

AusAID's Capacity Building – Lessons Learned

Why do we need another document on capacity building?

Capacity building is integral to almost everything AusAID does; it is at the centre of our development aspirations. AusAID has learned a lot of lessons from its vast experience with capacity building and these are documented in many different places like research reports, project evaluations, sectoral reviews and program assessments. The purpose of this paper is to bring together and highlight some of the key lessons that are recurring themes throughout much of the Agency's work on capacity building. This paper makes the lessons “real” for AusAID staff by matching them with relevant case studies and providing some ‘tips’ on how to use each lesson.

What this document ISN'T

- It is not a comprehensive listing of all lessons learned from capacity building
- It is not a ‘how to’ guide to capacity building that follows the activity cycle
- It is not a repeat of other capacity building documents

Who is this document for?

AusAID staff. While staff working on AusAID programs do not actually implement capacity building activities, they do have opportunities to influence capacity building at a number of key points. For example in consultation with counterparts, in preparation of program strategies, activity identification, preparation of ToRs for design teams, appraising designs, selecting firms & individuals through TAPs, monitoring implementation and in performance measurement. At each of these points judgments and decisions are required that might benefit from an understanding of “lessons learned”.

Before you start on a capacity building activity

- Get to know the local context – both the internal and external environment.
- Put yourself in your counterpart's “shoes”. The Agency's own capacity building experience over the last two years has been of the implementation of the Strategic Plan. The process has illustrated the challenges of ‘capacity building’ even in a very conducive environment that has strong leadership, generous timeframes, and has not been driven by an external donor. Understanding capacity building in this way results in “empathy” that can be drawn on to inform and guide our work and to ensure that AusAID's expectations are realistic.
- Be prepared to take risks. Capacity building in developing countries will continue to be inherently risky. Learning and applying lessons will not eliminate risks, but may help AusAID to mitigate them.

Five Key ‘Lessons Learned’

The following pages contain five key ‘lessons learned’ drawn from AusAID's experience in capacity building. A ‘positive’ case study is included for each lesson along with some “tips” for applying the lesson.

Lesson No.1

Leadership Matters Most

"Leadership" is another way of talking about "ownership". It is critical both at senior levels in an agency and at the political level in a country. Remember that capacity building is about change. The key point is that if the top person in an organisation is not 100% behind a program of capacity building (ie. change) then forget it! Sure, there may be technical issues in an organisation that need fixing, but experience tells us that technical solutions will only be effective and sustainable if undertaken in an environment of change led from the top. Even leadership from the top is not enough; a culture of leadership needs to be nurtured at all management levels for the sake of effectiveness and long-term sustainability of the activity outcomes.

Case Study

Samoa Ministry of Agriculture, Forestry, Fisheries and Meteorology(MAFFM) Institutional Strengthening Project

Historically, the Ministry of Agriculture, Fisheries, Forestry and Meteorology (MAFFM) in Samoa operated under top-down management practices, with poor internal and external communications and a lack of strategic focus. This project is helping to increase the capacity of the Ministry, leading to improved growth and development in the fisheries and agriculture sectors where the majority of Samoans make their livings. It has come about because of effective leadership from the Director of MAFFM and his ownership and commitment to the change management program. Leadership by other key players has also been significant for the project, for example the Secretary of the Treasury approved an increased budget for MAFFM and the Prime Minister created an environment for reform across the whole government system. The project seeks to build on this leadership through a primary focus on the role of the CEO through a specific "management improvement and leadership" component. A key sign of the impact of effective leadership on this project has been the Ministry's recent completion of a new three-year corporate plan (2002-05), which may be the basis for further Australian support.

TIPS

- Ascertain overall political commitment from Government to the capacity building program. This might be demonstrated through its inclusion in National Development Plans, PRSPs, budget allocations and so forth
- Ensure AusAID (post or desk) meets with the agency CEO from the early "idea" stages and at regular intervals thereafter
- Seek written statements of "vision", not just verbal assurances of high-level "ownership"

Lesson No.2

Make Sure there are 'Internal Incentives' for Change

Even with strong leadership from the top there must be “ownership” at middle and junior levels. It is these staff who do most of the work in the counterpart agency, who often go through the most upheaval and whose commitment and efforts will be critical to the success of a capacity building activity. These staff need to have some incentives to get behind a program of change. Incentives must go beyond notions of "the good of the country" to something tangible, something that affects staff in a more personal way (eg more resources in the work area, more satisfying work, improved working conditions). Think innovatively about incentives, they can include the expenditure of money on things that are not “capacity building” in themselves, but create openness to capacity building, for example refurbishment of office space.

Case Study

PNG Correctional Services Development Project

The rationale for this project rests firmly on the need to introduce a system of correctional institutions management that will result in observable, sustainable improvements in terms of humane containment, and meaningful occupation of time. As part of a project extension, a system of “incentives” was introduced to encourage achievement of project objectives. The "Performance Fund" incentives proved themselves highly effective as a performance management tool.

The fund offered rewards for staff demonstrating initiative and taking positive action; previously staff preferred everything to be done through headquarters with resultant bottlenecks, delays and often inaction. The Performance Bonus was used in ways that benefited the institution's staff, their families and its detainees. Rewards included purchase of sports equipment, painting and repairs to staff facilities, support for extra supplies, and so forth.

A spin-off benefit of the Incentive Fund has been the way it has encouraged and positively influenced teamwork. With the incentive system requiring teamwork to operate, it is hoped that a more team-oriented culture becomes a sustainable part of the bureaucracy.

TIPS

- Ask yourself “what’s in it for the staff in an Agency?” before getting started
- Include a staff survey into the feasibility/design process
- Include in design ToRs a requirement for appropriate incentives to be included
- Don’t be afraid to spend small amounts of money on “incentives” that don’t fit within the definition of capacity building but create a positive attitude towards capacity building

Lesson No.3

Training “Methods” First: “Content” Later

Too often AusAID has approached short-term training as an exercise in transferring technical knowledge – which it is – without giving enough attention to ensuring that the methodologies used will be effective in ensuring sustainable learning outcomes. Design processes have often ignored expertise in educational psychology and adult learning. And technical experts, not skilled trainers, are used to deliver short-term training courses in developing countries. Sustainable learning, and the effective application of this learning in the workplace, has occurred where the initial focus has been on the establishment of an effective and consistent training methodology that can be applied to any content.

Case Study - Indonesia-Australia Specialised Training Project Phase II

This project is providing approximately 260,000 participant days of structured training to promote community development, good governance and agency capacity building at central, regional and district levels in Indonesia. The training has been assessed as successful not because of the technical content but because the training has been built around a consistent training model and methodology that is grounded in the principles of adult learning.

There are two key features of this training that provide a model for other activities:

Mentors: When partner agencies request training they are asked to nominate "mentors" who will act as the agency representative. Mentors provide support to participants throughout the entire training process and beyond. Their close involvement in course delivery and evaluation also promotes a strong feeling of ownership, which enhances sustainability.

Action Plans: Each participant is assisted to develop an "Action Plan" in consultation with mentors and training providers that will enable them to transfer the skills or practices they have learned from the training to their own workplace or community. "Action Plans" stimulate a participants' sense of personal responsibility for using what they have gained from the training and can also be shared between a group from the same agency to promote a team based approach for implementation.

Anecdotal evidence suggests that in some parts of the Indonesian bureaucracy the “action plan” approach has developed a life of its own. This method of working with Government of Indonesia counterparts has now been adopted by a number of other projects.

TIPS

- Include expertise in educational psychology and adult learning in design teams and technical assessment panels (TAPs)
- Include in ToRs for design teams a requirement for training programs to be multi-faceted, eg preparation, follow-up, action plans etc

Lesson No.4

Make the Most of Scholarships

Scholarships are a huge part of AusAID's capacity building portfolio. The Agency has high expectations of the medium and long-term impact of scholarships on the overall capacity of developing countries. There are two basic approaches being undertaken by AusAID: 1) the ad hoc approach whereby eligible candidates undertake the course of study of their choice; 2) the targeted approach whereby AusAID and the partner government provide a specified number of scholarships in agreed areas of priority at the most appropriate institutions (in Australia, regional or in-country). Experience to date suggests that the second approach, the targeted approach, provides much greater value for money for the limited scholarship dollar.

Case Study – Vanuatu ADS

Like many AusAID programs, throughout the early 1990s the Vanuatu program provided a significant number of tertiary scholarships for study in the area of the candidate's choosing. As a result the spread of scholarships was very wide and ad hoc. In the second half of the 1990s AusAID and the Government of Vanuatu decided to target the scholarship program more directly.

This was done in a number of ways:

- Supporting a capacity building activity in the Government of Vanuatu's Training and Scholarships Coordination Unit (TSCU), Ministry of Education
- Targeting scholarships to meet the Vanuatu Government's commitment to CRP priority areas in enhancing human resource development
- Decreasing the number of in-Australia scholarships and increasing the number of regional and in-country scholarships for reasons of cost effectiveness and increasing success rates

The results of these changes have been very impressive:

- More students now obtain scholarships
- More people with appropriate and useful skills
- There are fewer skills gaps in Vanuatu
- Equal opportunities for men and women as beneficiaries of scholarships

TIPS

- Put the issue of 'targeting scholarships' on your next HLC agenda
- Include an analysis of scholarship performance in the next program strategy
- Explore the possibility of providing capacity building assistance to the counterpart 'Scholarships Unit'

Lesson No.5

Find the Right Advisers

The quality of Australian advisers can “make or break” a capacity building activity in implementation. There are two key issues:

1. Finding individuals/firms/agencies with the right skills, attitude and cultural awareness
2. Maximising the sustainability of capacity building by seeking out individuals/firms/agencies with their own internal incentives to maintain a relationship with the counterpart agency

Case Study – Thailand Financial Institutions Supervision Project

This was one of the first projects supported by AusAID following the Asian financial crisis in 1997. It aimed to enhance the capacity of the Bank of Thailand for prudential supervision and regulation. This was achieved by way of technical assistance and training provided by the Australian Prudential Regulation Authority (APRA).

A key factor in the success of this project was the effective and dedicated contribution of APRA staff. While it is true that the project could have benefited from more rigorous training methodology (see Lesson No.3), this was outweighed by the personal skills and commitment of the APRA staff. Both the APRA team and the Bank of Thailand were motivated to cooperate for reasons beyond the AusAID project objectives. They both saw benefits in forging a long-term institutional linkage. The upshot is that when the project finished in 2000 the Bank of Thailand indicated that it would like the activity to continue but it decided not to request assistance from AusAID, instead relying on APRA’s willingness to provide continued support at no cost to the aid program.

TIPS

- In the early days, research the “Australian market” and ask the following questions:
 - Are there Australian experts available? How many?
 - Is the expertise available in the public sector? If YES: Does the relevant public sector agency have the motivation to develop a long-term relationship with the counterpart agency?
 - Is the expertise available in the private sector?
- Include a partner government representative on the TAP
- Think about what skills the project personnel really need to demonstrate and then how the TAP process can be used to identify the right people, eg. by including a human resources expert on the TAP, face to face interviews with as many key personnel as possible, and so forth.