomic and political structures after independence. A number of public and private institutions can no longer simply perform functions that they performed in 1960s.

There is significant dissatisfaction with the technical skills of persons available for employment. Entrepreneurs suggest that “the training institutions have been left far behind in technology.” Major weaknesses have been identified in policy formulation, financial management, project initiation, monitoring and evaluation...there is little competence for managing the economy within the public sector.

Efforts to improve operational efficiency in many public institutions have met with little success, due principally to pervasive low morale, apathy and indifference among the work-force. Ineffective human resource management appears to be both the cause and effect of shortfalls in performance.

The Civil Service Reform Programme has been only partially successful as many of the components have taken considerably longer to achieve than planned, and many reforms have not yet taken place (extended to May 1993). Overseas development assistance evaluation attributes this to the fact that the reforms were essentially externally driven, and lacked the full commitment of some senior members of the Ghana Civil Service, who did not as a result give their full cooperation, and have seldom attended meetings when invited to discuss reforms. Many have participated only with middle-level staff.

Source: Ghana National Capacity Assessment report, September 2, 1996.

2. EXPLAINING CAPACITY DEFICIENCIES

In general, the national capacity assessments portrayed a scale of institutional weakness that is chronic. Available skills and talents are often underutilized, misallocated, or even prevented from being put to work as the result of a negative economic, institutional, and political environment. In addition, management is poor, remuneration low, recruitment and promotion is based on personal connections and loyalties rather than on merit, and there is a lack of professional standards of performance.

The historical origins of this crisis differ from country to country. Nevertheless, the National Capacity Assessments reflect a high level of consensus with regard to at least three common and important origins: the failure of the education and training systems in producing adequate human resources, the dysfunctional environment which evolved in many countries due to bad governance, and the effect of various practices followed by Africa's external partners in delivering aid to the continent. The first of these has already been discussed in the previous chapter. The others are presented in the following two sections.

a. Governance and Disabling Environment

- *Governance and capacity.* The features of the institutional environment that have hindered capacity building may be traced to the neopatrimonialism endemic in many countries in the region. This gives politics priority over economics, personalizes power and patron-clientelism, and encourages the overexpansion of the state.
- *The priority of politics over economics.* Post-independence African rulers have tended to emphasize politics at the expense of economics. As Nkrumah stated, "Seek ye first the political kingdom, and everything else will be added unto you." However, once the political imperative of independence was achieved, the tools of nation building became a double-edged sword, increasingly coming to serve the ends of patronage in the struggle to retain and consolidate power. In this struggle, economic logic was the loser, resulting in factories located miles from critical inputs, paved roads extending into useless bush, while areas of high agricultural output were left unexploited for lack of transport. The heavy and often corrupted and corrupting hand of the centralized autocratic political system reached into all branches of the public service, controlling public administration, the judiciary, the private sector, and civil society.

- *Personalization of power.* This process of politicization of the administration and the economy tended to occur along lines of personal patronage and ethnic affiliation, subverting the constitutional forms of government and leaving them a hollow shell. The personalization of state power within a patrimonial system gutted most constitutions of any real meaning or relevance. The resulting form of governance circumvents laws regulations and institutional safeguards that restrict the ruler's ability to distribute national resources in favor of political supporters.

The personalization of power has also eroded pluralistic political institutions and undermined good governance by eliminating political opposition. It has also undermined professionalism in the public services. Staff were appointed and rewarded on the basis of personal contacts rather than performance. Survival and promotion for public servants therefore depended on establishing client relations with institutional power-brokers.

- *Patronage and corruption.* Patron-client relationships emerge and are cemented by an exchange of favors—for instance, with jobs, contracts, or kickbacks—and this subverts the application of sound decisionmaking and opens the doors to corruption. Such transactions have gradually come to dominate the administrative and political culture, diverting economic resources from productive use, turning the state into a predator of its own body politic, and turning public office into a source of rent.
- *Overextension of the state.* The economic role of the state has been vastly extended even as its ability to manage effectively has been eroded. State ownership and intervention in the economy, through parastatals and state industries, has been characterized by inefficiency, mismanagement, corruption, nepotism, and low productivity. At the same time, the public service in general has become staffed beyond national needs (especially at the lower levels) and beyond the ability to pay. An overextended but ineffective state absorbed resources that were desperately needed for more productive investments. It has also crowded out the private sector and impeded the development of its capacity.

The result of these related processes has been an *atrophy of institutions*. Perverted by the pursuit of personal power, public institutions have lost their autonomy, and management systems, practices, and procedures have fallen into desuetude as politicians repeatedly intervened for personal or political advantage and used public appointments to reward political loyalty. In addition, institutions have been weakened by corruption and nepotism. Even those who did possess the scarce skills essential for national development have often been inappropriately assigned.

The inevitable results have been low motivation and commitment at all levels. The quality and performance of Africa's public agencies have deteriorated dramatically. A constant state of insecurity and low morale arising from the ever-present likelihood of political intervention makes managers unwilling or unable to take decisions or to accept responsibility for decisions made in the name of their institutions. As a result, the public cannot rely on the effectiveness or responsiveness of their governments to provide services and enforce laws. In an increasing number of cases, even maintaining law and order in their own territory is beyond the capacity of the state.

b. Donor Approaches and Practices

Capacity building has been placed by donors at the top of the policy agenda, yet there remains a gap between the prominence given to capacity building and actual performance. Several practices which characterize donor approaches, and some which characterize the approach of African recipients, may explain this gap:

- *Initiative and ownership.* The initiative for the building of capacity often comes from the donors. They are the ones who do the analyses which show the lack of capacity. They are the ones who attempt to convince African recipients of the need to address the lack of capacity and they are the ones who provide the solutions—often with an inadequate knowledge of the conditions and challenges facing African institutions and professionals. As most African governments do not play a meaningful role in the analysis of capacity problems and in the design of solutions to address them, most capacity building efforts end up as supply-driven exercises which are unsuccessful. Ownership by African governments is critical for addressing this flaw in the approach to capacity building. The governments must play a direct and proactive role in identifying capacity gaps and in the design of remedial solutions if capacity building efforts are to succeed.
- *Short-term goals.* The building of capacity is a long-term process and thus it has long-term objectives. The achievement of these objectives requires a continuous and sustained effort over time. This does not mean that shorter-term efforts are inadequate for capacity building, but it does mean that they have to be planned and executed as a coherent series of efforts, within a long-term framework, where each effort builds on the previous one and leads to the next. Donors typically do not operate with long-term objectives in mind. They have budgets based on a particular period of time and consequently are judged by their constituencies on the basis of short-term results. Therefore, the typical modality for donor support is through projects which they believe will achieve results in the short-term. The problem is compounded by the fact that recipient countries or their institutions often do not have a long-term framework for capacity building. Donors need to take this situation into

account in an attempt to ensure that all projects supported by them do indeed contribute to long-term capacity.

- *Technical assistance.* The most common technique favored by donors to help build capacity is the deployment of expatriate experts. The use of expatriates is based on the premise that during their stay in the recipient country, expatriates will carry out certain tasks for which there is no current local capacity, and in the process they will train local counterparts. By the time they leave the country, their counterpart will be able to continue the work and perform similar tasks with full proficiency. This technique, however, has not produced the desired results: expatriates have stayed in their positions for long periods of time; they have absorbed a large proportion of the funds available to capacity building; they have performed the specific tasks for which there was no capacity, but they have not trained local counterparts to carry on with these tasks. Therefore, technical assistance is being criticized today for failing to enhance capacity building and, by implication, for actually diminishing it. The failure of technical assistance to ensure an effective transfer of knowledge from expatriates to local counterparts so far does not necessarily mean that this type of assistance is worthless. Both donors and receiving countries have failed to structure the relationship between expatriates and local counterparts sufficiently well; both have failed in the selection of candidates for this relationship, and both have failed in formulating appropriate terms of reference for the expatriates and with adequate training in mind and in then adhering to them.
- *Project implementation units.* Another characteristic of the current donor approach to capacity building is the practice of establishing special Project Implementation Units outside the existing structures of the ministries where the projects are being implemented. The Project Implementation Units are set up because existing units and staff within the institutions concerned do not have the capacity to implement the projects, and also because it is often necessary to create special working conditions so as to attract qualified local staff. Special conditions, in particular the much higher pay required to attract the said staff, cannot be offered within the normal civil service structure. The Project Implementation Units have not contributed to the building of longer-term capacity in the civil service. Their existence has demoralized regular civil service staff whose salaries are lower than those paid to Project Implementation Unit staff; and their special status has introduced serious difficulties with respect to interagency collaboration and lines of reporting. The units have typically been disbanded when the projects came to an end, and their qualified staff seldom stay in the civil service. This has not resulted in a total loss to the country, for the people have moved on to the private sector within the country. But the opportunity to develop capacity within the civil service was lost, and the ministries where the projects were carried out

have remained without appropriate capacity—often even without the capacity to maintain the very structures and systems developed through the projects. Despite all these deficiencies, Project Implementation Units have facilitated the successful implementation of many projects. Although short-term project objectives may have been achieved more fully, little capacity has been built. There is obviously a need to rethink the concept of using Project Implementation Units in development projects in Africa.

- *The policy agenda overload.* Donors often follow the practice of linking policy issues to program or project support. They require recipient governments and institutions to change their policies in various areas as a condition for the granting of such support. In the case of program support, the rationale of the donors is that policy changes are necessary in order to reduce the recipients' future dependence on aid. In the case of project support, the rationale is that there cannot be a good project when the policy environment is bad. While this rationale is acceptable to most governments and institutions, the proliferation of programs and projects supported by donor organizations creates a situation of policy overload. Key government officials are overwhelmed by too many items on their agenda, leaving them no time to attend to other duties. Since most African governments do not have adequate capacity to undertake policy analysis and formulation, many of these policies do not receive adequate hearing. This leads in turn to a low level of commitment and to limited ownership. This problem is difficult to address. The donors which provide resources to African countries have to satisfy their constituencies that the funds will help lead to important changes in the environment. Therefore, the linkage between policy change and support cannot be weakened. However, a well-formulated gradual approach, and better coordination among the donors, may ease the policy load. A further measure might be to give priority to strengthening the capacity of the African governments to perform the policy formulation function themselves. This will take some of the load off the small number of officials who are currently required to deal with the policy agenda almost on their own.

3. THE IMPACT OF WORLD BANK OPERATIONAL PRACTICES

a. Background

This chapter is based mainly on a study commissioned by the African Governors of the World Bank, under the umbrella of the *Partnership for Capacity Building in Africa*, to investigate how the World Bank could refashion its policies, instruments, and practices in Africa to enhance the impact of its interventions in capacity building. The study was prepared by an independent "Working Party" consisting of development researchers and practitioners from Africa and elsewhere.⁴ The Working Party Report contains both a diagnosis and a set of prescriptions for corrective action. This section focuses on the diagnosis. Proposed actions are incorporated in the *Strategy and Program of Action* plan found in the second section of this document.

The report of the Working Party of the Partnership for Capacity Building in Africa is very clear about the role of donors as part of the capacity problem: "At the extreme, donor interventions have been part of the capacity problem in Africa, contributing to capacity erosion, particularly by shifting the initiative in policy making, and the management of investment programs into the hands of donors. Both donors and recipients have found the outcome unsatisfactory."⁵

The Working Party Report provides a balanced critique of the World Bank's impact on capacity building in Africa. It credits the World Bank for having "given a lot of thought to the problem of capacity building deficiencies in Africa" but concludes that, despite some isolated success stories, the World Bank has "not done a good job of helping African clients build capacity." Specifically, the Working Party observes that the World Bank and other donors may actually have made matters worse on the capacity building front because they have tended to "exacerbate Africa's capacity problems through approaches that have been supply driven and geared to satisfying internal institutional demands rather than the capacity building needs of the countries."

The general thrust of the report is in line with the World Bank's own evolving internal critique of the way it does business. However, *awareness* within the World Bank that its way of doing business is hindering capacity building in Africa has yet to be adequately matched by actions to resolve the problem. Within the World Bank, the 1991 Technical Assistance Task Force report⁶ highlighted the systemic problems undermining

⁴ See Annex.

⁵ All unattributed quotations in this chapter are taken from the Working Party Report entitled "A Report of the Working Party on the Impact of Bank Policies, Instruments and Operational Practices on Capacity Building in Africa. June, 1996."

⁶ World Bank (1991).

institutional development in World Bank operations, and the 1992 Wapenhans Report⁷ provoked fresh thinking on the subject amid concern over declining performance of the World Bank's portfolio. Many other World Bank reports have added fuel to the debate.⁸ Informally, the issues raised by the Working Party's report have for some time been the subject of much debate among staff. Recent data published by the Operations Evaluation Department in its latest annual review of the World Bank's portfolio⁹ show that only 28 percent of projects in the World Bank's Africa Region had "substantial" achievement of their institutional development¹⁰ objectives (against 39 percent World Bank-wide). Similarly, only 23 percent of projects in Africa were likely to produce sustainable benefits (against 44 percent World Bank-wide), a result which could reasonably be linked to the failure of projects in Africa to help build capacity.¹¹

The Working Party's criticism of the World Bank is, however, balanced by a recognition of the African countries' own responsibility for the current state of affairs. The authors conclude that African states have not fulfilled their part of the tacit bargain for capacity building. The Working Party observes that the donors' flawed approach in Africa is in part attributable to host governments' failure to develop a coherent vision of capacity building, leaving the field open for donors to impose their own ideas. "All too often," the Report argues, "African governments have found cozy accommodation with dependency, despite adopting the rhetoric of self-reliance." The authors urge African countries to "take responsibility and to bear the burdens of capacity building." The issue of Africa's role in capacity building is discussed elsewhere in this report. It is mentioned here in passing because of its link with the World Bank's own efforts to change the way it does business in capacity building. Simply stated, there are limits to what donors can accomplish on their own. A renewed and reformed approach to capacity building by the World Bank and other donors can, at best, only complement a strong commitment by African states themselves to take up the capacity building challenge.

The Working Party Report focuses on six areas of the World Bank's work: (a) approaches to capacity building; (b) project lending; (c) policy-based lending; (d) economic and sector work; (e) institutional, civil service and legal reform; and (f) technical assistance. This chapter synthesizes the Working Party's findings and integrates

⁷ World Bank (1992a).

⁸ These include the "Next Steps" report of 1993 (published as a sequel to the Wapenhans Report), the public speech on capacity building made by the World Bank's former Vice President of the Africa Region, Edward Jaycox, in 1993, the OED's report on the impact of Bank-supported technical assistance operations in Sub-Saharan Africa (1990), the Task Force report on *Managing Technical Assistance in the 1990s* (1991), the *Participation Sourcebook* (1996), the *Long-Term Perspective Study* (1989) on Sub-Saharan Africa and the *Handbook on Technical Assistance* (1993).

⁹ World Bank (1996).

¹⁰ The terms "institutional development" and "capacity building" tend to be used in roughly synonymous ways within the Bank.

¹¹ See Hirschmann (1993).

analysis undertaken within the World Bank, independently of the Working Party, on the same general questions.

b. Approaches to Capacity Building

Two distinct problems emerge from the discussion of the World Bank's and other donors'¹² approaches to capacity building. The first concerns the World Bank's understanding of capacity building: the second concerns the way the World Bank has handled operational support to capacity building.

World Bank's understanding of capacity building. The World Bank, along with many other donors, has tended to view "capacity building" in terms of strengthening the technical competence of key government organizations to design policies and implement projects. This has limited the scope of the World Bank's activities and compromised their impact on capacity building. Most importantly, the long-term orientation necessary for effective capacity building has often been missing. Furthermore, by focusing on building capacity related to policies and projects, World Bank staff may ignore the ultimate beneficiaries of the capacity to be developed, their skills, their knowledge, and their institutions. There is consequently insufficient attention paid to strengthening local capacity designed to respond to local needs. Therefore, a broader and more imaginative approach to capacity building is required that (a) is ready to identify, integrate, and exploit local knowledge, experience, and expertise; (b) takes a wider view of notions of "quality," "speed," and "effectiveness"; and (c) focuses vigilantly on building capacity to respond to the needs and priorities of the client country.

World Bank's handling of capacity building. The World Bank's behavior with respect to African governments—the way the World Bank "does business" in Africa—has militated against capacity building. This is as true for World Bank-supported interventions in general as it is for operations explicitly aimed at capacity building. One clear manifestation of this problem is the World Bank's tendency to seize control of policy-making and project design. The World Bank has too often done things *for* African countries, or relied on expatriate consultants with their limited understanding of African conditions, instead of undertaking the more complicated, arduous, and time-consuming task of helping countries develop their own capacity. Such behavior has softened the "capacity constraint" in African countries and reduced the incentive for African states to develop local capacity, to make better use of existing capacity, and ultimately, to become less dependent on external support.

¹² Although the Working Party's mandate was to analyze the World Bank's practices, the report frequently alternates between talking about the World Bank and "donors" in general.

c. Project Lending

The process of preparation of World Bank-financed projects (irrespective of the type of project) is potentially one of the most important tools for capacity building. Indeed, the World Bank's own operational directives speak clearly about the necessity for the borrower to lead project preparation.¹³ The preparation phase is an opportunity for using, expanding, and developing demand for the borrower's capacity to analyze development problems as well as an opportunity to design appropriate project interventions. Unfortunately, the opportunities are too often lost. The World Bank's response to weak capacity in Africa has in many cases been to *take over* project preparation, doing the work itself (either directly or through international consultants who *de facto* report to the World Bank). This follows from the World Bank's internal structure and incentive system by which operational staff's performance is measured by ability to process projects in a timely manner for internal appraisal and approval. Faced with such powerful institutional signals, World Bank staff cannot be expected (no matter how strong their personal commitment to capacity building) to show enthusiasm for a slow and painstaking approach to project preparation that depends on helping the country build capacity to prepare projects for itself.

Furthermore, an approach to project preparation genuinely based on building local capacity to *lead* the process will inevitably force the World Bank to confront its own internal standards, which are widely acknowledged within the institution to have little to do with the eventual impact of operations in the field. A cultural shift of this nature within the World Bank would not easily be accomplished, but it is a logical outcome of an approach built around the primary objective of local capacity building. The real quality and value of project documents and project design should be measured by the degree to which the proposed projects and accompanying strategy and documentation are owned by the borrowing country and rooted in field realities.¹⁴ The real priority needs to be given to long-term outputs and outcomes.

The World Bank's approach to project implementation is another lost opportunity for capacity building. Project implementation by the Borrower and supervision by the World Bank should be a process of joint learning and an opportunity to build the borrower's capacity to respond to problems and make adjustments. Unfortunately, this is the exception rather than the rule. Far too often, World Bank task managers view supervision exclusively as a policing and control operation, and consequently seek little substantive borrower involvement. While ensuring effective implementation and rigorous financial discipline are essential and important functions of the supervision process, they are not the only ones. Solutions to problems are often imposed by the missions, which characteristically lack the time—and sometimes the skills—“to review, discuss and to

¹³ See *World Bank Operational Manual*, OP10.00. See also World Bank (1993a).

¹⁴ Steedman (1995) observes, “...producing a project document which meets all the criteria of good design of inputs is meaningless if the proposed program is not embodied in reality.”

find solutions to identified problems. Fundamental issues are sometimes overlooked and detected only when they become serious problems ...the execution of recommendations is, many times, not followed up..."¹⁵ And of course, many of the problems that arise during implementation can be traced back to the preparation process which, because it is normally led by the World Bank instead of the borrower and is weighted towards satisfying the institution's internal requirements, pays inadequate attention to assessing the country's capacity to implement the proposed project.

d. Impact of Policy-Based Lending on Capacity Building

There are at least three avenues through which the World Bank's approach to adjustment lending in Africa influences capacity building: (a) the shift in emphasis of adjustment lending from balance of payments to budgetary support; (b) the impact of fiscal tightening on the public administration; and (c) the opportunity cost of local capacity used to implement adjustment program policies.

Public expenditure management. As the Working Party notes, budgetary support through adjustment lending has become "an ongoing feature of the fiscal system" of many countries in Sub-Saharan Africa. Thus the World Bank has a keen interest in supporting a transparent and effective system of fiscal management combined with capacity to ensure a reasonable level of allocative and technical efficiency of public expenditure. The analytical tool typically used for this is the annual Public Expenditure Review, a key output resulting from the World Bank's economic and sector work. The extent to which the design and production of Public Expenditure Reviews are controlled by the World Bank, with insufficient input or ownership on the part of the country, is yet another lost opportunity for the government to develop its capacity to control effectively the quality of public expenditure management. In extreme cases, we see an atrophy of the government's own budget allocating function as the World Bank and other donors assume functions that should be performed by the government. The same syndrome explains the World Bank's neglect in evaluating capacity development.

Capacity of public administration. The public sector wage bill in a typical sub-Saharan African country absorbs roughly 30 to 50 percent of the state's total recurrent budget. Public administrations in Sub-Saharan Africa have therefore borne much of the burden of the fiscal restraint implicit in World Bank-supported adjustment programs. This in itself is not necessarily a bad thing. Few in Africa would dispute that African states must reconsider the affordability of their civil services as they are currently structured. Consensus is building around the idea of a different kind of government and civil service—smaller and less expensive in the aggregate, but staffed by a highly motivated, capable, and competitively paid corps of public servants. However, in the past, adjustment programs have tended to emphasize the first half of this agenda—fiscal

¹⁵ Talai (1996).

restraint—while paying little attention to how best to reorient the civil service. This has contributed to a steady decline in real public sector wages, the undermining of capacity to deliver public services, and an erosion of the credibility of public administration. Adjustment policy matrices, while specific in terms of wage bill limits and reductions in civil service employment, are usually vague, or even silent, on how to implement such restraints without further damage to morale and the effectiveness of the public sector. In short, fiscal conditions in adjustment programs have not given enough attention to the consequences of budgetary restraint on administrative capacity.

Overloading the policy agenda. Just as the World Bank tends to support investment projects without paying adequate attention to the government's capacity to implement them, so too does its approach to policy-based lending tend to be based on unrealistic assessments of the borrower's implementation capacity. Here there is a basic contradiction, as an important objective of adjustment lending has been to reduce government interventions in the economy on the grounds that governments in Africa had overstretched themselves. Yet the World Bank and other donors frequently identify valid, but additional, areas of policy concern. The environment, poverty, gender, and population are all very important; but they all add to the load of policy analysis and response. The basic problem is that the opportunity cost of capacity within public administration in Sub-Saharan Africa is extremely high. As the Working Party noted, "governments with limited capacity which attempt to grapple with everything can achieve nothing."

e. Economic and Sector Work

Economic and Sector Work provides an important opportunity for the World Bank's clients to develop their capacity to analyze development issues. This opportunity is lost when the World Bank monopolizes the production of economic and sector work. Typically, the World Bank initiates studies, decides on their coverage, hires consultants to work on them, and controls the writing, review, and editing of the final product. In this way, economic and sector work becomes a classic case of the World Bank *substituting* for missing capacity in the client country rather than an exercise in developing capacity for economic and sectoral analysis. While the Working Party credits the World Bank with having done a good job in recent years in consulting with African experts and government partners on early drafts of economic and sector work reports, it suggests that the World Bank must be more open to outside views on the choice of subjects for economic and sector work. The current economic and sector work program is still mainly a reflection of "changing preoccupations within the World Bank...rather than being fashioned in response to particular national agendas." There is also a call for greater involvement of African professionals/technocrats and institutions in preparation of the reports themselves.

f. Institutional, Civil Service and Legal Reform

Support for civil service reform is one of the most direct ways in which the World Bank attempts to contribute to capacity building in Africa. Civil service reform programs in Africa have had, in principle, two main objectives: (a) to reduce the fiscal burden of the public sector and (b) to strengthen the capacity of the public administration to perform efficiently its essential functions related to service delivery, policy design, and policy implementation. On fiscal grounds, the record of these programs has, at best, been mixed; in terms of capacity building, the results have been disappointing. The Working Party questioned whether the World Bank has any “obvious comparative advantage in promoting administrative reform.” Echoing a lively debate currently underway within the World Bank, the Working Party raises the issue of whether lending—the World Bank’s predominant operational vehicle—is an appropriate instrument for supporting administrative reform. If successful civil service reform requires broad-based consensus and national ownership of the need for, and objectives of, reform programs, then the World Bank has a role to play as a facilitator and financier (through grants rather than loans) of a process of consultation and consensus building within and led by the country itself. Again, it is a question of the World Bank’s learning to work with countries to help them build the capacity to design and implement their own programs of reform.

Providing support to legal system reform has been part of the World Bank’s involvement in public administrative strengthening. The World Bank has tended to put emphasis on areas related to private sector development, such as revision of commercial codes, improved dissemination of law and procedures affecting entrepreneurs, and construction and rehabilitation of commercial courts or tribunals. The World Bank’s involvement in legal reform is fairly recent, and it is too early to evaluate either its effectiveness or its durability.

g. Technical Assistance

Capacity building is the stated intention of most of the World Bank’s technical assistance interventions, whether they are free-standing activities, components of investment, or adjustment operations. Much has been written, within the World Bank and outside, about the failure of technical assistance in Africa, and the critique is well known¹⁶. The Working Party’s report covers the key issues related to technical assistance, which include the following:

- Technical assistance has tended to substitute for missing, or limited, capacity in African countries, while contributing little to developing existing local capacity or building new capacity. It has sometimes increased, rather than reduced, dependency on external support.

¹⁶ For example, see Berg (1993).

- Technical assistance has been “supply-driven,” reflecting the World Bank’s and other donors’ own concerns, rather than country needs.
- Technical assistance is often treated as a free good by recipient countries, undercutting incentives to use it effectively.
- Remuneration scales for technical experts have an invidious effect on morale among public servants earning regular public sector pay.
- The impact of technical assistance has been constrained by a failure of donor coordination. Different donors pursue their own agenda and frequently provide overlapping, and even conflicting, forms of support.
- Through lack of capacity and initiative, governments have failed to control technical assistance management, which has remained firmly with the donors. As a result, technical assistance tends to serve the short term interests of specific donors rather than the long term interests of the client country.

The African Governors are of the view that the “massive resources”¹⁷ currently devoted, with little apparent beneficial impact, to technical assistance in Africa should henceforth be used to fund “innovative capacity-building approaches,” which will yield palpable results.

h. Conclusion

There is growing consensus between the World Bank and its clients about the ways in which some current operational practices constrain the development of local capacity in Africa. The real challenge now is to take this analysis and propose concrete modifications to the manner in which the World Bank does business with its clients. As the Working Party report states, “The agenda before the World Bank to refashion its interventions to enhance capacity building in Africa is not easy. It will require changes in priorities, program content, and operational procedures. Shifts in the culture and practice of an organization as complex as the World Bank will not be easy.”

Certainly, they will not be easy, and the implementation of necessary remedial action has been an elusive element in the World Bank’s work in the Africa region for too long. Nonetheless, these changes need to happen. Significant levels of cynicism, substantial inertia, and considerable personal and institutional vested interests will provide formidable resistance. But they must be overcome.

¹⁷ Sub-Saharan Africa receives more than \$6 billion annually in technical assistance, while 70 percent of trained Africans emigrate.

Box [1] summarizes some of the factors identified by the Working Party which impede the World Bank's potential contribution to building capacity in Africa.

Box [1]: Impact of World Bank Policies, Instruments, and Operational Practices on Capacity Building

Approaches to Capacity Building

- Notions of capacity building, narrowly defined in terms of technical and bureaucratic rationality, exclude the potential use of indigenous institutions and knowledge and insufficiently stress the need for responsiveness to citizens' needs.
- The World Bank's tendency to take control of policymaking and project design leads to lost opportunities for capacity building.

Project lending

- Project identification is frequently driven by the World Bank, which also tends to take over preparation in response to capacity deficiencies.
- During project implementation, supervision is seen as a process of policing and control rather than of joint learning: solutions may be imposed without discussion, and problems are often not detected at an early stage.

Policy-based lending

- The World Bank's role in budgetary support and Public Expenditure Reviews atrophies a government's own budget allocation function.
- Adjustment policies' impact on public sector wage bill may damage effectiveness and morale of public service.
- Policy-based lending may overload the policy agenda.

Economic and Sector work

- World Bank initiatives, studies, commissions, and economic and sector work reviews are done with little consultation and in response to "changing preoccupations within the World Bank, rather than in response to national agendas."

Institutional, Civil Service, and Legal Reform

- Successful civil service reform requires broad-based consensus and national ownership, and may not be best advanced through lending operations—the World Bank's predominant operational vehicle.
- Legal reform tends to be partial and piecemeal.

Technical Assistance

- Technical assistance has tended to substitute for missing, or limited, capacities in African countries rather than to build them.
- Technical assistance has tended to be "supply-driven" by the donor and treated as a free good by recipients.
- Rates of remuneration for technical assistance personnel can have an invidious effect on the morale of local staff.

Source: "Partnership for Capacity Building in Africa: A Report of the Working Party on the Impact of World Bank Policies, Instruments and Operational Practices on Capacity Building in Africa." World Bank. June 1996.

PART II: STRATEGY AND OPTIONS FOR ACTION

4. DEFINING A STRATEGIC APPROACH TO CAPACITY BUILDING

The message presented thus far in this report is as clear as it is unsurprising: Sub-Saharan Africa suffers from serious, and in some cases worsening, capacity shortages in all economic sectors and segments of society. The question, then, is what can African countries with support from donors—and in particular, for the purposes of this report, the World Bank—do about Africa's capacity problems?

The problem is so deep and broad that there is a temptation to attack it on all fronts. We, the African Governors, believe it is best to avoid this temptation. Africa's capacity deficiencies, as well as the constraints faced by donors, demand a *targeted approach*. But targeting means making *difficult decisions*. For every action that may be proposed, others must be set aside. Such choices must follow from an overall *strategy for capacity building*; hence the strategy presented here. We do not imply that it is the "right" or "only" strategy for capacity building. In an area as conceptually and operationally difficult as capacity building, it is likely that others will have different views. The strategy presented here reflects the observations that emerged from the broad consultative process on capacity building held in Africa over the past year. The strategy serves as the basis for the suggested actions to promote capacity building that are found in the following section of this report.

The diagnosis presented earlier in the report and derived from a year-long consultative process in Africa, point to the overwhelming impact of the "disabling environment" for capacity building on the continent. Weak political leadership, inadequate national commitment to capacity building, corruption, a lack of transparency and accountability in public affairs (lack of good governance), and an inability by national governments to control the public policy agenda in the face of competing and conflicting demands placed by external donor agencies combine to create a state of affairs that hinders the use and development of local capacities. Under such circumstances, neither the public sector nor the private sector nor civil society can play the roles they might otherwise be able to play as engines for national capacity building.

The diagnosis also highlights defects in the approach taken by donors. Despite their stated intentions to promote sustainable development and local capacity, donors have often behaved in a way that has either had no impact on local capacity or, worse, has eroded it. Donors have been too quick to seize the initiative for policymaking and project and program preparation from local agencies. This has often been met by complacency on the country side; the result has been to reduce demand for local capacity development and an atrophying of existing capacity. A closely related point is that national authorities have rarely been strongly "committed to" or had "ownership of" capacity building efforts. Most, instead, have been driven by external donors.

a. Development Agenda

Capacity building is not an end in itself. It is a means to an end. An underlying principle for any country's capacity building program is that it has to answer the question, "Capacity for what?"

Such a principle, in turn, suggests that a national capacity building strategy must be based on a larger vision of economic and social development and on the capacity needs implied by such a vision. The National Capacity Assessments and the Sub-Regional Workshops, in their discussions of capacity building, had many ideas about what should be included in such a vision. The vision should also complement the strategic agenda which Africa has developed with assistance from the World Bank during the last couple of years. This agenda includes:

- implementing economic reforms to stimulate growth and unleash the long-suppressed talent of Africa's entrepreneurs;
- developing local, human, and institutional capacities;
- increasing agricultural productivity, reducing the population growth rate, and protecting the environment;
- strengthening infrastructure services;
- promoting the vital role of African women in development and attending to specific problems and opportunities which merit specialized support.
- improving regional cooperation so that benefits can be maximized for all Sub-Saharan African countries; and
- promoting better governance through increased accountability, transparency, predictability, adherence to the rule of law, and popular participation in the development process;
- anticipating the special capacity requirements which will emerge in the next twenty years as a result of the significant acceleration in urbanization and the HIV epidemic.

b. Principles for Capacity Building

Armed with a strategic development vision and the capacity needs flowing from it, countries can then proceed to develop capacity building programs with the following additional principles in mind (all of these are related to the notion that a capacity building strategy should serve a broader development vision; furthermore, all are derived from views expressed at the Sub-Regional Workshops and in the National Capacity Assessments).

- *A “capacity building approach” to development.* Instead of capacity building being one among other components in a project or program—or, as is all too often the case, an add-on with little real substance—it must become an integral part of the development agenda. This means vigilance on the part of governments, not only with respect to their own staff, but also with respect to the donors (see below).
- *A broad, “home-grown” and participatory approach.* Countries must be the true “owners” of their capacity building strategies and the processes by which they are developed. There needs to be a nationwide dialogue, involving a broad spectrum of stakeholders, on capacity building.
- *Coordination of donors.* Given the important role played by donors in financing and designing development activities in African countries, it is not sufficient for countries to have defined their own strategy for capacity building, no matter how cogent and coherent it may be. *The strategy must also be enforced.* African governments must go beyond criticizing donors for not adhering to national strategies. African governments must assume their responsibilities for donor coordination and take the lead in ensuring that donor-supported actions are in line with nationally defined strategies for capacity building. Donors, for their part, must act in good faith (see below).
- *Leadership.* Capacity building needs a “champion.” Leaders at the highest level must signal their belief in the importance of capacity building, and make clear that they demand results.

d. Prerequisites for Capacity Building

The National Capacity Assessments and the Sub-Regional Workshops discussions point to two sets of important preconditions for capacity building. They involve *commitments* that must be made on both the African side and the donor side. One set has to do with behavior and practices in African countries; the other relates to behavior and practices among the donors.

(a) Commitment by African Countries

If efforts at capacity building are to go beyond fine words and formal policy statements, and generate real results, in Africa our governments must commit themselves to a set of difficult but indispensable actions. These include the following:

- African countries must commit themselves irrevocably to addressing the serious governance problems—problems related to corruption, lack of accountability, nepotism, and patrimonialism—referred to repeatedly in the

National Capacity Assessments and summarized in this document. The commitment must go beyond words to actions that demonstrate a serious willingness to attack these problems.

- African governments must commit themselves to sharing power with regional and local administrations by an orderly devolution of authority and resources to them. Experience from other parts of the world has shown that adequate and well-prepared decentralization (when combined with a process of democratization) can unleash latent capacities at the regional and local levels.
- African governments must commit themselves to reforming and revitalizing their civil services to serve the new developmental objectives, rebuilding them around the ideals of professionalism, meritocracy, accountability, and provision of quality services to citizens. Much has been said, written, and attempted in the past in this area, while results have been far from satisfactory. This suggests that governments must be willing to take bold and radical actions that require political courage. These may include drastic reductions in the size of the civil service so that governments can afford to pay competitive salaries to the civil servants who remain.
- African governments must commit themselves to accepting civil society as a full partner in the process of economic development. Community groups, user organizations, professional organizations, nongovernmental organizations, think tanks, the news media, parliamentarians, labor unions, and political parties must be allowed, empowered, and encouraged to criticize official policies, develop alternative policies, and, where appropriate, to take responsibility for aspects of social and economic development now controlled by the state.
- Finally, African governments must commit themselves to developing their capacity building strategies in an open and participatory way, inviting ideas and opinions from all elements of society.

(b) *Commitment by the World Bank*

The Working Party Report concluded that fundamental elements of the World Bank's internal incentives and administrative culture—in short, the way the World Bank “does business”—severely hinder its ability to be an effective partner for capacity building in Africa. Indeed, the Working Party concluded that the World Bank has been part of the capacity building problem in Africa. The African Governors urge the World Bank to radically reform the way it does business. This will be far from easy—resistance within the institution will be high—but it is absolutely necessary if the World Bank intends to live up to its stated commitment to capacity building. The details of the

changes to which the World Bank must commit itself are described elsewhere in this report. They include the following:

- The World Bank must commit itself to treating the preparation and implementation of every project it finances as an opportunity for capacity building. This means that the World Bank must focus on the difficult task of helping countries develop the capacity to prepare projects for themselves.
- The World Bank must commit itself to judging the merit of every proposed project and piece of analytical work in terms of its likely contribution to capacity building. As a general rule, activities should not be allowed to go forward if they cannot be justified on the grounds of capacity building.
- The World Bank must commit itself to revamping its internal incentive and reward structures in a way that recognizes staff who pay attention to capacity building in Africa and downgrades the importance of meeting internal bureaucratic benchmarks such as completion of appraisal reports and submission of projects for Board approval.

(c) How Will This Strategy Make a Difference?

Africa's daunting capacity building problems must be approached with humility and with a sound understanding of current and previous efforts to address them. Perhaps the most important point to note is an elementary one: "capacity building" is nothing new. It is only within the last ten years or so that capacity building has come to be seen as a domain of activity in its own right, and as one that must be integrated into all other development actions. In practice its objectives are, broadly speaking, convergent with those of "sustainable development," which have been sought by African authorities and donor agencies for decades.

Thus, as we embark on the mission for capacity building, we must come to terms with the following question: How will the strategy proposed here make a difference in Africa? Given that so much work on, and investment in, capacity building, over a period of many years, has apparently produced so little, what reason have we to believe that this strategy will be fruitful?

There is no certain answer to this question. But we believe this strategy may ultimately distinguish itself from earlier efforts by proceeding from the premise that, if capacity building programs or projects have failed in the past, it is because the behaviors and processes that accompanied their preparation and implementation were fatally flawed. The strategy thus puts heavy emphasis on *supporting fundamental changes in behavior and processes* on both the donor and country sides of the capacity building equation. The two elements of the suggested action plan are (a) for African countries to deepen and broaden their own processes of developing national capacity building

strategies and (b) for the World Bank to change fundamentally the way it “does business” in Africa in order to make it a better partner for capacity building.

5. OPPORTUNITIES FOR COLLABORATION BETWEEN AFRICA AND ITS PARTNERS IN DEVELOPMENT

A. WHAT CAN THE WORLD BANK DO?

The Working Party report notes that “The World Bank has, during the past six years or so, given a lot of thought to the problem of capacity deficiencies in Africa. What is missing is the translation of the concept of ownership from rhetoric to practice, and effective mainstreaming of capacity building ideas into operations of the World Bank. These are the challenges the African governments and the World Bank will have to confront if they are to translate capacity building into reality.”

This chapter reviews a set of actions that should be taken by the World Bank to improve its impact on capacity building in Africa. In discussing ways in which the World Bank’s operations can be designed to maximize impact on capacity building in Africa, two general principles should be kept in mind. The first principle is that there must be full commitment by sub-Saharan African governments to the task of capacity building. The second principle is that the World Bank should be prepared to change the way it does business if capacity building programs it supports are to bear fruit.

It is recognized that change is difficult. In the past, proposals advocating change have been well received but poorly implemented. The real challenge for the World Bank is finding ways to implement real change. There are two main areas where changes can be made to improve direct World Bank impact on capacity building in Africa. The first concerns the way the World Bank works with prospective borrowers during the project preparation, implementation, and evaluation process. The second concerns the way in which the World Bank handles the internal review process and operations, staff recruitment, and staff performance evaluations.

1. Working with the Clients

(a) *Project Preparation*

The single most important improvement in World Bank behavior will depend on a clearer definition of the respective roles and responsibilities of the World Bank and prospective borrowers. Borrowers should be left free to identify, prepare, implement, and evaluate projects potentially to be financed by the Bank. The World Bank’s focus should be in assisting borrowers to build the necessary capacity to carry out these responsibilities.

Discussions between the World Bank and the client countries on the Country Assistance Strategy (CAS) should include capacity building needs. In addition, more attention needs to be given by the World Bank and clients to existing and future capacity. This requires that project design must realistically reflect the situation at the start of project implementation and should include a program of capacity building in areas related to the project. Specific actions which can be taken in this area include:

- Ensuring that internal World Bank reviews of Project Concept Documents focus on how the process of project preparation, and the eventual project itself, can contribute to building local capacity. Task team leaders should be questioned in detail about the role of the borrower in identifying project ideas and leading project preparation, and how the Bank is helping the borrower to play this role.
- Establishing, once a project has been identified, a formal agreement between the country and the Bank that defines the country's role and responsibilities as the leader of project preparation, and the Bank's role and responsibilities as a supporter and, where necessary, facilitator of the process.
- Including local capacity building as an objective of all projects financed in the Africa Region.¹⁸ As a general principle, project proposals should not be able to progress through the cycle without substantial evidence of capacity building potential. World Bank management must ensure that a detailed examination of the capacity building aspects of projects is undertaken systematically at all stages of internal review.

(b) Project Implementation and Supervision and Evaluation

Project implementation by the client country, and the associated supervision process by the Bank, are currently insufficiently exploited as opportunities for learning and capacity building. There are a number of relatively simple changes that could significantly improve the situation. These include:

- experimentation with joint Bank-borrower supervision of projects; conducting supervision missions in such a way as to recognize and take advantage of the distinction between the learning and "policing" elements of supervision;¹⁹
- Special efforts need to be made to involve borrowers, local consultants and non-governmental organizations, and other parts of civil society in the retrospective evaluation of projects.

¹⁸ Except where this would be clearly inappropriate, as, for example, in the case of an Economic Recovery Loan/Credit

¹⁹ A proposal for such an approach has already been developed with the Africa Region. See Talai (1996).

(c) *Monitoring and Evaluation*

General capacity for monitoring and evaluation (M&E) of development activities is sorely lacking in many Africa countries. In particular, there is little capacity to monitor the impact of capacity building activities. For both these reasons, the general and the particular, it is important to pay attention to developing local capabilities for M&E. The establishment and effective operation of M&E systems are frequently inadequately considered during the preparation of investment programs; though there is considerable variation between different sectors, and there has been some recent progress where both countries and donors make sufficient effort. Technical aspects of project implementation and impact tend to be ignored, and more attention has usually been given to monitoring financial progress. While financial discipline is of utmost importance, it is only part of a project's requirements. In many cases M&E Systems and Key Performance Indicators (KPI) have been left out of the main project documents and given insufficient attention during preparation and implementation.

- Low-cost, and in some cases no-cost, improvements to monitoring and evaluation capacity are possible through *improved project design, the better application of existing and proven M&E systems, and an improved demand for M&E information from managers and leaders.*
- An increasing number of projects and programs use an annual work planning process to determine the details of future operations and budgets. The approval of these plans and budgets should be more closely linked to a rigorous and satisfactory review of the M&E results of the previous year's activities. This would not only create a demand for accurate and timely M&E data, but would also help improve the quality of the following year's operations.

(d) *Economic and Sector Work (ESW)*

All too often it is the World Bank rather than the client country who initiates and implements economic and sector studies. This strategy fails to encourage the development of local analytical capacity. Rather than continuously carrying out economic and sector work without much borrower involvement, the World Bank should instead place emphasis on working with borrowers to achieve capability to do economic and sector work on their own, or at most under World Bank guidance. Changes in Bank behavior which could avoid this problem include:

- Active involvement of client country staff in the *ex-ante* planning and preparation of ESW, giving them control of the exercise whenever practicable;
- Focusing internal Bank reviews of all proposed ESW on the degree to which the process of preparing the reports is likely to contribute to strengthening of

local analytical capacity, as well as on the appropriateness of subject matter and methodology. Bank management must ensure that local capacity building is established as an important goal of all ESW financed in the Africa Region. As a general principle, new ESW should not go forward in the absence of demonstrated merit from a capacity building point of view.

- Activity Completion Reports for ESW should be required to make particular mention of capacity building results.

(e) *Technical Assistance*

A recent report from the Bank's own Operations Evaluation Department ²⁰ noted *"Although TA cannot be expected to improve weak public administrations greatly in the short run, it remains a key instrument for making institutional development happen. Hence the need to further shape instruments, methods, processes, incentives and skills to achieve this end."* Any action aiming to make the Bank a more effective partner in capacity building must therefore include a substantial revision of the role and delivery of TA. Among the possible short term actions are:

- A review of all existing and proposed TA operations to ensure that their primary objective is indeed capacity building. TA projects which do not conform to this standard should be either redesigned or phased out.
- A reduction of the complexity of TA operations in each country, and the use of the internal review process and the CAS to ensure that this happens;
- A more effective initial assessment of the client government's demand for, and commitment to, capacity building before supporting any TA investment. As in the case of general project preparation, the Bank's own internal review process must systematically question task team leaders about client ownership and country leadership of the identification and preparation process;
- The Bank must ensure that all TA operations have clearly defined objectives. These should include specific mention of support to local capacity building and identify monitorable outputs and outcomes. National counterpart staff should be identified, and a programmed transfer of responsibilities to national staff must be implemented before the end of the TA input;
- When international consultants are proposed for TA operations, their use should be justified on the basis of an established lack of suitably qualified local experts;

²⁰ *Technical Assistance Lessons and Practices*; Number 7, May 1996. OED, The World Bank, Washington DC.

- The World Bank could encourage bilateral donors to "untie" the use of their consultant trust funds to enable non-donor country nationals—particularly African specialists—to be financed;
- Reviews of all TA operations should include an analysis of how the proposed operations would contribute to reducing the country's future need for TA. As a general rule, proposed TA support should not go forward in the absence of clearly established merit from a capacity building point of view.

**Box [2]: Working with African Countries—Changes Needed
at the Level of Country Operations**

- Giving prominence to capacity building in the Country Assistance Strategy.
- Ensuring that the client is in control of project identification, preparation, and implementation.
- Ensuring that the client country staff are actively involved in the planning and execution of Economic and Sector Work.
- Ensuring that project design takes full account of current and future capacity building needs, and makes realistic assessments of the time and resources necessary to establish the local capacity necessary to implement the project.
- Including a careful analysis of capacity building aspects of the project at all stages of project review by the World Bank and other donors.
- Using project supervision to increase capacity as well as to review implementation progress. This should include increasing the participation of the Borrower's technical staff in World Bank appraisal and supervision missions.
- Including specific evaluation of a project's progress with capacity building in the internal monitoring evaluation system and in the Form 590s completed by task team leaders after supervision missions.
- Ensuring that all Technical Assistance operations have precisely defined objectives.
- Ensuring that where external consultants are used to provide Technical Assistance, local consultants are "twinned" with the international consultant.

2. Improvements Within the World Bank

(a) Leadership

Most of the proposed actions in this section of the report require significant changes to the "corporate culture" of the Africa Region of the World Bank. These are only likely to be successfully implemented in a sustainable manner if they receive strong, visible and persistent support from the Region's senior management. This leadership needs to take clear actions and send clear operational signals. The Bank's Africa Region leaders should indeed be evaluated on their contribution to capacity building, as it is their responsibility to ensure that the Working Party's recommendation that "the Bank ... match its rhetoric on capacity building with concrete action programs" is effectively and durably implemented. Among the key themes which must be frequently communicated to Africa Region staff are:

- The Bank needs to do a better general job of helping its African clients build capacity. The Working Party concludes that this "will require changes in priorities, program content and operational procedures".
- Bank staff, and particularly managers', behavior must change to accommodate a new vision of capacity building. This vision should incorporate the idea that, if capacity building is taking place, client countries will have progressively less need of external assistance, or will at least require different kinds of assistance over time. Again, as the Working Party Report notes, "Bank staff need to be better informed and more sensitive to the needs and priorities of governments".
- Managers should redefine their view of key operational review criteria such as "results", "product", "speed" and "quality".

Results should be measured by the Bank's contribution to helping clients develop the capacity to plan, implement and evaluate their own development process. Traditional internal Bank outputs, such as Board Approval and Sector Reports, are only intermediate results that must serve the over-arching, primary "result" of capacity building.

Processes, both between the Bank and the client and within the country, are important *products*. For example, a good process of project preparation or Economic Sector Work can be a valuable product in itself.

Speed should not just be judged by the time taken for it to move from one phase in the project cycle to the next (e.g. identification to preparation to appraisal to approval to implementation to completion). Projects should be judged by the speed with which they contribute to building local capacity.

The *quality* of the work supported by the Bank should be judged not only by its technical, financial and managerial performance, but by the degree to which it is "owned" and understood by the client and is based on the practical realities of field conditions.

(b) *Internal Review of Projects and Programs*

The internal review process of the World Bank can focus better on capacity building concerns in a number of ways. The Country Assistance Strategy should reflect problems and potential in this field. Following the Country Assistance Strategy, all stages of internal project, program and economic and sector work, review should include specific analysis of capacity building matters. Important steps in this process include:

- Systematically ensuring that local capacity building concerns are explicitly incorporated into every CAS. Wherever possible, the CAS should include monitorable outputs to track improvements in capacity. The CAS should describe how World Bank support will eventually enable the client to manage with less (or a different type of) external help, and how our work aims at leaving behind sustainable institutions and networks of capable individuals.
- Including capacity building criteria in the Annual Review of Portfolio Performance. This should focus on strengthening the borrower's capacity to manage its own development, and on reducing dependence on support from the Bank and other outside agencies.
- Including an assessment of commitment to, and progress on, national and local capacity building in each annual Country Performance Review.
- Inclusion in project supervision of reporting on the capacity building impact of projects. The Form 590 to incorporate capacity building.

(c) *Staff Recruitment, Development and Performance Evaluation*

The experience, attitude, and skills of World Bank staff have a direct impact on the institution's contribution to capacity building in Africa. It is therefore essential that a potential or demonstrated contribution to capacity building be a criterion for the selection and performance evaluation of operational staff and managers.

The following set of proposed changes within the Africa Region of the Bank related to the management of staff and managers could have a positive impact on developing local capacity in Africa:

- Increasing emphasis on the recruitment of staff who have an understanding of the underlying causes of institutional failure and capacity deficiencies. Operational staff should be selected who are able to understand practical problems from the client country's perspective, and who are sensitive to the importance of "process" as opposed to "blueprint" approaches. This should be specifically included as a criterion for the evaluation of candidates.
- Better training of staff and managers on aspects of capacity building. Specially prepared modules on capacity building and related analytical tools (institutional economics, economic sociology etc.) should be included in existing training programs, particularly those targeted at task team leaders. This includes also the training of national staff in Resident Missions, so that they are fully integrated into the Bank's activities in their countries.
- The creation of opportunities for Bank staff and client country staff, particularly national project directors and policy makers, to train together would greatly enhance national capacity and reinforce the concept and functionality of the Bank's partnership with its clients.
- The secondment of Bank staff to work for extended periods with agencies in client countries. This would have an enormous payoff in terms of increasing the Bank's understanding of "day-to-day" capacity building problems in Africa.
- The Bank's "Performance Management Process" (PMP), which provides an annual review of individual Bank staff performance, should do more to recognize and reward staff who work to build local capacity in ways that may not rapidly, or even ever, generate the traditional, visible Bank outputs (such as project documents, analytical reports). Staff should be rewarded for working with the client in such a way that the client is in control and the Bank is playing a supporting role.
- The PMP should also include evaluation of long-term project outcomes. This would bring a historical perspective into staff performance evaluation, holding staff accountable for, and recognizing staff's contributions to, long-term capacity building impacts of work they have supported even after they have moved to other assignments. This would bring the PMP into synchrony with the long time lags inherent in the capacity building process.
- Internal and external evaluation, and audit functions should be used to change and monitor Bank task managers' effectiveness at encouraging capacity building. For example, the Implementation Completion Reports should review implementation of anticipated long-term capacity building effects of projects. The Operations Evaluations Department also has an important role

to play and it should focus more explicitly on rating the institutional development impact of Bank-financed operations according to the extent to which they help strengthen local capacity.

(d) Institutional Changes

It is recommended that the Bank establish a focal point for the review and support of capacity building activities within the African Region. The nature of this focal point would be decided later. This focal point will ensure that all proposed Bank operations (projects, ESW, etc.) as well as all country Assistance Strategies and country and portfolio reviews, adequately take capacity building into account, and will provide advice to clients on the Bank's new approach to capacity building.

Decentralization of Bank operations too will be important. Resident missions, for example, should be equipped to play a stronger role in helping country counterparts develop capacity for project identification and preparation. The Working Party Report noted that "... the Bank should strengthen its field operations, and the recent moves to strengthen country offices should be pursued with vigor".

Box [3]: Changes Required Within the Africa Region of the World Bank

- Ensure strong, visible, and persistent high-level leadership and support for all activities encouraging capacity building in Africa.
- Staff need to be better informed and more sensitive to the needs and priorities (Working Party recommendation).
- Staff and managers' performance should be evaluated specifically on the contribution of their work to capacity building in Africa.
- Evaluation of the long-term capacity building outcomes of investments with which staff have been associated should be included in the performance evaluation process.
- The World Bank's concepts of *results*, *speed*, *products*, and *quality* need to be redefined to include factors related to capacity building.
- Establishing a focal point with responsibility, authority, and resources to encourage capacity building and to monitor the application of the World Bank's own guidelines.
- Include capacity building criteria in the *Annual Review of Portfolio Performance* and the *Annual Country Performance Review*.
- Review the specific needs of women in capacity building.

3. Conclusion

This section of the report has indicated the type of changes in behavior and structure—some simple, others somewhat more dramatic—which might need to be taken by Bank to improve its support to African Capacity Building. They will not be easy to implement. They will require an internal process of change which demands honesty and courage, and which effectively addresses the basic fundamentals of what the Bank does and how it does it. The process of change needs to be supported by a major information, education and communication campaign aimed at both staff and clients.

None of the proposed changes represents a new idea. It is therefore crucial to understand *why they have not been implemented*. Although the range of proposals is too great to allow for one simple explanation, it is clear that the lack of institutional incentives and existing culture have militated against the widespread adoption of what has long been recognized as best practices. In this respect, clear and forceful leadership is absolutely essential if the Bank is to move towards effective and lasting change. Significant levels of cynicism, substantial inertia, and considerable vested personal and institutional interests will provide formidable resistance. They must be overcome

B. PRIORITIES FOR ACTION

From the analysis provided by the National Capacity Assessments, some broad *priority* areas for actions to build capacity in Sub-Saharan Africa are discernible. These are:

- *Transforming public administration.* Capacity building efforts in Sub-Saharan Africa must be accompanied by a profound transformation of the role of the public sector, and by a substantial improvement in the operational practices, the administrative culture and the performance of all public agencies. Strong political commitment to this objective, coupled with strong managerial, technical and professional leadership, is the key to this transformation. Much effort must be invested in promoting leadership in Africa.
- *Strengthening the private sector.* Such strengthening implies building capacity and exploiting existing capacity within the private sector both to launch and sustain new ventures, as well as to take over what is divested by government.
- *Strengthening capacity in civil society.* Central administrations must become more open to the idea of sharing power, responsibility, and authority with organized groups at all levels of society. Local communities, for example, should be allowed and empowered to manage their own affairs to the greatest extent that is practical and appropriate, and more still needs to be done to mobilize the very considerable potential of women to contribute more to the development process.
- *Developing human knowledge and skills.* Attention must be focused on institutions that provide essential skills and professional competencies; on those providing strategic support services (such as in the areas of financial resource management, strategic planning, information technology, and productivity incentives); on research institutions; and on “watchdog” organizations such as independent think tanks, the media, and civic organizations.

The National Capacity Assessments also pointed to fundamental concerns that underlie the issues outlined above, that is, that processes, behaviors and incentive structures in both African countries and donor agencies have militated strongly against virtually all efforts to build capacity in Africa. The implication is that, as noted in the previous chapter, two fundamental elements of the suggested action plan must be (a) for the African countries to deepen and broaden their own processes of developing national capacity building strategies, and (b) for the World Bank to change fundamentally the way it “does business” in Africa in order to make it a better partner for capacity building

1. Public Sector

(a) Professionalization of the Civil Service

The capacity assessment reports identify a triple crisis in African civil services: a crises of legitimacy, of performance, and of funding. The symptoms and causes of these crises are varied and complex. Countries need to reconsider the role of the civil service within the public sector and the national community as a whole; to define its objectives clearly and also define what staff, skills, and experience are necessary to fulfill that role; and to shape the rewards and incentives so as to evoke the performance which society increasingly demands and deserves.

Many of the capacity assessments and subregional workshops defined this problem as one of declining professionalism in the civil service. Restoring professionalism requires, in the first place, technical and administrative competence. Guaranteeing such competence requires a system with the following characteristics: an appropriate level of job security and remuneration; appointments and promotions on merit; staff assignments on the basis of competence; and in-service training. Professionalism was also seen in terms of the internalization of norms and ethical standards to ensure that the civil service could resist pressure from sectional interests.

However, the establishment (or re-establishment) of an elite corps of technocrats is only one of the necessary responses to the crisis. Also critical to the long-term development of the service is the definition of its relationship to other sectors of society and, in particular, the establishment of mechanisms and standards to ensure civil servants' accountability to the public.

The objective is a pressing need to reform the whole public service so as to make it:

- prudent and capable of living within its means;
- courageous in its ability to identify strategic policy issues and provide leaders with disinterested policy advice;
- responsive to the intentions of national leaders and the needs and aspirations of client populations;
- coherent and internally consistent as an organization; and
- focused on results and performance.

The appropriate path to achieving these ambitious goals will differ from country to country, and should be defined by a national debate which combines technical analysis with wider social consultation, generating goals, priorities, ideas, and solutions from both the central agencies and the grass roots. This approach would not only result in consensus over aims and consistency of means, but also generate capacity and credibility. It would be realized through a series of discussions, ensuring the participation or representation of all those stakeholders whose support is necessary to achieve success. The first stage

would be the design of the process of discussions itself, to ensure the systematic, effective, and sequenced involvement of stakeholders. This stage would result in (a) a technically feasible and socially acceptable set of reform proposals, and (b) a process through which the relevant actors would become committed to those proposals.

Issues to be addressed during this process would be likely to include:

- *the mission, role, functions, and purpose of the civil service* and its relationship to the rest of society, including the public service, the private sector, and civil society;
- *the forms of public service which are needed to deliver those functions*, and the rules of governance under which they should operate;
- *the size and fiscal sustainability of the public service* within the context of the scale, structure, and cost of the public service as a whole;
- *possible divestiture of what are currently central government functions* through decentralization to regions and districts and from more extensive use of the private sector to deliver public services;
- *the conditions of employment for public service employment*, including the use of contractual arrangements for some staff; and
- *mechanisms for assuring the accountability of the civil service to the public.*

As the process proceeds, needs for in-service and formal training would be expected to emerge. Appropriate mechanisms would also need to be developed to mitigate the social costs of any necessary redeployment.

The World Bank and other donors could support this process in several ways. These include technical and financial support to regional or subregional workshops intended to define the necessary process more closely; technical and financial support for professionalization programs within a country; and support for training, retraining, and redeployment.

(b) Enhancing the Capacity of Government in Policy Analysis

A central policy analysis and monitoring institute should be set up as an integral part of the civil service structure, located strategically, either centrally (within the Ministry of Economy and Finance, or the Prime Minister's Office, or the Presidency) or in a decentralized manner, in key sector ministries. This arrangement is more suited to countries with no existing capacity for policy analysis within the government machinery and where the administrative practice is distrustful of professional advice coming from outside the civil service. Its advantage lies in the fact that there would be a ready demand for its services and also that there is a strong likelihood that its recommendations would be readily implemented.

The institute could equally be established along the Korean Development Institute model: as an intellectually independent “think tank” that gives policy advice to government and makes constructive criticisms of government policies. This option is suitable where the government of the country concerned already possesses a mechanism of its own for policy analysis and monitoring, and where it possesses a culture of receiving advice from outside the strict structures of the civil service. The main advantage of this model is the independence with which such an institution will function, which will in turn guarantee the objectivity of its work and whatever advice it gives.

There must be a clear commitment, on the basis of recognition of the necessity and relevance of such an institute for improved economic performance. The choice of which model to follow should be up to each country. What is of critical importance is that only such commitment can guarantee its importance and effectiveness.

The fundamental reason for this proposal is that policy analysis and monitoring must be owned by Africans. A Policy Analysis and Monitoring Institute of the types described here would enable the creation of an appropriate policy environment for each country by improving on the state of statistical data and analysis and the demand for its use; and by improving the management of records and carrying out all incidental activities necessary for the adoption of sound and realizable economic policies. The complexity of the global economy—particularly in terms of its interdependency and competition, the advances in information technology, and the huge gap separating Africa from the rest of the world—requires bold initiatives, conceived and implemented by experts. In light of the above, it is imperative to acquire a deep understanding of the causal link between policies and their consequences on the global market place. This requires a level of sophistication in the understanding of legal, economic, technological, and other issues that can only be within the scope of experts. It is therefore incumbent on leaders to entrust critical analysis with the appropriate experts. The critical areas for study will include macroeconomics analysis, sector investment, industrial development, agriculture and environment, labor and employment, and infrastructure and social services.

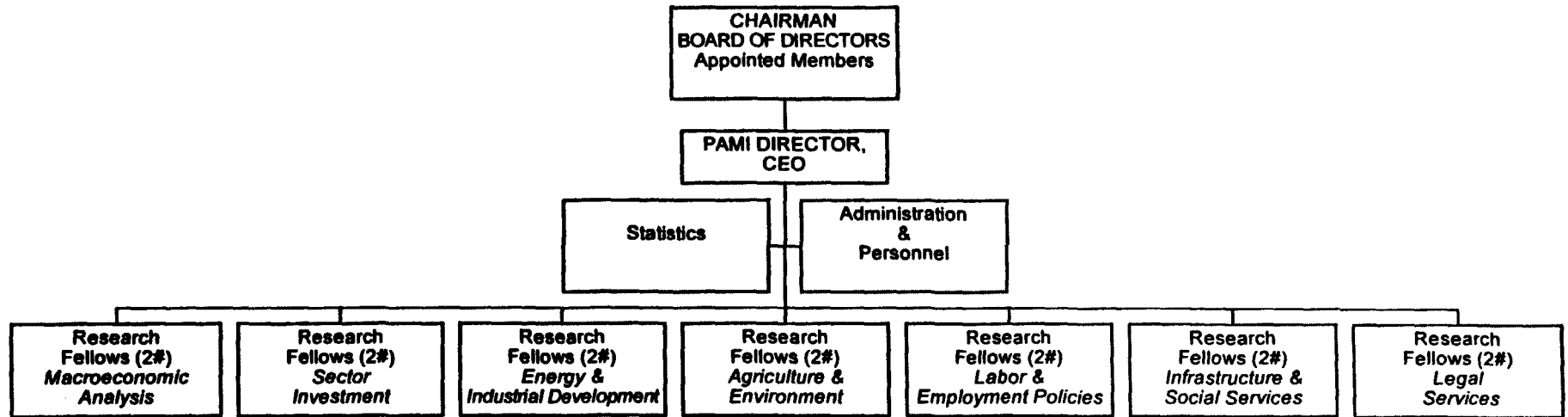
The institute or unit must obtain sufficient operational autonomy through the legal instrument establishing it. The institute’s or unit’s special status must enable it to recruit a small number of professionals from within and without the civil service on short to medium term contracts. Operational independence would have to reflect adequate working conditions, appropriate remuneration, and the necessary latitude to recruit staff exclusively on the basis of intellectual and professional capabilities. It would also require that the institute be empowered to make public some of its analysis and findings on government policies. Well-defined reporting lines are essential for the success of the institute. This would obviously depend on the adopted model as well as on its location within the system. Ideally, it should ultimately report to the highest instance of economic policy and planning. However, care must be taken to ensure that sector ministers are empowered to initiate and monitor studies in their respective sectors, whatever the form

that is ultimately adopted. In any event, there must be effective coordination of policies by the institute.

Each country that intends to establish a policy institute must undertake a diagnostic study, which sets the context for this institutional reform, and then define the type of institution which from its perspective fits appropriately into that context. That means in the first place undertaking a review of its arrangements for central and sectoral policymaking and identifying how and where it would improve its own performance by the addition of better policy analysis. The diagnostic study needs to identify the central decisions which are now being made poorly, or not being made at all because the policy analysis and problem identification are weak or nonexistent. This review would represent a basic estimate of the demand for policy analysis. Following on that, the country would undertake an analysis of the way it would like to alter or restructure its decision processes.

The donor community could be of assistance in a number of ways—for example, by providing advice at each stage of the government's own implementation of the project. The World Bank has institutional policy staff and economists who can assist countries in analyzing and diagnosing their current decisionmaking systems from the perspectives of governance and economic management. More generally, however, outside support for such a strategic agency can only be a follow-on to a plan conceived and initiated by the country concerned. Such support should be specific, time-bound and complementary to, but never a substitute for, local initiative. Failure to proceed along these lines would only repeat past errors and contribute nothing to capacity building in this all-important area.

ORGANIZATIONAL CHART FOR POLICY ANALYSIS AND MONITORING INSTITUTE



(c) Building Capacity for Auditing, Accounting, and Financial Management

A sound accounting infrastructure as well as appropriately trained accounting and auditing professionals are critical prerequisites for sustained economic growth. Progress toward the development of an ethical culture that emphasizes financial discipline, transparency, and accountability—an important component of the enabling environment—will continue to be retarded as long as capacity remains as weak as it is at present in this area.

Strengthened financial accountability is, moreover, considered critical to maintaining or restoring public consensus on aid programs in donor countries in the post-cold war period. Perceptions of large scale diversion or ineffective use of resources due to poor systems of financial governance in recipient countries erode support in donor electorates. Although some reduction in African aid dependence is inevitable and is associated with the capacity building effort itself, partnership presupposes continued collaboration and cooperation, including the provision of financial resources. Africa consequently cannot afford for its own development effort the retention of practices reflecting poor or bad financial governance.

National governments may find it beneficial to give greater support to the training of quality personnel in this profession. This can take two forms—improving the availability of educational/training facilities and opportunities at home and abroad (including the use of regional cooperation arrangements) on the one hand and improving *the quality of education* on the other. Regarding the latter, the emphasis should be on providing students with practical, transferable skills, and a base upon which to build continued learning for higher professional skills.

Governments can also support the professions through the establishment of a legal framework which includes requirements for annual reporting as well as accounting standards to guide the practice of the profession.

National accounting bodies (professional associations) must strive harder to play active and visible roles in the development of the profession. They can take on the responsibility of evaluating the appropriateness and relevance of existing accounting and auditing standards, and take the lead in adapting these standard to local conditions in light of the country's sociopolitical, economic, and legal systems.

In collaboration with governments and the relevant public and private entities, these bodies should also institute appropriate mechanisms for monitoring and promoting compliance with the applicable accounting and auditing standards so as to protect the integrity of the profession and to enhance the emergence of financial discipline in the economy at large.

Concerted efforts involving national bodies and the international donor community could be made to mobilize grant funds to assist regional accounting bodies to

develop regional accounting qualifications, accounting and auditing standards, and to assist the typically small and ill-equipped national accounting bodies to harmonize standards and education.

Support for the development of good financial governance can come by way of the inclusion of separate components in projects involving funding by the donor community in order to promote accounting and auditing capacity building. Such an approach, however, occurring within each country on a project-by-project basis, may be slow in producing the required impact. A more cost-effective alternative may be to provide assistance to the profession on a region-wide basis. This may prove more effective in addressing the capacity problems, as the agreed action programs would be implemented simultaneously in all participating countries in the region.

(d) Enhancing Legal and Regulatory Capacity

The strengthening and improvement of the legal and regulatory framework is a key element in dealing with some of the persistent problems associated with the capacity deficiencies that were identified in the diagnosis

A high priority should be given to a thorough reform of the legal system, including enhancing the local capacity to draft laws, providing support for the redrafting of legal codes, improving the judiciary, the capacity of State Attorneys and private lawyers, and the capacity of legal and judicial training institutions. It is clear that "piecemeal" reform of the legal system often does not yield the desired result. When an entire legal system has broken down, it is not enough to reform only a limited area of the law, such as banking laws, for example, without confronting the weaknesses in law enforcement in general. Modern banking laws are of little use when the lawyers, courts, and other legal institutions responsible for implementing them lack the capacity to do so effectively. What is required is a broader strategy of reform which addresses the legal system as a whole.

Comprehensive legal reform is a long-term process which requires commitment from government and continuous and sustained effort over time. It also requires development, after an appropriate diagnosis, of a coherent series of activities to be undertaken in a phased manner over a period of time. For instance, a country might decide to improve the functioning of the courts, registries, and libraries, and reform the laws related to private sector development as a first phase to spur on this sector, which is recognized as the engine of growth in Africa.

The experience of several countries that have embarked on comprehensive legal reform exercises offers useful lessons for others to follow. In the more successful cases, the process started with a thorough diagnosis of the legal system as a whole which identified specific areas of weakness and their causes. The diagnosis then provides the basis for a long term strategy for legal reform. The exercise is largely undertaken by local

experts and, more important, the government has demonstrated its unwavering commitment, support, and leadership for it.

The international donor community, including the World Bank, has acquired substantial technical expertise and experience in legal reform that it could lend to reforming African countries to support their diagnosis, strategy formulation, and the implementation of the strategy. It should be emphasized that the support of the international donor community should complement, not substitute, the African countries' commitment and role.

(e) Leadership and Development Management

The National Capacity Assessments which have been done in Africa indicate that leadership and management in African institutions are inadequate, and this results in poor institutional performance. The most frequently mentioned weaknesses are that:

- Leaders and managers do not develop and articulate appropriate visions for their institutions, and they do not practice some of the key principles of leadership, such as *focusing on purpose, creating followership, setting goals and standards, liberating motivation, and providing resources to match responsibility and authority.*
- Leaders and managers are often compelled to make decisions on the basis of limited and/or poor-quality information. In government ministries, many administration and finance departments do not have adequate, computerized management information systems to support the decisions that leaders and managers have to make with respect to *finances, personnel, and assets.*
- The offices of many leaders and managers are inadequately staffed. Key positions are often not filled or are filled with underqualified people. Even prime ministers and ministers often lack advisors in key policy areas and are not supported by adequate research staff to conduct ongoing, quick, decision-supportive research. Often, their staff are unable to use information processing tools, such as spread sheets, or project management software.
- The physical work environment of many leaders and managers does not adequately support the processing of the matters with which they have to deal: communication lines and equipment are inadequate; there are not enough computers, printers, photocopiers, and fax machines; offices are poorly furnished, and office supplies are inadequate—all of which contributes to slow and inefficient processing.
- Inadequate work methods add to these difficulties. Such methods apply to the way work is organized in many offices, as well as to the management style of

many leaders and managers, who do not delegate decisionmaking and signing powers to people under them. They also refer to such matters as mail procedures, filing systems, and the preparation of files for discussion—from dossiers submitted to cabinet ministers for discussion in cabinet to simple periodical reports given to managers to help them monitor the activities under the managers.

Capacity building itself requires leadership and management. There needs to be a vision of the state of capacity desired; there needs to be a good understanding of the process which can produce capacity. This process must be well managed once a country or an institution embarks on capacity building. Weak leadership and weak management at the top usually translate into an inability to build up capacity. Thus, the development of leadership and management is a precondition for the development of all other capacity. Since leadership and management are inadequately developed, capacity is inadequate. There is therefore a compelling rationale to focus on both.

We, the African Governors, are of the view that initiatives in the following three areas need to be considered in Africa:

- in-service training and development activities for institutional leaders and managers;
- pre-service education and training for persons with leadership potential; and
- activities aimed at improving the decision-making environment of leaders and managers in key public sector and civic sector institutions.

In-service training and development activities may be provided with respect to the skills of leadership and management, with respect to the knowledge of economic and social development, and with respect to the workings of various sectors of the economy and society. Particular attention needs to be given to skills associated with the functions of planning and budgeting, supervision and monitoring, and communication and liaison with international organizations and various stakeholders. The activities contemplated can take different forms, from formal training courses, workshops and seminars designed for managers at various levels to informal “clubs” and gatherings designed for sector ministers and heads of ministries, departments, and agencies. The production and distribution of written materials, guides and manuals can also be part of this initiative.

Much of this training may be designed, developed, and delivered by regional institutions. Existing or new institutions may be selected on a competitive basis to do this work. The number of courses and the quantity of materials to be developed will generate substantial work that may be divided quite evenly among a number of subregional institutions within Africa. This initiative may also be linked to the centers-of-excellence initiative, and some or all of the institutions which are selected to develop and deliver leadership and management training may also be among those selected to become centers of excellence. Whether selected as centers of excellence or not, the institutions that will

develop and deliver the proposed training will have to build up their own capacity. It is proposed that the costs of this institutional capacity building and the costs associated with the development of the training courses and materials be covered at least in part from the proposed Capacity Building Trust Fund. It is proposed also that a cost-sharing formula be developed to cover the cost of delivery. The Economic Development Institute of the World Bank could play a significant role in this broad initiative. This institute is already involved in a large number of training activities aimed at the leaders and managers of African institutions.

The proposed preservice education and training for persons with leadership potential may focus not only on general sociopolitical knowledge and generic leadership skills, but also on moral education, leadership values, and attitudes. The idea is to design programs which will identify high school students with leadership potential, give them training in these areas, and expose them to leaders inside and outside Africa. Leadership circles, camps, and tours, as well as leadership courses and materials, can be the vehicles for this training. This youth education and training may involve a mix of regional and national activities. Some programs may be prepared and delivered by regional institutions, and some activities may be carried out by young people coming from many countries in the region. However, much can be done locally in each and every country. The role of youth movements in developing leaders of the future needs to be considered. It is proposed that an African Working Group on Youth Leadership be established and given the task of developing a more detailed outline for this initiative. The Working Group may commission a preparatory study to help it obtain further information and advice on this topic.

The third proposal envisages a series of activities aimed at improving the decisionmaking environment of leaders and managers of selected key institutions in the countries joining the Partnership. These institutions could range from the Office of the President or the Prime Minister, through the offices of the directors of key government departments to the offices of the directors of key civic organizations, including parliaments. The idea is to use certain management and productivity analysis techniques and to conduct comprehensive analyses of the work environment in the said offices. The focus will be on the flow of work in these offices, the people who do this work, the working habits and practices they follow, and the office technologies available to them. The focus will also be on their information needs compared with the information available to them. This will help to revitalize the top management team in the said offices and to redesign the work and restructure the offices to create a more efficient and effective decisionmaking environment. The instruments to do this kind of work already exist, though they may require some local adaptation in each country. The assumption underlying this proposal is that the work can be done by management consultants. Since the development of the consulting profession in Africa is a key goal in capacity building, the proposed initiative can be considered as one opportunity to work towards the achievement of this goal as well. One idea is to let some of the big international consulting firms which operate in Africa design and carry out a first phase of this initiative and train African consultants in the process to continue and do further work.

The objective of the first and the third initiatives proposed above is to raise the quality of leadership and management in African institutions by strengthening the knowledge and skills of their leaders and managers, and by improving the decisionmaking environment in which they operate. The objectives of the second initiative are to increase the pool of potential leaders in all walks of life and to ensure a higher quality of leadership at entry by exposing them to appropriate role models and to relevant knowledge and skills during their formative years.

The rationale for these objectives is clear: Africa's future depends to a large extent on the accomplishments of its institutional leaders and managers. The building of capacity, in all its forms, depends on good leadership and management.

2. Private Sector

(a) Business Promotion and Development

The development of entrepreneurship is best assured by establishing and maintaining an enabling environment in which economic initiative can be rewarded, and government actions go a long way towards determining this environment. The way the government itself does business is an issue here, and government has to explicitly manage its overall relations with the private sector with this factor in mind. The most fundamental prerequisite is to understand what it takes to grow effective modern businesses out of the substratum of informal and small businesses that characterizes the typical African economy.

There is, however, evidence, that the talents of the entrepreneur and the productivity of small businesses can be enhanced through the addition of learned and teachable skills, covering techniques of good management, organization, and the establishment of effective routines. The proposals that follow are not specific to particular businesses. They are applicable to entrepreneurs, small businesses, local consulting firms, professional associations, and nongovernmental organizations that are active in the development field. There are a number of possible proposals, including enhancing the capacity of local entrepreneurs through

- a "Training and Visit" type of institutional arrangement, modeled on the classic form of organization for agricultural extension, by which specialists in various business disciplines including marketing, costing, financing, product design, manufacturing, and exporting would make frequent advisory visits to selected small business clients;
- a series of short training courses on business management for existing businesses, which can be taken in modular fashion, a few days at a time;
- the creation of a brokerage arrangement by which the various assorted donor schemes for providing retired experts, like the British Executive Service

Overseas, can be efficiently matched with appropriate business clients to improve the opportunities for placement of expertise;

- the creation of an Innovation Center which could combine training, consultancy, as well as physical, technical, and financial support for the incubation of small businesses; and
- the establishment of a virtual business school campus utilizing distance learning techniques to provide business and management training of a more conventional type, possibly leading to qualifications or diplomas. Unlike the other proposals, this could also be of assistance to individuals who want to prepare themselves for careers in commercial activity.

The objective would be to implement a procedure for delivering low-cost training to entrepreneurs and to small businesses in areas of management most useful to them. The aim would be to design a system which is essentially self-financing through fees for service, although it might require some initial public expenditure for establishing the system and setting it in motion. The public sector cannot afford to invest much in business promotion and development when faced with so many competing demands for its support, but at the same time it may be possible to use its position and funding to leverage considerable change.

The implementation of this proposal calls for the initiation of *a process*. In the first stage, private business and nongovernmental organizations could take soundings among all the key players with some interest in the outcome, such as private sector representatives, chambers of commerce, World Bankers, exporters, donors, training institutes, and foreign business representatives to identify the potential of various proposals and mechanisms for providing training for businesses.

In a second stage, the business community (and selected NGOs) could undertake studies of the informal and small business sectors' training needs and deficits, and the willingness of the potential users and beneficiaries to be trained. That willingness would not only be expressed in terms of their willingness to pay, but also their willingness to cooperate in other respects, such as the time they would make available and the results which would motivate them to continue with training.

At the same time, the government and the local business community could both contact donors and the foreign private sector to see whether they were prepared to become involved, especially in the areas of assignment of retired executives with private sector skills. The government could also explore the possibility of getting overseas corporations to adopt a local training institution or partner with it. Or the government could support directly the proposed Innovation Center and other arrangements for incubating small local businesses. Examples of such arrangements include:

- the strengthening of private sector institutions such as the Chamber of Commerce and Industry and other professional business associations to enable them to improve on the services they offer to their members.

- a review of the banking system to enable it to respond to the developments in the private sector, and in particular, to the need to recognize the growing importance of the informal sector and to develop more appropriate and effective instruments for dealing with the financial needs of the sector, especially by attracting better local private savings into the banking system.

3. Civil Society

(a) Information and Communications

An effective and dynamic process of national development depends on a wide range of interacting factors. Skills and knowledge are clearly an essential part of the process, but so is news and information. There is a thirst for information in Africa; in fact, traditional greetings in many African languages start with a request for news. The traditional systems of transferring news and information are, however, not able to respond to today's demand, and more effective means need to be found which reduce the time required to deliver news and expand the area of news coverage.

Without truthful, accurate and timely information, private and public sector decisionmakers cannot have a clear idea of what is actually happening, nor can they track the physical, social, and political impact of their decisions. The same is true for civil society. No effective national development process can be sustained without the informed participation of the population. And for the population to become informed, there needs to be effective news gathering and information systems working at both national and local levels.

News reporting and information transfer systems in Africa are very weak. This is due to a number of reasons. The first is political. Government control and censorship have been important constraints in the effective diffusion of information in many African countries. Despite considerable progress in some countries, censorship and press controls of different types continue to be serious constraints in others. In many countries—even where some liberalization has taken place—the press is still controlled by the government, and public funds are used to subsidize the diffusion of carefully selected information. The main radio station and the single television channel (which is frequently accessible to only a small portion of the urban population) are usually state-funded and state-controlled. Consequently, news broadcasts tend to focus exclusively on government activities, or at least on those activities of which the governments approve. There is little or no debate of political and development issues, and rarely is there any presentation of alternative, nongovernment points of view. Careful scrutiny and public criticism of government officials is rare, and short-wave radio transmissions from other countries targeted at Africa are often important sources of international—and even national—news.

The second constraint is restricted capacity. Government control has limited the development of a private media sector in many countries. As the state has often been the

only employer of journalists, career opportunities have been limited. Lack of opportunity has inevitably led to lack of capacity. There are consequently too few journalists, many of whom are inadequately trained. It is only relatively recently that private media coverage—including independent commercial radio and weekly and daily newspapers—has been allowed to develop in many African countries. As a result, the quantity and quality of available human resources and current technology is still seriously inadequate to tackle the enormous task of effectively informing Africa's population. Of particular concern is the fact that there are very few national journalists with training and experience in the management of news about economic development and related subjects.

The third constraint is that the information infrastructure throughout most of Africa is very weak. Intra- and inter-country linkages are poor, and virtually all international links are owned by foreign companies. These companies are able to charge very high fees for their services because they are monopolies. This inevitably discourages and limits the use of international communication systems.

Finally, there are problems with global information flows. Little of the news that comes into Africa from the rest of the world is generated by Africans. Elements of special interest to Africa are therefore not necessarily presented to African listeners and readers. Conversely, little of the African news that flows out to the rest of the world is reported by Africans; so the presentation of African news to the rest of the world—particularly development news—is still very much in the hands of foreign journalists. As a result, an African perspective of Africa is not always transmitted.

Within the framework of the Partnership for Capacity Building in Africa the sub-Regional workshops, the National Capacity Assessments, and the Working Party Report have all noted and analyzed the current lack of capacity in the media. They have concluded that the reason for Africa's current capacity deficit is the lack of a formal demand for news and information placed on public administrations by the population. Basically, although people want to know what is going on, they do not think it worth while to ask the government to provide the information, and often don't have alternative sources.

Furthermore, the Working Party Report notes that "supply-side initiatives to improve government institutions are more likely to succeed if the demands being placed on government to perform effectively in delivering services are enhanced." The tide of democratization in Africa in the 1990s, accompanied by the emergence of a free press in many countries, has significantly increased the capacity of ordinary citizens to communicate their needs to governments, and thus to respond to their concerns. However, although in recent years the news and information media have played an important role in capacity building in Africa, the media professionals themselves lack the capacity to play this role to the fullest extent. These serious shortages of human, technical, and financial resources are compounded by the limited capacity of potential consumers to pay for media goods and services. Many of the National Capacity Assessments noted that the media in Africa need more trained journalists and more

modern equipment if they are to serve as an effective channel of communication between governments and populations. Without this, they will not be able to provide a strong and durable stimulus to continued capacity building.

Under this proposal, an international program to upgrade human and physical capacity of nongovernment media outlets in sub-Saharan Africa would be established. The three main components of the program would be (a) professional training in media skills, (b) international internships, (c) international staff exchanges.

Details of the program will be determined by a consortium of media professionals in Africa. At the moment, however, it is expected that the program might include (a) in-service, in-country training for African journalists and editors, to be provided by experienced, international journalism teachers, (b) residential internships for African editors and journalists overseas with suitable radio, television, and newspaper companies, (c) residential internships for African technicians overseas with companies producing and servicing media equipment, (d) short-term placement of internationally renowned journalists and media managers with African media outlets, and (e) the purchase of new equipment.

Through carefully selected investment in training and equipment, the proposed program aims to improve the capacity and development impact of private sector news and information producers in sub-Saharan Africa. The intended improvements would include increased geographical coverage of information within the countries participating in the program and improved quality and relevance of the information disseminated.

A capacity to collect, analyze, and diffuse accurate and objective news and information is an essential precondition to sustainable socioeconomic development and environmental management in Africa. Although there has been some recent progress in some countries, the situation is not improving nearly quickly enough. A major international program is therefore required to catalyze a rapid acceleration in capacity building. The proposed program will be designed and funded to provide such an input.

The program would also provide a low cost opportunity for donors, western media firms, and other interested groups to support capacity building in an area that is crucial for Africa's development. In return, the program would be a source of positive publicity for the organizations supporting it; it would provide excellent first-hand professional information sources within Africa for the non-African participants; it would create opportunities for news stories for media both in and outside Africa; and it would establish potentially valuable professional and commercial contacts within Africa.

(b) *Enhancing the Capacity of Legislatures*

Many African countries are undergoing political reform, and it appears the trend is likely to continue. Most have adopted systems of government where legislatures play a pivotal role in governance—in policymaking, safeguarding political reform, defending government accountability. This is a new phenomenon on a continent where parliaments were abandoned during the period of political decline in favor of military dictatorships and one party states. Governments had no use for parliaments; hence the necessary tradition, experience and expertise could not be established.

The newly established parliaments need enhanced capacity if they are to perform a useful and effective role. They need the capacity to effectively participate in policy debate, including basic understanding of policy issues, access to information and analysis and, above all, a general appreciation and understanding of their political role and their role in the political system as a whole. They also need the capacity to interact with their constituents and to communicate with them.

More specifically, they need access to information on a variety of issues and perspectives: better understanding of the role that they are supposed to play; better grasp of public policy issues; awareness of the kinds of challenges that the country is facing and how to deal with them; and information about how other countries are dealing with similar issues. Most parliaments in Africa lack these basic capacities.

There is no easy solution to building the capacity of parliament; deficits cover literally all areas. Clearly, each country will have to identify certain priorities for action. There are also actions that might be taken at the regional level to maximize cross-national sharing of experiences and to achieve cost effectiveness. Nevertheless, there are certain things that each country might wish to consider which will have a better chance of making a contribution to building the capacity of parliamentarians. These include:

Library and information systems. Parliaments need access to up-to-date and reliable information to enhance their capacity for policy dialogue and policy formulation. Developments in information technology now make it possible to access all kinds of information quickly and inexpensively. Countries should consider establishing modern libraries for their parliaments, preferably with sufficient facilities and support staff to facilitate the use of the library.

Research capability. Legislatures are usually not experts in most of the policy issues they are likely to deal with. To enable them to better perform their roles, they need research support to provide them with the appropriate analysis. Countries should consider establishing a research office for parliament staffed with experts from different disciplines such as economics, health, and education. The legislative research offices need not be big. In fact, it might be organized in such a way that it can commission research papers on an ad hoc basis from universities and think tanks. In that sense, the office will become more of a

research coordinating office than a bureau retaining a large body of substantive experts. One option would be to combine the research office with the library and information resource in the same way that the United States Library of Congress is organized.

Policy seminars and workshops. A formal program of seminars and workshops would provide an effective way of developing the necessary knowledge for parliament. Different types of seminars and workshops can be organized depending on the needs of a country. There might be a seminar on the role of parliament and the legislative process, for example, that is mandatory for new parliamentarians. Other seminars might be organized to deal with issues as they arise in parliament. A small office of education and training might be established to coordinate and organize these seminars and workshops. The actual delivery of seminars and workshops would be done by experts from the universities and other institutions of learning from the country and region and also from different part of the world.

Study visits and tours. There is a weak tradition of independent legislatures in Africa. The new generation of legislatures have the challenge of establishing such a tradition. For that purpose, they need to be exposed to different traditions of effective legislatures, from the British, French, and American models, for example. Other models in the more recent democracies, preferably in the region, would also be useful. Countries should therefore encourage and support study tours by groups of legislatures to different countries to observe how their legislatures function. Visits by legislatures from other countries should also be promoted to facilitate the exchange of views and experiences. Such visits can become a formal part of the structure and organization of the legislative bodies.

Interparliamentary consultations and networks. Consultations and networks among parliaments provide a cost-effective way of cross-country learning and sharing of experiences. A formal organization also has the potential of instilling in parliamentarians the importance of their role beyond the boundaries of their countries. If properly organized, the interparliamentary group can become a source of useful information and expertise that can enhance the capacity of member parliaments.

Professional ethics and standard of conduct. As the foremost leaders in the country, parliamentarians need to maintain a high standard of professional ethics and integrity. Because parliaments are relatively new in Africa, such tradition is lacking. It is important to formulate clear rules of professional conduct for parliamentarians. An office of ethics might also be created to enforce such rules.

4. Education and Training

(a) Centers of Excellence / Regional Learning Centers

To complement national efforts in addressing the deficiencies in education and training capacity, it is proposed that a *Regional Center of Excellence* be established. The Regional Center of Excellence would respond to the need for highly skilled people in the core areas of deficiency that were identified in the national capacity assessments. These include policy analysis, project implementation, business and financial management, accounting and auditing, education, and administration and leadership. The Regional Center of Excellence would offer targeted training programs designed to address the critical skills deficiencies and serve as hubs for innovative approaches to teaching and professional development, with a special focus on the practical application of knowledge.

It is proposed that several Centers of Excellence should be established in different parts of Africa. The Regional Center of Excellence can be located at an existing institution or program or could be established as an independent, free-standing institution. Each Regional Center of Excellence will be organized around a cluster of programs or colleges which correspond to the critical areas of capacity deficiencies that were identified in the national capacity assessments, among them: (a) Business and Public Management (to undertake research and specialized training to address the critical problems of management and leadership in the private and public sectors); (b) Entrepreneurship and Business Innovation (to promote the development of entrepreneurship and business skills, and develop and test and promote innovative business ideas); (c) Education Development (to focus on research and training in education policy and planning, as well as curriculum development); (d) Legal Development; and (e) Science and Technology.

The number of colleges or institutes, their areas of concentration, and their groupings will be determined after consultations and an exchange of views among stakeholders in the region. Initially, a Regional Center of Excellence might begin with two institutes or colleges which can then be expanded as needed. To achieve optimal cost effectiveness, the Regional Centers of Excellence will complement each other and avoid program duplication.

The objectives of the Regional Centers of Excellence are:

- to provide high quality practical training to leaders in government, business, and civil society;
- to respond in a flexible and easily adaptable manner to the changing skills needs in the marketplace, by providing carefully targeted training programs and thus to contribute to sustained capacity building;
- to develop innovative materials and approaches for the advancement of knowledge, and to experiment with new approaches to learning;

- to undertake research in critical areas of need and to promote the exchange of cross national knowledge and experiences;
- to provide a place to test ideas and products—incubators for new products and thought; and
- to provide a professional home for overseas Africans to transfer their skills in teaching and research and thus facilitate the reversal of the brain drain.

The short-term goal is that, within a few years of their establishment, each Regional Center of Excellence will respond to the immediate need for a critical mass of highly skilled people through their training programs. In the long term, the objective is to create institutions for further training and re-engineering with the capacity to generate capacity across the region.

The Regional Centers of Excellence are not intended to be substitutes for universities, nor will they replicate national universities. The primary focus of the Regional Centers of Excellence will be to respond to the need for a highly skilled work force and the constantly changing needs of the labor market. They will emphasize practical knowledge and adopt a problem-oriented approach in their programs, and they will strive to be innovative, flexible, and experimental in adopting the best theories and approaches to learning and skills development.

The Regional Centers of Excellence will emphasize *interdisciplinary groupings*. As innovative centers for learning and skills development, the Regional Centers of Excellence will be nontraditional in their approach, with the following specific features and characteristics:

- *Short-term, needs-oriented courses and programs.* Although the Centers might award a few academic degrees (particularly at the graduate level—for instance, MBAs and MPAs, which are currently not adequately provided), the emphasis in their training programs will be on in-service training and short courses.
- *Flexibility in program content and design.* A few core courses might be provided, but the colleges will have built-in flexibility to design courses in response to market needs.
- *Linkages* to selected tertiary institutions in their respective catchment areas, including collaborative efforts in research and teaching, a sharing of facilities, and an exchange of faculty. The details of these linkages will vary from one Regional Center of Excellence to another.

- *Centers for applied knowledge.* Their focus will be on problem solving. Faculty and participants in the program would be required to develop innovative ideas worthy of translation to tangible products.

There are three possible options to achieve the objectives of establishing the Regional Center of Excellence. One option is to select existing universities, research institutes, or “grandes ecoles” and rehabilitate or upgrade them. The rehabilitated institutions, selected on a competitive basis, would be designated as Regional Centers of Excellence and would be reconstituted in accordance with the objectives of the concept of the Regional Center of Excellence.

A second option would be to create five new Regional Centers of Excellence. Under this option countries might be invited to offer sites that can be developed as free-standing Regional Centers of Excellence with their own governing structure. The third option would combine elements of the first two. New Regional Centers of Excellence would be established with limited infrastructure and facilities (especially in the short term). The Regional Center of Excellence would then rely, to the extent possible, on the use of the facilities of existing tertiary institutions in the catchment area, based on competitive contractual arrangements. Alternatively, the core programs of the Regional Center of Excellence would be located in different institutions, each of which would technically be a center of excellence for that program.

The Core faculty for the colleges will comprise a small number of highly qualified and experienced people who will be responsible for developing the programs and courses as well as some teaching. The bulk of the teaching and research will be done by visiting faculty and researchers who will be drawn from universities, government, and businesses in the region for the duration of their projects. In that way, they will be able to draw on a wide range of expertise and experiences without the need to develop such expertise in-house. This approach would also help to enhance the capacity of other institutions in the region whose faculties will utilize the resources of the Regional Centers of Excellence.

Autonomy and accountability will be the guiding principles for the governance of the Regional Centers of Excellence. After the initial mobilization of funds for the Centers, each of them should formulate strategies for building endowments that should help to sustain financial autonomy.

It is envisaged that the Regional Centers of Excellence would become both high-level training centers and “think-tanks” in their respective areas and would, over time, acquire a high degree of prestige and credibility based on the quality of their products. They would develop relevant training materials and curricula that are adaptable to local needs and problems, and train people in the latest techniques to provide them with the most up-to-date information in their fields. They would also provide an important link between government, the private sector, and academic institutions, offer a forum for an exchange of views among key actors involved in capacity building and development in

Africa, and provide a base for talented African thinkers and practitioners. They would thus help stem the brain drain from Africa and attract back talented Africans from overseas.

The criteria for selecting Regional Centers of Excellence and their structure will be developed after extensive consultations among stakeholders.

(b) A Focus on Quality in Education

African countries, with the help of the World Bank and other donors, have been heavily involved in basic education since the Sixties. They focused initially on access, and thus on the construction of classrooms and the training of teachers, and have gradually shifted some resources to other areas, including those which have an impact on quality. However, while education systems have greatly expanded, the quality of education in African schools has not improved. In many countries it has deteriorated seriously, and sometimes even when modest resources have been allocated to areas that have an impact on the quality of education. This situation has led to a growing concern in Africa that the investments made in African education are not having the desired impact: while more and more African children go to schools, fewer and fewer leave with a good education. As indicated in the National Assessments of Capacity, African governments recognize today that there is an urgent need to deal with issues of quality in a more systematic, focused, and determined way.

This situation provides one example of a possible initiative. The question of quality is high on the minds of African governments. They can declare a *return to quality initiative*—a move to focus considerable attention and energy on the quality of basic education. The move could consist of statements of policy at the highest levels in each country, and the setting of special bodies and special processes to formulate strategies for quality improvement, and based on these strategies design programs and projects that focus on quality comprehensively as well as holistically. The World Bank could then declare its support for the Return to Quality Initiative. It could advise African governments that it is willing to commit both operational resources and loan/credit funds to this Initiative in amounts significantly larger than it has committed so far.

Efforts made in the past at improving the quality of basic education have had little success because of an incomplete understanding of the concept of quality and an inadequate project design. However, today we have a better understanding of quality. We have developed a better framework as well as better instruments to help create better programs and project designs for quality. The instruments are both product and process oriented. They combine significant expertise with considerable beneficiary

participation.²¹ It is an opportune time, therefore, to put to use on a much larger scale the new methods and techniques that we have, and to try out even more ideas on improving quality on the basis of our improved understanding. Thus, the World Bank could help, for example, by creating a mechanism for the transfer of knowledge in this area to many African countries in a systematic fashion and by creating a special, easily accessible grant fund, similar to the Institutional Development Fund, to encourage and help finance small experimental projects, pilot and demonstration projects, as well as action research, aimed at the improvement of quality in basic education.

(c) Revitalizing African Universities

The crisis in higher education is common to many African countries. It is common to many African countries, and it has been the focus of discussions for many years. Nevertheless, no regional strategies have evolved recently, nor have there appeared national strategies and individual National Capacity Assessments. African universities are in urgent need of help to stabilize themselves and to revitalize higher learning. They require substantial support to rehabilitate infrastructure, to attract and maintain qualified faculty, and to strengthen their research functions. However, the World Bank and some other donors favor basic education and are currently quite reserved about any support to tertiary institutions. Thus, there is a growing concern in African countries that higher education is continuing to deteriorate and that the World Bank and other donors are not sensitive to the crisis.

This situation provides another example of possible initiatives in the field of education. In Africa, our governments are talking about the need to develop institutional strategies in the context of national strategies for higher education, and national strategies in the context of subregional strategies, or at least in the context of some sub-regional frameworks. Thus, African countries need to embark on a series of exercises leading towards the development of strategies for higher education at all three levels, and then introduce stabilization programs and other programs on the basis of these strategies. Such programs could include subregional elements, national elements, and individual institutional elements.

The World Bank could in turn reconsider its approach to investment in higher education and modify its policy in this regard. It could, for example, provide assistance in the development of these strategies at all levels; it could support a study concerning past and present cases of regional cooperation in higher education in order to derive lessons of experience and to identify more promising modalities for regional cooperation in the future. The World Bank could then design and offer some strong incentives for experimenting with such cooperation.

²¹ See Ward Heneveld, *Planning and Monitoring the Quality of Primary Education in Sub-Saharan Africa*, AFTHR, Technical Note No. 14, March 1994.

In the context of reviewing its own approach to higher education, the World Bank may wish to consider stronger *investment support* for institutions of higher learning, and this too can be designed to encourage regional initiatives and to help them succeed. For example, once a number of potential areas and modes for regional cooperation are identified, and once specific institutions are selected to develop and run regional programs, the World Bank could join other organizations in providing substantial financial support to launch these programs and to turn these institutions into centers of excellence.

(d) Information Technology: Africlearning 2001

Recent changes in information technology are transforming industrial organizations, management practices, and the structure of national and global economies. A new divide is being created between fast moving, information-rich economies and slow moving, information-poor economies. New infrastructure systems in communications are changing the whole dynamics of the global market. Costs are falling all the time, and wireless and solar energy technologies make it possible to reach the most remote rural areas. This is leading to new patterns in the organization of economic activities, new rules on location designs, and new types of relationships between individuals, institutions, nations, and regions. A new type of global inequality is also rapidly emerging between those countries that are "plugged" into the global networks and those that are not.

Unfortunately, Africa lags behind the rest of the world in almost every dimension of this technological revolution. As the world moves into the 21st century, more than ever before, learning would be the key to rapid progress. In order to avoid being further marginalized in the world's markets, Africa needs to make enormous and immediate progress: a mammoth jump in the application of this technology is needed. The global information revolution needs to be harnessed to make the world's knowledge base available to every African who wants it. This is possible from the technological and even financial point of view: the problems are political, regulatory, and organizational. Domestic and international groups would be eager to invest in modern telecommunications systems in Africa, but only under the appropriate policy and regulatory environment. This has started in some parts of Africa, most notably South Africa, but tremendous additional effort will be required to ensure that Africa is not left behind.

The framework for a response to this problem has been prepared by African experts working through the African Information Society Initiative, and it has been endorsed by our colleagues, the Ministers responsible for Planning and Development at a meeting at United Nations Economic Commission for Africa Headquarters in Addis Ababa in May, 1996. The African Information Society Initiative proposal calls for the establishment of a partnership between African nations, international and bilateral agencies, the private sector, and independent foundations. This partnership would form

the basis for (a) establishing an effective policy dialogue with African governments and civil society aimed at establishing suitable policies and legislation, (b) financing “interconnectivity” and community learning and information centers, and (c) implementing a strategic media campaign to increase awareness and develop support for the program.

The program is called Africalearning 2001. Its five objectives are to: (a) place learning by African people at the top of the strategic agenda worldwide and in Africa, (b) develop “information friendly” regulatory environments in all African countries, (c) achieve full Internet connectivity to the minimum standards set by the Africa Internet Forum by 1998, (d) establish the technological and organizational base for a significant “catch up” to achieve international competitiveness by the year 2010, and (e) establish global coalition aid agencies, public institutions, international business leaders, universities, and research centers which together mobilize funds and knowledge to lead and manage the initiative.

There are already many national and some international initiatives underway in Africa. Africalearning 2001 will assist and support these initiatives and provide additional funds and skills to enable a rapid acceleration of progress in this crucial field. But catching up in global information technology will require visionary leadership in Africa. Even though African governments will play a major role in the discussion, the design and implementation of the various components of Africalearning 2001 will primarily be the responsibility of the private sector and the ultimate beneficiaries, who will mainly be from, and in, the private sector. Catching up will also require strong international support and external donors, and the national and international private sector will need to mobilize human and financial resources. If this is done, Africa can make giant steps toward catching up with the rest of the world in one generation.

It is expected that Africalearning 2001 will initially have four main components which will be designed to facilitate a quantum jump—a “leapfrogging”—in the level and speed of learning and knowledge available to Africa and Africans.

- *Establishing and enhancing partnerships* with other international agencies, bilateral donors, African countries which are active and successful in the field, private enterprise, and national and international foundations. This component would be implemented within the action framework already proposed by the African Information Society Initiative;
- *Conducting a policy dialogue* with African governments in order to establish an information-friendly enabling environment which encourages both domestic and foreign investments;
- *Financing* the development of interconnectivity and community learning and information centers through existing and future loans, credits, and investments from the World Bank and other donors;

- *Implementing a strategic media campaign* using electronic and conventional print media to develop, support, and build a consensus for the necessary policy changes and investment programs needed to enable Africa to enter the 21st Century in a competitive, informed, and knowledgeable way.

At an international level, Africalearning 2001 will be organized as a global coalition of aid agencies, public institutions, international business leaders, universities, and research centers who together would mobilize funds, knowledge, and skills to manage the initiative. As a major institutional investor in information technology applications in developing countries, the World Bank should take the lead in organizing external support for Africalearning 2001. This support would be based initially on the existing initiative of *Partnership for Capacity Building in Africa*. This earlier initiative, however, would need to be expanded to include a wider group of stakeholders and potential investors.

At a national level, Africalearning 2001 would help bring together the stakeholders who need to be informed about the challenges and opportunities involved. It would provide a focal point for advocating necessary policy changes and serve as a source of information and, where possible, support for investment in technology and its use. Africalearning 2001 would therefore bring together leaders of the local business community, political leaders and decisionmakers, local policy experts, the academic community, and the leaders of key groups in civil society.

The quality and effectiveness of the policy dialogue will be of utmost importance. In many African countries, there are explicit and implicit restrictions on the flow of information, and many rules and regulations controlling the trade in and use of equipment related to information transfer. Furthermore, state or multinational monopolies often have a stranglehold on the current information networks, a situation which can give rise to high costs and low levels of service. Significant changes in policy and legislation may therefore often be necessary before any significant change in interconnectivity and information capacity can take place.

PART III: MONITORING AND EVALUATION OF CAPACITY BUILDING

The monitoring and evaluation of capacity building in Africa is a very important but relatively poorly understood activity. It has only been briefly touched on in most of the phases of the Partnership's activities to date, though the general need for improvement in monitoring and evaluation is noted in a number of places. *Monitoring* is the continuous assessment of project (*or program*) implementation in relation to agreed schedules, and the use of inputs, infrastructure, and services by project (*or program*) beneficiaries. *Evaluation* is the periodic assessment of a project's (*or program's*) relevance, performance, efficiency, and impact (both expected and unexpected) in relation to stated objectives.

The objectives of a monitoring and evaluation system can have several objectives, depending on the user and the use. The most important in relation to capacity building are:

- assessing the relevance of policy analysis and influencing policy formulation;
- allocating resources and budgets at national and subnational levels;
- improving the identification and planning of investment programs and projects;
- assessing the effectiveness of public institutions and private sector operators.
- incorporating the views of stakeholders and beneficiaries; and
- identifying capacity building problems and their underlying causes.

Roles and Responsibility

All the actors involved in the monitoring and evaluation of capacity building operations have both common and particular requirements. At present, however, these requirements are poorly understood, and the demand for monitoring and evaluation information is limited. At the same time, there is inadequate understanding of how monitoring and evaluation feedback could actually improve the planning and implementation of a range of capacity building activities at the different levels of society. For this demand and understanding to be developed, it is first necessary to identify the different groups who might be involved. The groups that are concerned, either as users or providers, are:

Governments (decisionmakers, parliamentarians, policy makers, budget officers technicians), whose main business is ensuring that policies, legislation, and investments contribute to a growth in national capacity necessary to plan and implement their own development program, and who need monitoring and evaluation information to adjust and improve their operations.

African domestic producers and managers (traders, farmers, industrialists, World Bankers, professional associations) who require increased capacity to meet commercial and organizational objectives. They need to understand (a) what their specific capacity building requirements are, (b) what the most efficient ways to meet these requirements are, and (c) who can best provide the necessary input.

African experts and support providers (universities, colleges, and consultants) who need to know the impact of their techniques and methodologies so that they can offer the most effective and efficient capacity building services to clients.

Agencies funding capacity building activities (external donors, endowments, foundations) who need to judge the results of their support and identify the best performing strategies and institutions.

Civil Society (the general public, the media, nongovernmental organizations) which needs to have access to information on how capacity in the country and their local area is progressing. This is particularly important in relation to the quality of leadership and governance (poor leadership and bad governance are fundamental constraints to capacity building). Without the capacity to monitor and evaluate these key parameters, there will be no feedback or control of the system.

Methodology and Criteria

There are many different types of users of monitoring and evaluation systems, and each has different requirements. It is therefore difficult to say precisely what each step in the process should be that will suit all users. There are, however, five general methodological principles which are universally useful. These are:

- (a) Defining the specific, quantifiable objectives;
- (b) Identifying a structured set of indicators covering outputs and impact;
- (c) Organizing the collection of data;
- (d) Arranging for the gathering, analysis, and reporting of data; and
- (e) Ensuring that the findings will be fed back into the decisionmaking process.

Monitoring and Evaluation can either be formal or informal. Formal monitoring and evaluation operations are linked to specific management systems, such as macroeconomic or financial management, a sector of the economy, the production and trade of a particular commodity, or a specific development program or project. Formal monitoring and evaluation operations need to be well structured and have clearly established predetermined criteria and indicators. Informal monitoring and evaluation, on the other hand, takes place through the communication systems of the media, intergroup and interindividual contact, political debate, and the general social intercourse of a country or a part of that country. It tends to be less structured and is more flexible. It is a

basic response to an individual and institutional need for knowledge and information on “what is going on.” Both are important and both are powerful tools. But neither can work unless there is an appropriate enabling political, legislative, and technical environment.

Capacity Building Indicators for Formal Monitoring and Evaluation

The type of indicators which are useful, and the frequency with which they should be measured, will obviously depend on the level and type of activity being monitored. They obviously need to be crafted according to circumstances. (The circumstances themselves would need to include the available capacity to collect, analyze, and use the information.) Indicators of general interest to capacity building include:

- *Rates of return.* An assessment of whether capacity building has produced value for money is important, especially where it is being done to improve production and where output can be expressed in monetary terms. This indicator is easier to use in the private rather than the public sector, but more work is required to improve methodologies for the latter.
- *Gains in efficiency and effectiveness.* Public sector operators and private sector service providers need to know whether capacity building efforts result in increased efficiency and effectiveness. Objective methods exist to evaluate this, but they need to be broadened to include an evaluation of the impact of the enabling, or disabling, environment.
- *Market response.* The users of capacity building interventions should be able to find out how successful the intervention has been. Where markets function properly, the results of this evaluation will be evident.
- *Competitiveness.* Capacity building is one of the main contributing factors to the competitiveness of African countries in regional and global markets. Frequently, competitiveness is constrained by a lack of capacity. In order to compete effectively, domestic providers and producers must understand and uphold international standards.
- *Reduced dependence and increased self reliance.* An essential function of capacity building is enabling African countries to take control of the planning and implementation of their development. This includes effective donor coordination and ensuring that national policies and development strategies are applied. The main responsibility for defining the standards and practices necessary to achieve this lies with the countries themselves, but an effective partnership also needs to be established with external donors and other groups. The specific indicators that need to be evaluated include (a) the performance of projects implemented by domestic agencies, (b) the quality of national development strategies and public investment programs, (c) the assessment of capacity during public expenditure

review, (d) the quality of design and implementation of structural adjustments programs and PPFs, and (e) the quality of design and implementation of civil service reform programs.

- *Utilization of capacity.* By definition, capacity is only useful when it is used. Poor mobilization of existing capacity has been identified as one of the main constraints to development in Africa. The roles, activities, and contributions of potential actors, and particularly those receiving direct capacity building support, are important indicators of the effectiveness of the overall strategy of capacity building interventions.
- *Sustainability.* This is the most important, problematic and elusive of all the indicators. There are two main dimensions. The first is the continuity of support from outside the country. This needs to be carefully linked to internal changes. Second are the conditions inside a country, which may either maintain or undermine the capacity that has already been developed. These conditions include key factors of the enabling, or disabling, environment such as leadership and political commitment, the support of influential groups and individuals, the quality of professional standards, and economic policies

Capacity Building Indicators for Informal Monitoring and Evaluation

The identification of indicators for informal monitoring and evaluation systems is more difficult to define. It is essentially the extent to which there is a free and effective flow of information to the general public on a range of factors related to capacity building. Parameters of importance relate to national and local leadership, the behavior and decisions of elected representatives, the efficiency of the public sector, access to information on private sector transactions, and a wide range of other factors linked to a country's capacity to effectively plan and implement its own development.

Implementation of Monitoring and Evaluation

Beyond the establishment of project-specific monitoring and evaluation operations, there is currently very little systematic monitoring and evaluation undertaken in Africa. A major effort will be required to encourage the demand and increase the capacity to use and prepare monitoring and evaluation information.

One effective way of facilitating the process could be linking budget and program approval to the satisfactory completion of an monitoring and evaluation process. This requirement could be introduced at both a macro and micro level in the public sectors, and could also be applied in many other formal situations.

PART IV: THE WAY FORWARD: A VEHICLE FOR PARTNERSHIP

The way forward will be determined both by process factors and by the mechanisms or vehicles selected to implement them. The process is extremely important, because only an effective process can lead to an effective product. In this regard, it is clear that the process should be decided by African countries and that all capacity building initiatives should also come from Africa. There should be strong demand for the process within Africa. It is also important that the process be deepened and widened. All stakeholders should be brought into the process, and African leaders should play an active role in it. The process may consist of the following steps:

- Each of the African countries participating in this initiative will set up a national body (if such a body does not yet exist) to oversee and coordinate the process from here onwards.
- Those countries which have already done National Capacity Assessments should deepen the analysis and include all stakeholders in further work and, if necessary, complete the assessments.
- Countries which have not carried out national capacity assessments, and which are going to join the Partnership Initiative, should now do it under the direction of their proposed national capacity building body.
- Once the national capacity assessments are finished, each country should move to the next stage, namely, the development of a national strategy for capacity building. The widely participative, locally-based process continues, but the goal now is outlining the way each country is proposing to achieve its capacity objectives. All national strategies should also be explicit as to national objectives which may be achieved more efficiently and effectively through regional structures and actions.
- Based on these national strategies, each of the participating countries should proceed to the program and project design stage. This is the time to shift from large, all-inclusive groupings into smaller task teams, each dealing with the design of one program or project. Some of these teams may be sector based, while other may be multisectoral. This is also the time to set up regional teams in order to start designing regional capacity building initiatives, based on indications in the national strategies. National and regional programs can be designed simultaneously.

- Once the proposed programs and projects are initially designed, they will be presented to the World Bank and to other donor organizations for possible funding.

In order to enhance this process, we, the Africa Governors believe that an appropriate mechanism should be established as a basis for further action on this initiative. Our proposed mechanism would have four components: (a) a country-level component that will focus on the coordination and implementation of national capacity building activities, as indicated above; (b) an international component that will focus on the coordination of capacity building activities between donors and African countries; (c) a World Bank component that will help coordinate and implement the changes to be undertaken by the World Bank in playing its restructured and reinvigorated role in capacity building; and (d) a trust fund that will assist in financing the work of these mechanisms and support some of the activities proposed by them.

A. The National Level

A national capacity building secretariat would be established in each country in order to lead and bring a modicum of focus to the country's capacity building exercise and to carry out some or all of the following functions:

- Provide a vision and a set of priorities and guidelines for capacity building.
- Develop national priorities, strategies, and programs for capacity building.
- Help mobilize funds for proposed capacity building programs through liaison with all donor organizations.
- Maintain an information base on capacity and capacity building priorities.
- Evaluate the implementation of these programs and the development of capacity in the country.

The exact nature and composition of the proposed secretariat will be determined in accordance with the administrative framework in the country and other relevant factors. It is important to note, however, that we believe that each such entity should have a high-level status and wide and prominent representation from all sectors. The proposed secretariat should also be adequately financially endowed and have sufficient material support to be able to accomplish its tasks effectively.

B. The International Level

It is proposed that a multicountry, multidonor Consultative Group on Capacity Building in Africa be established and chaired by the President of the World Bank. The CGBA would be an umbrella organization bringing together official and private donors to discuss and coordinate capacity building efforts with governments in Africa. Among other things, its tasks would be:

- To create guidelines for cooperation and coordination in the sphere of capacity building.
- To provide a forum for an exchange of ideas on capacity building that will review and assess past and present capacity building efforts in Africa and around the world, in order to obtain data on successful capacity building cases and best practices.
- To coordinate collaborative efforts at a macro level and lay the foundation for further coordination at country and program levels. This includes the mobilization of donor funds for collaborative programs and projects.
- To develop an information base on capacity building initiatives and programs for replication.
- To create a network among capacity building institutions and agencies throughout Africa and around the world in order to enhance the exchange of information and promote the formation of interest and advocacy groups. For instance, such a network would include the African Economic Research Consortium and the African Capacity Building Foundation.

It needs to be pointed out here that the African Capacity Building Foundation is simply not in a position to shoulder the responsibility of administering the broadened capacity building activities envisaged by the current initiative. The African Capacity Building Foundation has an important, although specialized, contribution to make to capacity building in the region. However, it remains a relatively small agency with a mandate limited to policy analysis, and it is not equipped to deal with the broader range of Africa's urgent capacity needs under the consideration in the partnership initiative.

C. Inside the World Bank

It is proposed that the World Bank establish an internal entity, a capacity building secretariat within its administrative framework, to assist it to carry out the new role, we, the African Governors, believe it should have in capacity building in Africa. We see capacity building as a special discipline for African purposes, and to that end, we attach great importance to this since action on the part of the World Bank would inevitably influence the work and operations of other multilateral and bilateral aid agencies. The secretariat would have the following functions:

- It would help transform the new undertakings of the World Bank with respect to capacity building into operational practices and procedures.
- It would help mainstream the new operational practices and procedures throughout its Country Operations Departments.
- It would help assess the implementation of new capacity building practices and procedures at the World Bank, and also the implementation of new capacity building commitments made by the African governments. In

addition, it would assess the general success of capacity building operations in Africa on an ongoing basis and report back to World Bank management on an annual basis, as well as to the African Directors and the Consultative Group on Capacity Building in Africa, on the progress of capacity building efforts.

- It would serve as secretariat for the Consultative Group on Capacity Building in Africa.

D. A Capacity Building Trust Fund

In order to give teeth to the Capacity Building Partnership initiative, it is proposed that the World Bank establish a Capacity Building Trust Fund (CBTF). The purpose of the fund will be financing selected capacity building activities on a grant basis, for which other sources are not available—and doing so in a quick and efficient way. Activities that would be financed by the CBTF could, for example, include some of those proposed in the section on “Opportunities for Collaborative Activities,” such as the programs in regional centers of excellence, as well as the pilots, demonstration projects, and action research initiatives mentioned in connection with the initiative to improve the quality of basic education in Africa.

By initiating the funding of this Trust Fund, the World Bank will demonstrate its commitment to the Partnership for Capacity Building, as well as its leadership in this area. It will also be in a better position to raise more resources from donor organizations, foundations, and corporations.

PART V: CONCLUSIONS

One fundamental question facing us today is this: How can our countries reduce their dependence on external donor support? On the one hand, this is a question of how our countries can achieve a sufficient level of self-reliance to ensure the sustainability of their efforts to develop and strengthen their institutions. On the other hand, it is a question of how to prepare our countries so that they can negotiate and establish a partnership in the global community which is based on mutual respect and reciprocity. The short answer is: *by building and enhancing capacity.*

At the highest level, this capacity is about *visionary political leadership*. Part of the vision involves an understanding that effective leadership can never be enforced or retained through force. We believe that our new generation of leaders is dedicated to sharing power and to introducing democracy at the most basic levels of our societies. They are committed to the principles of participation and open debate. The understanding that the effectiveness of leadership depends on such willingness is a *key ingredient to capacity.*

One capacity building task of the highest importance in Africa is therefore introducing this dynamic and visionary leadership into all levels of the society. The most vital elements of this is a shared set of values and attitudes: a deep respect for open debate, ethical principles, the rule of law, transparency, and accountability; and a willingness to be publicly challenged if behavior falls short of proclaimed intent. In addition, such capacity requires a range of managerial, analytical, strategic, and communication skills that will enable leaders to assess and understand situations, their opportunities and risks, and their likely development. It requires leaders to form a consensus out of diverse interests, to enunciate strategic goals and to transform these into programs of action, and to manage and evaluate the implementation of action programs. Such capacities are needed not only within government agencies and productive enterprises; they are just as important among civic groups, professional associations, academic institutions, and community organizations. These capacities set the context for all others and are therefore the most important. They plant the seeds for future self-reliance, stability, sustained growth, and development.

Capacity is also central to the African challenge of improving *productive output*, which is the key to sustained development. For managers of enterprises, whether state-owned or private, this involves full internalization of the key principles of investment, commercial operation, and financial and human resource management. They also face special challenges in terms of the selection and management of technology, as well as access to markets. At best, individuals can be helped to understand key principles in these rapidly changing environments, but capacity will also require the establishment of modern information systems and means of communication. Managers of the service

organizations on which future growth depends also require the skills to understand their markets and a knowledge of the range of options for providing services. Community leaders and nongovernmental organizations, on whose shoulders an increasing burden for the implementation of development projects will come to rest, need to develop capacities in project design, management, and the maintenance of assets.

The decade of the 1990s has ushered in significant political and social reforms in our countries. Recognizing the importance of capacity building, our governments have placed the development of human capital and the strengthening of public institutions, as well as the private sector, at the top of their development agenda. There is a new determination in Africa to address capacity not only through changes in the governance environment, which had constrained efforts at building capacity in the past, but also through a redesign and reinvigoration of these efforts.

The redesign of capacity building does not necessarily call for new solutions to the problems of capacity. It is not necessary to change the substance of capacity building activities. Rather, it is necessary to change the way these activities have been conducted. At the heart of this redesign effort is the recognition that capacity building is a long-term process and that the success of this process depends on the behavior of both our countries and the donor organizations. Each must play its part—and play it well. African countries must remain fully committed to the objectives of capacity building and must take the lead in every stage and every aspect of it. We will take the design of capacity building strategies, programs, and projects into our hands—quickly and efficiently learning through technical assistance what needs to be learned. Donor organizations need, in turn, to let go of their grip on the design and implementation of capacity building strategies, programs, and projects. They need to recognize that in building capacity, the process is very much the product, and short-cuts are often in fact long.

With this new understanding, we, the African Governors, are ready to embark on a new road to capacity building. We are committed to the economic and social reforms now taking place in our countries. We are committed to a culture of good governance. We are committed to capacity building and are determined to take the lead in pursuing it. We are asking the World Bank to commit itself, too, to lead the international donor community by example in changing the way capacity building is carried out, to increase its financial and operational support for capacity building, and to help coordinate international efforts in this area.

If the challenge of capacity building in Africa is to be effectively met, it will require the creation of a framework that corresponds to the principles, prerequisites, priorities, and instruments which have been discussed in this document. It would have to concentrate the initiative for capacity building—including basic identification of capacity building needs, elaboration of programs and their implementation—at the level of African countries; and it should also develop the means for a much more effective response from Africa's development partners. Such a framework would consist of four elements: a country-level framework that responds to the imperative of a national focus in capacity

building; a framework for partnership with the World Bank that provides for support of capacity building operations on the ground; an international framework that provides a forum for the donor community and Africans to share experiences and coordinate their capacity building activities; and a Trust Fund that facilitates all of the above.

It needs to be emphasized that pursuing the right process is fundamental to achieving the goals of capacity building in Africa. Hence, after the launching of the Partnership for Capacity Building in Africa Initiative at the World Bank/IMF Annual Meetings this year, the following activities will be carried out. *First*, each African Governor of the World Bank would make a comprehensive presentation of the initiative to his/her President and Head of State/Government. *Second*, the *African Governors* of the World Bank would seek the establishment of a Consultative Group on Capacity Building in Africa and a Trust Fund to facilitate capacity building programs, and they would, in that context, request the President of the World Bank to communicate the inauguration of Consultative Group on Capacity Building in Africa to African Heads of State. The Consultative Group on Capacity Building in Africa should comprise distinguished individuals from diverse backgrounds and experiences drawn from Africa as well as internationally. *Third*, each country would carry out a national capacity assessment, and those countries that have already done so would improve upon their preliminary work. The Bank should assist in deepening and broadening the process of formulating strategies for national capacity assessments and in facilitating their funding. The Bank should also assist in facilitating a *cross-fertilization* of ideas among the group of twelve countries which have already carried out national assessments and those which intend to do so. *Fourth*, subregional seminars would be organized to solicit ideas and enlist support and participation of a broad cross-section of stakeholders in Africa. *Fifth*, consultations with the African Development Bank, the Organization of African Unity, the United Nations Economic Commission for Africa and the United Nations Development Program would be continued to ensure their support and participation in the process. Also, consultations with other bilateral and regional partners would be carried out. *Sixth*, in an effort to strengthen and broaden support for the initiative, the African Governors of the World Bank intend to organize a forum for African Heads of State under the current Chairman of the Organization of African Unity to discuss with the President of the World Bank the essence of the Partnership on Capacity Building Initiative.

Africa's destiny lies in the hands of Africans. Africans now fully realize that if their destiny is to be stability, prosperity, and adequate welfare for their societies, they must *develop the capacity to make and implement their own development choices*. Yet Africa is part of an increasingly interdependent world, and that world can contribute a great deal to Africa's capacity building efforts. *The African Governors of the World Bank* believe that the Bank, unlike any other development institution, stands in a position to play a leading role in coordinating and mobilizing international efforts to assist Africa in resolving its capacity problems. The opportunities presented in this document provide a framework for partnership—and a means for vastly increasing the effectiveness of strategic interventions for capacity building in Africa.