Effective Technical Cooperation for Capacity Development

Synthesis Report

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Effective Technical Cooperation
for Capacity Development

Joint Study on Effective TC for CD

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ACRONYMS AND ABBREVIATIONS

AAA	Accra Agenda for Action
ADB	Asian Development Bank
BMZ	German Federal Ministry for Economic Co-operation and Development
CD	Capacity Development
DAC	Development Assistance Committee
DFID	Department for International Development
DPs	Development Partners
EFA	Education for All
HLF	High Level Forum
HRD	Human Resource Development
GTZ	German Technical Cooperation
IT	Information Technology
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MIS	Management Information System
MOE	Ministry of Education
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOH	Ministry of Health
NGOs	Non Governmental Organisations
NPRS	National Poverty Reduction Strategy
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
p.a.	Per Annum
PBA	Program Based Approach
PFM	Public Financial Management
PIP	Public Investment Program
RT	Roundtable
SME	Small and Medium Enterprises
SSC	South-South Cooperation
SWAp	Sector Wide Approach
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
TC	Technical Cooperation
TICA	Thailand International Cooperation Agency
UNDP	United Nations Development Programme
USD	United States Dollars
WS	Workshop
WSS	Water Supply and Sanitation

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Chapter 1 summarizes the rationale, process, methodology and activities of this Joint Study, further detailed in Table 1(Page 11).

The overall rationale is to attempt to fill some current knowledge gaps related to making technical cooperation (TC) more effective in achieving country level capacity improvement. The overall strategy is to facilitate a country-led approach, through 11 Country Study Groups, to assembling and analyzing empirical evidence on country experiences.

The study methodology incorporated: (i) an analysis of the national policy and operational environment, (ii) an analysis of the sector/thematic policy and operational environments, (iii) design of an analytical framework for selecting and assessing good practice and (iv) detailed analysis of lessons learned from country selected good practice. This analysis focused on identification of enabling and impeding factors for effective technical cooperation and capacity development (CD).

The basic hypothesis of the study was that six key TC features - *1. Country-led planning, 2. Flexible and responsive design, 3. Embedding within an organizational change process, 4. Country-led management, 5. Complementarity with other forms of support and 6. Embedding within an organizational learning process* - will enhance the effectiveness of TC. The body of evidence is in the form of 11 country reports, incorporating 65 examples of country selected good practice.

Chapter 2 summarizes the key features and main findings of the **national level** *environment for effective use of technical cooperation.*

Volumes of ODA and TC are increasing globally as well as in all the study countries, although country patterns in TC volumes and shares are variable in response to country development priorities (see *Table 2 Page 12~13*). The volume of capital and program aid appears to be growing more quickly than TC (e.g. in Laos PDR, Tanzania).

The main features of the national policy and operational environment for TC are summarized in *Table 3(Page 17~18)*. Country leadership and ownership of the TC and CD policy agenda, though uneven, appears to be growing. Another finding is that the demand for well defined policies and strategies for CD and TC is also increasing, however progress in many study countries is at an early stage. Such policies and strategies, linked to broader national development strategies, will enhance TC effectiveness and CD results. A good example is the Ghana financial governance reform program (see *Table 4 Page 20*).

The extent of harmonization of TC between development partners remains uneven. A positive example of extensive harmonization is the Joint Assistance Strategy for

Tanzania. Uneven *awareness* amongst high level policy makers, political groupings and other key stakeholders, underdeveloped TC knowledge and management information systems constitute significant impeding factors. The country reports point to a broad sense that development partners can do more to help build up these national level capacities.

*Chapter 3 summarizes the main features and findings of the country selected **sector/thematic** policy and operational environments.*

The overall volume of TC in the sectors and themes studied appears to be growing or at least constant, though the share of ODA is variable (see *Table 5 Page 26~27*). Another important finding, as shown in *Table 6 (Page 30~31)* and *Table 7 (Page 32)*, is that the forms of TC and the range of CD outputs at the sector level remains diverse. The Thailand and Malaysia country reports illustrate good examples of south-south and trilateral cooperation. In general, there appears to be a growing focus on TC and CD at local levels and points of service delivery.

The broad finding is that generally, if TC is used properly it can contribute to effective CD outputs. TC appears to be made more effective when CD strategies are integrated into sector plans. A good example is the water and sanitation sector in Zambia. Progress in doing so is encouraging, but is variable across the sectors and themes studied. Similarly, sector organizational learning about CD strategy formulation is improving, as experience grows and lessons are learned. Nevertheless, while CD and TC priorities are sometimes well defined, progress on integrating them into a broader sector CD strategy is uneven.

Country reports highlight that building country capacity to lead the formulation of sector CD and TC strategy is a priority. Another finding is that TC is more effective when embedded within operational roadmaps that are designed and managed by country teams. It is generally felt that TC is more effective when complemented by other forms of support and under country-led management. Generally, sector wide and program based approaches are viewed as contributing to more effective use of TC. Several of the countries and sectors examined as part of the study constitute examples of significant progress. These are detailed in *Table 8 (Page 34), Table 9 (Page 39), Table 10 (Page 39) and Table 11(Page 40)*.

Chapter 4 summarizes the key features and lessons learned of the good practice case studies selected by country teams. These are set out under the six dimensions given above in Table 12(Page 44~45), Table 13 (Page 49~50), Table 14 (Page 53~54), Table 15(Page 57~58), Table 16 (Page 61~62) and Table 17 (Page 65~66).

Generally, these hypotheses have been confirmed and the study found and accumulated a rich body of evidence that supports these hypotheses and potential benchmarks (success conditions and entry points) for future planning and implementation of TC.

The study confirmed that:

Country-led planning does increase the likelihood of TC being effective. One lesson learned is that a strong country consensus on the need for TC is critical. Another lesson learned is that a well-defined source of country leadership with appropriate authority is vital.

Flexible and responsive design increases the likelihood of TC being effective. The existence of a long-term perspective and long-term country/development partner relationship for TC enhances effectiveness and medium/long-term time horizons in CD roadmaps are an important benchmark. Another lesson is that country initiated organizational assessments facilitate responsive design and evidence of sector managers commitment and capacity is another benchmark.

Embedding TC within an organizational change process increases the likelihood of *effective* TC. A demand-led organizational change management process is a potential entry point and a well-defined source of demand is a key benchmark. Countries and development partners working together to stimulate organizational change can be a key entry point for embedding TC and a potential benchmark is a shared willingness to do so.

Country-led management increases the likelihood of effective TC. Joint sector organizational capacity assessments are a potential entry point into catalyzing country-led *management* and consensus on TC priorities is a key benchmark. A key lesson learned is that clear guidelines on how TC is managed at different levels, harmonization of TC resources and country capacity to monitor TC performance are important features of country-led management.

Complementarity with other forms of support increases the likelihood of effective TC. One lesson learned is that TC is more effective when other forms of support, such as infrastructure and equipment are incorporated at the design stage. Country operational guidelines for recognizing the comparative advantage of TC against other forms of support is a potential benchmark, especially if TC is clearly positioned within a broader sector wide approach.

Finally, study also confirmed that *embedding within an organizational learning process* increases the likelihood of effective TC. Demand for TC within or outside the specific organization helps effectiveness and evidence of demand is an important benchmark. Another lesson learned is that strategic use of information and knowledge and locating TC within a multi-level approach to organizational learning can help.

*Chapter 5 draws some broad conclusions on the enabling and impeding factors and conditions for TC to be effective in contributing to CD at **national level** (Section 5.1), **sector level** (Section 5.2) and at **the program design/operational level** (see Section 5.3). In Section 5.3, good practice examples*

are synthesized to suggest a number of success conditions (benchmarks) for TC being effective in contributing to CD.

The broad conclusion is that countries are making significant progress in putting in place the enabling conditions within the overall *national* policy environment for TC. High level understanding of the importance of TC, interest in ensuring its effectiveness and knowledge of good practice is growing. Nevertheless, country reports acknowledge that formulation of national level policies and strategies for TC and CD and building capacity to implement these strategies needs to be progressed quickly.

Similar broad conclusions apply at the *sector* level. Well defined sector strategies and use of sector wide approaches are now prevalent in most countries. CD strategies and the positioning of TC however remain uneven across the study countries. Countries recognize that pooling of human TC resources, alongside other forms of complementary support, has the potential to reduce transaction costs. Nevertheless, country reports indicate that any such pooling should not be at cost to maintaining the current variety of forms of TC and that defining the comparative advantage of different forms of TC is important. Country reports accord the highest priority to strengthening sector organizational capacity at central and local levels to formulate, manage and implement TC and CD priorities. There is a strong sense in country reports that development partners need to do more in helping to put these capacities in place.

Chapter 5 also suggests some possible country-led actions for improving TC and related CD outputs, outcomes and impact. In doing so, it recognizes that, in some countries, many of the enabling factors are in place, in others less so. A number of specific recommendations are proposed at national, sector and operational levels to put the necessary success conditions (benchmarks) in place. It is therefore anticipated that country level, national and sector agencies and working groups will select the most appropriate recommendations based on their own assessment of priorities. It is also anticipated that all involved stakeholders will participate in continuing discussions with participating countries on how to use the results of this joint study.

1. BACKGROUND AND METHODOLOGY

1.1. INTRODUCTION

Technical cooperation (TC) is recognized (e.g. in the Paris Declaration) as a key means of ensuring the critical capacity improvements needed for better development results. It is acknowledged that the causal relationship betw*een* TC and Capacity Development (CD) outputs and outcomes is complex. Data collection and research methodologies related to TC and CD are challenging.

For the purposes of this study, TC is defined as both: *a) "grants to nationals of aid recipient countries receiving education or training at home or abroad" and b) "payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries…",* (OECD). This kind of assistance is frequently incorporated in project and program expenditures without statistical aggregation.

Similarly, the study uses a recent OECD definition of CD as *"the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time."* As a result, the study examines capacity improvement at various levels within an organization and society as well as capacity changes of individuals within these organizations and in society.

In 2006, OECD countries committed more than USD 24 billion globally in the form of TC to help eradicate poverty, advance economic growth and improve social well-being in developing countries. As one form of official development assistance (ODA), TC constitutes around 20 percent of ODA and nearly one-third of aid for the government sector. TC volumes have increased by around 50% in the past five-six years, although TC as a proportion of ODA has declined by a fifth over the same period.

This growing volume of TC is inevitably placing additional challenges on countries and development partner agencies to design, absorb and effectively use this form of aid. It is increasingly recognized that translating TC support into effective and sustainable country capacity improvements needs to take account of the national and sector level development policy and operational environments. It is also increasingly recognized that knowledge and technology transfer alone is insufficient for sustaining national CD.

A key conclusion of a number of studies, including the Paris Declaration 2006 monitoring survey, is that countries need to be more involved in defining the role and outcomes of TC and that it needs to be more demand driven and better linked to national development policies and strategies. A second conclusion of these studies is that greater efforts are needed to evaluate and disseminate concrete operational evidence on what makes TC effective.

Against this background, the overall objective of the study was to attempt to fill current knowledge gaps related to TC effectiveness. The overall strategy of the study was to facilitate a country-led approach to assembling empirical evidence on country experiences of planning and implementation of TC. In attempting to fill identified knowledge gaps, the study has focused on:

Joint Study Regional Workshop, Tokyo, April 2008

■ Examining the contribution of TC for CD from a wider perspective, recognizing that CD involves changes in country policies, institutional rules and organizational systems, not just training and skills transfer.

■ Systematic surveys of examples of success and the factors and conditions which have contributed to effective TC in achieving CD improvements.

■ Systematic surveys of countries' views, experiences and reflections of what works and what doesn't and why, as opposed to reliance on studies conducted by donors themselves or by researchers from donor countries.

■ Identifying measures for greater TC effectiveness that countries can undertake themselves to ensure that TC is better used in achieving capacity improvements.

An overarching purpose of the study is also to incorporate mutual learning and knowledge sharing between countries, especially those participating in the study.

1.2.   STUDY PROCESS, METHODOLOGY AND ACTIVITIES

1.2.1. STUDY PROCESS AND ORGANIZATION

The key features of the study process consist of the following:

- *Wide Coverage:* Regional and country coverage from Asia (Cambodia, Lao PDR, Malaysia, Pakistan, Thailand and Vietnam) and Africa (Ghana, Kenya, Malawi, Tanzania and Zambia);

- *Country Leadership:* Study management through country management teams, incorporating Government central and sector agencies and development partner and civil society representation, mainly led by senior officials from public service or finance ministries;

- *Country-led Design:* Through flexible and responsive study approaches and methodologies tailored to country needs, self selection of sectors, themes and good practice, and using primarily highly experienced national consultants and practitioners;

- *Country Consensus Building:* Through focus groups, consultations and interviews with key informants and workshops/meetings with country partner technical working groups to decide on an agenda for action at country level.

- *Group Knowledge Sharing and Consensus Building:* through organization of regional workshops for senior country officials and development partners, continuous exchange of knowledge through the Study Secretariat, website and video conferencing under the direction of the Study's Management and Steering Committees.

The phasing and sequencing of the study process consisted of: **a)** an Inception Phase, including an initial regional workshop and setting up of Study Secretariat and country management teams (October/November 2007), **b)** assembling preliminary findings and actions, including through a further regional workshop (April 2008) and **c)** finalizing country reports, synthesis report and information booklet *through* further country consultations (May-July 2008). These processes of knowledge sharing, consensus building and decision making are designed to feed into deliberations at the Accra High Level Forum (HLF) in September 2008.

The organizational arrangements for the study consisted of: **a)** establishment of a Study Steering Committee and Management Group, consisting of country and development partner officials, **b)** setting up a Study Secretariat in JICA Tokyo, **c)** establishment of country management groups, incorporating country officials, *development* partners and other stakeholders and **d)** selective recruitment of national consultants to facilitate country report preparation, guided by an international consultant team.

1.2.2. STUDY METHODOLOGY AND SUMMARY OF ACTIVITIES

The eleven countries participating in the study were provided with a guiding methodology which has been adapted by country management teams (or the equivalent) to meet country contexts and analytical priorities. The guiding methodology was also adjusted to take account of other ongoing studies related to TC and CD to ensure effective dovetailing of country activities. Individual countries, in consultation with development partners, also selected and appointed mainly national consultants to conduct the initial survey and analytical work. Those appointed were well grounded in country development context and history and the sector and thematic policies and programs identified by individual countries.

Community Water Projects, Zambia

The study methodology and activities consisted of:

■ **Analysis of the *national* policy and operational environment,** for TC/CD, through use of international and country documentation reviews, perception surveys, focus group discussions and analysis of TC volumes, patterns and trends;

■ **Analysis of *sector/thematic* policy and operational environments,** through documentation reviews, analysis of sector/thematic TC patterns, perception surveys and focus group discussions.

■ **Design of TC good practice analytical framework,** consisting of the following areas of investigation: i) Ensuring country-led planning of TC and CD; ii) Assuring flexible and responsive TC and CD designs; iii) Embedding TC within an organizational change management process; iv) Assuring country-led management of TC; v) Ensuring complementarity of TC and other support; and vii) Embedding TC in an organizational learning process.

■ **Country selected good practice case study analysis**, through application of study analytical framework, summarizing key operational features and analysis of enabling or impeding factors that contributed to TC effectiveness and results chains which track TC inputs, CD outputs/outcomes and development results.

The scope and coverage of the study activities used to implement the overall methodology as detailed above is shown in *Table 1*.

Table 1: Scope and Coverage of Study Activities

Study Activities	Scope and Coverage
Country management teams (or equivalent)	■ 11 country teams, averaging 7-10 members per team ■ Senior officials from government central and sector agencies, development partners and NGOs
Key country informants (interviews, focus group discussions)	■ 11 country processes, ranging between 20-50 informants per country ■ Covering government central and sector agency officials, TC program and project staff, selected local government officials and development partners
Country consultation workshops and review meetings	■ Inception and review workshops conducted in 9 countries, range 1-3 workshops per country with average 20-30 participants ■ Focus on defining country study scope and methodology, work planning, and review of country findings and recommendations
National and sector/ thematic perception surveys	■ Conducted in 4 countries covering 7 national and sectoral/thematic surveys ■ Respondents range between 10-25 per survey
Country selected sectoral and thematic analysis	■ Africa: Ghana (education, public financial management); Kenya (education); Malawi (education, health); Tanzania (agriculture, health); Zambia (water supply and sanitation) ■ Asia: Cambodia (health); Lao PDR (public investment planning); Malaysia (SSC); Pakistan (capacity development good practices); Thailand (TC and SSC experiences review); Vietnam (public financial management)
Country selected good practice case study analysis	■ Africa: Ghana (6); Kenya (6); Malawi (6); Tanzania (6); Zambia (6) ■ Asia: Cambodia (6); Lao PDR (6); Malaysia (6); Pakistan (6); Thailand (6); Vietnam (6)
Global knowledge exchange and study finding reviews	*Internal:* ■ 2 regional workshops, averaging 35 participants from study countries and development partners ■ 5 global video conferences for Study Steering and Management Committees *External:* ■ Launching and operation of study website, with lodging of key country development documentation, previous international and country CD /TC studies and study progress reports and preliminary findings (http://www.jica.go.jp/cdstudy/index.html). ■ Publication and dissemination of 11 country reports, synthesis report and information booklet ■ Study Steering Committee members and Secretariat participation in Africa (Kigali), Asia (Bangkok) and conferences for Accra Agenda for Action (AAA).

2. NATIONAL LEVEL FEATURES AND FINDINGS

2.1. OVERVIEW OF NATIONAL TECHNICAL COOPERATION PATTERNS AND TRENDS

This section highlights some recent trends in ODA and technical cooperation (TC) aid volumes at global, regional and country levels. Trends in TC as a proportion of ODA are also analyzed, alongside selected sectoral patterns. The challenges facing individual countries to absorb increasing volumes of TC, alongside growing volumes of other forms of aid (e.g. budget support) are also highlighted in this section. Only a broad picture is provided, due to constraints faced over availability of country level information, which may not coincide with data from external monitoring.

2.1.1. KEY FEATURES FROM COUNTRY REPORTS

The findings presented in this section are based on an extensive body of evidence assembled by country teams, summarized in *Tables 2a* (Africa) and *2b* (Asia) below. In the case of the African countries, all five are significant beneficiaries of ODA and TC.

Table 2a: African Country Trends and Patterns; ODA and Technical Cooperation (TC)

Ghana: Net ODA flows have doubled to USD 6.4 billion (5 year period). TC shares of ODA roughly constant at around 85%. Growing prevalence of multi-donor budget support, reaching an indicative 20% of ODA in recent years. Loans for TC have declined from 55% to around 21% over last decade, grant TC has increased from 30-45% over same period. Sectoral shares of TC for agriculture and private/financial sector have declined significantly.

Kenya: ODA flows are an indicative USD 450 million with a high proportion from bilateral grant donors. TC flows are an indicative USD 150-170 million p.a., primarily from bilateral grant donors. Significant volumes of direct budget support increasingly aligned to Government poverty reduction and growth strategy. Project aid still constitutes a high proportion of ODA.

Malawi: TC flows increased significantly in recent years, with estimated USD 100 million p.a. in 2005/07. Social and governance sectors constitute around 80% of TC in the last 2 years. TC constitutes less than 5% of ODA in agriculture, water and transport sectors, compared to around 50% in governance sector. Direct budget support constitutes around one-sixth of total ODA, while project aid constitutes around two-thirds of ODA.

Tanzania: ODA flows around USD 1.6 billion in recent years, with TC volumes of around USD 250-300 million per annum. TC share represents around one-fifth of total ODA with some signs of annual variability and possible gradual decline in TC volume.

Zambia: Annual ODA flows are variable, averaging around USD 550 million p.a. in recent years. Grant ODA has more than tripled in recent years, alongside a doubling of multi-donor direct budget support which now constitutes around 30% of ODA. TC volumes are roughly around one-quarter of total ODA.

Source: Country Case Study Reports 2008 and OECD. Stat 2008

In the case of the Asian countries, four of the six (Cambodia, Lao PDR, Pakistan and Vietnam) are significant recipients of ODA and TC. In the case of Malaysia and Thailand, the focus is on their emerging role as development partners through south-south cooperation initiatives in a growing number of countries in Africa and Asia.

Table 2b: Asian Country Trends and Patterns; ODA and Technical Cooperation (TC)

Cambodia: Annual ODA level around USD 530-610 million over past five years. TC represents around 45% of ODA share. Discrete TC - less investment related TA - level, around USD 180-260 million per annum in recent years, compared to USD 25-75 million per annum for investment related TC. Significant ODA volumes directed at agriculture, education, health and infrastructure sectors, including roads. Increased volume of multi-donor budget support aligned with national socio-economic development plan.

Lao PDR: ODA flows have tripled to an indicative USD 284 million p.a. in the last 5 years. ODA share of public investment is around 85%. TC levels are around USD 130-140 million per year, representing an estimated 48% of annual ODA. TC volumes have increased in the 3-4 years. Transport/roads and education shares of ODA are increasing, with a decline in energy sector and agriculture ODA. Growing involvement of bilateral grant donors. Increased volume of multi-donor budget support aligned with national socio-economic development plan.

Malaysia: As a previous ODA beneficiary, ODA constitutes an indicative one-sixth of development spending over 1970/2000. As an emerging SSC provider, Malaysia has allocated around USD 60 million over 5 years, mainly bilateral cooperation, focusing on human resource development, especially education, health, communication and agriculture. SSC aid levels have increased fourfold in recent years. Cost sharing with beneficiaries is a key principle of SSC.

Pakistan: ODA volumes have risen significantly to an estimated USD 2 billion per annum in 2006, focusing on decentralized provincial/district social sector and rural development initiatives. TC levels are significant at around USD 200 million per annum (10% of total ODA). Diverse range of TC types covering long and short term TA, institutional twinning with overseas universities and organizations and continued focus on TC for strengthening national training agencies and provincial/district planning and management capacity.

Thailand: ODA beneficiary through 300 overseas fellowships for senior officials. Emerging SSC bilateral partner through USD 10 million program per annum covering around 50 countries. Primary SSC beneficiaries are Greater Mekong countries and ASEAN neighbors. TC focuses on scholarships, study tours and experts, especially in HRD areas covering small enterprise development, agriculture, health and education.

Vietnam: ODA flows are an indicative USD 1.9 billion p.a. with a very high proportion from bilateral grant donors. TC flows are an indicative USD 0.8 billion p.a., primarily from bilateral grant donors. Increased volumes of direct budget support increasingly aligned to Government poverty reduction and growth strategy. Project aid constitutes a high proportion of ODA.

Source: Country Case Study Reports 2008 and OECD. Stat 2008

2.1.2. OVERALL TRENDS AND PATTERNS

Technical cooperation volumes are increasing globally.

In the past five years, ODA commitments by OECD members have almost doubled from around USD 65 billion in 2002 to over USD 130 billion in 2006 whereas commitments to provide technical cooperation (TC) have increased by around 50% from USD 16 billion to over USD *24* billion over the same period. As a result, the share of TC as proportion of ODA has declined from 25 to 19 percent; although there are signs of a recent upward trend *(see Chart 1)*.

These trends are broadly mirrored in the study country reports which show a doubling or more of total ODA volumes in several countries. For example, ODA flows in Lao PDR have risen to US$ 284 million per annum in the last five years. In Zambia, overall ODA flows have increased to US$ 550 million per annum, including a tripling of grant financed ODA.

In other countries, ODA volumes have remained comparatively more even or ODA growth is leveling off. For example, ODA flows in Cambodia have remained relatively constant in recent years at around US$ 530-610 million per annum. In Tanzania, a similar pattern is observed with ODA volumes at around US$ 1.6 billion per annum.

Much of the growth in global total ODA volumes is associated with increased bilateral grant aid for both project and program aid which have roughly doubled in the past five years. The patterns in study countries are mixed. In Ghana, Tanzania and Zambia, there is a growing prevalence and share of multi-donor budget support. This trend is less evident in some Asian study countries, including Lao PDR and Vietnam, although some multi-donor direct budget support arrangements related to Poverty Reduction Strategies are now in place.

Chart 1: Technical Cooperation: Global Commitment
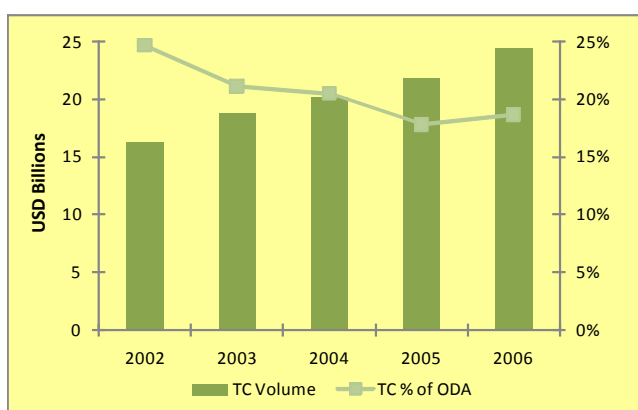
Chart 2: TC Share of ODA (Net Disbursement)
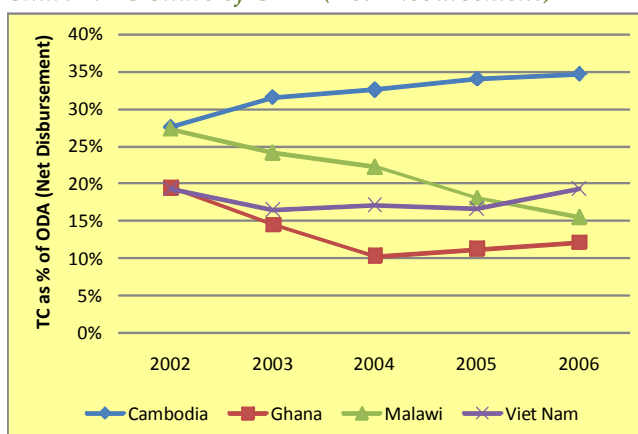
Sources: OECD. Stat 2008

Variable country patterns in technical cooperation volumes and shares.

Chart 2 in the previous page indicates that the changes in TC volumes and shares in the study countries are uneven. Increases are evident in some African countries. For example, in Malawi, the share of TC of ODA has fallen from 27% to around 15% since 2002, despite a *doubling* of TC volumes. In contrast, in Cambodia, the share has increased from 27% to 35% over the same period, with a leveling

Chart 3: TC and Project/Program Aid

Source: OECD. Stat 2008

off of overall ODA (see *Chart 2*). Much of this pattern is due to bilateral donors providing large increases in capital project or program aid, especially general and sector budget support. For example, globally, project aid has doubled from US$ 5 billion to US$ 12 billion since 2002. Program aid has also doubled to US$ 13 billion (See Chart 3).
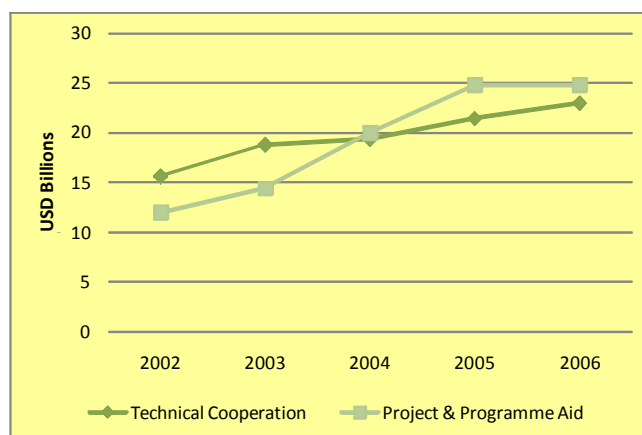
Two study countries, Malaysia and Thailand, illustrate an emerging trend of transition from an ODA/ TC beneficiary to becoming a development partner, focusing on TC provision through South-South Cooperation (SSC) and trilateral North-South-South Cooperation arrangements. TC volumes are currently comparatively small, although the rate of growth is significant (e.g., fourfold increase in the Malaysia Technical Cooperation Programme over the past decade). Country coverage is very significant with over 130 and 50 countries benefiting from the Malaysia and Thailand SSC programs respectively.

Malaysia South-South Cooperation, Integrated Agricultural Development in Malawi

Improving country capacity to absorb technical cooperation is a priority.

A broad finding, highlighted from the country reports, is that as TC volumes increase, strengthening country capacity to effectively plan, manage and use these resources is a growing priority. A basic prerequisite is having in place an effective aid management information system for TC. Country reports indicate that little, if

any, information is available on disaggregated TC types, especially for discrete or investment related technical assistance. Exceptions are Cambodia and Ghana, which do provide such data.

Traditionally, CD has only been associated with TC and particularly technical assistance as the instrument of choice. A key finding from country reports is that improving country capacity to absorb project and program aid in such a way that it can contribute to CD is becoming increasingly important.

Several country reports (e.g., Tanzania, Lao PDR) recognize this growing challenge, as part of broader public sector and governance reform strategy. The increased ODA focus on government and civil society support (which has risen from USD 2 billion to USD 8 billion per annum within five years) is part of growing recognition that other forms of aid than TC can help leverage CD if other necessary institutional arrangements are put in place. As the Tanzania country report highlights "*the public sector reform program epitomizes country leadership in linking technical cooperation with broader reform programs … to provide an enhanced environment for effective technical cooperation.*"

2.2.   MAIN FINDINGS: NATIONAL POLICY ENVIRONMENT

This section examines the extent to which *national* policy environments are sufficiently developed to make full use of TC in achieving national CD objectives. Also, this section examines the current status of national policies and strategies for TC and CD. Another consideration is the current status of country capacity for TC and CD policy and strategy formulation, including levels of awareness and information amongst high level policy makers. This section also examines the role of country aid architecture in facilitating TC and CD policy/strategy formulation.

2.2.1. KEY FEATURES FROM COUNTRY REPORTS

The findings presented in this section are based on an *extensive* body of evidence assembled by country teams, summarized in *Tables 3a* (Africa) and *3b* (Asia) below.

Table 3a: Key Features and Findings, Africa: Policy and Operational Environment for TC and CD

Ghana: Existence of poverty reduction strategy and harmonization action plan which inform TC and CD prioritization and decision making. Key findings are: (i) need for further operationalization of Ghana partnership strategy which sets out CD gaps and TC priorities; (ii) CD/TC systems, processes and procurement principles in place, but implementation capacity remains a challenge; (iii) absence of a specific external aid and TC policy and limited TC aid MIS; and (iv) need to address linkages between public sector reform, remuneration and TC and CD planning.

Kenya: CD and TC priorities guided the poverty reduction and economic recovery strategies. Key findings are: (i) a number of examples of good practice which help inform national and sector CD/TC designs; (ii) need to strengthen government leadership and management of TC and CD policies; (iii) reasonable involvement of all stakeholders; (iv) limited organizational, institutional and administrative structure and capacity for TC planning and management; and (v) need to strengthen donor harmonization for TC support modalities, consistent with DAC principles.

Malawi: Malawi Growth and Development Strategy identifies capacity constraints at organizational level, without a specific CD focus. Previous TC policy has not been operationalized yet may provide an opportunity. Key findings are: (i) absence of an overarching national CD strategy and TC policy framework; (ii) limited organizational capacity and mandate at central level to coordinate CD/TC support; (iii) new Development Assistance Strategy provides potential platform for coordinating CD/TC effectively; and (iv) slow progress on broader public sector and governance reforms are a constraint on effective CD/TC implementation.

Tanzania: Overall CD/TC coordination framework in place through the Joint Assistance Strategy and aid harmonization architecture. Key findings are: (i) current aid structures provide strong foundation for CD/TC coordination; (ii) significant experience of CD/TC good practice, including through SWAps and TC basket funds; (iii) absence of coherent national TC policy framework to guide CD priorities and practices; (iv) inadequate pay structure and work practices in public sector potentially undermine CD/TC effectiveness; and (v) continued inadequate supervision of international TA and counterpart staff at organizational level.

Zambia: Joint Assistance Strategy constitutes broad framework for ODA and TC prioritization, underpinned by range of advisory groups. Key findings are: (i) macro-conditions and arrangements in place for effective CD/TC planning, but implementation capacity needs to be strengthened; (ii) absence of specific TC policy framework, but public sector reform policies and human resource guidelines can be built on; and (iii) need to strengthen ODA information system including disaggregated TC data.

Source: Country Case Study Reports and Country Presentations, Tokyo Workshops April 2008

Table 3b: Key Features and Findings, Asia: Policy and Operational Environment for TC and CD

Cambodia: Existence of National Strategic Development Plan (NSDP) and country harmonization action plan. Central agency, CDC, mandated to manage and monitor TC and CD policy coordination. Key findings are: (i) need for better defined TC policy and CD priorities and TC operational guidelines and strengthened TC MIS; (ii) complex TC system with diverse actors and interests; (iii) current TC provision focusing on short-term results, some capacity substitution and limited focus on longer term system building; (iv) TC designs under-estimate complexity of CD and system change, with insufficient performance and risk analysis; and (v) growing number of examples of good practice for TC and CD to help inform policy.

Lao PDR: National development plans and targets have enabled a more holistic approach to CD planning. Vientiane Declaration and CD framework provide principles for CD/TC harmonization. Key findings: (i) need to strengthen regulations and country capacity for TC procurement, management and monitoring; (ii) need to formulate national and sector organizational plans to guide CD/TC priorities and planning; (iii) senior managers need to take a more active role in monitoring TC/TA performance; (iv) Government needs to strengthen coordination arrangements for CD/TC at national level in the new Ministry of Planning and Investment.

Malaysia: SSC framework set out within the Ninth Malaysia Plan 2006/10 focusing on *"expanding Malaysia's global outreach"*. SSC program is located in the Economic Planning Unit of the Prime Minister's department. Key principles and findings are: (i) focus on cost sharing of TC activities as part of self-reliance, partnership and mutual benefits; (ii) responding to TC needs identified by countries ensures strong interest and commitment; (iii) high level policy and political contacts contribute to TC success and country commitment; (iv) focus on catalytic role of small-scale TC, without any conditionalities.

Pakistan: Economic Affairs Division, Ministry of Economic Affairs coordinating CD/TC good practice review. Key findings are: (i) limited needs assessment and lack of synchronized organizational changes undermine CD/TC impact; (ii) initial communication with a range of interested stakeholders is critical for effective TC design; (iii) greatest challenge is organizational level CD, and PIUs are a mixed blessing; and (iv) TC more effective when socio-political and institutional environment issues are considered during design and implementation.

Thailand: Revised organizational arrangements put in place as Thailand shifts from CD/TC beneficiary to SSC partner, through TICA, established under specific regulations. Key findings of SSC operations are: (i) importance of responding to country-led TC priorities and interests; (ii) TC design more effective when preceded by sector TC work plan; (iii) assistance based on recognition of mutual benefit, including cost sharing by partners; and (iv) dialogue with partner countries on recurrent budget implication of TC provision helps commitment and CD outcomes.

Vietnam: Existence of formal decree on ODA management and utilization. Partnership Group on Aid Effectiveness formulating medium term CD strategy, in line with the Hanoi Core Statement. Key findings are: (i) well defined organization/sectoral plan needed but flexibility and diversity of TC critical; (ii) inconsistent beneficiary consultation in CD/TC planning; (iii) need to reduce competition and cumbersome administration arrangements amongst donors; and (iv) absence of well designed and operational monitoring systems.

Source: Country Case Study Reports and Country Presentations, Tokyo Workshops April 2008

2.2.2. MAIN FINDINGS

Well defined CD and TC policies and strategies in national development plans can enhance aid effectiveness and results.

A clearly articulated strategy for CD and use of TC, linked to broader national development policy and strategy, is critical for ensuring achievement of broader CD results. All study countries have a *country*-led national socio-economic development strategy, focusing on poverty reduction and economic growth. Nevertheless,

country reports indicate that well defined CD strategy and related TC policies, within these plans, are at different stages of development.

In some countries, national-level CD priorities and strategies are relatively well defined. For example, in Tanzania, a CD and TC framework is incorporated in the Joint Assistance Strategy for Tanzania (JAST) endorsed by Government and development partners. In others, capacity constraints and emerging CD priorities have been identified as a basis for CD strategy formulation, including Malawi, Vietnam and Zambia (see Tables 3a and 3b).

In others, ongoing good practice assessments of TC, contributing to CD (including this study), are helping to inform CD strategy formulation. Cambodia and Pakistan are two such examples. In the case of Malaysia and Thailand, CD strategy and use of TC, through south-south and tri-lateral cooperation, are embedded within their national development plans.

For those study countries where CD strategies are more advanced, key enabling factors are: (i) adoption of a more holistic and multi-level vision and approach to institutional reform, including clear linkage with broader public sector and financial management reforms; (ii) a relatively clear organizational mandate within a central agency for formulating CD and TC policies and strategies; (iii) robust partnership arrangements, within existing country harmonization aid architecture (e.g., specific CD and TC technical working groups); and (iv) a high level political awareness of, commitments to and advocacy for the importance of well defined CD strategies, sometimes underpinned by specific legislations and regulations.

Building country capacity for CD and TC policy/strategy formulation is a priority.

Country leadership and ownership of CD and TC strategy can only be secured when countries, including Government, private sector and civil society, have the capacity to actively engage in policy and strategy formulation. Country reports, including focus group and perception survey evidence, highlighted that strengthening such capacity is a priority (see *Chart 4*).

More specifically, the need to enhance country capacity to clearly articulate the linkage between national development strategies and sequenced institutional and organizational

Chart 4: National-Level CD/TC Priority Actions Frequency Analysis of 11 Study Countries
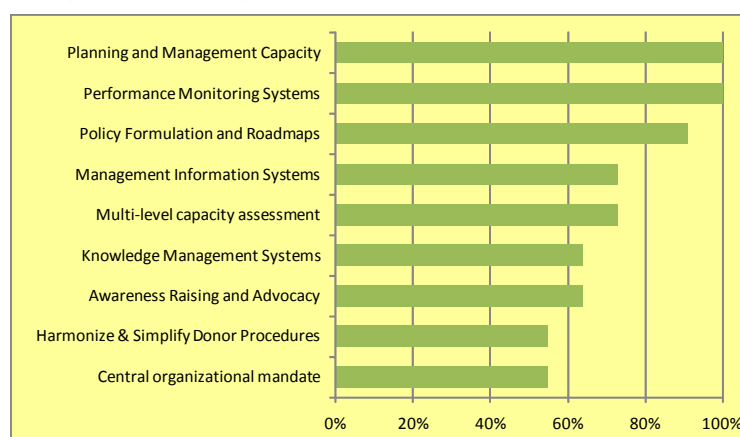
reforms at different levels is a pressing issue. Equally, the need to better define the role of public sector reform in CD strategies and operational roadmaps is a recurring issue in most country reports. For example, the Malawi country report recommends *"support to strengthen the Public Sector Reform Management Unit (PSRMU) so that it can take the lead role in supporting Government departments in identifying capacity needs and prepare CD roadmaps."*

These CD roadmaps can also be used to track the results chain between TC inputs, CD outputs and outcomes and broader development results. Country reports at both national and sector levels are somewhat uneven in using coherent results chains, tending to be limited to TC inputs and CD outputs. A good example of more extended use of a results chain is the Ghana Public Financial Management reform program which sets out the mix of TC required and explicit short-term outputs and medium/long-term outcomes and development impact (see *Table 4* below)

Table 4: Summary of Key Features of CD and TC Results Chain: Ghana PFM

Inputs	Outputs	Outcomes	Impact
International and regional consultants, local and overseas training and limited equipment supplies	Tax/revenue legal and regulatory framework; improved compliance capacity, more trained staff and better PFM MIS at center/local level	Improved tax collection rates and Parliamentary oversight of pro-poor national budget allocations and disbursements; reduced need for ODA loans	Improvement in NPRS indicators, incl. MDGs; increased share of spending from local sources and more budget sustainability

Sources: Country reports and Consultant Analysis

Another frequently identified constraint is the limited country capacity to take leadership, ownership and practical steps on national level capacity assessment and TC policy formulation. A number of dimensions to this were spelled out in country reports. A key issue raised in many reports was the need for parliamentarians to be well informed and engaged. The wide ranging financial governance reform in Ghana, which involved Public Accounts Committee parliamentarians, appears to be a good example of this kind of engagement.

A related barrier raised in a number of country reports and presentations was the lack of knowledge and information within senior level of governments on what constitutes good practice of CD assessment and roadmapping. The Partnership Group on Aid Effectiveness in Vietnam is a positive example of how government and development partners are working together to share international experiences as part of preparing a comprehensive CD strategy.

Strong sense that development partners can do more.

A strong sense emerges from country reports and presentations that development partners can do more. A strong recommendation from the Tokyo workshop is that *"development partners need to do more to respect and promote country ownership"* (Bonn Conference Paper, May 2008). There is a residual sense, although not explicit in

country reports, that TC and CD planning continues to be somewhat donor and supply driven.

A number of responses were identified in country reports and workshops to address this issue. Many country reports highlighted the importance of greater development partner recognition of CD and TC planning being more responsive to country needs and demands. The need for a longer term donor perspective on CD strategy and TC effectiveness, less on short-term TC outputs, was also urged in country reports and workshops. As the Cambodia country presentation in Tokyo highlighted, "*Technical cooperation provision focuses too much on short-term results … has a limited focus on long term system building and under-estimates the complexity of CD and system change ...*"

Many country reports highlighted that growing engagement of senior Government and country development partner officials in country harmonization groups constitutes an opportunity to promote CD/TC policy dialogue at the highest level. Nevertheless, several country reports allude to the frequent gap between donor HQ policy and country office operations. A key finding from country reports is that, as a first step, development partners can do a lot to keep country planners up to date on emerging knowledge and information on CD/TC good practice and new methodologies and tools. Applied favorably to CD and TC planning, the Tanzania report highlights: "*it is the high degree of mutual trust, collaboration and understanding that pervades the Government of Tanzania and development partner's relationship.*"

Box 1: Country Partnership Groups Helping to Align Capacity Development/Technical Cooperation Priorities with National Development Plans

In 2002, partnership roles were clarified and refined in the Tanzania Assistance Strategy and again in 2006 in its successor, the Joint Assistance Strategy for Tanzania (JAST), which provides a five year framework that guides the management of development cooperation. A results-based Joint Program Document (JPD) is essentially a development partners' response to National Strategy for Growth and Reduction of Poverty (NSGRP/ MKUKUTA in kiswahili acronym) and the JAST. Annual joint reviews and an Independent Monitoring Group help secure mutual accountability aided by JAST's performance assessment and monitoring framework.

The Hanoi Core Statement was formulated by Government of Vietnam within weeks of the Paris Declaration. Organizational arrangements for coordinating thematic policy harmonization have been established under the Ministry of Planning and Investment (MPI) through the Partnership Group for Aid Effectiveness (PGAE). These thematic groups focus on harmonizing operational procedures related to program design and appraisal, with a growing focus on cross-cutting CD strategies. Donors have committed themselves to aligning their support with the Socio-Economic Development Plan (SEDP) 2006-10 targets.

Strengthening TC information system is critical.

The majority of country reports emphasize the need to strengthen TC and CD information systems at the central level. There is a strong recognition in study countries that robust TC information is a critical tool for both planning and monitoring of existing TC but also for future TC policy review and formulation. Taking this further, several countries pointed to the importance of tracking CD outputs/ outcomes and individual consultant/expert performance within TC databases as part of screening and selection of technical assistance in the future. As the Malawi country report suggests: "*For the Government, ensure that TC statistics are published regularly … to promote a wider understanding of technical cooperation trends and patterns. For the donors, ensure greater transparency in terms of technical cooperation data which is currently incomplete.*"

2.3.   MAIN FINDINGS: NATIONAL OPERATIONAL ENVIRONMENT:

This section summarizes the views of Government officials and civil society representatives on the extent to which the necessary operational conditions are in place for effective use of TC. These conditions included: (i) current country capacity to design and manage TC and CD plans, (ii) alignment with country CD priorities, (iii) managing the risk of staff substitution and attrition, (iv) measures in place to ensure coordination and harmonization of TC and (v) embedding TC within a broader organizational change management process. The findings draw on country documentation reviews, focus group discussions and national level perception surveys in five countries.

The views of government officials and civil society representatives on the effectiveness of TC and potential enabling and impeding factors were canvassed in five countries, supplemented by SWOT analysis in a number of countries. The results for two countries surveys are shown in *Chart 5,* which are representative of all 11 country reports.

Better alignment of TC designs with country priorities.

The survey suggests that TC designs need to be better aligned with country priorities, as defined in national development plans. For example, in Tanzania and Malawi, only around 45% of respondents felt that TC designs met country priorities. Country reports and SWOT analyses in several other countries broadly echoed this view. In contrast, 80% of respondents in Lao PDR felt that TC designs were consistent with their development priorities. The reasons for this variation are unclear.

A key survey finding is that countries recognize the need to strengthen their own capacity to lead the preparation of CD plans and TC design. Current capacity was judged to be limited, with only around 30% of respondents feeling that the necessary capabilities exist. In contrast, around 90% of respondents felt that TC is more likely to be effective when focusing on organizations (rather than individuals) and embedded in an organizational change management process. Views on the effectiveness of TC in contributing to organizational learning

Chart 5: Success Conditions for TC Effectiveness (% of Respondents that Strongly Agree/Agree)
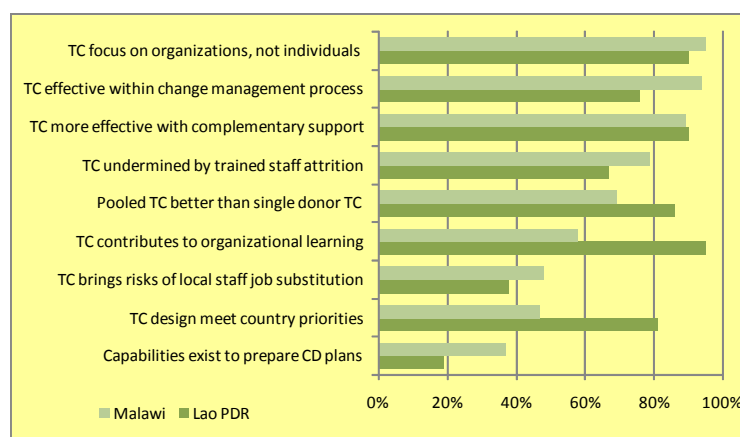
Source: Malawi and Lao PDR National-Level Perception Surveys

were mixed, although several sector case studies, especially in Pakistan, highlighted that TC can play an effective organizational change catalytic role. Taken together, these findings help confirm that strengthening a country's capabilities to undertake its own capacity assessment, including institutional and organizational aspects, is a priority.

Sustainable Agro Forestry, Tanzania
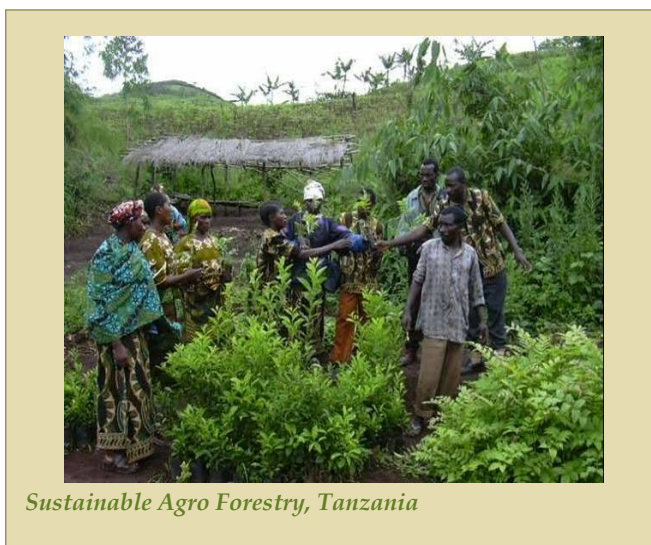
Harmonization of TC support helps.

Around 75% of all survey respondents indicated that pooled TC resources (frequently referred to as basket funds) helps to make TC effective, even more so (90%) when linked to complementary support, such as infrastructure, equipments and other operational support. However, overall, country reports suggest mixed reviews about pooling TC resources. Although things are improving as more countries adopt harmonized approaches, the diversity of development partner TC practices and procedures and the time and effort involved in understanding and using them was a frequent complaint. As the Zambia report highlights, "*there are as many technical cooperation delivery models as there are country partners.*"

The national-level perception survey confirmed a broad consensus in all the country reports that a conducive public sector environment, including effective career development and civil service pay policy, is a key success condition for TC effectiveness. Around 80% of respondents felt that TC effectiveness is undermined by staff attrition, especially when linked to individual staff counterparting. Around 45 to 50% of respondents suggested that the use of foreign technical assistance carries the risk of local job substitution, which would create a vicious cycle if staff attrition rates or non-return from overseas training are high.

On a positive note, TC design is increasingly addressing these issues. In Cambodia, Tanzania and Malawi, TC designs incorporate mechanisms related to staff performance based pay rises and retention. In Thailand, where TC still supports *o*verseas fellowships, beneficiaries are bonded to government for a number of years after training. These concerns lie behind a broad consensus in country reports that TC needs to focus more strongly on strengthening overall organizations and groups of individuals carrying out key functions. As the Pakistan study concludes: "*capacity development inputs are usually most directly targeted at individuals … but results are*

sought in terms of organizational development and performance. Yet, the link between individual behavior and organizational performance is often unclear and unpredictable."

Box 2: Strong Oversight Mechanisms on Organizational Performance : Ghana PFM and Lao PDR PIP

Ensuring sustained organizational performance through support for internally driven change and external oversight is a way of integrating CD policy and operational environments, and both can be supported by well-targeted TC support.

In Ghana, with TC support, a number of central agencies for revenue and VAT services have been strengthened. The aim is to increase the performance of these organizations to increase tax and VAT revenue levels, as part of increased public expenditure from local sources. As part of maintaining organizational performance and change momentum, the Ghana government has also strengthened the capacity of the Parliamentary Public Accounts Committee to provide oversight, also with extensive TC support.

In Lao PDR, government issued a decree that reorganized organizational responsibilities for the planning and management of public investment programs (PIP), under a new Ministry of Planning and Investment (MPI). MPI organizational restructuring at both central and provincial levels, requiring new staff job descriptions and training, has been underway for some time, with extensive TC. As part of oversight mechanisms, new legislation and regulations require regular reporting by MPI to the relevant National Assembly select committees - a process supported with TC.

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3. SECTOR/THEMATIC LEVEL FEATURES AND FINDINGS

3.1. OVERVIEW OF SECTOR/THEMATIC TECHNICAL COOPERATION PATTERNS AND TRENDS

This section highlights some recent trends in ODA and technical cooperation (TC) aid volumes within specific sectors and thematic areas selected by individual countries. Trends in sector/thematic TC, as a proportion of ODA, are also analyzed. The extent to which TC is aligned and harmonized within sector strategies and operational sector wide approaches and sector capacity development (CD) roadmaps is also reviewed. Only a broad picture is provided due to constraints faced over availability of country level information, which may not coincide with data from external monitoring.

3.1.1. KEY FEATURES FROM COUNTRY REPORTS

The findings presented in this section are based on an extensive body of evidence assembled by country teams, summarized in *Tables 5a* (Africa) and *5b* (Asia) below. In the case of African study countries, the focus is on social sectors, especially education, health and water.

Table 5a: Trends and Patterns, Africa: Selected Sector and Thematic ODA, TC and CD Priorities

Ghana (Education/PFM): Education ODA/TC has doubled from 11 to 22% share in past decade. Education TC volume is around USD 1.1 billion for five years, including some sector and general budget support, incorporating shift towards SWAp/PBA. TC for PFM remained constant at around 1.5 to 1.7% of TC volume, amounting to around USD 85 million for a five year period, guided through Government PFM reform programme (PUFMARP).

Kenya (Education): Education sector constitutes high proportion of ODA/TC, which has doubled overall to USD 935 million in past five years. TC guided by education strategic plan and Kenya education sector support program, KESSP, which is a SWAp and incorporates specific CD programs, increasingly using Government planning and management systems for TC.

Malawi (Education/Health): Total education ODA around USD 35-45 million per annum and increasing. TC share estimated at 14% with mix of project aid and other modalities, with SWAp planning now underway. Health/HIV support amounts to USD 125 million per annum in 2006 constituting 50% increase over previous year. Health strategy and well established health SWAp incorporates specific CD initiatives which help align TC support.

Tanzania (Agriculture/Health): Agriculture ODA/TC budget has tripled to around USD 60 million per annum with TC around 40% share. Agriculture SWAp in place providing mechanism for TC sector basket fund, alongside some general budget support. Health sector ODA shares are 45% of total sector funding, with TC share an estimated 20%, alongside sector budget support coordinated through health SWAp and basket fund. Both sectors' TC increasingly through Government management, procurement and financial channeling systems.

Zambia (Water & Sanitation): WSS sector support is around USD 125 million over a five year period, primarily through a large number of discrete projects. Significant proportion of TC largely for regulatory development for public utilities and multi-level organizational CD. National Rural Water Supply and Sanitation Programme (NRWSSP) incorporates specific CD priorities for guiding TC provision, with sector SWAp being put in place with flexible aid modalities.

Source: Country Case Study Reports and Country Presentations, Tokyo Workshops April 2008

In the case of the six Asian countries, the focus of TC is on cross cutting thematic areas, including public financial management, public investment planning, good practice in CD and south-south cooperation.

Table 5b: Trends and Patterns, Asia: Selected Sector and Thematic ODA, TC and CD Priorities

Cambodia (Health): Health ODA volume roughly USD 100 million per annum with 70% TC share. TC aligned with health sector strategy, through multi-donor SWAp-type health sector support program. Significant proportion of discrete project aid. Around 35-40% of ODA channeled through Government financial and procurement systems. Around 90% of ODA targeted on provinces outside the capital.

Lao PDR (Public Investment Program): PIP is part of broader governance and public administration reform project (GPAR). No disaggregated TC data available for PIP management reforms. TC and CD priorities specified in Prime Minister's decree on use of ODA, including revised mandate and organization as part of new Ministry of Planning and Investment. TC focuses on project aid, especially organizational development TA and training.

Malaysia (SSC): Bilateral SSC is organized through Malaysia Technical Cooperation Programme (MTCP) which provides long and short-term scholarships, short-term specialized training, study visits and attachments at selected Malaysian training institutions, universities and Government agencies. MTCP also provides short-term advisory services and project-type aid on a very selective country basis. Human resource development is a MTCP priority.

Pakistan (CD Good Practice): Strong focus of ODA/TC on social sectors and governance reforms, through a mix of project aid and different forms of budget support. Increased focus on province/district level performance based assistance, including gender parity indicators in education/health. Wide range of good practice analysis indicates a mix of CD initiatives which have some long and short term TA, but many without TA, and CD funded by community endowments or Government.

Thailand (SSC): Primarily SSC country focus as opposed to sector focus. Less well off Southeast Asian neighbors are primary beneficiaries. Previous focus on social sectors and agriculture has shifted towards organizational support and human resource development, through a mix of short term TA, volunteers and support for in-country and regional training.

Vietnam (PFM): Total ODA for MOF/PFM reform is USD 190 million over a six year period, roughly 0.75% of total ODA for Vietnam. Virtually most of ODA projects are focused on TC. As for grant ODA, the main types of activity are advisory TA (65% of total), overseas/in-country training, study tours and equipment. Roughly two-third of ODA/TC from loan sources mainly funded through multi-lateral agencies. TC is largely aligned with Government's Financial Modernization Programme.

Source: Country Case Study Reports and Country Presentations, Tokyo Workshops April 2008

3.1.2. OVERALL TRENDS AND PATTERNS

Countries' reports indicated that virtually all sectors have shown some increases in overall ODA and specifically TC volumes in recent years. The largest rate of growth is in the governance sector in which ODA volume has increased fourfold in the past six years. ODA volumes in the health and education sectors have more than doubled over the same period. In contrast, ODA for the water and agriculture sectors has grown more slowly. General budget support has increased fourfold from

a low of USD 580 million in 2004 to over USD 2,400 million in 2006. Humanitarian aid, mainly in the form of emergency response support, has more than tripled over the same period (see *Chart 6*).

Another trend is the growing volume and share of sector program assistance, as part of program aid, consisting mainly of direct budget support to specific sectors. The volume of sector program assistance has increased fourfold from around USD 1.2 billion in 2002 to USD 4.7 billion in 2006. This increase is due to the growing prevalence of sector-wide approaches (*SWAps*), program-based

Chart 6: ODA Commitments on Selected Sectors: 2000/06

Chart 7: ODA Program Aid Net Disbursements

Sources: OECD Stat. 2008

approaches (PBA) and greater use of pooled funding mechanisms aligned with country sector strategy and program priorities and country poverty reduction strategies. For example, it is reported that there are currently 14 SWAps, operating with sector basket funds in Tanzania.

These trends and patterns are broadly mirrored in country reports, which show increased ODA and TC spending on governance, education and health sectors (*see Table 5a and 5b*). For example, TC for education has roughly doubled in Ghana and Kenya in the past few years. A similar pattern exists in the health sector with a 300% increase of health sector ODA in Tanzania and a 50% increase in Malawi. In Cambodia health TC is also on the rise. Much of these sustained increases in both sector ODA and TC derived from grant sources. The Vietnam country report, which focuses on public financial management (PFM), shows a much more uneven pattern, with peaking due to occasional substantial loan financing. Malaysia and Thailand SSC programs and the Pakistan case studies point to a similar emphasis on health, education and governance sectors.

Another broad trend is that at the sector level the share of TC (and especially technical assistance) is showing signs of gradual decline, especially in the social sectors. Drawing on country reports, a ballpark figure for health/education TC share of sector ODA is about one-quarter to one-third. This is primarily due to the increased frequency of various forms of sector program assistance. In contrast, the share of TC in the productive sectors tends to be much lower. For example in
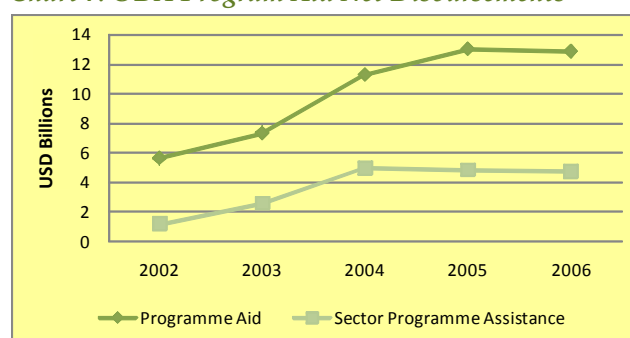
Malawi, TC accounted for around 5% or less in the agriculture, transport and water sectors.

Little disaggregated data on TC is available in country reports, due to limitations in country TC information systems. Nevertheless, technical assistance levels are significant. For example, in Ghana, technical assistance commitments in education and PFM alone amount to around USD 120 million (or roughly USD 25 million per annum). In Vietnam, for the PFM program, technical assistance amounts over USD 80 million (or roughly USD 10-15 million per annum), constituting almost two-thirds of TC.

Box 3: Growing Impetus for Improved Sector Technical Cooperation Management Information Systems (MIS)

Acknowledging the significant volumes of TC, including technical assistance, governments recognize the importance of monitoring the extent, effectiveness and impact of TC programs at both national and sector levels. For example, in Cambodia the Council for the Development of Cambodia (CDC) has put in place TC information flow systems between central and sector agencies. In Malawi, steps are being taken by the Debt and Aid Division in the Ministry of Finance to strengthen collection and analysis and dissemination of statistics on TC, especially increasing information flows between other central agencies, sector agencies and the Ministry of Finance. It is intended that this information will help formulate the revised Malawi Development Assistance Strategy.

In the case of Malaysia and Thailand SSC programs, the pattern is somewhat different with a high proportion of TC funding devoted to long and short term study tours and training fellowships to Malaysian and Thai institutions. An interesting feature of the Pakistan country report, which focuses on case studies only (and may not be fully representative of country patterns), is that a number of the CD initiatives do not involve the use of technical assistance and are financed through community endowments and district authority budgets.

The broad conclusion from this analysis is that a number of measures are needed in order to absorb increased levels of sector ODA/ TC and ensure its effectiveness. The capacity of sector agencies to absorb and manage increased volumes of sector TC has to be strengthened. The growing prevalence of sector strategies and related SWAps/PBAs is helping to better align TC with sector priorities. The growing frequency of sector pooled funding arrangements, sometimes including TC, may have the potential to reduce the transaction costs of TC planning and management.

Nevertheless, translating increased TC support into broader and deeper sector capacity improvements at various levels will require well defined sector CD/TC roadmaps, including sequenced priorities. Equally, a strong message from the regional consultation workshop in Tokyo was that, while countries recognize the value of better harmonized TC, this should not be at the expense of diversity of TC types and delivery modalities.

3.2. MAIN FINDINGS: SECTOR/THEMATIC POLICY ENVIRONMENT

This section examines the extent to which *sector/thematic* policy environments are sufficiently developed to make full use of TC in achieving sector/thematic CD objectives. The findings focus on: (i) extent of a TC/CD strategy within sector/thematic strategic plans and program; (ii) existence of country capacity for leadership and management of sector CD strategies and TC program; (iii) current progress made in integrating donor support within country-led sector TC/CD program; and (iv) existing arrangements for donor harmonization of TC program at the sector level.

3.2.1. KEY FEATURES FROM COUNTRY REPORTS

The findings presented in this section are based on an extensive body of evidence assembled by country teams, summarized in *Tables 6a* (Africa) *and 6b* (Asia) below.

Table 6a: Key Features, Africa: Sector and Thematic Policy and Operational Environment

Ghana (PFM/Education): No overall CD assessment or roadmap for PFM, although specific CD needs have been identified for eight PFM areas, which inform TC priorities. Some multi-level CD priorities identified (e.g. for computerized public expenditure management). Education strategic plan identifies four thematic areas of CD and related TC priorities, though harmonization is a challenge because of project aid and sector budget support mix. Increasingly active PFM/education joint working groups constitute opportunity for CD/TC coordination.

Kenya (Education): KESSP includes specified CD priorities, although multi-level CD roadmap just emerging. Previous CD/TC activities are feeding into revised CD priorities and TC activities and MOE capacity and willingness to take lead on TC planning and management is strengthening. MOE increasingly taking the lead on TC procurement and performance monitoring. No single specific MOE organizational location for CD/TC coordination, although joint annual sector performance review process is focusing on CD and TC needs.

Malawi (Education/Health): No specific education sector CD roadmap or TC prioritization, although anticipated upcoming education SWAp will address this issue. Recognized priority is multi-level CD roadmap to integrate central/district/school CD activities within decentralized context. Health strategic plan explicitly states CD priorities which help align donor TC support, although predominantly within discrete project activities. High health staff turnover constitutes a major TC effectiveness risk, although linkage with emerging public sector reform initiative and health sector budget support is addressing the issue.

Tanzania (Agriculture/Health): Agriculture Sector Development Program (ASDP), a SWAp, identifies CD priorities and is being implemented through TC pooled funding and some use of Government procurement systems. Health sector strategy is being coordinated through an active health sector SWAp committee, incorporating some TC harmonization and use of Government procurement system. Lack of sector level CD roadmaps and TC policies recognized as urgent. No reference to agriculture/health sector organizational location for CD/TC planning and coordination, although CD priorities at central, provincial and district/community levels are separately defined.

Zambia (Water Supply & Sanitation): WSS sector CD priorities identified in public sector training needs identification plan, informed by comprehensive water sector capacity assessment in 2007. WSS sector advisory group constitutes forum for CD/TC coordination and harmonization, although dual ministries constitute challenge. Multi-level CD priorities identified and integrated within NRWSSP, including sequenced long term institutional and organizational development plans and targets.

Source: Country Case Study Reports and Country Presentations, Tokyo Workshops April 2008

Table 6b: Key Features, Asia: Sector and Thematic Policy and Operational Environment

Cambodia (Health): Health sector support program identifies some CD priorities at central, district and facility levels. Priorities partially driven by donor division of labor. Some CD and TC fragmentation as a result of difficulties in coordinating TC support for horizontal functions and vertical programs. A newly established Department of International Cooperation, responsible for TC planning, will help address TC harmonization issues, working alongside active health sector technical working group.

Lao PDR (Public Investment Program): PIP planning and management CD roadmap formulated through TC support for participatory organizational and individual functional assessments, incorporating sectoral and central/provincial CD needs assessments. Prime Minister and the national assembly gave formal approval of the CD plan. Personnel department in the Ministry of Planning and Investment mandated with the responsibility to plan and manage CD implementation, especially human resource development and management aspects.

Malaysia (SSC): SSC management responsibility located in Prime Minister's department which facilitates high level sector partnership and country commitment. Comprehensive capacity assessments of Malaysian training institutions help ensure TC quality/effectiveness. Management capacity increasingly under strain as SSC program expands. Major challenges are to strengthen sector level TC information system, progress and impact monitoring and post-training impact evaluation on recipient sector organizations.

Pakistan (CD Good Practice): Significant range of examples of country-led and internally driven organizational change management processes, frequently without need for TA and financed by communities and provinces/districts. Creating protected space with public sector and high level champions is key success factor at sector organizational level. Evidence of: (i) limited CD baseline assessment; (ii) uneven alignment between TC focus on individual development and CD focus on organizational performance; and (iii) ensuring flexibility in TC design, responsive to changing organizational environments and needs.

Thailand (SSC): SSC management responsibilities well defined within TICA/MOFA in response to shift from ODA recipient to SSC partner, which facilitates high level coordination at sector level with SSC beneficiaries. Comprehensive baseline assessment of Thailand training institutions' capacity helps ensure TC quality. CD needs assessment with partner country sector organizations is iterative and leads to TC design flexibility.

Vietnam (PFM): PFM reform plan has well-defined long and medium term CD outputs and PFM technical working group has endorsed diversity of TC modalities. PFM CD/TC priorities are specifically aligned with broader public administration reform and with strong political endorsement. Key challenges are: (i) strengthening MOF capacity to design and plan CD roadmaps; (ii) strengthening MOF capacity for CD/TC monitoring and evaluation; and (iii) developing international cooperation database within MOF, including timely DP information.

Source: Country Case Study Reports and Country Presentations, Tokyo Workshops April 2008

3.2.2. MAIN FINDINGS

Forms of technical cooperation at the sector level are still diverse.

Diverse forms of TC are still being used at the sector level (see *Table 7* below). Although the situation varies on a country and sector case by case basis, a broad pattern is that the focus of CD outputs in the social sectors is increasingly at local levels, especially strengthening district level and facility level management capacity. Another pattern emerging is increased use of regional and national consultants for assisting planning and implementation of these local level CD programs.

Table 7: Summary of TC Features and CD Outputs: Selected Sectors / Themes

	TC Features	Outputs
Cambodia Health	Consultants, local and overseas training at district/community levels; complementary equipment, medical supplies and infrastructure	Increased number of trained and equipped medical staff, including central planners, district managers and field operatives; increased availability of facilities and medical supplies
Kenya Education	Regional and local consultants, local training at district/school levels and complementary school infrastructure equipment and block grants	Increased number of trained and equipped district managers and field supervisors; increased number of trained and equipped school managers and teachers; increased availability of quality-oriented inputs and training modules
Lao PIP	International and local consultants, local training at central and provincial levels	Revised PIP regulatory framework, organizational mandate, structure and staff job descriptions; improved PIP MIS and trained staff; availability of local training programs
Malawi Health	Consultants, local training and institutional twinning; Complementary budget support, equipment, medical supplies and infrastructure; partnership with church organizations	Increased number of trained doctors and nurses, with better pay; improved supply of central planners, district managers and field operatives and medical supplies and operating costs
Tanzania Agriculture	Consultants, local training and demand-side block grants to farmer organizations through budget support and other means	Increased number of effective central planners and local government managers and extension workers; increased access of farmers to funds, technology and market information
Zambia Water	Consultants, local training and institutional twinning with other WSS public utilities; complementary WSS facilities, equipment and infrastructure	Improved WSS regulatory framework and water tariff compliance arrangements; better trained public utility managers and WSS program planning and coordination capacity

Sources: Country Reports

In other sectors/thematic areas (e.g. water, PFM, agriculture) there still appears to be a focus on selective strengthening of central sector organizations, especially facilitating formulation of institutional arrangements and strengthening high level planning and management capacity. For institutional strengthening, a broad pattern is use of international consultants while organizational CD uses twinning, study tour and in-country and overseas training.

Box 4: South-South Cooperation: The Malawi Experience

A health management and service delivery project in Malawi initially used international consultants. After a review, it was concluded that South-South cooperation, using expertise from Kenya and Zambia, might be more appropriate since aspects of North-South knowledge, skills transfer and understanding of the Malawian situation were less relevant. Subsequently, the beneficiary organization concluded that the experiences from this arrangement were more relevant and meaningful because the countries involved are at a similar level of development to Malawi. It was also included that capacity building outputs were more relevant.

Integration of CD strategies into sector/thematic plans is improving but variable and TC can assist progress.

Based on country reports, the status of various features of sector strategy and CD and TC strategy formulation and prioritization was reviewed (see *Table 8*). Country reports indicate that all the study countries have a country-led secto*r or* thematic strategy and program. Many of these strategies are described as SWAPs, interpreted here in a strategic rather than an operational sense. For example, in the Tanzania agriculture and health and Cambodia health sectors, the SWAp framework is fully operational in determining CD and TC priorities. In the Malawi education sector and Ghana PFM, the SWAp is only partially operational in this sense.

In the specific sectors/themes chosen, CD priorities and strategies appear to be comparatively well articulated and defined. For example, in the education sector in Kenya and Malawi, the priority is strengthening school management and science/maths teacher capacity through district level training delivered by local trainers. Priorities in the health sector in both Cambodia and Malawi are the strengthening of health facility service delivery capacity and increased output of trained doctors and nurses, through strengthening training organization capabilities. For Pakistan, selective sector CD good practice at mainly provincial levels is being used to help formulate various sector CD strategies. For Malaysia and Thailand, SSC good practice reviews are helping to formulate forward bilateral cooperation strategy incorporating CD aspects.

The status of sector CD assessments is consistently significant, usually incorporated into sector strategies. In most of the countries, this assessment has been used to identify CD priorities and this prioritization is partly operational in most of the country studies. Nevertheless, it is consistently reported that some TC is

Secondary School Science, Malawi

sometimes outside any prioritization framework. A positive example is the water sector capacity assessment in Zambia, jointly conducted by Government and donors, which has resulted in a CD strategy which is fully operational and supported by all development partners.

Table 8: Country Benchmarks on Sector Strategy, SWAps, and CD/TC Frameworks

	Sector Strategy	SWAp	Sector CD Assessment	CD Priorities	CD Strategy	TC Priorities	TC Strategy
Cambodia Health	Extensive	Extensive	Significant	Significant	Limited	Significant	Limited
Ghana PFM	Extensive	Significant	Significant	Significant	Limited	Significant	Beginning
Ghana Education	Extensive	Extensive	Significant	Significant	Significant	Significant	Beginning
Kenya Education	Extensive	Extensive	Significant	Significant	Significant	Significant	Limited
Lao PIP	Extensive	Beginning	Significant	Limited	Limited	Significant	Limited
Malawi Education	Extensive	Limited	Significant	Significant	Significant	Significant	Limited
Malawi Health	Extensive	Extensive	Significant	Significant	Significant	Significant	Limited
Tanzania Agriculture	Extensive	Extensive	Significant	Significant	Significant	Significant	Limited
Tanzania Health	Extensive	Extensive	Significant	Significant	Significant	Significant	Limited
Vietnam PFM	Extensive	Limited	Significant	Significant	Significant	Significant	Limited
Zambia Water/Sanitation	Extensive	Limited	Extensive	Extensive	Extensive	Significant	Limited

Source: Country reports as summarized in Table 6

Extensive: Approved, well defined, phased & fully operational

Significant: Approved, well defined and partly operational

Limited: Awaiting approval, some definition, beginning operations

Beginning: Initial discussions being held

An important finding is that while most sectors have well defined CD and TC priorities, translating these priorities into specific strategies is more uneven. A number of factors appear to constrain CD and TC strategy formulation. Formulating a coherent CD strategy is more challenging in sectors/themes which involve more than one ministry. For example, in the water sector in Zambia, responsibilities cut across the Ministry of Energy and Water Development and the Ministry of Local Government and Housing, which necessitates extensive coordination of CD planning and initiatives.

Another feature which can be a constraint is that multi-level CD needs, at central, provincial, district and facility level are not always comprehensively articulated and linked. In some cases, central level CD and TC priorities are well defined. In other cases, the reverse applies with well defined district and facility level capacity needs. The need for formulation of a comprehensive and phased multi-level CD and TC strategy was a common theme of country reports, particularly in response to growing service management decentralization. This is highlighted in the study of the Cambodia health sector, further exacerbated by difficulties with coordinating horizontal and vertical programming.

In those study countries where sector/thematic CD and TC strategies are better articulated, the key enabling factors are: (i) conducting a country-led and joint sector/thematic capacity assessment; (ii) ensuring that these CD assessments cover central and local needs and incorporate institutional, organizational and management CD needs; (iii) existence of a sector working group with partnership arrangements for CD strategy dialogue and TC programming; and (iv) clearly defined responsibilities within the sector organization for TC program coordination. As indicated earlier, the approach in the water sector in Zambia constitutes an example of good practice.

Sector organizational learning on capacity development strategy is improving but needs to be systematized.

Country reports demonstrate a growing knowledge within sector agencies of CD and TC issues and that effective organizational development has to be endogenously driven. There is strong understanding, highlighted in the country reports, that a clear sector organizational vision and its leadership, both at political and managerial levels, is critical. As the Vietnam country report commented: *"The role of (Government) counterpart officials is analogous to that of a cook assessing the available ingredients, weighing advice (from technical assistance personnel) and making judgments and choices on what will likely be palatable to those decision makers who will be eating the policy dish."*

There is also a growing understanding that sector CD plans need to respond to demand to a wide range of country clients within and outside the sectoral organizations. At the Tokyo workshop, there was a clear consensus that CD strategies and use of TC should be guided by comprehensive mapping of the client and stakeholder satisfaction with organizational performance and services and also mapping of what TC interventions work best. The Tokyo consultations highlighted in plenary discussions the need for *"increased mapping of most effective technical cooperation modalities at the sector level, linked to different types of capacity development outputs and outcomes."*

Generally, much of the knowledge about CD and TC good practice resides in individual projects at various levels and tends to be fragmented. A positive finding is that sector organizations are beginning to use this knowledge more systematically as part of their CD strategy formulation. In Kenya, lessons learned from

PIP Planning Workshop, Lao PDR

various school level CD initiatives and the use of TC are feeding into sector CD strategies. In Lao PDR, PIP organization functional reviews have informed capacity improvement plans for the new Ministry of Investment and Planning. A common finding is that joint sector performance reviews can play a valuable role in helping to use this body of knowledge for CD/TC planning (e.g., Tanzania, Cambodia and Ghana).

Box 5: Organizational Learning and Capacity Assessment, Kenya Education and Zambia Water Sectors

Over the last ten years in Kenya, the education sector has benefited from an extensive range of CD projects, focusing on district and school management development and science and mathematics education. Regular project performance reviews, many originating in the mid-90's have informed sector CD/TC strategy. For the education sector, a Government white paper in 2005 led to a sector strategic plan and the Kenya Education Sector Support Programme (KESSP). Lessons learned on TC for CD from existing bilateral projects are informing future CD strategy and improving TC management capacity, incorporating annual joint reviews.

In Zambia, rural water sector policy is implemented through the National Rural Water Supply and Sanitation Programme (NRWSSP). Over many years, government, with TC support, has implemented a wide range of activities at local government and community levels. Much of the information on TC effectiveness and program implementation needed to be systemized as part of organizational learning. In 2003, government established a Rural Water Supply and Sanitation Unit (RWSSU), which alongside a University of Zambia research centre, plays a key role in using lessons learned to inform future TC priorities for CD.

CD and TC priorities and strategies vary across sector types.

A common feature of social sector CD strategies is that there is greater focus on district and facility level management development (e.g., health clinics, schools), with less emphasis on organizational realignment at central ministry level, especially related to monitoring and compliance functions. Much of the TC focuses on grassroots training programs provided by local consultants. In contrast, in those sectors where public/private partnership is more pre-dominant (e.g., agriculture, water, land), greater attention is given to regulatory reforms and building up central organizational capacity to ensure compliance. Much of the TC focuses on use of international and regional expertise.

A broad observation is that there is frequently insufficient coherence in TC strategy and designs between central institutional reforms, central and mid-level organizational development and grassroots management and implementation capacity building. A contributing factor appears to be a tendency of different development partners to focus TC at these different levels of the sector, which potentially can undermine a coherent and long CD vision and TC strategy and even create an imbalance in TC priorities. A strong recommendation from the Tokyo workshop, echoed in country reports, was that there should be: *"agreement and consensus amongst donors on complementary roles and support, including reduced competition and the need for visibility."*

Box 6: Enabling Country Ownership: Study Findings, Bonn Workshop Presentation

Representatives of the study team presented its provisional findings at the Bonn Workshop on "Perspectives on Capacity Development for Accra and Beyond" in May 2008. The team highlighted that a number of actions can enable country ownership of TC for CD.

- Holistic Development Vision and CD Strategy. TC contributes more effectively to CD when linkages between national development priorities are clearly articulated and TC is embedded within well defined national and sector CD strategies and plans.

- Country Ownership and Leadership. Strong political awareness and commitment to CD, alongside robust sector organizational leadership and commitment can help assure effective TC and CD outputs/outcomes.

- Country Led CD Partnerships. Use of TC resources and CD outcomes can be optimized when countries and development partners agree on TC policies and practices and their respective comparative advantage, within a variety of TC types and modalities.

- Country Managed Long-Term Organizational Development Plans. TC resources and CD outcomes are optimized within phased and sequenced CD plans, alongside long-term donor commitments of support.

- Country Managed Multi-Level Organizational Development Plans. TC can contribute effectively to CD when responsive to multi-level organizational development priorities for learning and change, sequenced at central, local and community levels.

The study team also highlighted growing country interest in CD and TC issues, alongside a growing body of knowledge on good practice.

Donors still need to help build country capacity for sector CD and TC strategy formulation.

Country reports emphasize the importance of raising the awareness of leaders and senior managers in sector agencies to the importance of well formulated CD strategies and effective TC policies. There is a consensus that the capabilities of senior managers critically needed in organizations to confidently take the lead in identifying CD gaps and TC needs. In particular, improving sector leaders' and managers' skills to articulate and advocate for the link between shorter term TC outputs, organizational CD changes and longer term impact on grassroots beneficiaries is vital.

Plenary sessions at the Tokyo workshop, echoed in several country reports, highlighted some key areas for joint Government/donor action on strengthening CD /TC strategy formulation and planning, including: (i) development of tools and methodologies, incorporating stakeholder consultation and client satisfaction surveys; (ii) knowledge exchange and staff development programs for organizational assessment and change planning; (iii) new planning tools that ensure capacity to change is viewed as multi-level and not just for high level planners and managers; and (iv) methodologies for incorporating TC and CD planning within a SWAp framework that allow a more demand-driven and flexible approach.

3.3. MAIN FINDINGS: SECTOR/THEMATIC OPERATIONAL ENVIRONMENT

This section summarizes the views of Government officials and civil society representatives on the extent to which the necessary operational conditions are in place for effective use of TC and improved country capacities. This section examines whether operational CD roadmaps and TC priorities are sufficiently articulated within sector strategies. A further consideration is the degree of diversity and harmonization of different forms of TC provided in selected sectors and complementary activities for CD. A final consideration is the extent of current sector level capacity to plan and manage TC. The findings draw on country documentation reviews, focus group discussions and national level perception surveys in five countries.

Formulating sector capacity development roadmaps is a priority.

Country reports indicate that joint Government/donors sector working groups exist in most countries and sectors. Joint sector annual performance reviews are increasingly prevalent. The majority of sector strategies identify CD and frequently TC priorities. Pooled funding of TC and other complementary support is also becoming more frequent *(see Table 9)*. A positive example is the health sector in Tanzania which, through an active and country led sector working group conducts annual performance reviews, significantly uses pooled TC funding and is partly using country procurement systems for TC.

Nevertheless, there are a number of impeding factors on optimizing the effectiveness of TC for CD. Few of the sectors possess a coherent CD roadmap which sets out sequenced capacity improvements and targets and how progress will be monitored. As a result, there is a common view that TC designs are insufficiently aligned with sector priorities. There was a strong country demand for incorporating measures to ensure staff retention and avoid job substitution by TC/technical assistance within CD roadmap design. Country perception surveys confirm this *(see Chart 8)*.

Chart 8: Success Conditions for TC Effectiveness (% of Respondents that Strongly Agree/Agree)
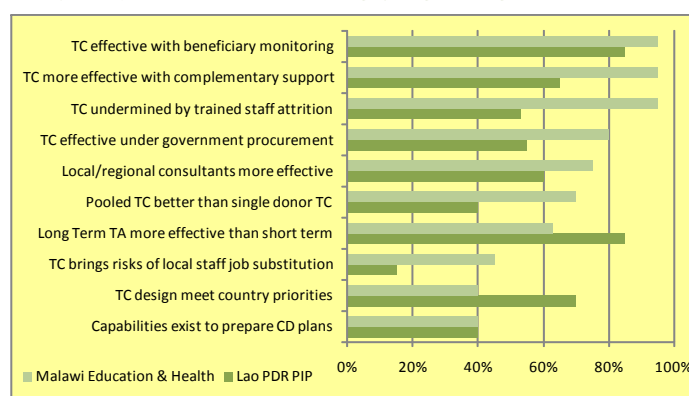
Table 9: Status of Sector Strategy, SWAps, and CD/TC Cooperation Frameworks

	SWAp	Sector WG	CD Roadmap	Joint Review	Pooled TC Funding	Country TC Decision	Country TC Procurement
Cambodia Health	Extensive	Extensive	Significant	Significant	Significant	Significant	Limited
Ghana PFM	Limited	Extensive	Significant	Limited	Limited	Significant	Beginning
Ghana Education	Extensive	Extensive	Significant	Extensive	Limited	Significant	Significant
Kenya Education	Extensive	Extensive	Significant	Extensive	Significant	Extensive	Significant
Lao PIP	Beginning	Significant	Extensive	Significant	Beginning	Significant	Beginning
Malawi Education	Significant	Extensive	Significant	Extensive	Significant	Significant	Significant
Malawi Health	Extensive	Extensive	Significant	Extensive	Significant	Extensive	Significant
Tanzania Agriculture	Extensive	Extensive	Significant	Extensive	Significant	Extensive	Significant
Tanzania Health	Extensive	Extensive	Significant	Extensive	Significant	Extensive	Significant
Vietnam PFM	Significant	Significant	Significant	Significant	Significant	Extensive	Significant
Zambia Water	Significant	Extensive	Extensive	Extensive	Significant	Extensive	Beginning

Source: Country reports as summarized in Table 6

Extensive:	Approved, well defined, phased & fully operational
Significant:	Approved, well defined and partly operational
Limited:	Awaiting approval, some definition, beginning operations
Beginning:	Initial discussions being held

The uneven availability of sector CD roadmaps makes it difficult to formulate results chains that track TC inputs, short-term CD outputs and medium/longer-term CD outcomes. In particular, the translation from capacity outputs to outcomes is generally less well defined in country reports. A good example of a coherent results chain is the CD program in the Ministry of Planning and Investment in Lao PDR (see *Table 10* below).

Table 10: Summary of Key Features of CD and TC Results Chain: Lao PDR PIP

Inputs	Outputs	Outcomes	Impact
International and local consultants, local training at central and provincial levels	Revised PIP regulatory framework, organizational mandate, structure and staff job descriptions; improved PIP MIS and trained staff; availability of local training programs	Increased central and provincial capacity for PIP planning and pro-poor ODA expenditure allocations and monitoring (basic education).	Improved NPRS indicators and MDGs; better information to policy makers and House of Assembly members

Sources: Country reports and Consultant Analysis

For example, only roughly 55% of respondents felt that TC designs met sector priority needs. Developing tools and methodologies for sector capacity assessments and CD roadmap formulation, including familiarizing sector staff in their use, is accorded high priority in all study countries. As the plenary session of the Tokyo workshop highlighted, "*countries need to undertake more capacity development needs assessment as part of technical cooperation planning.*"

Complementarity of TC and other support is accorded high priority.

Country reports and cases studies demonstrate the diversity of types of TC and other forms of support and recognize the value of different types of TC achieving different CD outputs/outcomes. There was consensus that consultants and training programs were more effective when the necessary equipment, infrastructure and recurrent budget resources were assured. Sector reports emphasize that CD roadmaps need to factor in complementary inputs and activities at design stage. In broad terms, countries accord higher priority to TC complementarity over measures to pool TC funding, confirmed by country perception surveys and the Tokyo consultation (see Chart 8).

Table 11: Overview of Extent of Sector Technical Cooperation Types and Complementary Activities (including Case Studies)

	Consultants	Study Tour	Institutional Twinning	Training	Equipment	Infrastructure	Budget Support
Cambodia Health	Extensive	Limited	Beginning	Significant	Extensive	Extensive	Beginning
Ghana PFM	Significant	Limited	Beginning	Extensive	Significant	Beginning	Beginning
Ghana Education	Significant	Limited	Beginning	Extensive	Extensive	Extensive	Extensive
Kenya Education	Significant	Limited	Limited	Extensive	Extensive	Significant	Extensive
Lao PIP	Significant	Limited	Limited	Extensive	Limited	Beginning	Beginning
Malawi Education	Significant	Limited	Significant	Extensive	Significant	Significant	Significant
Malawi Health	Significant	Limited	Limited	Extensive	Significant	Significant	Extensive
Malaysia SSC	Limited	Extensive	Extensive	Extensive	Limited	Limited	Beginning
Tanzania Agriculture	Significant	Limited	Limited	Significant	Limited	Limited	Extensive
Tanzania Health	Significant	Limited	Limited	Extensive	Significant	Significant	Extensive
Thailand SSC	Significant	Significant	Significant	Extensive	Significant	Limited	Beginning
Vietnam PFM	Extensive	Limited	Beginning	Significant	Limited	Beginning	Beginning
Zambia Water	Significant	Limited	Limited	Significant	Extensive	Extensive	Beginning

Source: Country reports as summarized in Table 6   **Extensive**   **Significant**   **Limited**   *Beginning*

The above overview highlights that a wide range of forms of TC are used in most countries and sectors studied. Use of international, regional or national consultants is extensive in the majority of countries. Similarly, staff training (especially in country) is extensive in most countries, characterized by a shift towards local level capacity improvements. Study tours are only limited in most countries and are largely restricted to higher level central and provincial planners and managers. A notable exception is the Malaysia bilateral SSC program which accords high priority to study tours by recipient country officials.

Based on the country reports, especially the case studies, the extent of complementarity between TC and other inputs is uneven. Provision of necessary equipment (e.g. computers, furniture, science education and medical equipment) is extensive or significant in a majority of countries. Provision of larger scale infrastructure (e.g. schools, health clinics, training facilities), alongside TC, is less

evident in the countries and sectors studied. The same situation applies to budget support. This maybe due in part to the country and sectors studied. It may also be due to the fact that project and program aid are frequently reported separately. Nevertheless, it highlights the importance of incorporating the various forms of TC needed and complementary support in well defined CD roadmaps.

Supporting School Development Planning, Kenya

Country assessments of the benefits and costs of pooled TC funding vary between countries and sectors. The potential value of reducing transaction costs is broadly recognized, especially if linked to other forms of support as part of a "sector basket fund". Concerns were frequently raised that "*any pooling must maintain technical cooperation variety and avoid uniformity*". The need for governments and donors to transparently assess the efficacy of different TC modalities in achieving CD results, recognizing the comparative advantages of specific modalities and development partners, was a strong country message.

Strengthening country-led management of technical cooperation is a priority.

There is broad agreement, with some country variation, that TC is more likely to be effective if sector managers lead and heavily engage in TC design, selection, procurement and management processes. For example, there was a strong consensus (around 75%) amongst Lao, Malawi and Tanzania respondents who strongly agree/agree that TC was more effective under Government procurement and management, and even stronger consensus (around 90%) that TC is more effective when fully monitored by the beneficiary organizations.

A key finding from country reports, workshop discussions and case studies is that sector managers are increasingly involved in TC decision making (e.g., formulation of technical assistance terms of reference, selection of consultants). Setting up mechanisms where sector managers can draw down on a TC fund on demand can facilitate sector leadership. However, at least in the sample of study countries, use of Government systems for TC procurement is still less frequent. A notable exception is Tanzania, where it is reported that in the health and agriculture sectors, TC is increasingly procured through country systems, following formulation of agreed guidelines between Government and development partners and extensive system building.

In addition, all countries accord high priority to strengthening central and sector agency capabilities to manage and monitor TC better, including setting clear TC performance outputs and criteria. A strong message from country reports (e.g., Lao PDR) and the Tokyo consultation was that there is a need for greater transparency amongst donors on both TC/TA funding and TC program performance assessment.

Formulation of country TC management and monitoring guidelines, based on good practice examples and linked to sector staff development programs, is accorded high priority in country reports. In the context of growing decentralization, building up TC management capacity within central and local government agencies (and where appropriate, the private sector) should be part of CD roadmap formulation. A key message from Asia/Africa regional consultations was that TC needs identification has to originate within the beneficiary organization. As the Pakistan country report highlights, "*Technical assistance works best when it was demand-led - client agencies invited it and specified what they wanted from it.*"

An overall finding from the country sector analyses and case studies is that for successful implementation of any sector CD roadmap, an endogenous change process needs to be sustained. Case study reports highlight that, inevitably, implementing these changes, especially at the organizational level, is rarely smooth. Continuous organizational learning is found to be a critical feature of sustaining change. Political will, championing and advocacy (including from likeminded development partners) and well-targeted complementary resources become increasingly important in translating CD outputs (e.g. trained teachers) into better CD outcomes (e.g. improved student exam performance).

Box 7: Summary of Enabling Factors, Good Capacity Development Practice Case Studies, Pakistan Country Report

Case studies were identified by consultants through documentation review and interviews and further refined by program/project implementers through a participatory analytical "write-shops" process. The focus of the analysis was on the key success factors and conditions for effective capacity development and, in some cases, the role of TC, or more specifically TA. Some key findings were:

- *Country-led planning:* Initiated by decision makers, with political support, recognizing that there were clear needs and priorities to be addressed, recognizing that latent capacity needs to be nurtured.

- *Flexible design:* Assessment of capacity development realities and an iterative process of planning and implementation, in many cases with donor agencies being able to respond promptly to changing or growing CD/TA needs, based on regular progress reporting and joint problem solving with development partners.

- *Organizational change management:* Creation of sufficient space within the organization and management chain of command, frequently with strong innovative leadership and high level political support.

- *Country-led management:* Ability to build up teams, communicate with team members regularly, delegated appropriate authority, with TA playing a behind-the-scenes role, including an emphasis on devolved management and accountability.

- *Complementarity with other support:* Managers adequately resourced, including scope for contracting in skills or facilities previously unavailable and based on inventory of organizational realities.

- *Organizational learning:* High priority accorded to regular briefings of key decision makers and development partners on progress, using simple and direct information and presentation techniques.

A significant finding was that, in several case studies, no externally financed TA was required and capacity and resources provided within the organization itself or through community endowments and district budgets were sometimes adequate.

Another related finding is that a key part of the CD planning and road mapping process is the ability of those within and outside the organization to be able to continually learn lessons about what conditions can bring success, what needs to be done to overcome any obstacles and how TC can be effective in helping to do so. Lessons learned on how to put in place these success conditions and make TC effective are analyzed under the six themes of: (i) country-led planning; (ii) flexible design; (iii) organizational change management; (iv) country-led management (v) complementarity with other support; and (vi) organizational learning.

4. LESSONS LEARNED FROM SELECTED GOOD PRACTICE CASE STUDIES

Country teams selected examples of what they considered good practice for each of the six dimensions highlighted below. The main features of these country examples are summarized for each dimension. This section of the report synthesizes the common features and lessons learned for these examples of good practice and attempts to identify key success conditions, as benchmarks, for use during identification, design and appraisal of technical cooperation (TC) programs as part of capacity development (CD) initiatives.

4.1. COUNTRY-LED PLANNING OF TECHNICAL COOPERATION AND CAPACITY DEVELOPMENT

4.1.1. KEY FEATURES FROM COUNTRY CASE STUDIES

The main features of the Africa and Asia examples of good *practice* are summarized in *Tables 12a* and *12b* below.

Table 12a: Selected African Good Practices on Country Led Planning of TC and CD

Ghana: Good Financial Governance (GFG): Program Joint capacity assessment identified TC priorities, focusing on strengthening capacity for equitable taxation policy and effective tax collection. Government led teamwork and partnership in TC use with strong political support. TC linked to organizational development at multi-levels, including internal revenue and VAT services agencies and governing bodies. Revenue from taxes rose by 57%.

Kenya: Education Sector Support Programme: Joint CD needs assessment identified priorities. Pooled funding arrangement including eligibility criteria. MOE and donors identify TC priorities, develop TORs and define procurement arrangements from pooled fund. Regular sector performance review process helps define flexible adjustment of forward TC priorities and progress on CD outputs/outcomes.

Malawi: TEVET Outcomes (ETO) Project: Demand for policy framework for increased autonomy of technical institutes in order to ensure TEVET graduates responsive to market needs. TC supported legislative reform, TEVET organizational development plans and staff development. TC provided through overseas institutional twinning arrangement which added to credibility of approaches to difficult reforms.

Tanzania: Agricultural Sector Development Program (ASDP): Initial CD assessment conducted by senior government specialists and local consultants. Basket fund provides TC for policy and strategy development and supports redefining organizational roles and responsibilities. Annual conference of agriculture stakeholders, chaired by the President, helps refine future CD priorities and planning/provision of TC from donors through government systems.

Zambia: Rural Water Supply and Sanitation Unit (RWSSU): Demand for RWSSU was to catalyze the WSS reform initiative. Initial TC was for CD in policy formulation, revised legislative and regulatory arrangements and 'gap-filling' to maintain momentum of water sector reforms. CD shifted towards development of common planning tool and WSS program management, sustained through high level political support from Ministry leadership.

Sources: Country reports

The majority of the good practice examples can be characterized as TC being part of a broader sector wide or program based approach to CD. The focus is broadly on CD within sector organizations, including in some cases a multi-level approach. The forms of TC are diverse, with a significant focus on use of consultants and local level training programs. In one case (Pakistan) no TC was involved.

Table 12b: Selected Asian Good Practices on Country Led Planning of TC and CD

Cambodia: Health Sector Support Program: Joint capacity assessment at multi-level and CD priorities identified; pooled TC by several donors for strategic planning, central/district organizational development. TC aligned with agreed sector strategy, including organizational assessment of CD priorities, focused on local planning and management system.

Lao PDR: Support for Public Investment Program (PIP): Impetus was to align PIP with emerging National Socio-Economic Development Plan. Joint assessment identified PIP planning, management and monitoring CD priorities and TC needs. Strong support from national assembly, extensive joint capacity assessment and patient design critical. Strong country demand for TC and new organizational responsibilities for TC planning.

Malaysia: South-South Cooperation for TC in Timor Leste: Demand for increased local government capacity in post conflict context. Training based on country-led needs assessment, against commitment to long-term SSC engagement. Malaysian training institutions increasingly effective as local context and needs are understood by TC providers. 300 government officials trained through in-country and overseas training and study visits.

Pakistan: Orangi Basic Water and Sanitation (WSS) Infrastructure Support: Initiative led by beneficiaries, not Government. Local expertise for providing WSS in Karachi urban settlements without donor TA. No CD master plan with iterative planning and implementation through learning from experience. More engagement with Government after proven success and highly credible advocacy. Community and endowment funding.

Thailand: SSC for Thailand/Lao PDR Bilateral Cooperation: TC priorities revised on basis of updated Lao PDR national development plan, adopting a more demand side approach. Increased focus on supporting specific sector organizations and HRD, including health, agriculture and education, through fellowships, equipment, institutional twinning and staff exchange. Annual review process identifies forward TC and CD priorities.

Vietnam: Financial Modernization Program (FMP): Objective is to build up capacity in eight integrated PFM areas, underpinned by policy/regulatory framework, organizational development and information system reform. The program focuses on strengthening organizational and individual staff capacity to implement FMP. Formulation of FMP was fully country-led and forms the basis for mobilizing and coordinating multi-donor TC support through the annual meeting of the partnership group for PFM.

Sources: Country reports

4.1.2. CONDTITONS FOR COUNTRY-LED PLANNING OF TC FOR CD

Country leadership of TC planning requires a strong demand for capacity improvement in order to implement a set of identified and pressing priorities. This may come in a variety of forms: it may be in response to demand relating to the implementation of high profile sector policies (e.g., Education for All in Kenya, meeting water sector Millennium Development Goals in Zambia). In other cases, it may be in response to the need to address pressing workforce shortages. For example, the need to train and retain doctors in Malawi, restore Government capacity in a post conflict situation like Timor Leste or ensure capacity to implement effective and transparent public expenditure management reforms (e.g., PIP in Lao PDR, PFM in Vietnam).

There are several related lessons. <u>First</u>, country capacity, including commitment and authority, to lead the CD process is critical if TC is to be effective. This capacity can be derived from a variety of sources, both within and outside specific Government sector organizations. For example, in the case of the Ghana good financial governance program, support from the Parliamentary Public Accounts Committee was critical, incorporating TC to strengthen the committees' capacity. In the case of agriculture sector program reform in Tanzania, the role of the annual agriculture conference chaired by the President was critical in helping to maintain country leadership of CD planning and use of TC.

<u>Second</u>, many of the good practice examples have evolved over a long period and sequencing of CD priorities and TC has become clearer over time. A formal sector capacity assessment, leading to clear sequencing of priorities, helps promote country leadership of planning TC. In the case of the Zambia water sector, a formal assessment took place, with donor financed TC. In the case of the education sector in Kenya, the assessment has been more iterative but formally incorporated into its education sector support program. For the Orangi water/sanitation program in Pakistan, CD planning has been more beneficiary led, without TC.

<u>Third</u>, country leadership of TC planning is enhanced when there is a specific organization mandated to lead the process. In some instances, TC has been effective in strengthening the capacity of such mandated organizations. For example, the establishment of the Rural Water Supply and Sanitation Unit in Zambia, with specific responsibilities to coordinate CD programs, has been critical. Similarly, the granting of autonomy to technical education and vocational education and training (TEVET) institutions in Malawi, including for their own capacity improvements, has enabled greater country leadership of TC. Having such well defined organizational locations is a potentially valuable entry point for use of TC in strengthening country capacity.

<u>Fourth</u> and somewhat related to the previous point, once an organizational mandate is well defined, TC can be more effective in strengthening the capacity of the

organization to exercise its responsibilities (e.g., RWSSU in Zambia, autonomous TEVET institutions in Malawi). Having a specific organization of this kind is particularly important in situations where responsibilities and stakeholders are spread over a number of Ministries, the private sector and community groups (e.g. the agriculture sector development program in Tanzania). A well defined location for coordinating sector TC plans and activities can be a useful entry point for using TC to facilitate and build capacity for country led planning.

Fifth, the sequencing of CD results and TC activities has been uneven and harmonizing TC support at multi-levels is problematic. A joint and comprehensive sector assessment, building on previous experiences (e.g., Zambia, Ghana, Lao PDR), can enable country leadership. Country capabilities, both within sectors and in donor agencies' country offices, need to be strengthened, through development and use of toolkits for CD road mapping and TC planning. These sector assessments provide an important entry points for the growing number of joint sector working groups to reinforce country leadership and coordination of TC.

Even in the examples of good practice, a number of factors were identified which can impede harmonization of TC and full alignment with sector CD priorities. In many of the case studies, it was acknowledged that TC at central, local and community levels was not sufficiently synchronized, due in part to difficulties in coordinating differing development partner priorities.

Overall, growing frequency of joint sector capacity assessments, through sector working groups, is providing an opportunity to mitigate this risk and begin to formulate partnership principles for sector CD support, including TC. Nevertheless, some cases studies and country reports highlighted the need to strengthen country and development partner capacity to engage in CD planning through agreed guidelines and use of toolkits.

Box 8: Examples of Country Led-Planning

Orangi Water and Sanitation Project, Pakistan. The project originated from a pilot project in 1980 to serve the needs of the Karachi urban poor. Local expertise, no foreign technical assistance, has helped stimulate beneficiary demands and strengthen community capacity to apply low cost water and sanitation technologies. A key factor in the success of the project has been to nurture latent community capacity, facilitated by local staff. Another feature has been the high attention accorded to extensive interaction between Government and beneficiary communities at the planning stage so that CD for service delivery at the grass roots level is fully consistent with local perspectives and capacity realities.

Rural Water Supply and Sanitation Unit, Zambia. The project originated from concerns over the capacity of the Ministry of Local Government and Housing to implement an agreed reform process. Initially the Ministry received TC to strengthen its own operations. Subsequently, it was recognized that a specific organizational location; a rural water supply and sanitation unit within the Ministry, was necessary to coordinate planning and management of water sector support programs. Further TC has helped develop common planning tools and unit personnel are now engaged as managers of water sector reform program components. The existence of a widely supported policy environment has been critical in sustaining organizational capacity improvement.

Sources: Country reports, summarized by consultant

Possible Benchmarking (Success Conditions) for Country-Led Plannig

In reviewing lessons learned from country case studies, the overall finding is that country-led planning can make TC more effective if a number of benchmarks are in place. These benchmarks for effective country-led planning consist of:

(i)   strong consensus on country demand and priorities;

(ii)   well defined source of country leadership with authority;

(iii)   clearly sequenced CD results and aligned TC;

(iv)   well-defined organizational and management mandates at multi-levels; and;

(v)   agreed partnership principles for TC planning, consistent with country planning cycles.

Another finding is that selective TC can enable putting these benchmarks in place.

4.2. FLEXIBLE AND RESPONSIVE TECHNICAL COOPERATION AND CAPACITY DEVELOPMENT DESIGNS

4.2.1. KEY FEATURES FROM COUNTRY CASE STUDIES

The main features of the Africa and Asia examples of good practice are summarized in *Tables 13a* and *13b* below.

Table 13a: Selected African Good Practices on Flexible and Responsive TC and CD Designs

Ghana: Distance Teacher Education Program: Strong demand to increase teacher supply and higher education access. Phased introduction and expansion of distance training modules across several universities, based on participatory assessment. TC focus has shifted towards organizational development, especially staff capacity to plan and deliver program. Enrolment expanded ten-fold in ten years with 54% female participants.

Kenya: Primary School Management: Impetus was joint recognition of Government and DPs of importance of head teachers for sector management improvement. TC facilitated joint training needs assessment and specified CD outcomes, led by MOE. Cascade model ensured district-led planning and use of TC and strengthened local ownership. Use of parents groups for monitoring CD outputs/outcomes. Impact study assisted MOE research capacity building.

Malawi: Christian Health Association of Malawi (CHAM) Exchange Program: Focused on strengthening CHAM management and service delivery capacity. Initial assessment identified CD and TC priorities. Started out as one way (north to south) but changed, including south-south, following review. CD is localized and skills transfer facilitated because of similarity of background and monitoring feeds into annual review of CD/TC needs.

Tanzania: Morogoro Health Project: Demand for transformational process to ensure capacity for health service decentralization. TC focused on strengthening district and regional health management capacity through an initial pilot initiative which helped define future CD/TC needs. TC initially provided catalytic role but changed on basis of implementation reviews. Flexibility in use of local institutions and experts was critical.

Zambia: Kafue District Rural Water Supply and Sanitation Program: Focus is to strengthen community level capacity to plan and supervise WSS initiatives. CD plan and TC needs based on flexible holistic approach in response to community demand and participation in planning. Extensive stakeholder consultation with civil society and community leaders proved critical in CD/TC design which can respond to specific local needs.

Sources: Country reports

Table 13b: Selected Asian Good Practices on Flexible and Responsive TC and CD Designs

Cambodia: Land Management Sector Reform: Findings based on Part 1 of Cambodia Case Study Report. Single donor made ten year TC commitment with flexible priority reviews after three years. High levels of discretion to land ministry and TC/TA team leader to dialogue on changing CD requirements and various TC instruments, including experts, local training and on-the-job mentoring.
Lao PDR: Individual Capacity Development in PIP Processes: Specific CD needs identified for individuals and organization based on initial needs assessment. Individuals access specific training opportunities and job rotation against agreed criteria. This allows flexible response as organizational/individual CD needs evolved and developed and TC program adjusted accordingly, using self assessment procedures.
Malaysia: North-South-South Cooperation on Avian Flu TC Support: Northern donor TA initially supported Malaysian organization capacity for Avian Flu awareness raising in ASEAN countries. Malaysian institutions have capacity and flexibility to respond to ASEAN country needs for diagnosis and timely outreach programs. High level political contact at the regional network level facilitate a responsive TC support.
Pakistan: Punjab PFM and Civil Service Reform Support: Sequenced and modular training program for civil servants using international civil service college link with short and long-term TA support. Training program evolved as training needs assessment rolled out. Although training effective, long term CD impact will depend on conducive public service appointments and transfer culture and sustained commitment to devolution.
Thailand: SSC for Agricultural SME in Timor Leste: Joint assessment of agriculture SME CD priorities informed initial TC support, incorporating lessons learned from Thailand agriculture experiences. TC focused on "one village one product" approach. Flexible use of TC for advocacy and mobilization, engagement of the private sector, dissemination of SME strategy with adjustment to TC priorities through regular reviews.
Vietnam: Supporting Vietnam Budgetary Reform: Objective to formulate new legal framework on strengthen human resources for more IT based budget planning, execution and accounting, through provision of training programs. TC support based on annual program review between MOF and donor which allows for very flexible adjustment to TC priorities as CD needs evolved.

Sources: Country reports

Unlike the good practice examples in the previous section, the majority of the case studies focus on use of TC within sector organizations with narrower mandates, frequently at provincial, district or facility levels. In some cases, the focus is on strengthening the capacity of individuals (e.g. Pakistan, Lao PDR) whilst in others the focus is on strengthening community organizations (e.g. the Christian Health Association of Malawi).

4.2.2. CONDITIONS FOR FLEXIBLE & RESPONSIVE DESIGN OF TC FOR CD

An important lesson learned is that flexible and responsive design is facilitated by a long-term perspective to CD and the existence of a long-term relationship with development partners in a sector. For example, for school management development in Kenya, the partnership has existed for more than 20 years.

There are several related lessons. <u>First</u>, use of country initiated organizational assessments and TC performance reviews can help highlight the need for changes in design. For example, a review of CD progress on health management in Malawi resulted in a shift towards south-south cooperation rather than international consultants. Nevertheless, several cases studies highlight that this kind of review would benefit from use of more systematic CD output monitoring and evaluation tools.

<u>Second</u>, sometimes, flexibility and responsiveness can be built in at the design stage. One example is the Kafue district water supply project in Zambia, where flexible use of funds was agreed at the start. In other cases, the need for flexibility evolved from experiences of pilot activities. For example, in the Morogoro health project in Tanzania, the focus of TC shifted from catalyzing service decentralization towards regional/district health management capacity development over time.

<u>Third</u>, setting specific milestones for reviewing whether phased CD targets are being met can stimulate flexibility and responsiveness of TC. Once again, the Kafue water project is an illustration. In other instances, target setting and monitoring can be more iterative. For example, in the Thailand SSC support for small agro-enterprises in Timor Leste, an advocacy and communication strategy helped inform a rolling TC initiative. A related lesson is that flexible designs work best when country managers and donor agency staff have the authority, capacity and willingness to respond quickly and adjust TC.

<u>Fourth</u>, an effective working relationship between country and development partners can contribute to more confident leadership and decision making on both sides. A good example is the long-term relationship in the public financial management reform program in Vietnam. Equally, as beneficiaries become more confident in assessing progress, flexibility and responsiveness ensue. A good example is the Kafue water project where civil society and community leader's criticisms helped drive changes in TC priorities.

<u>Fifth</u>, the sources of information on the need to adjust programs can vary, but still be effective in ensuring flexibility and responsiveness. For example, in the Lao PDR PIP program, training needs are flexibly determined on the views of individual training beneficiaries and senior managers within the various Ministry of Planning and Investment organizations. A similar approach applies for the Punjab civil service reform program in Pakistan where the training services from an international civil service college are adjusted on the basis of training needs assessments and beneficiaries' views.

The broad finding is that taking a long-term view, rather than focusing on short-term capacity development outputs is intrinsic for a flexible and responsive approach. Without a long-term engagement it is not always easy for development partners to be sufficiently sensitive to often subtle changes in organizational

capacity priorities. A key entry point is to establish specific milestones in the TC design when organizational performance and CD results will be reviewed (e.g. a five-year mid-term review) and decisions on a new direction for the TC support can be made.

Box 9: Examples of Flexible and Responsive Design

Thailand South-South Cooperation for Agriculture Small Enterprises in Timor Leste. The project was initiated by a visit from the Ministry of Agriculture and Fisheries to Thailand in 2007 to conduct a survey on the one village, one product (OVOP) practices. The mission observed specific OVOP practices in agriculture, alongside gaining an understanding of its history, management, marketing and technical support. On return to Dilli, the Minister chaired a seminar for over a hundred participants from the private sector, Government and community groups. The result was formulation of a flexible and responsive proposal for SSC support, recognizing the need for implementation to be responsive to local capacity and evolving needs in a post conflict environment.

The Kafue District Rural Water Supply and Sanitation Program, Zambia. A key feature is that all TC and complementary support is guided by the district development plan which is constantly reviewed in response to perceived changes in priorities. 17 area development committees have been setup as part of awareness raising and demand for water facilities and as a result, the number of grant applications has increased significantly in response to these demands. A key success condition is the long process of consultation between Government and development partners on a flexible design which included wide consultation with local leaders and incorporating their views in the design.

Sources: Country reports, summarized by consultant

Possible Benchmarking (Success Conditions) for Flexible & Responsive Design of TC for CD

In reviewing lessons learned from country case studies, the overall finding is that a flexible and responsive design can make TC more effective if a number of benchmarks are in place. These benchmarks consist of:

(i)   long and medium term time horizons for capacity development roadmaps, based on shared understanding of organizational development priorities;

(ii)   sector managers' commitment and capacity to monitor capacity development and TC activities and propose adjustments;

(iii)   development partner willingness to delegate TC decision making to sector managers; and;

(iv)   willingness to adjust TC modalities and activities on the basis of joint monitoring/evaluation exercises, especially on the part of the donor country offices.

4.3. EMBEDDING TC WITHIN AN ORGANIZATIONAL CHANGE MANAGEMENT PROCESS

4.3.1. KEY FEATURES FROM COUNTRY CASE STUDIES

The main features of the Africa and Asia examples of good practice are summarized in *Tables 14a* and *14b* below.

Table 14a: Selected African Good Practices on Embedding TC within a Change Management Process

Ghana: Whole School Development. Designed to strengthen district and school level CD to manage delivery of free compulsory basic education. TC focused on financial management and operational planning CD. Organizational changes continuing due to policy impetus and building up existing country systems, not parallel ones. Level of teacher supervision by head teachers and supervisors has increased as part of education quality improvement.

Kenya: Schools Improvement Project. Joint recognition of need to strengthen participatory school development planning capacity, especially primary schools in deprived areas. Schools set performance targets which informed activities. Use of local TA and partnerships/network development ensured both organizational and individual learning. Cluster model ensured dissemination of lessons learned and best practice.

Malawi: National Tuberculosis Programme (NTP). Pooled TC basket fund for CD of NTP staff in management and technical areas. CD and TC priorities adjusted as organizational priorities emerged. TC assisted financial management reform and increased research capacity. Highly qualified TA, focus on accountability and on clear roles and responsibilities, NTP Director involved throughout. Clear organizational structures, guidelines and well defined TORs key to success.

Tanzania: Arusha Municipal Council Health Sector Reform. Objective was to create an environment to enable the Council to initiate organizational change. Focus of health board and ward meetings was to improve health services; management and financial management developed. TC embraced all non-state health facilities, worked with community leadership and enabled management to be transferred to grassroots institutions.

Zambia: Devolution Trust Fund. Demand for sustainable water sector regulator, underpinned by legislation in late 90s. International TA provided on-the-job CD for regulator agency staff in formulating regulatory framework and sustainable agency financing mechanisms, with some infrastructure support. Agency has subsequently enabled setting up of 10 commercial water utilities. Sustained high level political support has been key.

Sources: Country reports

The types of organization addressed in the Africa studies is diverse, ranging from district and facility level organizations (e.g. whole school development in Kenya and Ghana), regional/district organizational interfacing (e.g. Arusha Municipal Health reform) and a regulatory agency (e.g. water sector devolution trust fund in Zambia). The sources of demand for organizational change also vary. In the case of the Kenya and Ghana case studies the primary impetus is policy reform and demand for improved system performance. In the national tuberculosis program in Malawi a senior manager helped provide impetus for change.

For Asia, the focus of the case studies is primarily on central sector organizations, including the Ministry of Land Management, Urban Planning and Construction in Cambodia, Ministry of Finance in Vietnam and Ministry of Transport, Post and Communications in Lao PDR. In Thailand, the focus is strengthening the role of the Thailand International Cooperation Agency. In Pakistan, the focus is on strengthening working relations between district authorities and NGOs. In these case studies, much of the impetus for change is *derived* from within the organizations, alongside high level political support.

Table 14b: Selected Asian Good Practices on Embedding TC within a Change Management Process

Cambodia: Legal and Judicial Reform. Based on Part 1 of Cambodia Case Study Report. Government identified priority organizational change needs in legal and judicial reform action plan, long-term capacity building and aid effectiveness advisor embedded in PMU to strengthen PMU capacity to coordinate fragmented donor support. Despite organizational learning, TC sequencing and coordination difficult.

Lao PDR: CD for Ministry of Transport, Post and Communication (MTPC). TC focused on helping to strengthened MTPC training institute and use of CD framework. Strong Minister leadership and ministry committed to shifting away from projects and use of its own organizations. Increased use of in-country training for HRD, focused on key functions (e.g., procurement, impact assessment) at central, provincial and district levels.

Malaysia: SSC for CD for Sudanese Officials. Demand for improved public policy and management capacity amongst very senior government officials. TC provided annual short-term training on CD assessment, planning and implementation. High level interest and support important in sustaining commitment. Selection of participant's critical if impact likely on return. Conflict constitutes potential risk on sustained CD outcomes.

Pakistan: Primary Health Care Initiative in Punjab. Use of contracted NGOs to provide TC support at district level through a performance contract, funded by district level health budget. Effective management due to high level political support. Evidence of improved cost effectiveness of service delivery and better management capacity of service providers, alongside improved health staff motivation and attitudes.

Thailand: Revised Role for Thailand International Cooperation Agency (TICA) in Tri-lateral Cooperation. Agency set up to initially focus on south-south cooperation, now recognizing revised role with other traditional and emerging donors through trilateral cooperation. Organizational change focuses on clarifying additional roles and responsibilities, need to address changes in financial regulations; and ensure harmonized approach with bilateral ODA arrangements

Vietnam: The Vietnam France Finance Project. Focus on training of trainer program to upgrade skills and knowledge of MOF staff in a number of financial areas. Training programs evolved as organization and staff learned from early phases of training on what future training needs would be. Lesson learned was that training effectiveness was optimized by sensitive understanding by TA of MOF organizational and staff needs.

Sources: Country reports

4.3.2. CONDITIONS FOR MAKING TC PART OF ORGANIZATIONAL CHANGE

The most important lesson learned is that TC needs to be part of a demand-led organizational change process if it is to be effective. The sources of demand can vary. For example, in the Vietnam PFM program, there was recognition within the sector organization that systems and processes had to be strengthened. In Zambia, the impetus was strengthening regulatory agency capacity to implement key water sector legislative reforms. In the cases of the primary health care programs in Malawi and Pakistan the impetus stemmed from the need for sector organizations to respond to public dissatisfaction with services.

Another lesson learned is that countries and development partners can work together to help stimulate organizational change, through supporting client satisfaction surveys and organizational performance assessments. The Arusha health project and Kenya school management project are examples of this approach. TC can be effective in helping to catalyze such change, including strengthening country capability to undertake organizational visioning processes and identify and support potential leaders and managers.

In the good practices identified, a common feature appears to be a combination of both political will and sector organizational leadership (e.g. Lao PDR, Zambia, Pakistan). Quiet, unobtrusive but highly effective and trusted individual experts can play a significant role in building up senior managers' confidence to sustain the changes, especially if these managers remain in place for a number of years (e.g. NTP, Malawi). Institutional twinning and peer to peer learning (e.g. between water utilities in Zambia) are other ways of maintaining change momentum.

An overall lesson learned is that building "quick wins" into a longer-term change process can help sustainability and mobilize additional support within or outside the organization. Focusing on multi-level wins appears to be important. For example, political championing of the water tariffs reform in Zambia has helped sustain organizational change. In the case of the national tuberculosis program in Malawi, published research opportunities has sustained individual staff commitment. Positive feedback from beneficiaries also appears to sustain change, as in the health sector projects identified in Tanzania and Pakistan.

Box 10: Examples of Embedding Technical Cooperation Within Organizational Change

Ministry of Communication, Transport, Post and Construction, Lao PDR. An influential champion can initiate and sustain organizational change. Previously, much of the TC was located in discrete project units. Over the past ten years, the Minister has personally led a more holistic approach to CD at central, provincial and district level. The Minister has been responsible for the creation of the Road Maintenance Funds and the decision to abolish Project Implementation Units in order to channel all aid projects through a central line department. TC is embedded in this process, which includes decentralization, outsourcing and promoting local responsibility for community roads.

Whole School Development, Ghana. The impetus for the program was implementing free compulsory basic education and enabling local education decision making by districts, schools and communities. TC programs were embedded in this process, incorporating strengthening the capacity of the central Ghana Education Service and improved service delivery capacity and management at district and school levels. This allowed for strengthening the capacity of existing systems rather than creating new ones to bypass previously inefficient arrangements. A positive feature is that community participation in schooling has been enhanced and district education personnel have become more engaged in community stakeholder consultations.

Sources: Country reports, summarized by consultant

Possible Benchmarking (Success Conditions) for Making TC Part of Organizational Change

In reviewing lessons learned from country case studies, the overall finding is that embedding TC within an organizational change management process can make it more effective if a number of benchmarks are in place. These benchmarks consist of:

(i)   well defined source of demand for organizational change, stemming from clients' service dissatisfaction;

(ii)   willingness and capacity at political and managerial levels to lead and manage change;

(iii)   shared willingness by country organizations and donors to advocate change;

(iv)   creation of quick wins to build confidence in change, including TC and complementary support; and;

(v)   provision of low key and "behind the scenes" technical assistance to help catalyze and support the process.

4.4. COUNTRY-LED MANAGEMENT OF TECHNICAL COOPERATION

4.4.1. KEY FEATURES FROM COUNTRY CASE STUDIES

The main features of the Africa and Asia examples of good practice are *summarized* in *Tables 15a* and *15b* below.

Table 15a: Selected African Good Practices on Country-Led Management of Technical Cooperation

Ghana: TC Support to the VAT Service. Based on joint needs assessment with regulatory framework for Ghana VAT Service agencies as priority. TC developed country management capacity for policy and regulation, alongside IT and staff training provision. Strong political commitment, extensive preparatory process and alignment with other initiatives. VAT has risen from 3.8% to 6.0% of GDP over past few years.

Kenya: Strengthening Primary Education Project. Joint needs assessment ensured country-led TC planning and management. TC support for improved textbook supply system and teacher advisory centers. Movement from discrete projects into SWAp with pooled fund promoted country led TC decision making and management. Diverse stakeholder involvement ensures more effective TC management and accountability.

Malawi: Support to College of Medicine. Demand to increase college capacity to produce more and better quality doctors. TC inputs and CD outputs controlled by joint Government/donor steering committee against agreed MoH goals. TC focuses on new curriculum and local medical staff trainer upgrading. 300% improvement in College intake, higher among females, and new programs introduced, in line with sector targets.

Tanzania: Tanzania Essential Health Interventions Project. Objective to introduce evidence-based approach to health planning through international TA which was procured directly by government on competitive basis. Ministry provided leadership at all stages with clear roles for local government and for local communities. Local government now able to plan and work as a team. Evidence of greater health seeking behavior in communities.

Zambia: Water Resources Action Programme/Partnership for African Water Development Project. Demand for a strong enabling environment for water sector reform. Country led identification of TC and TA needs, focused on enacting water legislation, building up advocacy and information capacity at national, district and community levels. Regular joint progress reviews and transparent governance and decision making maintained confidence in country leadership.

Sources: Country reports

The Africa case studies are focused on a range of levels. In the case of Ghana, the focus is on central level finance agencies. In the case of Kenya, the focus is on managing TC for district and sub-district supervisory capacity. For *Malawi*, the analysis focuses on TC for a specific medical college for training doctors. For Tanzania, the focus is enabling district health service management. In Zambia, the case study on the water resources action program analyses multi-level TC initiatives at national, district and community levels.

For Asia, many of the case studies focus on central level organizations, including the Ministry of Economy and Finance in Cambodia, the Ministry of Planning and Investment in Lao PDR and the Ministry of Finance in Vietnam. In the case of Malaysia, the focus is on south-south cooperation with the Ministry of Trade and Investment in Namibia. For Thailand, the focus is on managing its own overseas scholarships program for senior government officials.

Table 15b: Selected Asian Good Practices on Country-Led Management of Technical Cooperation

Cambodia: TC Basket Funding for PFM Reform Program. Joint capacity assessment and sequenced TC priorities. Several donors supporting World Bank trust fund, with some parallel financing. MEF team identifies rolling TC needs and organizes TC procurement; merit pay provided to help retain key staff. Single PFM work program and monitoring framework and joint TWG.

Lao PDR: PIP Training of Trainer Program, Ministry of Planning and Investment. TC focused on initial CD needs assessment and preparation of training modules to facilitate country leadership of training. Expanding number of local trainers in monitoring provincial PIP functions, using locally prepared operational manuals. Strong positive relationship between central and provincial MPI with extensive beneficiary feedback into training needs.

Malaysia: SSC for Vendor/SME program in Namibia. High level demand for self employment strategy. TC provision of short-term experts to Ministry of Trade and Industry (MTI) on SME planning and management. Strong leadership by MTI, including networking with local banks, and strong direction of TC expert in Namibia. Expert sensitive to local context and worked flexibly on associated initiative.

Pakistan: Education Sector Reform Program, Punjab. Introduction of financial incentives for change at district level, led by innovative managers with no TA support. Capacity change driven through incentives and feedback on impact, alongside regulation of private providers. Sustained CD outcomes and impact will depend on increased engagement of local education authorities and conducive policy/political environment.

Thailand: Overseas Scholarship Program Selection and Management. HRD plan based on rolling national development plan priorities and sector organization assessment. Design of selection of criteria by central agency for screening and selection of fellowship applicants, funded by Government and donors, including use of regulations for ensuring trained staff return and retention. High level national committee provided oversight responsibility.

Vietnam: PFM Multi-Donor Trust Fund. Extensive ownership and leadership by MOF of CD/TC needs assessment which comprehensively reflected needs of PFM modernization. Multi-donor support coordinated through MOF identification of rolling program of TC priorities facilitated by a trust fund management unit. MOF departments designed TC program with limited or no assistance from international TA.

Sources: Country reports

4.4.2. CONDITIONS FOR COUNTRY-LED MANAGEMENT OF TC FOR CD

One common characteristic amongst the good practice examples is some form of joint sector or organizational capacity assessment, which agrees with TC priorities and puts sector managers in the driving seat. In many cases, new regulatory arrangements help to affirm country-led management from the outset and helps raise development partners confidence. A good example is the Ghana VAT service project, where TC built up country capacity within central agencies to implement new VAT collection legislation and regulations, following a joint assessment.

There are several related lessons. First, country-led management can be facilitated if preceded by clear guidelines on how TC will be managed at different levels, especially in a well regulated decentralization context. A good example is the Tanzania essential health interventions project where international TC were managed and procured through country systems. A related lesson learned is that this kind of country led management is facilitated by clear guidelines for country managers' operational responsibilities for TC at central and local levels.

Second, some form of harmonized TC funding is seen as a signal of donor confidence in country-led TC management. For example, in the Cambodia PFM program, through a multi-donor trust fund, the Ministry of Economy and Finance team is explicitly required to identify and plan a rolling program of TC and organize procurement. A common feature of the good practice examples is Government and its development partners allowing individual organization managers to have the space for decision making over TC priorities, drafting or reviewing TORs and overall resource decisions.

However, even in the good practice examples there was a strong recognition of the need to strengthen country sector capacity to manage and monitor TC performance. This applies increasingly at local levels of sector organizations as demand for capacity improvement grows at district and community levels. A potential entry point for addressing this issue is agreement on operational guidelines between Government and donors for country-led TC management, including setting measurable performance indicators and reporting processes.

Box 11: Examples of Country-Led Management of Technical Cooperation

Multi-Donor Trust Fund Project, Vietnam. The design of the project responds to jointly agreed priorities between Government and development partners for the financial sector modernization process within the Ministry of Finance. This experience of this initiative has also further enabled Government capacity to manage and coordinate external resources for the implementation of the broader PFM reform program. Instead of using technical assistance, line departments designed the action plan and activities for their individual areas of PFM reform. The technical Fund Management Unit has a facilitating role where necessary. Thus, Fund operations more effectively meet line departments' needs as well as responding to their implementing capacity.

Primary School Management, Kenya. The impetus of the project was to enhance the leadership and management capacity of nearly 17,000 school principals, in order to ensure accountable use of funds. The central education Ministry and development partners were jointly committed to these reforms, setting up a broad based steering committee which engaged with planners, managers and implementers. In this way, TC (both local and international consultants) was constantly guided by country priorities. Subsequently, other networks (e.g. a head teachers support group, zonal parents associations) continued to feed back their sense of CD priorities and TC needs.

Sources: Country reports, summarized by consultant

Possible Benchmarking (Success Conditions) for Country-Led Management of TC for CD

In reviewing lessons learned from country case studies, the overall finding is that country-led management can make TC more effective if a number of benchmarks are in place. These benchmarks consist of:

(i)   broad consensus on TC priorities, through country-led capacity assessments and TC needs identification;

(ii)   well defined authority and delegation to sector managers for TC decision making at multi-levels;

(iii)   confidence and capacity for TC performance management and monitoring, sometimes with low key TA support; and;

(iv)   jointly agreed roles and responsibilities for selective donor role in technical and financial management processes.

4.5. COMPLEMENTARITY OF TECHNICAL COOPERATION AND OTHER SUPPORT

4.5.1. KEY FEATURES FROM COUNTRY CASE STUDIES

The main features of the Africa and Asia examples of good practice are summarized in *Tables 16a* and *16b* below.

Table 16a: Selected African Good Practices on Complementarity of TC and Other Support

Ghana: National Institutional Renewal Programme. Impetus and legitimacy from broader public sector reform supported by strong governing body. TC support was a mix of TA for organizational review and establishment of new physical infrastructure and distance learning modules and staff training. Iterative planning process continues, against regular reviews of customer demand and needs.

Kenya: Education Sector Support Programme. Pooled fund incorporates both TC and other support, with medium term and annual priorities determined through regular joint reviews. A range of short-term CD outputs helps define short-term TA needs and complementary TC supported activities, especially teacher training, textbooks, infrastructure and broader central and local organizational and management CD needs.

Malawi: National School Mapping and Micro-Planning Project. Demand for ensuring effective implementation of free primary education policy through better planning and decentralization of school infrastructure programs. TC supported a core team of micro-planners who trained key education officers and school managers resulting in district education plans, linked to regular consultation between central, district and community levels.

Tanzania: Participatory Agriculture Development and Empowerment Project. Objective to strengthen rural communities' capacity to plan and implement demand driven initiatives for increased farm incomes. TC covers training, equipment, advisory services through approved micro-projects run at the village level. Funds can be used flexibly through an integrated and participatory approach linked to CD at the grass roots level.

Zambia: Integrated Water Resources Management Centre. University center set up to provide capacity to adopt multi-disciplinary approach to water sector planning. TC funds for training, course development and research access through central finance ministry, against CD action plans. Initial participatory CD assessment, advocacy and early success critical. University championing of water reform, within national development planning process, has been a key success factor.

Sources: Country reports

The approach to complementary support appears to vary in the Africa case studies. In the case of the national institutional renewal program, focused on the Institute of Public Administration, complementary support was built in at the design stage. The same applies for the education sector support program in Kenya, although complementary support is regularly reassessed. In the case of the school mapping and micro-planning project in Malawi, this project itself is designed to assess complementary support focusing on school infrastructure needs. The participatory agriculture and empowerment project in Tanzania is particularly demand driven where rural communities' capacity to plan micro-projects is the key objective. In Zambia, the university based integrated water resource management centre helps

develop capacity to formulate multi-disciplinary approaches to the water sector, including necessary infrastructure requirements.

For the Asia case studies it appears that, for the Cambodia complementary health sector project and the girls education project in Lao PDR, much of the complementary support was identified at the design stage. In the case of the Malaysia SSC support, a key principle is complementary support from the recipient country. A similar approach is adopted for the Thailand SSC in Lao PDR. For the Pakistan women's political school initiative, identifying complementary support (e.g. local resource centers) is more iterative. For the Vietnam PFM project, the principle is that complementary support will be provided from Government sources.

Table 16b: Selected Asian Good Practices on Complementarity of TC and Other Support

Cambodia: Complementary Health Sector Projects. Several donors supporting TA and other TC activities, including infrastructure, training and organizational development in line with health sector plan. Focus initially on supporting health implementation activities, with growing shift towards long-term organizational development. TC support and more national TA, staff retention and exit strategy are major challenge

Lao PDR: Basic Education for Girls Project. Joint assessment of education management CD needs at district/school levels, including identification of complementary infrastructure and teacher training needs. Annual work planning process and joint donor MoU ensured complementarity of TC and other support activities. Open dialogue and negotiation process ensured that multi-donor activities achieve synergy in CD outputs.

Malaysia: SSC for ASEAN Smart School Project. Regional initiative to bridge IT digital divide between better and less developed ASEAN countries. TC for training of secondary school teachers in four ASEAN countries linked to provision of IT laboratory and equipment. Cost sharing through local provision of classroom facility. Use of private sector in TC provision.

Pakistan: Women's Political School Initiative. Short-term TA from several donors for training newly elected female members of local assemblies. Rapid start-up due to inventory of a pool of trainers from previous initiatives, use of local government academies as training providers and strong initial advocacy program. Follow-up complementary support/refresher training through local documentation and resource centers.

Thailand: South-South Cooperation for SME Development in Laos PDR. SME development identified as priority in Lao PDR national development plan. TC provision for training fellowships and equipment for SMEs, alongside provision of short-term experts. Lesson learned that impact of experts is optimized when linked to technology transfer, management support and other forms of institutional development (e.g., regulatory reform).

Vietnam: PFM Multi-Donor Trust Fund. Based on principle that TC support will complement government's own funding for CD within the PFM areas, focusing on providing incentives and rewards for organizational development and retention of experienced and qualified MOF staff. TC covers short-term international TA, study visits and scholarships difficult to fund from government budget sources.

Sources: Country reports

4.5.2. CONDITONS FOR ASSURING COMPLEMENTARITY OF TC & OTHER MEANS

TC is considered more effective if linked to complementary support, through providing the necessary infrastructure, equipment and other resources needed to improve organizational performance and service delivery.

<u>First</u>, these complementary activities and support are more likely to be put in place when TC is part of a broader sector wide approach or program-based approach. This likelihood is further enhanced where there is some agreement between Government and development partners on who will finance specific aspects of TC and other forms of complementary support. For example, in the girls' education project in Lao PDR, one donor focused on school infrastructure and equipment support, another on TC.

<u>Second</u>, comprehensive mapping of organizational needs, not just for TC but incorporating other forms of support helps ensure appropriate complementary support. Frequently, this kind of assessment has been a precursor to formulation of a SWAp or sector PBA. For example, the girls' education project in Lao PDR incorporated infrastructure and equipment requirements at the design stage as part of a broader sector support program. The same applies to the Kenya education sector support program.

<u>Third</u>, in many of the good practice examples there is a process for regularly reviewing complementary support. For example, the specific role of the TC for school mapping capacity improvement in Malawi is to identify specific school infrastructure needs as part of the overall program design. The same applies in the Zambia case study where the university water management centre capacity has been built up to identify multi-disciplinary and multi-dimensional support needs in the water sector.

<u>Fourth</u>, complementary support is more likely to be identified when the TC planning process is demand-driven. For example, in the Malaysia and Thailand SSC case studies, recipient countries identify complementary support (e.g. ICT equipment for the smart schools project) and in some cases fund complementary support themselves. A similar approach applies for the Tanzania agriculture case study where the primary objective is to strengthen community capacity to design their own micro-projects, which include technical support and small scale complementary activities.

Box 12: Examples of Complementarity of Other Support with Technical Cooperation

Malaysia South-South Cooperation for ASEAN Smart School Project. As an aid beneficiary, a large proportion of TC received by Malaysia had been part of a larger program which included infrastructure and equipment. Drawing on this experience, Malaysia SSC adopts a similar approach for its Smart School Project with is designed to promote ICT application in schools in ASEAN countries. The project initially provides computer laboratories in schools, equipped with PCs, other computer peripherals and courseware. At a later stage of implementation, teachers were sent to Malaysia and trained in ICT and appropriate pedagogical skills and how to effectively use ICT in teaching methods and lesson planning.

Participatory Agriculture Development and Empowerment Project, Tanzania. The objective of this project is to strengthen the capacity of rural communities and local Government authorities to plan and implement more demand side agricultural development initiatives. TC was provided to help design initial capacity improvements, resulting in 254 villages involved in participatory planning. The project provides a diverse range of support, including equipment, small scale infrastructure, training, support for public private partnerships and technology linkages. Communities now manage the related financial management and procurement processes.

Sources: Country reports, summarized by consultant

Possible Benchmarking (Success Conditions) for Assuring Complementarity of TC and Other Means

In reviewing lessons learned from country case studies, the overall finding is that complementary support can make TC more effective if a number of benchmarks are in place. These benchmarks consist of:

(i)   mapping of organizational and management needs, identifying TC and other complementary support;

(ii)   existence of sector capacity development roadmap and targets which define complementarity of TC and other support; and;

(iii)   country operational guidelines which recognize the comparative advantage of different TC modalities and development partners.

4.6. EMBEDDING TECHNICAL COOPERATION IN AN ORGANIZATIONAL LEARNING PROCESS

4.6.1. KEY FEATURES FROM COUNTRY CASE STUDIES

The main features of the Africa and Asia *examples* of good practice are summarized in *Tables 17a* and *17b* below.

Table 17a: Selected African Good Practices on Embedding TC in an Organizational Learning Process

Ghana: CD for Parliamentary Public Accounts and Finance Committees. Impetus is to strengthen Parliamentary capacity for budget review in line with NPRS priorities. Focuses on organizational level to make committees more effective and increase government accountability. TC mainly for workshops through twinning arrangements with overseas parliamentary bodies. PAC now holds public hearings on budget as its role evolves.

Kenya: Strengthening of Math and Science in Secondary Education. Initial learning from short term in-service training programs fed into revised organizational priorities and CD needs in pre-service teacher training and other training organizations. Mix of TA/TC includes exchange visits, study tours, twinning arrangements and staff exchanges with other African education institutes, contributing to national and regional organizational learning.

Malawi: Civil Society Budget Initiative. CD for budget analysis in CSOs, specifically the Civil Society Coalition for Quality Basic Education. TC brings together CSOs from across the region with high impact of learning from one another. Workshop participants undertook budget monitoring surveys, reviewed expenditure, engaged with MPs and donor community on use of funds for education.

Tanzania: Kilimanjaro Agricultural Training Center. Joint capacity assessment identified need to improve agricultural extension capacity to inform farmers on new technologies. Long-term TC support over 15 years to strengthen Center's training capacity. Extension service findings feed back into training programs. Rice yields have increased threefold over the period, with farmers making greater use of low-cost yield enhancing technologies.

Zambia: George Community Empowerment Programme. Objective to ensure water utilities, city authorities, civil society and community users can learn from each other. Initial participatory assessment enabled organizational learning. International and local TA provided to ensure sustained community awareness of operations and maintenance of new water supply system. Substantial evidence of improved hygiene and living conditions in Lusaka.

Sources: Country reports

For the Africa case studies, the focus of the organizational learning and users of information generated varies. In the case of the Ghana Parliamentary public accounts committee project, the focus is on Parliamentary bodies. For the Kenya science and maths education project, the primary focus is on teacher training organizations. For the Malawi civil society budget initiative, the intention is to inform the Ministry the Education and other stakeholders financial planning and management processes. In Zambia, the George Community empowerment project focuses on organizational learning within city authorities, water utilities and civil society.

For Asia, the focus of organizational learning and users also varies. For example, in the NGO contracting out in the health sector in Cambodia, the focus is on the Ministry of Health organizations at central and district levels. In the case of Lao PDR, the focus is on strengthening the capacity of a central organization to facilitate community learning about new land titling legislation. For Malaysia the focus is on individual learning, in Thailand on global information exchange. In the case of the Pakistan strategy and policy unit project, the focus is on strengthening central organization capacity to use information for public service policy development. In Vietnam, the focus is on using up-to-date policy analysis information to strengthen the capacity of the Ministry of Finance policy analysis unit.

Table 17b: Selected Asian Good Practices on Embedding TC in an Organizational Learning Process

Cambodia: NGO Contracting-Out in Heath Sector. Decision to phase in selective NGO contracting based on previous district level service delivery reviews. Uses TC to put systems in place for piloting use of NGOs, e.g. performance monitoring. Lessons fed into linkages between policy and field operations and MoH learned about when to and when not to contract out to NGOs, feeding into sector strategy review.

Lao PDR: In-Country Course for Survey and Land Administration. Demand to raise to community awareness of new land titling policy. TC focused on training staff in new land policy and legal framework, and overcoming limited local training capacity. Local polytechnic committed to meeting need, TC helped prepare and accredit program for local personnel, who were released for training. Growing demand for training places as diploma was accredited and led to jobs.

Malaysia: SSC for Integrated Agriculture Development in Malaysia. Demand for increased farmer productivity and incomes. Malaysian agriculture experts provided overseas training and in-country mentoring on new practices. Continuity of experts, both as trainers and in-country support, ensured understanding of local context. Organizational learning through establishment of local research institutes and farming cooperatives resulted in significant increase in agriculture productivity.

Pakistan: Strategy and Policy Unit, Faisalabad. Long-term TA focuses on catalyzing organizational learning and CD planning stimulated through initial sector performance baseline assessment, with focus on strengthening information management systems. Performance review and incentives for senior staff reinforces organizational learning and stimulates change, supported by feedback from regular citizens' opinion surveys on service delivery.

Thailand: Global Regional SSC Information Networks. South-south TC design based on extensive organizational learning and networking amongst regional partners focusing on key cross trade and social issues (e.g., human trafficking). Thailand is active participant in global and regional SSC information networks (e.g., UN High Level Committee on SSC) which helps inform innovative approaches that might be adopted by emerging donors.

Vietnam: Strengthening Policy Analysis for HRD. Characterized by complete MOF leadership of the design and implementation of CD/TC activities within jointly approved CD/TC framework. Focus on building up critical mass of government financial policy analysts, through training programs and on-the-job mentoring which feeds into MOF organizational learning processes.

Sources: Country reports

4.6.2. CONDITIONS FOR EMBEDDING TC IN AN ORGANIZATIONAL LEARNING PROCESS

The first and most important lesson learned is that there must be a demand within the specific organization, network or group of individuals to want to learn and use new information. For example, in the Parliamentary Public Accounts Committee project in Ghana, the impetus was to be better able to conduct annual budget reviews and increase Government accountability. In the *Zambia* George community empowerment program, organizations and groups at all levels wanted to learn how to improve water/sanitation services.

A second lesson learned is that TC can be effective at stimulating the use of information in support of organizational learning in different ways. For example, in Cambodia, use of NGO health service contractors helped feed back information and lessons learned to central Ministry policy makers and planners. In the case of the civil society budget initiative in Malawi, TC was used to strengthen the capacity of a civil society organization to analyze and disseminate education budget information, for use by various stakeholders. In other cases, TC can be embedded in sector organizations (e.g. the Faisalabad project in Pakistan).

Third, embedded TC can help stimulate demand for organizational learning, but that this requires creating a climate of trust. TC can play a key role in identifying information needs, helping to set up systems and enable information exchange between internal and external users. A good example of this approach is the Kilimanjaro agricultural training centre project where over a long period TC has supported building up extension worker capacity to help farmers with adopting new technologies. Once a climate of trust is put in place, TC support could also induce sector organizations' willingness for independent monitoring (e.g. CSO education initiative, Malawi).

Fourth, TC can be particularly effective if it is part of a multi-level approach to organizational learning. One good example is the land titling project in Lao PDR where the capacity of a local training institution was built up in order to better inform local communities of new land legislation, with TC used to upgrade organizational capacity. The growing global SSC networks (e.g. Thailand) are another example of how shared learning can aid systematic organizational responses.

Fifth, TC can be particularly effective if organizational learning is linked with a broader information, communication and advocacy strategy. The civil society budget initiative in Malawi and the land titling project in Lao PDR are good examples of this approach. More broadly, the good practice examples also illustrate that well-targeted TC support to sector organizations and other groups (e.g. research institutes, NGOs, beneficiary groups) can help to stimulate organizational

learning and mutual and multi-level accountability (both horizontally and vertically) for service coverage and quality.

Box 13: Examples of Embedding Technical Cooperation Within an Organizational Learning Process

Piloting Innovations in the Health Sector, Cambodia. The Ministry of Health and various partners have been working together to improve service delivery at the operational district level. One initiative has been to compare the cost effectiveness of alternative approaches, including Ministry partnerships with third party contractors and mechanisms that link organizational performance to various rewards and incentives. In addition, alternative approaches to strengthening health management are being tested. Regular reviews of these innovations, alongside consultation with development partners feeds into forward policy, strategy and program development. TC is embedded in this organizational learning process at various levels.

Support to the Civil Society Coalition for Quality Basic Education, Malawi. This coalition consists of 46 civil society organizations committed to quality education. TC has been provided to the coalition for a number of years focusing on building its capacity to conduct education budget analysis. Organizational learning processes include training and exchange workshops aimed at strengthening the coalition's district level networks to conduct budget monitoring. The coalition is also actively engaged with members of the Parliamentary Education Committee and development partners over education budget policies and priorities. The TC program is designed in such a way that coalition members can help shape CD strategies and regularly learn from each other.

Sources: Country reports, summarized by consultant

Possible Benchmarking (Success Conditions) for Embedding TC in an Organizational Learning Process

In reviewing lessons learned from country case studies, the overall finding is being embedded in an organizational learning process can make TC more effective, especially if a number of benchmarks are in place. These benchmarks consist of:

(i)   a demand within the sector organization, and outside it, for use of management information and lessons learned;

(ii)   adoption of a multi-level organizational learning process and internal/external communication strategy; and;

(iii)   a willingness to allow independent monitoring surveys of organizational performance to inform learning by countries and donor agencies.

5. CONCLUSIONS, ISSUES AND PROPOSED AGENDA FOR ACTION

This section summarizes the main conclusions, issues and recommendations for action at various levels.

S*ection 5.1* focuses on the national level environment and the issues and recommendations are particularly directed at national policy makers, central agency planners and country working groups for broader technical cooperation (TC) and capacity development (CD).

Section 5.2 focuses on the sector level environment and issues to be addressed and specific recommendations are directed at policy makers, planners and managers within sector organizations at various levels, including central and local level managing and implementing agencies, and country sector working groups.

Section 5.3 focuses on more specific operational issues, specific to TC for CD, based on good practice examples and the issues identified and recommendations are directed at those responsible for the identification, design, appraisal and management of TC programs, within both country sector organizations and development partner staff within country offices.

Punjab Rural Support Program Workshop, Pakistan

The overarching purpose of this section is to suggest approaches to country-led actions for improving TC and related CD outputs, outcomes and impact. In some countries, many of the enabling factors are in place, in others less so, where significant impeding factors need to be addressed. It is therefore anticipated that country level, national and sector agencies and working groups will select the most appropriate recommendations based on their own assessment of priorities.

5.1. OPTIMIZING NATIONAL LEVEL ENVIRONMENT

The national level environment for planning and implementing effective TC programs is becoming more enabling. Country ownership and leadership of the TC and CD policy agenda is strengthening, though somewhat uneven in the study countries. Another conclusion is that interest in TC and CD issues is moving up the policy agenda in all the study countries.

Nevertheless, a broad conclusion is that more needs to be done to nurture and promote country ownership. Where appropriate, this needs to include nurturing

latent country capacity and recognizing the potential of south-south and north-south-south cooperation.

A number of issues are identified to further strengthen the national environment. <u>First</u>, a priority issue is putting in place well articulated policy frameworks and operational guidelines in many of the study countries, with clear organizational mandates for implementing them.

<u>Second</u>, a related issue is strengthening country capacity to formulate national level CD and TC strategies, based on a clear linkage to development policies and results.

<u>Third</u>, another issue identified is the need to strengthen country knowledge and information systems on TC and CD, drawing on the growing body of knowledge of international and country level good practice.

<u>Fourth</u>, related to the third point above, steps are needed to raise the awareness of senior Government officials and political and professional groupings (e.g. parliamentary select committees, private sector associations, civil society organizations) over the importance of raising country capacity and systems and TC in implementing broader development plans, public service and public financial management reforms.

Key recommendations for action are:

- Initiate greater coordinated and cooperative efforts between countries and development partners to formulate and promote a regional and cross-regional TC policy agenda;

- Design and implement cross-regional, regional and national CD/ TC knowledge management, awareness raising and advocacy action plans, drawing on growing country/development partner experiences and good practice;

- Strengthen country capacity to conduct CD assessments, formulate country level CD strategies, roadmaps and targets and TC policies, priorities and related operational guidelines;

- Strengthen country capacity to design and implement TC classification systems though government information systems with linkage to national reform priorities;

- Introduce greater devolution of authority to and strengthening of development partner country capacity to engage in CD/TC strategy and programming.

5.2.   OPTIMIZING SECTOR/THEMATIC ENVIRONMENT

The sector level environment for ensuring effective TC and CD is becoming more enabling. In all the sectors and thematic areas studied, sector policies and strategies are in place, in many cases linked to increasingly operational and country-led sector wide or program based approaches. In the majority of countries, joint sector working groups are operational. A related conclusion, both in country reports and good practice cases studies, is that strong political and managerial commitment and support, both within and outside the sector organization, is a key enabling factor for effective TC.

The priority issue identified is that <u>first</u>, in many sectors/thematic areas, CD and TC strategies and priorities need to be better articulated within these sector strategies. A related issue is to strengthen country capacity to formulate sector capacity improvement strategies and operational approaches, including identifying criteria for selecting the best form of TC for achieving particular CD outputs and outcomes.

<u>Second</u>, another issue identified is the need to put in place principles and mechanisms that ensure that the various forms of TC and complementary activities, including capital aid projects and budget support, fully contribute to sector capacity improvements. A related issue is that, while the pooled funding of TC has potential benefits, maintaining the variety of TC is important and tendency to uniformity should be avoided. Within these principles, criteria for defining divisions of labor and comparative advantage between development partners are important.

Key recommendations for action are:

- Develop methodologies and tools for joint sector capacity assessments, incorporating staff development programs for country and donor staff in their use;

- Develop principles and guidelines for the formulation of partnership principles for TC and CD, within a SWAp/PBA, incorporating transparent assessment of country development partner and TC modalities comparative advantages; and

- Develop country level guidelines for joint government/development partner surveys of client satisfaction with services and organizational change advocacy strategies and mechanisms, incorporating well-defined country and development partner roles and responsibilities.

5.3.   OPTIMIZING TECHNICAL COOPERATION DESIGN AND OPERATIONS

The body of evidence from the good practice examples indicates that TC is more likely to be effective when the following six features are in place: (i) country-led planning, (ii) flexible and responsive design, (iii) embedding within an organizational change process, (iv) country-led management, (v) complementarity with other forms of support and (vi) embedding within an organizational learning process. The lessons learned from the good practice provide a firm foundation for adopting measures to secure these enabling features in designing and operating TC.

A first issue identified is that country capacity to lead and manage TC design and operational implementation, though growing, requires further strengthening. Also required isd better dissemination and understanding of lessons learned from good practice within central sector agencies, local level sector organizations and amongst facilities level managers.

Training of School Development Facilitators, Ghana

A second issue identified is the need for more systematic approaches and use of methodologies, adapted for country contexts, to the design, management and monitoring of TC and CD outputs/outcomes. This needs to be linked to awareness raising and strengthening planners and managers' capacity in the use of these methodologies. These are detailed against the six key enabling features below.

Country-led Planning of Technical Cooperation.

TC is more likely to be effective if the process is country-led. And the likelihood of country leadership is enhanced if a number of conditions (benchmarks) are in place, consisting of: (i) strong consensus on country demand and priorities; (ii) well defined source of country leadership with authority; (iii) clearly sequenced CD results and aligned TC; (iv) well-defined organizational and management mandates at multi-levels; and (v) agreed partnership principles for TC planning, consistent with country planning cycles.

There is a need, <u>first</u>, to formulate well defined CD operational roadmaps in order to help phasing of TC and facilitate monitoring. <u>Second</u> issue is to ensure a clear organizational location, mandate and responsibilities for leading the planning process. A <u>third</u> issue is to ensure a conducive environment and mechanisms exist that enable development partners to agree divisions of labor in provision of TC,

based on comparative capacity and experience of working at central, local and community levels.

Key recommendations for action are:

- ■ Provide sector planners with the tools and skills to formulate long-term sector CD strategies and TC priorities; and

- ■ Formulate sector level partnership principles for CD/TC planning/ implementation, incorporating transparency over the efficacy of different TC aid modalities and individual donor comparative advantage.

Flexible and Responsive Design of Technical Cooperation.

The likelihood of flexible and responsive design is enhanced if a number of conditions (benchmarks) are in place, consisting of: (i) long and medium term time horizons for capacity development roadmaps, based on shared understanding of organizational development priorities; (ii) sector managers' commitment and capacity to monitor CD and TC activities and propose adjustments; (iii) development partner willingness to delegate TC decision making to sector managers; and (iv) willingness to adjust TC modalities and activities on the basis of joint monitoring/evaluation exercises, especially on the part of the donor country offices.

On the contrary, flexible and responsive design can be constrained if there is limited consensus on the long and medium-term CD priorities and too much focus on short-term results. Extensive and patient stakeholder consultation and organizational performance assessment are very important and appear uneven in the studies. A related issue is the need to ensure development partner willingness to adjust TC modalities and delegate decision making to sector managers and country offices.

Another important issue is that any agreed organizational assessment and development plan needs to set out and phase CD outputs/outcomes and TC requirements at central, local and community levels of the organization. This plan and targets needs to establish specific milestones when organizational performance and results will be reviewed and decisions on any new priorities or directions for TC will be made.

Key recommendations for action are:

■ Enhance country capacity to use sector organizational performance assessment tools, incorporating sequencing of critical capacities and mapping of TC priorities and modalities;

■ Develop tools for formulating CD results chains related to TC support, incorporating well-defined milestones for TC performance review and adjustment; and

■ Formulate tools and operational guidelines for effective joint country/donor monitoring and evaluation of CD outputs/outcomes and TC inputs.

Embedding Technical Cooperation within an Organizational Change Process.

Embedding TC in an organizational change process increases its effectiveness, and the likelihood of the that can be enhanced if a number of conditions (benchmarks) are in place; These conditions consist of: (i) well defined source of demand for organizational change, stemming from clients' service dissatisfaction; (ii) willingness and capacity at political and managerial levels to lead and manage change; (iii) shared willingness by country organizations and donors to advocate change; (iv) creation of quick wins to build confidence in change, including TC and complementary support; and (v) provision of low key and "behind the scenes" technical assistance to help catalyze and support the process.

A key issue identified is that, <u>first</u>, in some instances, active measures are needed to help stimulate organizational change and identify and nurture champions rather than simply rely on change agents being available. Unobtrusive technical assistance can help to catalyze change and help nurture leadership capacity. A related issue identified is the need to create space, frequently through political support, to help committed managers to lead change.

<u>Second</u>, another issue is to strengthen country capacity to develop and use appropriate methodologies to stimulate the need for change, including advocacy and communication strategies with service clients and stakeholders. <u>Third</u>, another issue identified is that such change, including use of embedded TC, is frequently difficult to sustain unless long-term change incorporates evidence of shorter-term results and wins at various levels - political champions, individuals within the organization, district managers and grass roots beneficiaries.

Key recommendations for action are:

- Implement joint country/donor client satisfaction surveys to help stimulate organizational change demand;

- Formulate operational guidelines for organizational visioning processes, political and managerial leadership identification and development processes;

- Develop country level guidelines for joint assessment of organizational capacity, identification of critical capacities and whether TC absorptive capacity exists; and

- Identify measures for 'quick wins' at various organizational levels and for external champions of change to sustain change momentum through well targeted and complementary support.

Country-Led Management of Technical Cooperation.

The main conclusion is that TC is more likely to be effective if the process is country managed. The likelihood of country-led management of TC can be enhanced if a number of conditions (benchmarks) are in place, consisting of: (i) broad consensus on TC priorities, through country led capacity assessments and TC needs identification; (ii) well defined authority and delegation to sector managers for TC decision making at multi-levels; (iii) confidence and capacity for TC performance management and monitoring, sometimes with low key technical assistance support; and (iv) jointly agreed roles and responsibilities for selective reduction in donor involvement in technical and financial management processes.

A <u>first</u> issue is to ensure country capacity to manage TC programs, which can be facilitated through initial joint sector or sub-sector organizational capacity assessments and identification of organizational and management responsibilities. A <u>second</u> issue is to ensure that any such responsibilities are defined at various levels of the organization as more TC focuses on local and front-line CD. Incorporating these responsibilities within service decentralization policy frameworks appears to facilitate country-led management. Sensitive selection of technical assistance, working behind the scenes on building up sector agency capacity for these functions, has potential value.

A <u>third</u> issue is to put in place arrangements that allow individual sector or program managers to have sufficient space for decision making over TC priorities. While pooled funding of TC is sometimes seen as a signal of development partner confidence in country managers, it can create difficulties over harmonizing differing development partner priorities, procurement and reporting arrangements. Once again, sensitive and unobtrusive use of technical assistance to strengthen country managers confidence and capacity is sometimes useful.

Key recommendations for action are:

- Formulate sector level principles and guidelines for securing country level management and reporting of TC, with clearly defined operational roles of sector agency managers and development partner;

- Agree principles and guidelines for harmonization of development partners TC procurement and monitoring arrangements; and

- Design and implement staff development programs for sector/thematic TC managers, alongside identification of national and sector level focal points for country TC management.

Complementarity of Technical Cooperation and Other Support.

TC is more likely to be effective if complemented by other forms of support, and the likelihood of the complementarity of TC and other support can be enhanced if a number of conditions (benchmarks) are in place, consisting of: (i) mapping of organizational and management needs, identifying TC and other complementary support; (ii) existence of sector CD roadmap and targets which define complementarity of TC and other support; and (iii) country operational guidelines which recognize the comparative advantage of different TC modalities and development partners.

The key issue identified is to strengthen country capacity to formulate and manage operational CD roadmaps that set out how TC and other support will be complementary and contribute to agreed CD outputs. A related issue is to ensure that principles and operational guidelines are in place which set out divisions of labor amongst development partners in providing various forms of TC and other kinds of support, including capital and program aid. In some cases, this will require systematic assessment of the costs and benefits of different mechanisms for ensuring effective coordination and harmonization of TC.

Key recommendations for action are:

- Formulate tools, operational guidelines and staff development programs for formulating CD/ TC support frameworks, which identify other critical complementary support activities; and

- Formulate operational guidelines for assessing the efficacy of pooling of TC resources (funding, expertise), alongside agreed guidelines for ensuring greater transparency in the selection and funding of TC.

Embedding Technical Cooperation within an Organizational Learning Process.

The main conclusion is that embedding TC within an organizational learning process is more likely to be effective. A related conclusion is that this embedding process can be enhanced if a number of conditions (benchmarks) are in place, consisting of: (i) a demand within the sector organization, and outside it, for use of management information and lessons learned; (ii) adoption of a multi-level organizational learning process and internal/external communication strategy; and (iii) a willingness to allow independent monitoring surveys of organizational performance to inform learning by countries and donor agencies.

A key issue identified is that measures are sometimes needed to stimulate learning and use of information within and outside a particular organization. TC can help catalyze these learning and information sharing processes and help put capacity in place to use this learning and information for both decision making and consultation with external stakeholders. A related issue is to strengthen sector organization leaders and managers capacity to undertake knowledge and information management assessments as part of organizational performance assessment, definition of key performance indicators and system development.

Key recommendations for action are:

- Formulate methodologies and staff development programs for organizational assessment of information and knowledge requirements and related CD/ TC planning needs; and

- Formulate joint agreements on key organizational performance indicators and evidence, as a basis for monitoring TC effectiveness and organizational CD progress at multi-levels.

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