

An abstract graphic on the left side of the title banner, consisting of overlapping, rounded shapes in shades of red, orange, and yellow, resembling a stylized sun or a cellular structure.

CAPACITY *is* **DEVELOPMENT**

STORIES OF INSTITUTIONS

JANUARY 2010



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Note: UNDP’s “The Story of an Institution” series aims to capture the national and local institutional transformations, led and driven by the institutions themselves, many of which UNDP has supported over the years at the country level. These stories have been collated and synthesized by CDG HQ and regional teams, drawing on data and narratives provided mainly by UNDP Country Offices in each region. The contribution of our Country Office colleagues is acknowledged with appreciation. We hope this is the beginning of a conversation on the results of capacity development efforts – and UNDP’s role in supporting these.

CAPACITY DEVELOPMENT



THE STORY OF AN INSTITUTION

LAO PDR NATIONAL DISASTER MANAGEMENT OFFICE

Situation

The story of National Disaster Management Office (NDMO) of the Lao People's Democratic Republic (Lao-PDR, or Laos as it is more popularly called) is a story of how consistent and effective investments in leadership and in an institution have been successful in supporting its transformation into a capable and effective player in the field of Disaster Risk Management (DRM).

The Mekong, one of the world's largest rivers, is the lifeline of Laos. Its beautiful hinterland generates tourism revenues, and its plentiful water generates hydro-electricity that is sold mostly to neighbouring Thailand. It is the Mekong River, however, that brings the scourge of flooding and loss of assets and livelihoods. Riverine storms damage houses and sweep away livestock.

During the 1990s, UNDP was instrumental in supporting NDMO and building it up as a lynchpin agency in Laos. Then came a period when UNDP de-prioritized the disaster management sector in Laos. Equally, Laos itself had a relatively disaster free time and NDMO gradually lost the interest of donors. Once NDMO became underfunded, it was downgraded to a small office, losing most of its staff, equipment and infrastructure. Worst of all, the perception of NDMO – whether among the population, among donors, among NGOs, and among fellow government agencies – was that of a weak institution. So acute was the loss of capacity that when an occasional storm surge hit the Mekong, NDMO staff sent out early warning signals by text messaging through their personal cell-phones. Even as the Avian Influenza hit South-East Asia, the confidence in NDMO was at such a low point that the government and donors set up a parallel agency to deal with the flu, bypassing NDMO completely.

This situation began to change after Laos signed the 'Hyogo Framework for Action 2005-2015' (HFA), on disaster reaction that bound the country to deliver on its commitments.

Response

At the request of the Government, UNDP helped assess the nature of the problem of the NDMO, and develop a strategy to address it. A plan was developed to raise NDMO's profile and to strengthen its capacity to fulfil its mandate, consisting of the following:

- Incrementally enhancing NDMO's capacity to deal with disasters by: strengthening its early warning system, training communities on how to respond to disasters, strengthening the capacity of NDMO to coordinate the response to a disaster, and establishing standard operating procedures for disaster reduction and response.
- Ensuring NDMO receive strong political support and visibility, ensuring that the institution is guided by a strong leadership, ensuring adequate funding and the power to influence policy choices, including decisions on resource allocation.
- Delegating NDMO the responsibility of leading the process of developing the Laos National Disaster Management Strategy and to follow up on the commitments arising from the Hyogo Framework for Action.

Results

The National Disaster Management Office in Lao PDR has made great strides in its ability to lead Disaster Management Planning, and provides training and disseminates information on Disaster Risk Reduction (DRR) and Disaster Risk Management (DRM) to government agencies. From a small office providing only secretariat services to the National Disaster Management Committee of the government, the Office has grown to an entity which leads the planning for Disaster Management in the country.

While NDMO still continues to grow stronger, there is evidence of its success: the Prime Minister has stated that NDMO's mandate goes beyond serving as the secretariat to the National Disaster Management Committee. NDMO has emerged as a leading institution in Disaster Risk Reduction (DRR) and Disaster Risk Management (DRM) in the country. It continues to work with the ASEAN Working Group on DRR and DRM providing support to other disaster management offices in neighboring countries. The leadership is continuously pushing for and has considerably strengthened its human and financial resource base.

INGOs and the Government of Lao PDR are now committed to engaging more closely with NDMO, ensuring that it plays an ever larger and significant role in the country and the region, on DRR and DRM issues, and beyond.

CAPACITY DEVELOPMENT



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CLIMATE CHANGE SYSTEM-WIDE CAPACITY DEVELOPMENT INTERVENTION IN CHINA

Situation

Around the world, the challenge of achieving the MDGs while dealing with climate change relies increasingly on well-functioning multi-disciplinary and composite institutions. In some cases, such institutions are created ex-novo as coordinating agencies; in other countries and contexts, existing institutions are taking on more and more complex cross-cutting issues and roles. Climate change in itself cannot be dealt with as a single sector problem, involving, as it does, sustainable livelihoods, cleaner technologies for development, energy-saving delivery services and resilience building.

This remains true for one of the largest, and of the fastest, developing countries in the world: China. Since the 2002 UN Conference on Environment and Development, China altered its traditional development path to emphasize sustainability and realized that the coordinated development of the economy, population, natural resources is critical to the Xiaokang (“Harmonious”) Society it now envisages. The latest (11th) Five Year Plan (2006-2010) accommodates environmental protection and social-economic development in one organic and integrated system, where environmental protection is enshrined in a more important strategic position. As an example, the 11th Plan includes a new Five Year Plan for Environment Protection. To implement such plan, in 2008 China officially upgraded the State Environment Protection Administration (SEPA) to a new Ministry of Environmental Protection (MEP).

The establishment, in June 2007, of the “Leading Group for Energy Conservation and Pollution Abatement”, led directly by Premier Wen Jiabao, and the launch of China's first ever National Climate Change Programme, attest to the commitment of the Government of China to strengthen its institutional capacity in the area of climate change, as well as its ownership over the capacity development agenda.

Response

Within this new path toward environmental-friendly sustainable development in China, the implementation of Clean Development Mechanism (CDM) within the Kyoto protocol stands out as a good example of a capacity development approaches which encompasses individuals and institutions, and central and local levels. While awareness, knowledge and skills on CDM were enhanced in specific target groups (project developers/investors, local government officers, industries and researches), capacities of institutions were strengthened through tailored assessments and an alignment of government policies, enterprises and financial institutions.

The main focus was kept on how to use CDM to support other national development objectives such as poverty alleviation, and, geographically, least developed areas were identified as pilots.

The approach above seems to have generated a ripple effect, with many other development initiatives 1) addressing the linkages between poverty and environmental aspects, and 2) recognizing the importance of reinforcing the coordination/institutional aspect.

For example, the UNDP-supported “Poverty Reduction through Green Development project” (2006-2010), set up cross-sectoral advisory mechanisms that allowed exploring models for poverty reduction alongside sustainable use of natural resources.

At the national level, partners included the National Development and Reform Commission (NDRC), the Ministry of Finance (MOF), the State Council's Leading Group on Poverty Reduction (LBOPR), the MEP and the Ministry of Science and Technology.

At the local level, the project is currently aiming at studying and consequently enhancing/setting up the necessary institutional structures and coordination mechanism which can facilitate the achievement of the initiative goals. A sub-project is exploring how to utilize available science and technologies as major inputs for the development of local communities (mainly Ethnic Minorities groups), where 'Green Poverty Alleviation' (GPA) strategies combine poverty alleviation measures with eco environmental improvement and rural energy development.¹

Results

The partnership developed in the last 10-15 years between the Government of China and UNDP resulted primarily in:

- Drafting and adoption of China's national CDM laws and regulations;
- strengthened institution ability to implement CDM projects;
- establishment of an inter-ministerial Designated National Authority for CDM at the national level;
- establishment of 12 provincial CDM Service Centers at the local level in the western regions of China to provide technical services to local enterprises;
- the restructuring of the Ministry of Environment, the clear definition of set targets and the establishment of processes, procedures, systems and related state entities to timely achieve them;
- a new approach which emphasize the importance of cross-sector cooperation, moving beyond climate change resilient development and poverty reduction to other developmental challenges, e.g. linkages between environment and health and the establishment of an Annual multi-stakeholder National Forum on Environment and Health and the launch of the first "National Environment and Health Action Plan" (CNEHAP).

¹ UNDP-sponsored sub-project "Poverty Reduction for Ethnic Minorities in China".

INSTITUTIONAL CAPACITIES FOR MANAGING DEVELOPMENT AID – THE STORY OF RWANDA

Situation

The national budget of the Government of Rwanda (GoR) is highly dependent on external funding or aid, from donors and other sources. In 2007 the net Official Development Assistance (ODA)¹ was USD 713 million. Following the aftermath of the 1994 civil war and genocide, the government looked towards its multilateral partners for support in developing a system to more effectively manage and coordinate aid. The UN were perceived as an appropriate trusted, neutral partner for (i) the provision of advisory support to the GoR on aid management and coordination (often referred to as “aid effectiveness”), (ii) supporting the emerging capacity of the Ministry of Finance and Economic Planning (MINECOFIN), namely its External Finance Unit (EFU) in setting the development agenda in the country, and lastly (iii) playing the role of a neutral “broker” in coordinating amongst development partners.

The Development Partners Coordination group co-chaired by UN Resident Coordinator received a formal request from the Ministry of Finance and Economic Planning for support in establishing an Aid Coordination Unit. The unit would; (i) act as a secretariat to GoR-donor coordination fora; (ii) strengthen GoR capacities for aid management and coordination; and (iii) support the GoR in developing its aid policy for tracking aid and improving the aid coordination, centered around the GoR’s Vision 2020, poverty reduction strategy and various sector strategies.

Response

The initial phase of support saw UNDP establish an Aid Coordination Unit within the Resident Coordinator’s (RC) Office, which in 2006 moved to MINECOFIN’s premises in order to better support skills transfer to the national government staff. In 2007, another step was taken towards shifting the responsibility for the management of the project to MINECOFIN so that they were responsible for the execution. The capacity development (CD) objectives of the project were aligned with the Ministry’s strategic plan, which was finalized in the same year. This support is ongoing.

The CD to strengthen MINECOFIN has been instrumental in the GoR taking ownership and leadership of the development agenda in the country. For the GoR to establish a national development vision and poverty reduction strategy it needs have effective decision-making authority over its ODA. This must include; the way it is allocated; how it is spent; and for whose benefit. Thus, the UN RC team together with the Ministry’s staff worked on an approach, which would ensure that the GoR is in the driver’s seat. These included:

- Supporting the GoR in setting up an institutional arrangement for aid coordination, this has since been replicated by other countries in the region.
- Supporting the GoR in developing the Rwanda Aid Policy (2006). This allowed the GoR to articulate a clear vision of what it wants to do with aid and how it would like to manage the relationship with its development partners.
- Supporting the GoR in the development of appropriate tools for aid tracking by establishing an Aid Information Management System; developing frameworks for mutual accountability; and in addressing the issue of aid predictability, which is vital in a situation where aid constitutes a substantial portion of the national budget.

¹ Source is OECD/DAC.

In addition, the CD support to date has hinged on developing partnerships, this being a key element of the “brokering” role played by the RC and his aid coordination team. For example, this has involved; (i) consulting with bilateral and multilateral partners to build consensus around key development policy issues in Rwanda, and communicating in a harmonised way with government; (ii) developing a high degree of trust with the government, acting as an advisor on development co-operation issues; (iii) facilitating dialogue amongst partner countries to help them in formulating joint responses to government policies; and (iv) most recently, facilitating initial dialogue within civil society, and between civil society and government, on development issues.

Results

The following are the key outcomes of this joint UN RC / MINECOFIN partnership:

- Enhanced GoR capacity and confidence to lead in aid coordination and negotiation with development partners.
- An increase in aid provided through national systems, as a result of the GoR’s preferences articulated in the Aid Policy.
- For the first time in 2009, thorough in-depth and structured dialogue reflected mutual accountability in practice. For example, donors are now scored by the GoR on an annual basis on their performance against a range of criteria. This is innovative, and has attracted significant attention from other developing countries striving to gain more say over the external resources they receive.
- Potential increase in ODA to Rwanda, as the GoR is now able to demonstrate results for aid, and offers an attractive aid investment environment for donors.

The UN RC / MINECOFIN partnership included five bilateral donors who have played a key role in guiding the project and mobilising the development partners’ support for an accelerated implementation of the Paris Declaration on Aid Effectiveness in Rwanda. The five donors are also providing the majority of financing for these activities.

The Aid Coordination Team has also leveraged important internal partnerships (internal UNDP and UN) through facilitating global and regional peer learning to share the experiences.

A key challenge remains the rapid turnover of the Ministry’s staff and the lack of incentives for their retention and promotion. Sustainable solutions to address this challenge, are being sought in the context of the broader GoR-owned and led CD programme for Public Financial Management and within the Public Administration Reform in Rwanda.

CAPACITY DEVELOPMENT

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INDONESIA - STRENGTHENING CAPACITIES FOR THE GOOD GOVERNANCE OF AID

Situation

The financial crisis of 1997 created new challenges and brought to the surface issues that those involved in development and specifically in managing aid partnerships in Indonesia have debated for a decade. Interpretations of the causes of the financial crisis include: the country over-relying on sources of foreign finance; foreign agencies over-extending their influence in national decision making processes; and a lack of transparency and accountability in decisions-making and allocation of finance for national development. A decade later, in 2007, the Indonesian President declared that the country would no longer seek financial aid through the Consultative Group on Indonesia (CGI). The country was now able to overcome its foreign debt problems by its own means. The political message to his national constituency was clear – the Government of Indonesia was firmly in control of decision making on its own national development course.

In this context, the Government of Indonesia, through its National Development Planning Agency (BAPPENAS), developed a partnership with UNDP to enhancing its leadership, transparency and accountability in governing external aid as part of its development agenda. Senior politicians reassured their constituencies of their authority and independence from the influence of external donors and lenders; still, external sources represented a significant quantity of finance for development programming - \$1.4 billion in 2006. Having signed the OECD DAC Paris Declaration on Aid Effectiveness the Government of Indonesia saw an opportunity to strengthen its authority over aid management through clear stipulations as to how it wished to both receive and manage ODA. From a development partners' perspective, this was also a key concern about aid management in Middle Income Countries such as Indonesia: here was also an opportunity, within the Paris Declaration framework, to strengthen linkages between aid-financed programming and Indonesia's overall development process and to help build greater transparency and accountability for all development finance (internal and external) in the country.

Response

Supported by UNDP, BAPPENAS embarked in a process of institutional change by making use of the international policy framework linked to preparations for the OECD DAC's Third High Level Forum on Aid Effectiveness (Accra 2008). In January 2008, UNDP supported the Government of Indonesia with methodological guidance on the implementation of the Paris Declaration Survey, specifically to determine the degree to which aid was being provided in ways that support country ownership and government's accountability to its own citizens. In 2008, 70% of ODA was considered to be aligned behind government priorities and as such 30% was still being programmed outside of government's own policy development and implementation processes. Furthermore transparency and accountability for the use of ODA remained in large part outside of government's systems with, for example, 56% of ODA being programmed through procurement systems outside of government.

This process exposed the challenges faced by the Government in terms of its ownership, accountability and transparency in the use of development resources. UNDP continued a close engagement with the Deputy Minister in BAPPENAS both advocating and supporting its growing role as champion for the development and implementation of an explicit aid policy in Indonesia.

UNDP technical assistance combined external and internal consultancies including the use of regional expertise, exposure to regional and international best practice, and south-south exchange. The “Jakarta Commitment: Aid for Development Effectiveness” was developed and signed as the national aid policy on 11th January 2009 by the Government of Indonesia and twenty-one bilateral and multilateral development partners. It marks a milestone in the way the Government and donor partners see the evolution of aid management in Indonesia and, more broadly, it gives specific, practical meaning and value to national ownership, national capacities and accountability for development results.

Building on the political momentum and the unique opportunity of a newly established aid policy, UNDP continued to support the capacity development of BAPPENAS to deliver on the commitments. In particular support was provided to develop an institutional framework which brings together various ministries and government agencies, including planning, finance and procurement. These entities work on the core challenges as presented in the Jakarta Commitments – forming 6 working groups: procurement, public financial management, dialogue and institutional development, etc. To support these government-led working groups, a capacity development programme is being defined and implemented through the Government’s Aid for Development Effectiveness Secretariat. UNDP is leading a transitional multi donor fund to ensure that donors’ harmonize their support behind this government led initiative.

Results

The achievements of the last two years in strengthening government ownership, transparency and accountability in aid management are already demonstrated in:

- clear policy on aid effectiveness and political commitment enshrined in the Jakarta Commitments;
- successful negotiations and improved partnership between the Government and donors on the provision of development assistance and its alignment with national development priorities;
- strengthened multi-stakeholder dialogue on development assistance provision and effectiveness;
- significant improvements in the Government of Indonesia accountability to its citizenry in respect to the use of development finance;
- strengthened Indonesia influence and active engagement in regional and international policy processes on financing for development and aid effectiveness;
- extension of the approach to the first sectoral (thematic) arrangement for climate change management whereby UNDP will assist the Government of Indonesia in establishing a nationally -managed Trust Fund for Climate Change (ICCTF) and providing the mechanism for immediate financing initiatives that are identified as priorities in the Climate Change National Action Plan.

A mix of national political interventions, supported by UNDP technical expertise, and regional and global partnerships can empower governments to take bold steps towards ownership and better alignment of external resources for national development results. UNDP continues to play the role of a trusted partner of choice in supporting it. The donors’ readiness to contribute resources to ICCTF testifies further to the positive energy created by the “Jakarta Commitments” and by strong national political leadership.

CAPACITY DEVELOPMENT



THE STORY OF AN INSTITUTION

“ENTERPRISE BOTSWANA”

Situation

Botswana as a leading exporter of diamonds, not only avoided the resource curse that haunts most sub-Saharan Africa, but also recorded a remarkable long-term economic performance since independence. With an average economic growth rate of 7.8% in the last two decades, the country has the highest growth rate across the whole region. Despite these remarkable achievements, the key challenge remains, i.e. to translate this impressive economic performance into poverty reduction.

Acknowledging the economy's heavy dependence on the mining sector (which accounts for 40 % of GDP, 80% of export earning, but only 5% of employment), the country has vowed to diversify its economy and increase the contribution of the other sectors as well as create employment opportunities for its citizens.

In an effort to address these issues, the Government introduced specific measures in its development plans (spanning a period of more than ten years) to help the private sector become the main engine of economic growth. A Public Enterprises Evaluation and Privatisation Agency (PEEPA) was set up, which is responsible for the orderly privatization of public parastatals as well as for promoting public-private partnerships in the provision of services, outsourcing and communication. The Government also introduced financial and support schemes to further spur economic diversification and employment generation.

Response

In 1997, UNDP assisted the national authorities in establishing “Enterprise Botswana” – an institution, which aims to promote citizens empowerment through supporting entrepreneurship and business development targeting the small- and medium-scale enterprises (SMEs). Its projects focus on growth- and export-oriented companies and individuals and provides a wide range of services, including entrepreneurial and management training, technical assistance in preparation of business plans, business advisory and counseling services, credit sourcing, assistance in identifying subcontracting opportunities and promoting linkages between local small and medium scale enterprises and foreign companies. Fifty-five percent of the USD 1.1 million-budget was funded by private companies such as Shell Oil Botswana, DEBSWANA, Kalahari Management Services, and the Botswana Chamber of Commerce while the Government and UNDP provided 30% and 15% of the funding, respectively.

As part of its support UNDP put together a training programme for operators of SMEs, 40 per cent of which were owned by women.

While the Integrated Field Services (IFS) provide technical support to SMEs in their localities, “Enterprise Botswana” provides business/management training for entrepreneurs. In 2004, these two entities merged with the former Small Business Promotion Agency (SBPA) and were further streamlined into two agencies: the Small Business Council (SBC) as the policy advisory arm and the Local Enterprise Authority (LEA) whose mandate is to promote the development of a vibrant SME sector.

Results

UNDP evaluation report attests that the project did produce a number of outputs, such as an entrepreneurship development model, business support services, training, and advisory services. The key objective was to create “Enterprise Botswana” and have it running on a sustainable basis. While an Institute was established, when the contributions ended, it was still dependent on grant support. The Institute was later privatized and it continues to function. Consequently, the project managed to be successful though not in the way initially planned. Hence, it shows an example of unintended but positive outcome of institutional support.

Growing out of the Government, UNDP and other partners’ past attempts and institutional experimentation, the Local Enterprise Authority came out as independent body. It serves as a one-stop shop for capacity support, such as training, mentoring, marketing, and technology support for product development, to the local industry needs of SMEs. It primarily targets youth, women and the unemployed. In addition to promoting entrepreneurship in Botswana, LEA has also been instrumental in promoting domestic and international linkages, especially between SMEs and Government, large business entities and other SMEs, facilitating access to finance, standards, infrastructure, and changes in regulations, assisting technology adoption and diffusion, etc.

LEA has carried out two performance assessment in 2007/8 and 2008/9. The study revealed that since the establishment of the LEA, the Authority has assisted more micro and small enterprises than medium sized enterprises. LEA’s interventions have impacted positively on the operations of client enterprises hence 87% of them expressed their satisfaction with the LEA interventions. LEA’s training and advisory services are regarded highly by enterprises, as they are viewed to be of high quality compared to similar services from other institutions. About 64% of respondents will still need LEA services in the future, as they have trust and confidence in its services. The performance assessment of surveyed enterprises measured in turnover and employment clearly shows that the interventions received had translated into growth of both variables. It has about 400 employees located in more than a dozen branches and enjoys 4,000+ client base.

THE HUMAN DEVELOPMENT INSTITUTE IN PANAMA¹

Situation

The expansion and modernization of the Panama Canal and the so-called mega-projects in early 2000 were seen by Panama as great opportunities. At the same time, the government was aware that, consistent with the national human development framework, any of the economic gains from these initiatives need to be translated into tangible social benefits for its citizenship.

To achieve that, the human capital in the country has to be enhanced with new technical and functional skills, including on sustainable development. The Government felt that the then-existing labour policy and labour supplies did not correspond to the dynamic needs of the public and private sectors, and so decided to modernize the old National Institute of Professional Training (INAFORP). Accordingly, the government called up on UNDP to support such institutional transformation process.

The Human Development Institute (INADEH) was created in 2004 to facilitate the generation of employment opportunities through the human capital, economic development and poverty reduction joint initiatives. For this purpose, an innovative professional education program was created. The institution would: promote, facilitate and regulate the financing aspects of training services; advocate for demand-driven training services; and explore new areas and fields of work.

INADEH is directed by a Board of Directors consisting of members of the unions, the private sector and representatives of the government. It follows a management model where execution is completed by a network of private donors and where the public training centres are managed by bipartite organizations of employers and workers. The Government commitment to the project is clear by its political leadership and its growing financial investment in the institution. In 2007, 81 million dollars were assigned to this initiative. That amount increased to 91 million dollars for 2009.

Response

As stated by INADEH, the partnership with UNDP was decisive in many ways:

- At the beginning, it provided technical assistance by sharing regional knowledge (especially through experts from Brazil and Colombia), which facilitated access to a modern and strategic vision and best practices in training;
- Lately, institutional development of the institute including a tripartite vision was supported. Efficient resource allocation allowed for transparency and accountability and the fulfillment of the self-declared goals in less time than originally planned;

¹ Sources included:

- Report "Fortalecimiento del INADEH: Programa de Capacitación y Formación de Capital Humano. PNUD Panamá e INADEH, 2009. ("Strengthening of INADEH: Training and Human Capital Formation Program of the PNUD Panama and INADEH, 2009).
- Interview with Olga Robles, Manager Knowledge Unit, the PNUD Panama.

- During the last stage, the support strategy focused on strengthening the INADEH's capacity and making it resilient in the face of unforeseen uncertainties or change of government;
- Throughout the project, the capacity to build and nurture partnership remained a pillar of the initiative. This included partnership with unions and public and private companies, as well as with similar institutions and international cooperating organizations. Such alliances, in turn, guaranteed the exchange of experiences and best practices, as well as international recognition for INADEH.

Among the active partners of INADEH, there are a plethora of public and private, national and international organizations, including: the Authority of the Panama Canal, several unions, Toyota, Hewlett Packard, LG, Volvo, the governments of India, the National Learning Services Institute in Brazil (SENAI), Colombia (SENA) and Peru (SENATI), and many other universities and national and international academic institutions.

Results

One major outcome of this initiative is the establishment and transformation of INADEH as capable institute playing active role in improving the country's human capital asset. The partnership developed over the years between INADEH and UNDP had a clear and holistic focus on capacity development, and has contributed substantively to the improvement of public sector management in Panama. It has also contributed to the rehabilitation of centers for training located both in Panama and in the countryside, with the support of the Ministry of Education. All centers offer courses programmed according to the demand and the needs of an openly competitive labor market. This experience has been selected by the Regional Center of the UNDP to be part of the series "Sharing Knowledge" which will assure its potential contribution for South-South Cooperation.

SOLOMON ISLANDS – NATIONAL AUDIT OFFICE CAPACITIES

Situation

The Office of the Auditor General (OAG) in the Solomon Islands is charged with ensuring accountability in the conduct of public accounts and administration. OAG saw a drastic decline in its capacity from 1978, which was the year of national independence, when OAG had 28 filled staff positions, to the end of the 1999-2003 civil conflict when there were only three staff members in place.

Support to the OAG was provided as part of the overall Accountability Program of the Regional Assistance Mission for the Solomon Islands (RAMSI). Under the auspices of this Program, a review of OAG's structure and functions was carried out in 2003. It resulted in a four-year Strategic Plan for OAG that were discussed by Parliament in November 2005.

The support project was launched in a context of extreme political polarisation both within the Solomon Islands political system and between the Solomon Islands government and donors. The 'stair-step' project evolution seemed to help build true ownership on the part of key Solomon Islands government counterparts, who saw their own role in defining the iterative work approach as evidence of their investment in the project.

Response

The project focused on building and supporting functional capacities for leadership, accountability and inclusiveness - all key dimensions of resilient and responsive state-society relations.

The project response was based on a self-assessment to determine key gaps. Initially, the response consisted primarily of technical assistance and training. In order to make this approach work, there was considerable care taken in the selection of technical advisors to ensure that their style was open, inclusive, approachable and nurturing. The technical advisors were entirely co-located and integrated with their national partners and there was a conscious drive to transition from "direct" to "indirect" technical assistance, with technical advisors more focused on supporting their fellow Solomon Islands government team members to self-diagnose problems and think through a range of possible solutions. The training was designed and given within the context of operational realities and tasks in Solomon Islands so as to make it as relevant and meaningful as possible.

The project supported the adaptation of international auditing standards. For the auditor general function, international standards from the International Organization of Supreme Audit Institutions, which had already been regionally customized for the South Pacific, were further contextualized for use in operations and training in the OAG.

Another element of the response was the evolution of the performance management system of OAG and the civil service more generally. The OAG project embedded capacity results as rewards in the larger Solomon Islands government system, the project team advisors successfully advocated to link documented individual success in skills development (substantiated by periodic written assessments) into the public service review and promotion processes.

Results

The support provided through the project created a virtuous cycle of interaction between direct efforts with quick and visible results and a significantly increased status and influence of the OAG. The initial intervention produced:

- immediate and tangible institutional results (quick wins) but also had a “spillover” effects leading to broader system-wide impact (longer-term resilience across institutions);
- an impressive number of quality audit reports produced by the OAG on an annual basis;
- the institution became a workplace of choice among the most competent civil servants and the best graduates;
- accountability was clearly defined as a key responsibility of Solomon Islands government officials and those in public office would be held to account for monies and responsibilities allocated to them;
- easier replacement of quality staff, higher budget allocations and broadened political support for OAG functions.

There was clear evidence of OAG’s resilience, or its ability to sustain high performance levels over time and in the face of external shocks, such as the often antagonistic interactions with the executive branch in what was referred to as the ‘leadership crisis of 2007’. The fact that the office has continued to grow in numbers, capacity and reputation, is an important measure of the success of the capacity development efforts.

A key lesson from this support project is the need to put equal emphasis on both the ends (results) and the means (process). It was apparent that a balance had to be struck between the pressure to deliver ‘results’ or products with a more nuanced and context-specific focus on the process, to reach long term sustainable results.

THE JUDICIARY SYSTEM IN TIMOR-LESTE

Situation

In the aftermath of the violence that erupted after the popular referendum that demanded independence, Timor-Leste was left with more than 75 percent of its infrastructure destroyed, without institutions to run its young administration, and without a pool of professionals with the skills, knowledge and attitude to meet the needs of the mostly rural Timorese population.

Supporting the development of an efficient and effective judiciary system was a top priority for the United Nations Transitional Administration in East Timor (UNTAET) and for the Timorese provisional government (the National Consultative Council). In December 1999, UNTAET began taking the first steps towards the establishment of the national judiciary system; since then UNDP has provided support for developing its institutional capacity.

The nascent country faced a lack of qualified and trained people to build and run its judiciary system. Timorese who were recruited by the new public administration to serve as judges, public defenders, prosecutors, and other judiciary sector professionals had received only basic law degrees from Indonesian universities and possessed limited professional experience. In 2000, 48 Timorese law graduates were sworn in as judges, prosecutors and public defenders for a probation period of two years. Four years later, however, they did not pass the national examination and were not considered qualified to be appointed as permanent staff of the judiciary system.

Unqualified personnel was not the only problem affecting the judiciary system in Timor-Leste. Lack of systems, processes and procedures was constraining the smooth administration of justice. Judges were facing severe backlogs of thousands of cases. Language was an additional constraint: the fact that laws and legal codes were not translated into languages spoken by judges, prosecutors, and public defenders hindered the rapid processing of judicial cases.

Response

The Government of Timor-Leste, with support of UNDP since 2000, adopted a sector-wide approach to developing capacities of the judiciary sector, focusing on the District Courts, the Prosecution Service, the Ministry of Justice, the Judicial Training Center (JTC), the Public Defender's Office, and the Prison Service.

To address the lack of qualified personnel in the judiciary sector, UNDP supplied international advisors to perform line functions, while training, coaching, and mentoring the Timorese graduates. The support programme was designed in such a way as to ensure a complete hand-over of line responsibilities to the graduates by 2009.

Supported by UNDP, the JTC was established to conduct post-graduation training, mainly for magistrates and public defenders. These trainings have been delivered at JTC by UNDP-recruited legal experts; these experts are peer international judges, prosecutors and defenders with experience in training, coaching and mentoring. Since mid-2004, 27 trainee judges, prosecutors, and public defenders have been in training full-time. Trainees who pass the course subsequently take a year of practical training, followed by specialized training.

Over the years, JTC has become a professional training centre that caters to the learning needs of all actors in the judiciary system, from judges to prosecutors to public defenders, and others.

In lessening dependence on foreign advisors, the JTC and the Timor-Leste National University forged a partnership to develop and offer a curriculum focusing on the judiciary sector. In addition, special attention is currently being paid to equipping Timorese nationals to develop pedagogic skills through a Training of Trainers programme targeting graduates of JTC courses.

UNDP has supported the introduction of improved systems, processes and procedures to strengthen the capacity of the judiciary system to plan, budget, manage, administer and monitor (i.e. institutionalisation and systematization of the selection and evaluation procedures for judges and other legal professionals).

Results

In assessing the progress of the Timorese judiciary system, it is important to remember how embryonic the system is and the fact that it was built from scratch from 2000; however, some progress is already visible.

Institutional strengthening of the Statute of Judicial Magistrates has led to the Superior Council of Judicial Magistrates (SCJM) publishing quality statistics and information for the public. The practice of publishing all deliberations has strengthened accountability and independence in the judiciary.

The judiciary system has already seen the first cadres of national judges and lawyers entering into service and delivering judicial services to their citizens. Today, JTC is up and running and delivers effective learning services to future judges and legal professionals. To date, 17 judges and public defenders have been sworn in; all trained at JTC.

JTC has proven to be a pivotal institution in enhancing Timorese legal education, which is also a key element of every country's attempt to improve the performance of its judiciary sector. The results of its legal education strategy and training programmes are to be found in improved quality of legal services provided to the community, which are now delivered by professionals whose performance gains the confidence and respect of the people they serve. It is within this framework, that the newly developed National Strategic Plan for the Justice Sector has also recognized the impact that its customized training programmes have had on enhancing performance of justice actors and on instilling the values of impartiality, professionalism competency, efficiency, and the value of public service.

Additionally, systems and procedures for the administration of justice are in place and judiciary system institutions function in a coordinated manner. Education campaigns increased public awareness of the formal justice system and how it works. Essential legislations, such as the Organic Laws for the Ministry of Justice, the courts, the Office of the Prosecutor General, and the Statute of Judicial Magistrates, have been developed and passed and are currently regulating the functioning of the judiciary system and its corresponding institutions.

While the judiciary system in Timor-Leste has a long way to go before becoming an efficient and effective institution no longer dependent on donor support, it is possible to say that, with the support of UNDP, the system is well on its way to becoming a key institution of the state.

CAPACITY DEVELOPMENT



THE STORY OF AN INSTITUTION

THE NATIONAL PUBLIC PROCUREMENT AUTHORITY IN SIERRA LEONE

Situation

When more than 10 years of civil war in Sierra Leone ended in January 2002, President Kabbah was faced not only with establishing peace, but also with rebuilding and improving the institutions of Government, many of which had collapsed during the war. One critical institution was the public procurement agency and President Kabbah asked the United Nations Development Programme (UNDP) to support his government in assessing the current status of public procurement in Sierra Leone and in helping design a better approach to procurement for the country.

It was estimated that in 2002 expenditure through public procurement, which is the purchasing by the government of infrastructure, goods and services, accounted for around 30% of country's economy. Yet the laws and regulations for public procurement were outdated and not comprehensive – and anyway not adhered to. The main problems were that the roles of organizations were not clear; there was limited understanding of public procurement and virtually no oversight of the process. As a result service delivery such as health and education were not able to respond to the needs of the people.

On the other hand, there was support from the highest level of government for improving public procurement. A number of government organisations involved in procurement and international partners were prepared to support for reform. These conditions created a good opportunity to the launch of a procurement capacity development programme.

Response

By the end of 2002 a team of UNDP procurement advisors working with Government counterparts had conducted a rapid capacity assessment. The findings were reviewed and discussed in a workshop attended by key stakeholders, including representatives from government, private sector and development partners. The outcome of the workshop was an action plan designed to address the immediate bottlenecks, as well as a framework for a comprehensive capacity assessment leading to a long-term capacity development plan.

Initiatives for immediate implementation included establishing a Procurement Reform Secretariat to lead the process and preparing and implementing interim procurement guidelines. A group of “procurement champions” from key Ministries was identified and it played an active role in implementing these initiatives. These priority initiatives were able to get the procurement system up and running again.

Phase two was set in motion by a comprehensive capacity assessment that entailed the collection and analysis of both the quality and efficiency of procurement. The assessment was led by the Government Procurement Reform Secretariat, chaired by the Vice President and supported by UNDP. By May 2004 a fully implementable Capacity Development Strategy was in place.

The strategy focused on the reform of the public procurement system in Sierra Leone and the development of the capacity of institutions involved in public procurement, including the Ministries and Departments, the Central Tender Board, Local Government, the educational institutions and the supplier community.

It entailed new Procurement Legislation, enacted by parliament in 2004, and the development of associated regulations and manuals. The National Public Procurement Authority (NPPA) was established, together with a regulatory and monitoring body and the Independent Procurement Review Panel (IPRP), serving as a complaints handling body. Institutional arrangements were put in place for procurement within ministries and other government institutions.

Learning activities were included in the plan and ranged from initiatives targeting procurement practitioners and the civil society (national leaders, the private sector, media). Close ties were developed with the civil service commission and the anti-corruption commission to pursue initiatives of common interest. Partnerships were forged with educational institutions to develop curriculum related to public procurement. Since transparency in public procurement was identified as a key challenge, a national procurement website was established as early as 2004, providing wide-ranging information on public procurement to the general public.

Results

Procurement compliance and performance monitoring is today a regular practice in Sierra Leone. Compared to the situation in the 2002 the country has come far in the establishment of a functioning public procurement system, with a robust legal framework, a small but growing cadre of procurement professionals and a high level of attention and interest from the civil society (private sector and media). The concrete achievements are:

- The responsibility for the development of procurement capacities is now a core function of the National Public Procurement Authority (NPPA) which will ensure the sustainability of this endeavour.
- The NPPA is active in the international public procurement community and actively takes opportunities for south-south exchange to learn from and share experiences with other countries.
- The strong political support to improve public procurement, led by the President and the Vice-President, has been sustained, following a change in Government.
- A wide range of interested organisations have been engaged throughout and this continues to be the case. Their participation from the beginning in conducting the assessment and in designing the solutions has ensured that ownership is not restricted to the NPPA, but is spread throughout many institutions both within and outside government.

However, challenges remain in ensuring compliance with the framework, as well as improving the performance and quality of goods, infrastructure and service delivery to the general public.

BHUTAN – THE ROYAL GOVERNMENT OF BHUTAN

Situation

The Royal Government of Bhutan (RGoB), has made an incremental, yet notable, shift towards decentralized, participatory, and democratic governance over roughly the past 10-15 years; and it has adapted its institutional capacities accordingly. Since the 1980s, the central national government has successfully devolved authority, assigned roles and responsibilities to a number of ministries and agencies, among them the Gross National Happiness Commission (GNHC- the national planning ministry); the Ministry of Home and Cultural Affairs (MoHCA); the Ministry of Finance (MoF); and the Royal Institute of Management (RIM). The reforms were driven with a view to putting development in the hands of the people- through a more participatory and transparent process of planning, budgeting, and implementation of development activities.

The government was facing two major challenges: i. Designing and implementing a process for rolling out a system-wide decentralization reform; ii. Ensuring that the system (public agencies, local administrative councils, national oversight bodies and organizations and the legal policy framework), especially at the various sub-national levels, was strong enough to adapt to change and assume changed roles and responsibilities. To tackle such challenges, the government requested support to UNDP and other external development partners.

The RGoB assumed leadership, articulated the vision and the objectives of the reform; the development partners, including UNDP and UNCDF, focused their support on the set-up of systems able to deliver on the new government vision and on the definition of the implementation mechanisms and process. Pilot grand programs, starting in 1999, were implemented by local governments and would in time both create and test the nascent decentralization framework.

Response

Since the beginning, the RGoB and development partners worked together in an iterative and incremental manner to bring about effective decentralization reform. It has been a story of national ownership and donor coordination. With respect to the latter, over the past 15 years, development partners in Bhutan have come together and demonstrated their serious commitment to coordination through a series of multi-donor support programs. The objectives of the programs clearly remained those articulated by RGoB.

The emphasis of almost all interventions, which have been supported by UNDP, UNCDF and other development partners such as SNF, Danida and JICA, has been on “learning by doing”. For example, in the shift towards decentralized planning, RGoB identified the need to create (and legislate for) a relevant institutional structure at the district and block level. Such structure would take the form of sitting committees with a mandated role in the planning, budgeting and reporting processes. The pilot grant programs allowed for this new institutional architecture to be tested in practice. The lessons that came out of the pilots revealed both capacity strengths and gaps, and the most appropriate measures to build on the strengths and address the gaps. Roles and responsibilities could be clarified through legislative amendments; coordination bottlenecks could be eased; overlapping mandates could be resolved; training opportunities could be provided to the people at the appropriate level for the skills they actually needed in order to perform their functions.

In relation to the last gap, the Royal Institute of Management was mandated to provide training to public functionaries and government authorities such that they would be able to execute their responsibilities in line with national policies and laws. The results from the pilot block grant programs provided critical input into what skills and capacities were lacking – leading, for example, to the development and institutionalization of courses on budgeting and management.

The importance of effective local leadership was also validated. Elected community leaders were paired with civil servants in a twinning arrangement. This innovative system created a linkage between informal and formal leadership and appointed and elected representatives of the state. Space for increased participation by the people allowed them to articulate their own development needs and priorities. In the most recent iteration of block grants, local monitoring committees were instituted, with a quota for female members, creating a mechanism by which communities could hold elected authorities accountable for use of development funds.

Results

The results are significant: decentralisation is working. While the 'process' of change may never be entirely finished, and improvements remain to be made, there is tangible evidence of success, namely:

- Beginning with the 10th Five Year Plan (2008-2013), all 205 blocks in the country have been allocated block grants to implement locally. The block grants have been institutionalized in the policy domain. They are now funded by RGoB rather than partially or wholly by the development partners.
- The decentralized governance system and structure is in place. It is effectively delivering on the original objective of participatory development.
- The decentralized governance system is today able to respond to new development priorities and upcoming challenges as: investments have been made in leaders; platforms for the people to interface with the government are upheld; horizontal and vertical coordination mechanisms are working, supported by a robust policy frameworks; and the process of learning, feedback, and refinement is ongoing.

CAPACITY DEVELOPMENT



THE STORY OF AN INSTITUTION

NEPAL MINISTRY OF LOCAL DEVELOPMENT AND MUNICIPALITIES

Situation

Overall, Nepal is one of the least urbanized countries in the Asia. However, urbanization is growing rapidly in Nepal at an annual rate of 5.4 percent which makes the towns and cities of Nepal the fastest growing in South Asia. The voluminous expansion of municipalities has serious implications for the urban environment, and demand for basic services such as water, sanitation and waste management.

As the municipalities faced increasing difficulties in addressing these demands, particularly due to lack of funds and capabilities, the Government, through the Ministry of Local Development, approached UNDP to provide advice on innovative service delivery approaches to complement traditional public service delivery with a view to improve the provision of overall service delivery, especially, to the poor inhabitants.

Response

In developing the UNDP response, UNDP drew on its significant experience on establishing public-private partnerships for service delivery (provision of public services funded and operated through a partnership of government and one or more private sector companies). In this regard, UNDP launched its capacity development support to the Government of Nepal in 2002. The first phase of the programme, which was completed in March 2004, addressed the limited knowledge and experience in local service delivery approaches. All relevant stakeholders were consulted and a stakeholder platform was established to ensure continuous engagement. It focused on the creation of an enabling environment and included:

- raising awareness among different stakeholders on the concept of public-private partnerships;
- establishing communication between the government (national and local) and private partners; and
- assisting the Ministry of Local Development in creating a legal environment that supports municipal public-private partnerships.

The second phase (2004- 2009) was expanded with the implementation of public-private partnerships arrangements to deliver basic services to disadvantaged communities. UNDP specific support included institutional development and partnership building, policy development, tools development and capacity enhancement through training of professionals and graduate students. Several workshops, seminars, focus group discussions, town hall meetings, policy debates and orientation programmes were conducted. In total, 4,461 government officials and graduate degree students profited from various trainings on negotiation and leadership, proposal development and project financial analysis. A number of inter-municipality visits were carried out to demonstrate to national government and city officials the benefits of practical public-private partnership experiences. Overall, five municipalities benefited from the first phase and five more municipalities joined in the second phase, resulting in ten municipalities benefiting from capacity development support processes.

Results

This has resulted in job creation for the disadvantaged groups and into improved access to public services and environment management in five basic service priority sectors: solid waste management, urban sanitation, potable water supply and distribution, renewable energy, and urban transport management. The inclusiveness of the approach through its broad multi-stakeholder involvement ensured participation, transparency and accountability.

Specific results include:

- Changes in the policy and legal frameworks as well as strengthened institutions at local level where public-private partnership activities are being implemented.
- Government of Nepal have made the public-private partnerships modality one of the pillars of government economic policy. UNDP continues to provide technical, capacity development and policy support to widen the reach of the initiative.
- Supported municipalities exhibit increasing commitment to meet service provision needs with private sector and/or community involvement resulting in higher performance in providing service delivery.
- By institutionalizing the public-private partnership component within existing government bodies and organizations and through capacity development efforts, the Government gradually increased ownership of the multi-stakeholder partnership for local service provision. Public-private partnerships 'desks' were established at national and municipal government levels (for example at the Municipal Association of Nepal and the Federation of Nepalese Chambers of Commerce and Industry).
- The Government of Nepal Cabinet passed the local 'Public-private partnerships policy' and the Ministry of Local Development passed a distinct local public-private partnership policy and working guidelines for its implementation. The Local Self-Governance Act (1999) has been amended to incorporate provisions for public-private partnerships at the local level.
- Training courses have been included in the standard curriculum of the National Administrative Staff College and Local Development Training Academy, as well as at the graduate level courses in urban planning at the Institute of Engineering of Tribhuvan University.
- Capacity development in the financial sector has taken place with the Nepal Bankers' Association including training on how to develop public-private partnership as well as preparation of a public-private partnership financing policy.
- Capacity development has also focused on the legal sector where trainings and orientations were offered to judges, attorneys and other legal practitioners jointly with the National Judicial Academy.

Finally, the public-private partnership concept in Nepal has emerged as an approach to complement public service delivery and where implemented, performance of service delivery has increased. As more initiatives are in the making, the challenge is to spread its coverage to more local communities in order to improve basic service delivery to as many of the poor as possible.

CAPACITY DEVELOPMENT

THE STORY OF AN INSTITUTION



THE MOZAMBIQUE POVERTY OBSERVATORY

Situation

Over the time span of three decades, Mozambique has undergone a profound process of transformation – from independence to civil war and then to a multi-party democracy. The latter part of its development witnessed a transition from a planned economy to an open-market economy, which was accompanied by an impressive economic growth. However, major development challenges remained to be addressed. In 2001, Mozambique formulated its poverty reduction strategy – the ‘Plano de Acção para a Redução da Pobreza Absoluta’. One of the weaknesses of the formulation process is the limited involvement of civil society actors. In response to the demand for increased participation from civil society actors as well as international development partners, the government created a participatory monitoring and evaluation institution, i.e., the ‘Observatorio da Pobreza’ or Poverty Observatory in April 2003.

The government envisioned the Poverty Observatory as a national consultative platform for monitoring the implementation of the poverty reduction strategy by public and private institutions and agencies. It brings together government ministries, civil society actors, academia, trade unions, religious groups as well as international partners. Beyond opening space for non-state actors in the policy processes, the Poverty Observatory provided the venue for a collective voice of civil society actors. For instance, those civil society organizations and networks that took part in the first Poverty Observatory panel later set up a civil society network called Group 20. With more than 400 member civil society organisations, this network proved to be one of the main channels for voicing the concerns and contributions of citizen groups in the processes related to the poverty reduction strategy.

Since its inception, the Poverty Observatory has been instrumental in creating space for policy dialogue and a set of harmonized actions. It has complemented the national monitoring and evaluation system by producing a qualitative report on the progress made in implementing the poverty reduction strategy. Since 2003, the Poverty Observatory has been producing annual reports that served as a feedback and accountability mechanism. Provincial observatories have also been set up beginning from 2005. While evaluation reports and findings pronounced the Poverty Observatory as a gradual, yet significant, move towards meaningful multi-stakeholder participation in national policy making process, there remain capacity challenges to fully realize its potential as a powerful social accountability mechanism.

Response

Since the Poverty Observatory was established, UNDP provided support to the institutionalization of civic engagement in Mozambique as key input to the social transformation and sustainable development agenda in the country. In this respect, the capacity development response of UNDP has been two pronged: support to the Technical Secretariat of the Poverty Observatory and support to civil society organizations.

The Poverty Observatory comprises two groups, namely the Opinion Council, which is an ad hoc advisory body comprising 60 members (24 from selected government bodies and 36 civil society representatives including international partners) and meeting biannually; and a permanent Technical Secretariat. UNDP support the establishment of the Technical Secretariat of the Poverty Observatory, which is housed within the Ministry of Planning, with US 1.5 million dollars seed funding, and with a mandate to provide logistical and institutional support to the Poverty Observatory.

Since its inception, the secretariat has been receiving capacity development supports from UNDP in the area of:

- poverty monitoring and performance tracking on achieving the Millennium Development Goals;
- poverty-related strategic and impact evaluation studies;
- nation-wide sensitization and dissemination of information on the poverty reduction strategy and the Millennium Development Goals;
- provincial level information systems for poverty monitoring;
- mainstreaming of cross-cutting issues in the poverty reduction strategy.

Evaluation reports highlighted the relatively weak monitoring and evaluating capacities of civil society groups. To address this issue, UNDP provided support to strengthen the analytical and evidence-based advocacy capacities of civil society actors, to ensure the meaningful contribution of these actors to the overall monitoring of poverty reduction and achieving the Millennium Development Goals. In this respect, UNDP has supported policy advisory services and training, at the national and regional level, on participatory policy monitoring tools and techniques.

Results

Although the government's effort to create policy space for civic engagement may still have some miles to go, the strong commitment and ownership shown by the government towards the Poverty Observatory has been significant.

Institutionalized participation facilitated multi-stakeholder policy dialogue on key issues and ensured feedback on the implementation of the poverty reduction strategy through sector and thematic reports. For instance, unlike the first poverty reduction strategy, civil society actors were represented in the design of the second poverty reduction strategy (covering the years 2006-2009) through thematic observatory working groups as well as a strategic advisory committee. The government also shared proposed contents and pillars of the second poverty reduction strategy with civil society actors in advance.

With their research and analytical capacity improving, the civil society actors became more engaged, under the Group 20 banner, and produced an independent poverty assessment report 'Relatorio Annual de Im pacto'. Also, the establishment of provincial observatories and district councils has created enormous opportunities for greater community outreach, sharing of successful experiences and data collection on local participatory democracy and the second poverty reduction strategy.

In spite of these positive trends, there remains room for improvement and continued engagement. Additional steps need to be taken to improve the country's monitoring and evaluation system and ensure that recommendations from the Poverty Observatory are fully incorporated into the poverty reduction strategy process that the analytical capacity of civil society organizations is further developed and that data collection and analysis is institutionalized.

CAPACITY DEVELOPMENT

THE STORY OF AN INSTITUTION



THE MINISTRY OF LABOR AND SOCIAL POLICY IN BULGARIA

Situation

With accession to the European Union (EU) local governments in Bulgaria have been gradually developing capacities in areas required under European Union benchmarks. This included capacities for the administration of decentralized social services, under the Ministry of Labor and Social Policy (MLSP). The country needed to shift from highly centralized and government-funded social services, often unable to reach the most vulnerable in rural areas, to a decentralized, community-managed system capable of providing quality services where most needed.

As unemployment was running high in the country (18% in 2000, well above the EU average), the MLSP realized that, to succeed, it needed to focus on both demand and supply: in other words, provide care to the poor and unemployed, while creating employment and therefore reducing the number of people in need of services. In this overall context, MLSP approached UNDP with the idea of a project which would guarantee sustainable community based social services, and maintain its commitment through strong political leadership until and beyond the country's official entry in the EU.

Response

MLSP and UNDP worked hand in hand to design and implement a holistic capacity development intervention, to strengthen MLSP itself and create a network of qualified partners from the private and public sectors, the central and local levels, which, as a coordinated system, would guarantee high quality services to Bulgarians.

The project¹ worked to reinforce the capacities of MLSP, of the municipal administrations in charge of implementing the system at local level, and of NGOs, which in partnership with the municipal administrations, act as service providers.

With MLSP, UNDP worked primarily on reviewing and defining more comprehensive legislation on social services to address gaps in procedures for implementation, capacity strengths and needs and in defining quality criteria for selection of a monitoring system, based on users' feedback. With regards to the pilot in administrative municipalities, a training package was designed for staff, and provided an overview of the new decentralized model for funding, management, provision and monitoring of the new Social Assistant service, including social negotiation with the NGO-service providers.

In the 2000-2010 decade, two other complementary projects² supported the development of MLSP capacities. A capacity assessment of the MLSP Directorate for pre-accession funds was conducted and then training was provided to the Directorate staff on strategic thinking and planning. In 2004-2006, the institutional support focused on: 1) defining a Human Resources Development Operation Programme; and 2) identifying and improving the communication channels between central and regional structures and other local stakeholders.

¹ "Social Services for new employment" (SANE, 2002-2008).

² "Strengthening MLSP capacity to manage EU funded programmes and projects" (2001-2004) and "Support to MLSP for Strengthening the Cooperation between Central and Regional Level Structures in the Management of EU funded Programmes" (2004-2006).

Results

The government's motivation to meet the requirements to join the European Union acted as a strong push toward national ownership of all development projects and interventions. By 2005, ownership at local level was demonstrated, with the municipal administrations willing to co-finance project activities. The partnership developed in the last 10-15 years between the MLSP and UNDP, resulted in:

- successful transition from costly and hardly efficient centralized social care to sustainable community-based social services in the country;
- adoption of secondary legislation, including a Methodology for the Provision of the Social Assistant Service (and national standards) and instructions for the operational organization of the Social Assistant and Household Assistance services;
- new criteria for vocational training of Social Assistants established and included in the educational system;
- a cost-sharing model that split the financial burden amongst the users of social services and the national and local governments;
- MSLP ability, through its network of quality partners, to extend the coverage of all 265 municipalities, which, in turn, are now able to co-finance, manage and control the outsourced provision of the community-based Social Assistant Service. In numbers, while in 2003, 635 people who needed care were tended for by 263 new assistant (previously unemployed and now trained accordingly), by 2008 there were 7,346 people from vulnerable groups accessing the services of 3,304 assistants;
- guaranteed sustainability and improvement/adaptability, among others, by an annual assessment of the work of the NGO providers, as mandated by the secondary legislation supporting the Social Assistance Act;
- exchange of lessons learnt among NGOs and municipalities, and, empowerment of local population to influence local and national level decision-making.

When Bulgaria became an EU member, the Social Assistant service was the first to be negotiated under the European Social Fund, and is now run by funds coming from the state budget as well as the European Social Fund. As a country in transition from a recipient to a provider of development assistance, Bulgaria, in cooperation with UNDP, has shared its experience in this sector with other countries in the region and beyond.

CAPACITY DEVELOPMENT



THE STORY OF AN INSTITUTION

STRENGTHENING INSTITUTIONS IN AFGHANISTAN

Situation

Despite the disruptions caused by 25 years of conflict in Afghanistan, Government ministries still continued to function and employed civil servants. However, they lacked the capacity to conduct common institutional functions, such as planning, financial management, procurement, and human resource management. The problems included limited leadership, fragmented policies, lack of formalised management systems, and limited knowledge sharing and exposure to best practice. This resulted in low levels of budget execution and poor delivery of services.

One of the immediate Government and development partner responses was to bring in expertise from the region and globally to conduct institutional functions such as policy making, budgeting and procurement. Very rapidly the Government realized that the 'Afghanisation' of institutions was a critical strategy to build a credible state, develop country ownership and create sustainable institutions whilst reducing transaction costs. The Independent Administration Reform and Civil Service Commission was established and charged with planning and overseeing the transition to an efficient, stable and adaptable Civil Service made of qualified national staff.

Response

The Afghan Government approached UNDP to help strengthen national leadership in public institutions through knowledge, lessons learnt and exposure to different institutional models needed to underpin transformation in key ministries. The UNDP's Civil Service Leadership Development Programme allowed senior staff to benefit from an introduction to strategy, planning and management approaches and skills.

UNDP was also asked by the Government and development partners to manage the "Making Budgets Work" programme in the Ministry of Finance and to link it to other institutional development interventions. The programme responded initially by replacing internationally recruited staff in the Ministry of Finance with Afghan nationals with targeted training. In the next phase twelve Afghan graduates were recruited into the ministry to become main beneficiaries of the programme and to allow the gradual phasing out of contractual staff.

In the process the Government identified two additional problems. First, how can senior and middle managers in ministries be supported and coached to enable them to apply their knowledge and skills to design, lead and implement institutional reforms in priority ministries and agencies? Second, how can Afghan expertise from the diaspora be attracted and retained? Partnering with the World Bank and the Independent Administration Reform and Civil Service Commission, UNDP supported the establishment of a Capacity for Afghan Public Service entity.

The Capacity for Afghan Public Service entity responded to specific capacity development needs identified in each ministry and agency. Rather than using international experts to substitute for capacity gaps, it used line managers in functions where the capacity was low. The approach enabled individual development and contributed to institutional reform through strong local understanding and ownership. Coaches and trainers were drawn from a large pool of experts with relevant experience in institutional change.

UNDP also brokered cooperation with the Indian Government that provided senior civil servants with relevant experience and qualifications to supplement Afghan Government coaches. In addition to support from the Indian Government, UNDP mobilised funds from Canada and across the United Nations to provide 39 regional and 44 national coaches. This allowed best practice to be accessible to relevant staff in 22 ministries and agencies and ensured that the solutions were tailored to the Afghan reality.

Results

UNDP's Civil Service Leadership Development Programme provided leadership techniques and skills across Afghan institutions. The Capacity for Afghan Public Service entity ensured that experienced regional and national coaches were able to work alongside 22 ministries and agencies to implement institutional reform. The following two examples are good cases in point:

- The Ministry of Youth Affairs asked the Capacity for Afghan Public Service entity to help develop strategies for vocational training for poor young people. One strategy was to develop partnerships with the private sector, whereby the ministry provided infrastructure and technical support and the private sector provided financing over a period of four years. These partnerships between the public and the private sector provided the opportunity for poor young people to contribute to the reconstruction of Afghanistan.
- Kabul's International Airport requested help in strengthening security so that it could become an international travel hub. The Capacity for Afghan Public Service entity worked with the airport authority to identify best options and best practice in airport security, to prepare terms of reference for the desired services and negotiate with key ministries the contracting out of security service delivery. This change management process has resulted in outsourcing security services at Kabul International Airport in May 2009.

CAPACITY DEVELOPMENT

THE STORY OF AN INSTITUTION



ECUADORIAN AGENCY FOR INTERNATIONAL COOPERATION

Situation

The Ecuadorian Agency for International Cooperation (AGECI) was founded in 2008 as the guiding agency of the Ecuadorian International Cooperation System (SECI). Prior to the founding of AGECI, Ecuador had limited capacity to manage aid resources due to a lack of coordination amongst government ministries and the absence of a guiding framework such as the National Development Plan.

AGECI was set up with the primary mandate of convening the coordination with Ecuador's donors, managing aid-funded programs, and planning projects for different sectors. AGECI ensures that agreed upon commitments made in the context of international conventions are followed up and adhered to by the appropriate agencies. In addition, AGECI runs an Institutional Strengthening Programme, which coordinates non-refundable technical cooperation, shares best practices on cooperation policies, and is currently also developing and implementing a new monitoring and evaluation (M&E) system. Under its capacity development programme, AGECI works to strengthen the departments of sectoral ministries that deal with international cooperation agreements by supporting the professional development of their staff through academic and other ongoing learning programmes.

However, AGECI was recognised to have weak capacities to fulfil its mandate. The government of Ecuador asked UNDP to provide support to this newly established institution. UNDP and a handful of national academic institutions have partnered with the government to identify the main issues affecting AGECI's capacity to deliver on its mandate.

Response

UNDP assisted AGECI in the following ways:

- It worked with the government to design the legislation and by-laws guiding the organisation.
- It helped design a strategic plan and a long term-road map through the provision of expert technical support;
- UNDP also supported the adoption of information and communication technology and systems to facilitate the sharing of knowledge and enhance information flows within the institution;
- AGECI's staff were provided scholarships to study in quality educational institutions for their own skills building.

Results

Currently, the legislation regulating and guiding the work of AGECI and then the overall approach of international cooperation in Ecuador is in place. Putting in place systems, work process rationalization and laying down of procedures have contributed to increased AGECI's performance in the management of aid and international cooperation in Ecuador, and better trained and qualified staff offer improved services. AGECI has adopted an integrated aid management system which allows it to track the geographic distribution of aid.

Improved coordination mechanisms between AGECI and other governmental institutions have contributed to improve the alignment of aid-funded programmes within the National Development Plan and in compliance with the precepts of the Paris Declaration on Aid Effectiveness.

AGECI is now poised to further develop its capacity to start engaging in South-South cooperation with other developing and middle-income countries to exchange knowledge and experiences. The focus of these is to exchange and learn about approaches for decentralized development interventions.

CAPACITY DEVELOPMENT



THE STORY OF AN INSTITUTION

NAMIBIA – MINISTRY OF LOCAL GOVERNMENT AND MUNICIPALITIES

Situation

Access to basic services is vital to reducing poverty in Namibia. Limited access to services such as primary education, health care, a clean water supply, sanitation, waste management and a local energy supply plagues the poorest segments of the population and limits their opportunity to emerge from below the poverty line. Newly established local governments are working to ensure that all citizens have adequate access to these basic services, but are constrained by weak capacity for urban planning, scarce financial resources and a small skilled labour pool.

Several examples demonstrate the challenges of local governments to deliver basic services. Unsolicited proposals to local governments from a dynamic private sector have resulted in unsustainable contracts with private service providers which have led to litigation and actual deterioration in service delivery. Road infrastructure required to facilitate solid waste management services is often inaccessible. Compounding matters, due to short and long-term climatic vagaries, households located within the floodplain zones of the north central region are vulnerable to floods and other natural hazards, making uninterrupted delivery of services uncertain.

Local governments have responded with ad hoc developments and without the proper use of integrated planning systems, demonstrating the need for an integrated urban development policy with clear strategies.

Response

Confronted with these challenges, the Government of Namibia Ministry of Local Government, with the support of UNDP, initiated a multi-stakeholder partnership strategy to improve local service delivery to the poor.

The Ministry of Local Government, with the support of the UNDP Country Office and the UNDP Public-Private Partnerships for Service Delivery (PPPSD) programme, designed and implemented a national PPP programme in collaboration with other government partners and non-state actors such as private partners, NGOs, community-based organizations and academic institutions. The first phase of the initiative (2001 to 2004) involved consultations with various stakeholders regarding strategic direction and an assessment of capacities needed to get there. This inclusive process led to the establishment of legal and institutional frameworks conducive to pro-poor PPP practice, and increased awareness of the opportunities pro-poor PPP presents and the legal frameworks in which they must be implemented. To help increase the pool of talent to participate in PPPs, the Ministry developed a partnership with Polytechnic of Namibia, a higher-level learning institution, leading to the design and offering of courses on PPPs for current and future local government authorities. The initiative also included the temporary placement of technical advisors in several municipalities to provide assistance in the implementation of PPPs and promote empowerment of community- and women-led businesses as service providers. During this same time, there was also higher-level policy dialogue between the Ministry of Local Government, private financial sector and development partners to help the Government of Namibia mobilize additional resources for implementation of PPPs.

Subsequently, the second phase of the initiative (beginning in 2005) focused on implementation within pilot municipalities in sanitation, solid waste management and social service facility management. The capacity development interventions targeted the strengthening of negotiation skills, contract management, risk analysis and local investment planning.

Results

The initiative by the Namibia Ministry of Local Government resulted in significant development of capacities in the Ministry itself and within the pilot municipalities to implement innovative approaches for sustainable delivery of local services and improve the lives of poor people. Specific outcomes include:

- the PPP approach was mainstreamed into the activities of the Ministry Local Government;
- more than 100 jobs were created for women and other disadvantaged groups;
- waste management service coverage expanded to over 7,000 people;
- empowerment of women and local entrepreneurs with business development and record-keeping skills improved the delivery of services in the poorer settlement areas;
- enhanced hygienic standards and improvement of general health among informal settlement dwellers was achieved through the reduction in pollution from indiscriminate waste disposal; and
- strengthened capacities and enabling policy, legislation and regulation was put in place to ensure an inclusive PPP.

The sustainability of the PPP initiative was supported by strong, visible commitment to pro-poor PPPs by political leaders at the national and municipal levels. In addition, PPP units and yearly budget provisions were established at the national (Ministry of Local Government) and municipal levels.

These interventions contributed to progress on MDG1 (eradicate poverty and hunger) through the creation of jobs and income-earning opportunities for poor local communities, on MDG 3 (promote gender equality and empower women) by the empowerment of women, and on MDG7 (ensure environmental sustainability) through the improvement of environmental conditions in pilot municipalities. Increased awareness of the pro-poor PPP approach to basic service delivery, capacity development interventions, learning by doing and strong partnerships between different stakeholders have ensured the success of public-private partnerships as a contributing factor to improved delivery of services to the poor of Namibia.

CAPACITY DEVELOPMENT

THE STORY OF AN INSTITUTION



AZERBAIJAN – NATIONAL AGENCY FOR MINE ACTION

Situation

In 1999 the Azerbaijan National Agency for Mine Action (ANAMA) was established to clear mines and unexploded ordnance (UXO) in the areas affected by the six-year long Nagorno-Karabakh war. ANAMA's was also charged with coming up with a plan for the development and resettlement of over one million internally displaced people (IDPs).

Further, impoverished by the conflict with Armenia, Azerbaijan had failed to take advantage of its oil reserves and depended on UNDP and other donors for financial support for the establishment of this new institution. Also, once the historically available capacities of the erstwhile USSR went scarce, the country found itself lacking the human resources capability and experience in establishing new institutions, as well as in the technical area of demining. Azerbaijan's fledgling institutions needed support to move away from the old centralized system of planning and management towards needs-based planning and results-based management, a greater engagement with the people they served, and therefore higher accountability.

UNDP was called on to help ANAMA make this transition.

The government demonstrated its commitment to making ANAMA a strong institution and provided strong political support to its leadership. Its funding was also bolstered. In 1998, the ratio of donors' resources to the government's in support of ANAMA was 80 to 20 percent. Today, this ratio is reversed, with the government contributing 80 percent of ANAMA's resource needs. By placing ANAMA under the direct responsibility of the Deputy Prime Minister, the government has empowered the institution to fulfill its mandate and to perform effectively.

Response

Since 1999, UNDP has supported ANAMA with technical assistance, advisory services and financial resources. The core of the strategy was to provide a pool of international advisors who were brought into the country to train local ANAMA staff and introduce new systems and procedures to manage the institution. Experts were also closely involved in the preparation of the Azerbaijan National Strategic Plan on Mine Action and in helping with the adoption of International Mine Action Standards.

Results

ANAMA has been successful in physically establishing itself as an institution with its headquarters in Baku and regional offices in Horadiz, Fizuli and Khanlar districts. Today, its well-trained staff follow rationalised standard operating procedures (SOPs) to perform their day-to-day functions. Looking at the cost effectiveness of ANAMA's operations, its performance has improved over the years: the cost per square metre of land cleared of mines has decreased from USD 500 in 1999 to USD 9 in 2001 and down to USD 1.5 since 2005. ANAMA conducts surveys and consults with the local population to identify mined areas and pockets of people at risk. It is able to launch an outreach campaign to spread awareness about 'no go' zones.

ANAMA's performance has improved over time to the point that it now provides advice and training to institutions with similar mandates in neighboring countries, including Afghanistan, Georgia and Tajikistan. In the ten years that ANAMA has been operating, it has retained its key staff and leadership, and the support that it provides to institutions in neighboring countries is very effective as its own experience is transferred by the same people who have contributed to its establishment.

ANAMA demonstrated its capacity as an institution dramatically when it effectively responded to an explosion of the Soviet military ammunition warehouse in Aghstafa district. It cleared an area of 4,400 hectares of thousands of pieces of UXO scattered that posed a serious humanitarian, socio-economic and environmental threat to the local population.

The institution was also able to progressively scale down its reliance on international advisors. By 2005, no more international advisers were required – well ahead of their planned departure schedule. Their early departure was made possible by the fact that ANAMA had people highly educated under the former USSR system that simply needed to be re-trained, rather than being trained from scratch.

As argued in throughout this series, it is this support to core institutions that UNDP counts as its contribution to building strong states and societies in its partner countries.

“NATIONAL DIALOGUE ON POVERTY REDUCTION”¹ IN PERU

Situation

The National Dialogue on Poverty Reduction (MCLCP) was founded in January 18th, 2001 as a coordination platform for private and public sector actors (government and civic society). This was seen as one of the necessary components to overcome poverty, inequality and social exclusion and to strengthen and maintain the democratization process.

Past efforts to support social care and related policies in regions and municipalities failed to register the expected results. To reverse this trend, the Transitional Government created the MCLCP as a platform for multi-stakeholder dialogue and promoting increased and better investments in social sectors. To achieve this, in 2002, the newly democratically elected Government, requested UNDP's assistance to support this process.

The Government showed strong political will and leadership to strengthen the MCLCP. In 2003 it passed a law regarding Regional Governments and endorses a participatory approach and multi-stakeholder participation. Today, the Mesas (Discussion Boards) include participants from the central government (different ministries), regional government representatives, social organizations (churches, cooperatives), Ombudsman's Office representatives, business and manufacturing sectors.

Response

UNDP has facilitated partnership building and the following interventions:

- Supporting MCLCP at National Level on Policy formulation, especially budgetary laws, yearly resource allocation and a result-driven approach.
- Supporting MCLCP in setting up and implementing a clear M&E system for the social investment programs;
- Training and coaching of local governments staff on participative budgets with an results-based management (RBM) focus;
- Coaching relevant national and local government staff on the identification of priority programs and alignment of such programs with national development processes.

Results

The MCLCP had a tangible impact throughout the country. It advocated for and demonstrated the feasibility of inclusive and participatory approaches to poverty reduction as well as led to increased investments in poverty reduction initiatives. The programme was successfully piloted in 22 municipalities and a knowledge networking and learning process was put in place.

¹ Mesa de Concertación para la Lucha contra la Pobreza (MCLCP)

The partnership developed in the last 10 years between the MCLCP and UNDP also resulted in:

- Establishment of the Legal Framework: the MCLCP was created through a Supreme Decree and a number of ancillary laws have since been adopted to promote consensus-building and ensure an inclusive decentralization process. This also culminated in the passing of the Comprehensive Law of Municipalities (stipulates mechanisms for grassroots consultations and private/public inclusiveness mandatory) and the Framework Legislation for Participatory Budgeting.
- Impartiality and credibility of MCLCP: as a result of its multi-sectoral partnership, its neutrality is guaranteed and well recognized at both national and local level. Its policies and bylaws remain independent from direct Central State interests, although it receives financial resources from it.
- Effective Participation: not only was a multi-stakeholder framework put in place but there is a functioning participatory municipal budgeting process.
- Sustainability: participatory monitoring and evaluation processes have been built into the MCLCP, and its process at both national and local level.
- Learning mechanisms: MCLCP has formalized a series of Toolkits to guide municipalities and partners to properly implement and monitor “Participatory Budget” processes.

CAPACITY DEVELOPMENT

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THE MINISTRY OF SOCIAL DEVELOPMENT IN JORDAN

Situation

Today, Jordan is a middle-income country with great potentials for achieving the Millennium Development Goals and for accelerating progress on human development. To this end, over the years, UNDP has provided support to critical state institutions to develop their capacity to deliver better social services, strategically plan government interventions and monitor and evaluate progress towards the achievement of sectoral goals.

Committed to build a modern society and to address the challenges that the country is still facing, the Government of Jordan formulated the National Agenda, a ten-year program of action that covers the years 2006-2015. The document reflects the developmental priorities of the government of Jordan for the economic and social development of the country. Central to the implementation of the National Agenda is the achievement of the Millennium Development Goals.

In the context of Jordan's National Agenda, the overall responsibility to monitor progress towards the MDGs has been given to the Ministry of Social Development. The monitoring of the MDGs is addition to the ministry's mandate, which already comprises: the development of local communities, the management of social safety nets, family and childhood affairs, special education and research and strategic planning for poverty reduction and social security. In view of the critical role that the Ministry of Social Development was expected to play in the context of the MDGs, the government requested UNDP to provide support to the Ministry, to strengthen its capacity to fulfill its expanded mandate.

With the support of UNDP, the government of Jordan identified critical problems that were limiting the capacity of the ministry to perform well. The process of identification of needs also led to highlight the main strengths and existing capacities of the ministry which could be leveraged. Overall, the key issues that emerged from this exercise were in the area of strategic planning and monitoring and evaluation. On the basis of focus groups and individual interviews, and desk reviews of existing documentation and reports, the government of Jordan identified the following issues:

- The ministry's staff had weak skills and lacked adequate training to perform their functions;
- The ministry lacked mechanisms of coordination with sectoral ministries and other relevant governmental institutions;
- The planning process was not institutionalized within the ministry;
- The ministry's staff were weak in identifying and selecting projects/programmes that could effectively address development issues;
- The ministry lack a monitoring and evaluation system and a framework of reference to monitor progress towards the MDGs;
- Training and human resource development strategies/programmes were not institutionalized within the ministry.

Response

The analysis of the most critical issues affecting the performance of the Ministry of Social Development led to the design of a strategy to address them. A pivotal element of this strategy was training, coaching and mentoring, particularly in the area of Strategic Planning and Results-Based Management. To address critical planning capacity needs for the MDGs, training modules on 'MDG-based National Strategies-Linking the National Agenda to the Millennium Development Goals' were designed for the ministry's staff.

Likewise, capacity needs in the area of monitoring and evaluation have been addressed with training, coaching and mentoring programmes for staff of the ministry, as well as with the introduction of monitoring and evaluation systems and frameworks for measuring progress towards MDG targets.

Overall, the capacity needs of the Ministry of Social Development have been addressed by the government of Jordan with the following interventions:

- Training, coaching and mentoring programmes on MDG-based Strategic Planning and Monitoring and Evaluation;
- One-to-one coaching and mentoring programmes to develop leadership and management skills of ministry's staff;
- Introduction and institutionalization of results-based management, performance management systems, and M&E frameworks and systems;
- Support to building partnerships and alliances across all government ministries;
- Introduction and institutionalisation of internal M&E processes to increase transparency and accountability.

Results

Today, an M&E framework enables the ministry to monitor progress in the implementation of the National Agenda and towards the achievement of the MDGs; the development of the new M&E framework is also allowing to measure institutional performance and to promote greater accountability.

Today, much stronger in the area of strategic planning for the MDG, the ministry has improved its performance and the quality of its services; for instance, the ministry can better manage its loan programme, by better assessing the needs of the programme's beneficiaries and monitoring the impact of the loans that they receive. The ministry is also able to assess whether more children of recipient families are going to school, and to feed -back this information into the strategic planning process. The capacity of the ministry to identify the beneficiaries of its safety-nets programmes has also increased: a system is now in place, which allows the ministry to quickly identify households that suddenly fall below the poverty line, due to shocks or crises of various nature (i.e. financial crisis, natural disaster, etc...) and reach them through its support programmes.

CAPACITY DEVELOPMENT



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GLOBAL – AID TRACKING AND TRANSPARENCY

Situation

For nearly two decades now UNDP has been supporting developing countries' capacities to better understand and monitor aid flows channelled to them. Upon demand from governments and donors, UNDP has assisted national authorities, especially in the Africa region, in setting up the first generation of Aid Information Management Systems (AIMS), namely the Development Cooperation Analysis System (DCAS), which was used to track aid flows and produce annual or bi-annual national development cooperation reports. While beneficial in terms of aid coordination and transparency, the DCAS in many cases lacked full national ownership and little political buy-in as it was run by UNDP, raising the issue of its cost-effectiveness and sustainability. Development partners also demonstrated limited readiness to report to DCAS.

With the advances in ICT, a new generation of AIMS was developed with UNDP support from 2004-2008, namely the Development Assistance Database and the Aid Management Platform. These brought numerous technical improvements and also made these systems publicly accessible via the Internet. The AIMS became technically easy to set up in post-conflict or natural disaster situations, ensuring that the government can have an overview of the rapidly increasing aid flows, identify gaps and track whether the money is effectively reaching those areas and populations that are most in need. UNDP, for example, supported the setting up of AIMS throughout the Asia Pacific region in the aftermath of the tsunami.

Response

Beyond mere "tracking" of aid, AIMS provide governments with a platform to discuss and negotiate with their development partners such key questions as to how much aid is entering their countries, where it is spent, for which purposes, by whom and for whose benefit. Today, UNDP is supporting the deployment of country specific and customised AIMS in more than 60 countries in different regions and in different development contexts – from LICs, fragile states to post-natural disaster contexts, and MICs.

A number of post-conflict countries, where different forms of aid (emergency, development) converge and where off-budget aid is predominant, have also established AIMS, such as Afghanistan, Burundi, CAR, DR Congo, Liberia, and Sierra Leone. AIMS, however, are more and more often set up in MICs. For example, Jordan, Syria and Kosovo, consider AIMS to be instrumental in affirming their ownership and leadership role. A number of governments are also using AIMS to track MDG progress (link to DevInfo pilot in Tanzania funded by UNDP and brokered with AIMS provider was expanded to provide linkages to the national statistical office); to complement national public investment resources and link aid projects to the budget (Kosovo, Pakistan); monitor development partners' progress towards the Paris Declaration indicators (Rwanda), and in countries, such as Malawi, hold donors to account through using a scoring system, which ranks donors on a number of indicators. The deployment of all these AIMS has been supported by UNDP.

At the global level, UNDP has also led the international policy dialogue on aid monitoring and reporting tools. In 2006, UNDP and the OECD/DAC produced a paper on AIMS, which triggered the policy debate at the OECD/DAC Working Party on Aid Effectiveness and raised awareness among the donor community. As a result in 2008, at the 3rd High-Level Forum, the Accra Agenda for Action adopted a set of commitments on aid transparency, predictability and mutual accountability. UNDP together with DFID, the World Bank and other donors launched the International Aid Transparency Initiative (IATI), which aims to bring a step shift in the public access to better and timely aid information.

In 2009, UNDP took the aid information management agenda further by: i. influencing the design of the next generation of AIMS to link to PFM and MDG monitoring; ii. introducing AIMS in peace-building operations to be piloted in five countries; iii. rolling out of the IATI through regional workshops (70 programme countries participated), expansion of IATI signatories to both donors and programme countries and launching an internal UNDP discussion on IATI standards, iv. broadening the AIMS concept as a mutual accountability mechanism discussed in global fora, such as the UN ECOSOC DCF.

Results:

UNDP's capacity development and policy support has been key in ensuring that developing countries have access to the latest technology and expertise to: strengthen their institutional capacities and systems to monitor ODA; embed the AIMS in their broader dialogue with the donors and institutional arrangements; learn from their peers across countries and regions on the successes and challenges in setting up AIMS; and support the refining of the tools to allow for better policy choices, sustainability, customisation and greater national ownership. Namely, key results of AIMS and UNDP engagement relate to:

- Ownership and sustainability through the deployment of AIMS and improved government capacities to track, analyze and manage aid. Donors now report more willingly to AIMS.
- Mutual accountability (government – donor) strengthened around ODA allocations.
- Domestic accountability through the use of AIMS increasingly becoming a reality of good external resources governance and a source of information for parliamentarians, CSOs, and citizens.
- Transparency becoming a reality through the opening of AIMS (or certain elements of AIMS) to the civil society/public and the IATI initiative.
- Potential of AIMS to further develop monitoring MDGs achievement through resource allocation and ODA tracking and hence an instrument for monitoring development effectiveness and results, as well as resources in support of climate change adaptation.
- Potential of AIMS to be a model for UNDG harmonised reporting on development resources as piloted with PBSO.
- South-south learning on aid management and ODA monitoring through regional platforms and initiatives supported by UNDP.

Finally, UNDP has achieved this progress through strong partnerships with programme country governments and donors at the country level. In particular, the OECD/DAC, the World Bank, DFID, the European Commission and other bilateral and multilateral donors have joined forces to not only financially contribute to the AIMS, but also effectively report to it. Demand from programme countries is growing and the third generation of AIMS will certainly improve on the quality of aid information available and provide governments with a more solid base for decision making on aid and development.

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