

# Mechanics of Governance Approach to *Capacity Development*

**by Matthew C. Johnson, William L. Smith,  
and William N. Farmen**

## **Introduction**

Capacity development is as widely practiced as it is misunderstood. And in spite of nearly every prominent international development agency revering the concept for its tenets of sustainability and empowerment, over 20 years of debate have yet to even yield consensus on a definition. Past performance is not any more encouraging, with substantial international capacity development efforts producing far more failures and misgivings than they have success and praise. The combination of repeated performance shortfalls and enduring external challenges makes it easy to doubt that capacity development will ever contribute to substantive and sustainable improvements around the globe. However, with the Fund for Peace Failed State Index listing as many as 35 weak or failing states at risk of conflict or collapse and many more lacking critical government services and capabilities, the need for effective capacity development has never been greater.

Despite these unfortunate circumstances, the first 20 years of experience still allow better understanding of what does and does not work in capacity development. Toward this end, a review of the writing and practice of capacity development revealed that the implementation of the “nuts and bolts” enablers of governance is oftentimes ad hoc and underemphasized. These repeatable processes, which include logistics, contracting, budgeting, and strategic planning, are the mechanics of governance. And as the person at the end of a payroll line or the patient waiting for delayed medication will tell you, sound mechanics of governance are essential to overcome the major development challenges facing the world today.

**Matthew C. Johnson is a consultant with LMI Government Consulting.**

**Colonel William L. Smith, USMC (Ret.), is the project lead for LMI’s Capacity Development Program.**

**Major General William N. Farmen, U.S. Army (Ret.), served as Commander for NATO Support to direct logistics planning for Operation Joint Endeavor in Bosnia and is currently a Senior Research Fellow with LMI.**

Admittedly, no general approach can offer comprehensive guidance on setting and implementing the appropriate mechanics of governance for the diverse range of operational contexts. However, just as the capacity development frameworks of the World Bank and United Nations Development Programme (UNDP) articulate a generalized but actionable approach to institutional change management, a systemic approach to the development and implementation of the mechanics of governance is both necessary and practical. This article introduces one such approach.

### **What Is Capacity Development?**

The concept of capacity development emerged in the international development community in the late 1980s from the notion that development initiatives should be sustainable, owned, and driven by internal stakeholders. As an umbrella concept for the predominant development themes of the past half-century,<sup>1</sup> capacity development has been used to describe myriad initiatives to collaborate with individuals, organizations, or governments to achieve a range of professional, economic, political, and security goals. Example initiatives include a nongovernmental organization (NGO) program to train young professionals on water security, the U.S. Department of Defense Ministry of Defense Advisors Program to cultivate effective and accountable defense ministries in Afghanistan, and a UNDP initiative to improve the entire Timor-Leste judiciary system.

With such a broad scope of capacity development activities, articulating a meaningful definition has been both difficult and controversial. This point is highlighted in a recent article by longtime development practitioner Sue Soal, where she references an excerpt of a report published 15 years ago by the Community Development Resource Association (her South African NGO), which

still rings true today:

Donor agencies, international and indigenous NGOs, and many governments in developing countries recognize the importance of capacity building for development. Yet even while they claim to be practicing it, their concepts and practice often remain confused and vague. The greatest area of agreement appears to be that we do not really know what capacity building is.<sup>2</sup>

Despite the difficulty in crafting an unambiguous definition of capacity development, there has been no shortage of attempts. A good example, provided by the Australian Agency for International Development, defines capacity development as “the process of developing competencies and capabilities in individuals, groups, organizations, sectors or countries which will lead to sustained and self-generating performance improvement.”

Admittedly, this definition is not actionable, as it encapsulates countless activities and initiatives that seek to develop “competencies and capabilities.” Given the inherently broad nature of the concept, it is unlikely that one sentence will ever convey a significantly better understanding of what capacity development is. However, capacity development in practice is neither vague nor far removed from concrete action. It is about developing an ability to provide good education to children, ensure protection from terrorist groups, deliver adequate healthcare, manage natural resources, ensure security and justice, and offer corruption-free banking services. The challenge for the capacity development practitioner is to translate these vague, working definitions into practice by selecting effective projects, stakeholders, means, and objectives. Unfortunately, the past 20 years of experience suggest this is a monumental challenge.

## The Critiques and Challenges of Past Capacity Development Work

Whether it is renewed conflict in Somalia or enduring corruption in Haiti, the failures of capacity development far outnumber successes. Recognizing a need to change this situation, a growing number of development actors, including the United Nations (UN), World Bank, NGOs, and national development agencies and militaries, have bolstered their collective capacity development efforts. In fact, the Organization for Economic Cooperation estimates that roughly 15 percent (\$18 billion) of annual international development assistance is now devoted to capacity development programs and projects. Regrettably, these increased financial and human resources have not yielded commensurate development gains, with University of York professors Sultan Barakat and Margaret Chard observing that the “enormous amounts of effort and money... expended over decades on institutional

development and capacity building ... resulted in very little improvement in the economic and social conditions of the now called ‘developing nations.’”<sup>3</sup> A combination of repeated performance shortfalls and external challenges impelled this persistent poor performance.

### Capacity development critiques

A robust body of literature, evaluating past capacity development initiatives has emerged, profiling an alarming pattern of strategic and operational deficiencies. Despite improved understanding of these historical shortfalls, professors Barakat and Chard affirm that “records of actual practice over the past three decades show that, with few exceptions, there has been remarkably little change.” The longstanding critiques of capacity development in practice mirror those of past state-building efforts articulated by James Stephenson, et al., in a peace building article in the second issue of *PRISM*, outlined in the table below.

Capacity Development Critique	Example
Overemphasis on short-term goals	Emphasis on rushed elections in Angola was a catalyst for renewed conflict in 1992. <sup>4</sup>
Limited outreach to local communities	The failure to engage local stakeholders and recognize existing institutions while developing new credit groups in Uganda in the 1990s resulted in the intended beneficiaries receiving no financial improvement. <sup>5</sup>
Premature withdrawal	Following 6 years of effective institutional development in Timor-Leste from 1999 to 2005, the international community began to phase out development initiatives. Shortly after violence broke out and the state institutions deteriorated. <sup>6</sup>
No overarching strategic framework	International capacity development efforts in Rwanda since the late 1990s were not guided by a common national strategy, which has resulted in a less effective, uncoordinated, and project-centric approach to capacity development. <sup>7</sup>
Uncoordinated efforts	Fragmented development efforts in Tajikistan have slowed the process of institutional development and diminished the country’s ownership of its own economic and political progress. <sup>8</sup>

## Capacity development challenges

Even capacity development efforts with none of the deficiencies listed above would still face considerable external obstacles. A mature understanding of the following challenges underscores the immense difficulty of capacity development in general.

**Security**—A safe and secure environment is a necessary end state to begin building host nation capacity. For example, despite there being a pool of 11,000 freshly trained Afghan civil

**A safe and secure environment is a necessary end state to begin building host nation capacity.**

servants, only 25 percent of the key government jobs in Kandahar and Helmand provinces are filled.<sup>9</sup> Most are unable or unwilling to work in those areas due to security risks in being associated with the Afghan government. Unfortunately, adverse security conditions are common in most capacity development operational environments.

**Lack of domestic demand**—Other than security, a lack of domestic demand for institutional development is the largest challenge facing capacity development today. Without a significant and sustained desire by the host stakeholder to participate, no capacity development initiative will succeed. And domestic demand cannot be forced, as external attempts to create demand through conditionality or coercive pressure have been largely unsuccessful.<sup>10</sup>

**Budgets and accountability**—International development initiatives are predominately funded by short, fixed-term budgets, which are accountable to taxpayers or other external stakeholders. This practice has led to development programs and priorities that are not synchronized with local needs and

timeframes.

**Spoilers**—Individuals or groups acting as spoilers in most conflict-affected countries have an interest in perpetuating state failure by opposing the development of a functioning government authority. An example of this is found in Somalia, where businesspeople persistently work to block the development of a strong central government for fear that a new authority will be repressive and predatory at their expense.

**Conflicting outcomes of aid and capacity development**—There is growing evidence that dependence-relationship and decreased government accountability inherent in traditional humanitarian aid is destructive to the governance capacity of the host nation. As a Center for Global Development working paper reports, “a large and sustained volume of aid can have negative effects on the development of good public institutions.”<sup>11</sup>

**Capacity development is a lengthy process**—Using World Bank data from 1977–2000, Lisa Chauvet and Paul Collier found the probability of a turnaround starting for a failing state in any given year to be 1.85 percent, resulting in an expected duration of 54 years.<sup>12</sup> While certain interventions, such as technical training and education initiatives, decreased the expected turnaround time, capacity development is still a long-term process. An unfortunate implication of this is that very few international donors are willing to agree to fund a program lasting longer than a few years.

## What Is Needed? A Greater Emphasis on the Mechanics of Governance

In view of the gap between past performance and the present need for capacity development, it is natural to inquire about the best way ahead. Unfortunately, as is the case with most international policy challenges, there is no “silver bullet” solution. Given the confluence

of variables affecting the success of capacity development, improved practice requires multiple development actors employing a host of strategic, budgetary, programmatic, and implementation reforms. To guide these efforts, it is constructive to recognize the following three principles:

***Effective public institutions are the critical variable in capacity development***—Emerging consensus and empirical evidence confirm effective public institutions are the decisive variable in successful capacity development. A Center for Global Development working paper observes that the critical importance of sound public institutions to the development process has become “an article of faith” among political scientists and economists.<sup>13</sup> There is also growing recognition of the value of sound public institutions in U.S. foreign policy circles, as indicated by the emphasis on public institution capacity development in the new Presidential Policy Directive on Global Development. In view of this evidence and consensus, the primary objective for capacity development actors should be to leverage the capabilities of multiple stakeholders to strengthen and improve public institutions.

***Good public institutions rely on sound mechanics of governance***—The mechanics of governance are the repeatable processes necessary to equip public institutions to effectively deliver core government functions. By analogy, if public institutions are a rail system, the mechanics of governance are the measures that ensure the trains run on time. For example, some of the mechanics of governance required to issue small business licenses include establishing necessary licenses and permits, setting license requirements and classifications, developing an application procedure, creating necessary paperwork, and identifying appropriate human and technological resources to process applications. Sound public institutions and hence broader capacity

development achievements require effective and efficient mechanics of governance. A good example was reported in 1989 by economist Hernando De Soto in Lima, Peru. De Soto discovered that it took 300 days, 11 offices, and \$1,200 to acquire a small business license.<sup>14</sup> These arduous requirements drove many poor entrepreneurs into an informal employment sector. However, following the implementation

**Emerging consensus and empirical evidence confirm effective public institutions are the decisive variable in successful capacity development.**

of a proposal that De Soto himself developed, the government of Peru employed more efficient processes to reduce the application procedure to one day, one office, and \$174. This improvement of the mechanics of governance resulted in an additional 671,300 small business licenses between 1991 and 1997. Without those enhanced processes, the broader goal of legitimizing and regulating the informal small business sector would have been unattainable.

***Greater emphasis on the mechanics of governance is needed***—A number of capacity development actors have demonstrated competence in the design and implementation of sound mechanics of governance. For example, in 2002 the UN facilitated the development of the government authorities, panels, regulations, procedures, websites, and manuals necessary for a vastly improved public procurement system in Sierra Leone.<sup>15</sup> However, there are also numerous cases where the mechanics of governance were not sufficient to support overarching capacity development goals. For instance, when members of the international community recently set out to improve education for girls in and around Bagram, Afghanistan,

they built three schools without fostering the development of the necessary governance structures, payroll procedures, logistics and procurement systems, or security personnel. As a result, these schools are reportedly now only attended by “a bored security guard, pigeons, and squirrels.”<sup>16</sup>

This variation in past performances can be largely attributed to the fact that most prominent capacity development actors do not have a systemic approach to the development and implementation of suitable mechanics of governance. While the majority of the existing capacity development frameworks and policy documents articulate structured approaches to institutional change management, cultural understanding, and program monitoring and evaluation, there is very minimal guidance on the determination and implementation of the necessary mechanics of governance. In practice, this has resulted in a frequent reliance on the expertise and experience of individual development workers to produce and implement ad hoc governance processes and procedures. A more formal approach to the mechanics of governance is needed.

### **A Mechanics of Governance Approach to Capacity Development**

Admittedly, no formal approach can offer comprehensive guidance on setting and implementing the appropriate mechanics of governance for the diverse range of operational contexts. The repeatable processes needed to support the improvement of primary healthcare in Malawi will differ greatly from those needed to enhance the maintenance of police vehicles in Iraq. However, just as the capacity development frameworks of the World Bank and UNDP articulate a generalized but actionable approach to institutional change management, a systemic approach to the development and implementation of the mechanics of governance is both necessary and practical.

The following approach outlined in LMI’s *Capacity Development Assistance Model: A Guide to Building Ministerial Capacity*, (2009), was adapted from an existing capacity development assistance model. It represents a formalized, four-phased mechanics of governance methodology that can be used to amend existing capacity development frameworks.

***Translate overarching development goal to requisite functions and processes***— LMI has identified five core functions of a government institution (strategic planning, financial and resource management, human resources, logistics and procurement, and information management) and three supporting functions (communications, accountability, and security). Each of these functions has numerous supporting processes. A broad capacity development goal will embody a set of governance capabilities that can be represented with a subset of these functions and supporting processes, which are identified in this step of the approach. Consider a capacity development initiative to assist the Cameroon Ministry of Territorial Administration and Decentralization in developing a national disaster alert system to give citizens advance warning of a volcanic eruption or toxic gas emission. Like most capacity development efforts, this initiative would involve multiple functions of government and a number of supporting processes. In this example, an initiative will likely require strategic planning to develop disaster alert plans and organizational requirements; financial and resource management to establish the program budget and purchasing contracts; human resources to train and assign employees; logistics and procurement to acquire and distribute alert infrastructure; information management to develop electronic disaster monitoring and alert system; communications to draft and implement public information campaign; and accountability to implement



performance auditing mechanisms. These processes represent a small share of the necessary mechanics of governance.

**Assess maturity of existing functions and processes**—After assembling a complete list of requisite functions and processes, a maturity model is used to assess them. To do this, a questionnaire is developed that consists of a series of tailored queries evaluating host capabilities against required functions and processes. These responses will be compiled to assign a maturity level to each requisite function and process, from level one (ad hoc) to level five (optimized). In the Cameroon scenario, a sample question to assess financial and resource management function might be “Does the Ministry of Territorial Administration and Decentralization have any discretionary funds available or a formal budget authorization process to fund this new initiative?” This maturity assessment will provide a macro view of the capability gaps related to the necessary government functions and processes.

**Set appropriate maturity goals**—Using the maturity assessment, it is possible to identify points of weakness for the purpose of developing a prioritized list of function and process maturity goals. This phase of the process requires feedback from a concurrent analysis of the enabling environment and host culture to ensure that appropriate maturity goals are established. For example, in Cameroon there are two official languages (English and French) and approximately 250 local languages; each must be understood before setting maturity goals related to the public information campaign process.

**Plan and execute mechanics of governance**—The final step of this approach is to facilitate the planning and execution of specific measures aimed to achieve the function and process maturity goals. In ideal circumstances, this will result in the sound and repeatable mechanics of governance necessary to achieve the overarching development goal. Regarding Cameroon, this step would result in a coordinated set of processes that advance the broader goal of an effective national disaster alert system.

## Conclusion

The question remains whether capacity development will ever generate the significant and sustained development gains needed around the globe. The first 20 years of policy and practice are marred with persistent performance shortfalls and enduring external challenges—during a period that has seen protracted global hunger, poverty, terrorism, conflict, and corruption. This collective experience suggests that if capacity development is ever going to be effective, multiple development actors must employ a series of strategic, budgetary, programmatic, and tactical reforms. To ensure that these reforms are not only sound in theory, but also effective in practice, an increased emphasis on the mechanics of governance is needed. That is, with a formalized approach to the development and implementation of sound, repeatable mechanics of governance, there is hope that capacity development will generate the necessary global change in the next 20 years. **IAJ**

*The authors gratefully acknowledge the important contributions and feedback of Claudia T. Muñoz.*

## NOTES

1 Charles Lusthaus, Marie-Helene Adrien, Mark Perstinger, “Capacity Development: Definitions, Issues and Implications for Planning, Monitoring and Evaluation,” *Universalia Occasional Paper*, No. 35,

September 1999, p. 817. The development concepts referenced include institution building in the 1950s and 60s, institutional strengthening in the 1960s and 70s, public administration development of the 1970s, human resource development in the 1970s and 80s, and new institutionalism in the 1980s and 90s.

2 Sue Soal, “The More Things Change, the More They Stay the Same?” *Institute of Development Bulletin*, Vol. 41, Issue 3, May 2010, p. 129. In this excerpt, Soal uses the term “capacity building,” whereas this article uses “capacity development.” Some organizations equate these two terms, while others make a distinction between the two (i.e., capacity building insinuates building capacities from nothing, where capacity development leverages existing capabilities to improve capacity). In either case, Soal’s excerpt highlights the underlying point that defining this capacity development (or building) is difficult and contentious.

3 Sultan Barakat and Margaret Chard, “Theories, Rhetoric and Practice: Recovering the Capacities of War-Torn Societies,” *Third World Quarterly*, Vol. 23, Issue 5, October 2002, p. 826.

4 Roland Paris, *At War’s End: Building Peace after Civil Conflict*, Press Syndicate of the University of Cambridge, Cambridge U.K, 2004, p. 67.

5 Barakat and Chard, p. 825.

6 United Nations Development Programme (UNDP), *Capacity Development: A UNDP Primer, 2009*, p. 28.

7 The Republic of Rwanda, *The Vision and Strategic Framework for the Multi-Sector Capacity Building Programme in Rwanda*, May 2003, p. 34.

8 Rustam Aminjanov, Matin Kholmatov, and Firuz Kataev, “Case Study on Aid Effectiveness in Tajikistan,” Brookings Institution, Washington D.C., Wolfensohn Center for Development Working Paper, No. 13, October 2009, p. 4.

9 Tom Bowman, “In Afghanistan, the Civil Service ‘Surge’ That Isn’t,” National Public Radio, < <http://www.npr.org/templates/story/story.php?storyId=129678727&ft=1&f=5457129>>, accessed on September 7, 2010.

10 Francis Fukuyama, *State-Building: Governance and World Order in the 21st Century*, Cornell University Press, Ithaca, NY, 2004, pp. 35–36.

11 Todd Moss, Gunilla Petersson, and Nicolas van de Walle, “An Aid-Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa,” Center for Global Development, Washington, D.C., Working Paper, No. 74, January 2006, p. 18.

12 Lisa Chauvet and Paul Collier, “What Are the Preconditions for Turnarounds in Failing States?” *Journal of Conflict Management and Peace Science*, Vol. 25, No. 4, September 2008, pp. 332–348.

13 Todd Moss, Gunilla Petersson, and Nicolas van de Walle, p. 3.

14 Valentina Zuin, “Business Strategies of Informal Micro-Entrepreneurs in Lima, Peru,” International Institute for Labour Studies, Geneva, Switzerland, Discussion Paper, No. 150, 2004, p. 1.

15 United Nations Development Programme (UNDP), “Capacity Is Development: Stories of Institutions,” January 2010.

16 Ben Arnoldy, “Afghan Aid Flow Too Much, Too Fast?” *Christian Science Monitor*, Vol. 102, Issue 36, July 2010, p. 31.