

World Bank Support for Public Sector Capacity Building in Sub-Saharan Africa: An OED Evaluation

Approach Paper

I. Overview

1. Africa needs institutional arrangements that encourage effective delivery of public goods and services, ministries and local government agencies able to prioritize and manage public expenditures, and skilled professionals and technicians. Strengthening such capacities—at institutional, organizational, and individual levels—is widely recognized in Africa and by the international development community as central to countries’ being able to achieve their development goals.

2. The World Bank directs about one quarter of its investment lending in Africa to capacity building activities and provides additional support through adjustment and programmatic lending, institutional development grants, activities of the World Bank Institute (WBI), and funding for the African Capacity Building Foundation (ACBF). The World Bank’s Africa Region proposes to “scale up support for capacity building” over the next three years as a core element of its new assistance strategy. But the strategy acknowledges that “more strategic thinking and innovation” is needed in providing expanded support.¹

3. The Operations Evaluation Department (OED) will conduct an independent assessment of the relevance and effectiveness of Bank support for public sector capacity building in Sub-Saharan Africa over the past ten years, and draw lessons for future support within the African Region’s strategy framework. The evaluation will cover Bank assistance for capacity enhancement of the policy making and public administration roles of the public sector, which comprises the major focus of the Bank’s public sector capacity building support. It will not cover capacity building for public enterprises, science and technology institutions, or public universities, except where such support has been an integral part of a policy making or public management capacity building intervention.

4. As distinct from an evaluation of the full scope of Bank support for public sector reform, this capacity building assessment will focus on Bank assistance to enhance the ability of the public sector to perform, and account for performance of, its key development functions—of strategic planning and policy making, resource mobilization and management, service delivery, and legal and regulatory enforcement. Specifically, it will concentrate on capacity building efforts at the organizational and individual levels, and the interface between those efforts and efforts to develop the institutional framework within which public sector capacities are best utilized.

¹ World Bank, *Strategic Framework for IDA’s Assistance to Africa (SFIA): The Emerging Partnership*, (2003).

5. The focus is on Bank support for capacity building in Africa because of the broad recognition on the continent and among donors of the impediment to achieving development goals posed by capacity constraints and because of the intention of the Bank's regional strategy to expand and improve its capacity building support. The concentration is on capacity building in the public sector because that is where the bulk of the Bank's capacity building assistance is directed.

II. Background

The scale of the Bank's capacity building support

6. The Bank provides different types of capacity building support, with implications for the assessment. The most comprehensive support is provided for systemic reforms with capacity building being among the primary objectives (such as in public sector and local government reform programs, public financial management programs, and sector-wide programs). In addition, the Bank provides technical assistance (TA), training, and financing for management and systems upgrades within the context of other projects, with capacity enhancement focused largely on project implementation. It also supports capacity building through some AAA (including some ESW, non-lending TA, and policy advice); Institutional Development Fund (IDF) grants, established in 1993 to finance capacity building activities not linked to operations; and the training and knowledge sharing of WBI and ACBF programs. Each of these types of support will be assessed as to their relevance and effectiveness, and attribution to the Bank of public sector performance outcomes.²

7. The level of the assistance is substantial.³ In addition to the considerable proportion of investment lending for Africa directed to capacity building, most Bank adjustment loans have explicit capacity building objectives, though not distinct components for which lending amounts are specified. African countries account for about one third of the \$244 million provided since 1993 by the IDF. And Africans made up about one quarter of the participants in WBI's FY03 training programs, which accounted for the bulk of that fiscal year's budget of some \$81 million.

8. Over the period covered by OED's evaluation, the Bank has made a number of changes in its way of doing business and its product line (notably the introduction of the CDF principles, PRSP process, and emphasis on MDG goals) and many African countries have embarked on democratization and state reform—both sets of changes having potential effects on the enabling environment for Bank support for capacity building. Bank documents describe a shift from a narrow technical approach in the 1950s to 1970s, focused on funding engineers and other expatriate technical advisers to assist in the design and implementation of individual projects, to a

² The evaluation will not cover other areas of Bank capacity building support carried out at the Corporate level, such as the assistance provided by DEC, EXTOP, or LEG. Nor does it review Bank operations in the health and education sectors, though these are crucial areas of country capacity building, because both are topics in their own right of other OED studies.

³ World Bank, Operations Policy and Country Services, *Bank Assistance for Capacity Building*, draft, (December 4, 2003).

broadened, systemic approach in the 1990s, aimed at policy and institutional change.⁴ One key issue for the evaluation will be to determine how any changes in Bank and borrower ways of doing business have affected the outputs and outcomes of capacity building efforts.

The record of performance

9. Existing assessments of capacity building point to significant shortcomings in internationally-supported efforts to build public sector capacity in developing countries.⁵ The common finding through the late 1990s was that of a large gap between declared aims and achievements on the ground. In the case of the Bank, OED has found that through the end of the 1990s less than 40% of its projects had a substantial institutional development impact⁶ and that Africa lagged the Bank-wide average, though, both within Africa and across the Bank, there has been an upward trend since then. An OED evaluation in 1999 of two decades of Bank-supported civil service reforms found that efforts were “largely ineffective in achieving sustainable results in downsizing, capacity-building, and institutional reform.”⁷ Also, various reviews of Bank technical assistance show much the same weaknesses found in the provision of technical assistance by other development partners,⁸ including lack of clear objectives and country ownership, inadequate supervision of training and knowledge transfer, and weak incentives—though a recent Bank review also shows improving performance.⁹

10. Many of the shortcomings identified in the capacity building literature echo those found in assessments of development assistance in general. For their part, donors have tended to: a) take too narrow a view of capacity needs, focused largely on enhancing the technical competence of particular organizations or individuals; b) exercise too much control over the identification, design, and implementation of assistance efforts; c) give too little attention to the institutional requirements for sustaining capacity gains; and d) engage in too little coordination of their support. Recipients, for their part, often have: a) not undertaken the governance reforms needed for building and retaining public sector capacity; b) not developed procedures to professionalize and depoliticize their civil services; and c) not taken ownership of

⁴ See, for example, World Bank (2003); World Bank, *Reforming Institutions and Strengthening Governance: A World Bank Strategy* (Washington, D.C., 2000); and “World Bank Governance and Public Sector Strategy: Implementation Update for AFR,” unpublished paper (2003).

⁵ Nils Boesen, “Enhancing Public Sector Capacity—What Works, What Doesn’t, and Why: A Literature Review for OED’s Evaluation of World Bank Support for Capacity Building in Africa,” background paper (2004).

⁶ OED defines this impact as “the process of improving the ability of a country to make more efficient, equitable, and sustainable use of its human, financial, and natural resources.”

⁷ World Bank, Operations Evaluation Department, *Civil Service Reform: A Review of World Bank Assistance*, (August 4, 1999).

⁸ See, for example, Elliott Berg, *Rethinking Technical Cooperation: Reforms for Capacity Building in Africa*, (New York: UNDP, 1993).

⁹ See, for example, World Bank, *Technical Assistance in the PREM Portfolio* (Washington, D.C., undated).

technical assistance or training activities, coordination of donor assistance, or the monitoring and evaluation of capacity building activities. Against this history, the OED evaluation will seek to deepen understanding of what has worked, what hasn't, and why.

III. The Evaluation Scope and Framework

The dimensions of public sector capacity and capacity building

11. In the absence of a Bank Operational Policy on capacity building, this evaluation has drawn on Bank documents and the development literature of the last two decades (on technical cooperation, institutional and human resource development, and public sector reform) to identify the dimensions of public sector capacity and capacity building that will frame its review.¹⁰

12. *The development capacity of a public sector* consists of its abilities to perform the functions of: a) strategic planning and policy making; b) resource mobilization and management; c) delivery of public goods and services; and d) enforcement of laws and regulations.

13. The capacity to perform these functions has three dimensions:

- *Institutions*—or the “rules of the game” that provide the framework of goals and incentives for public sector performance and accountability
- *Organizations*—defined as groups of individuals bound by some common purpose, with clear objectives and the internal structures, processes, systems, staffing and other resources to achieve them
- *Individuals with skills*—to analyze development needs, design and implement strategies, policies, and programs to meet those needs, and deliver services

14. *Building the capacity of a public sector* entails creating or strengthening institutions, organizations (and relations among them), and individual competencies in ways that will enhance the sector's ability to achieve its objectives on a sustainable basis.

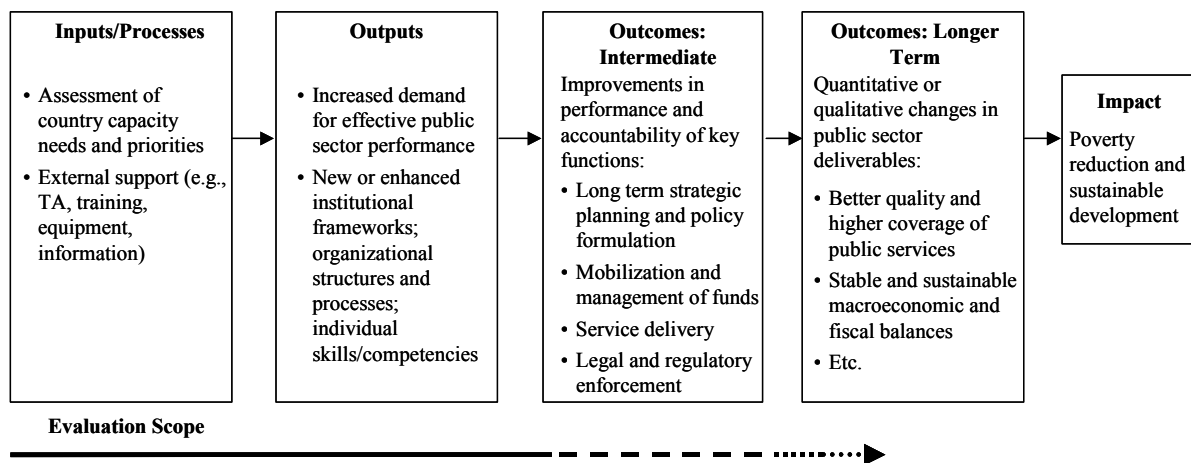
15. Although “capacity building” is sometimes used as if it were synonymous with “technical assistance,” they are different. Capacity building is a process of enhancing abilities of people, organizations, and institutions to perform their intended functions. Technical assistance is an activity that can help build capacity, but it can also substitute for or erode it.

¹⁰ Main Bank documents are: World Bank OP/BP/GP 8.40, *Technical Assistance*; World Bank (2004); and World Bank (2000). Key external studies consulted include: Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990), and the works of other authors in the field of the new institutional economics, the diverse body of work on state capacity building in Africa, and specific studies of capacity building in developing countries, cited in the literature review produced for this evaluation.

The scope of the evaluation

16. Figure 1 depicts a stylized results chain for public sector capacity building based on the dimensions of capacity building identified above, and provides the basis for defining the scope of the evaluation. The results chain links the inputs of assessment and support to outputs of enhanced institutional, organizational, and individual capacities, and to the ultimate goals of poverty reduction and sustainable development.

Figure 1: Capacity Building Results Chain and Evaluation Scope



17. Since it is not possible to attribute directly development impacts to capacity building efforts, the evaluation will seek to determine the impact of inputs and outputs on the intermediate outcomes of improved public sector performance. And, in drawing lessons about what has worked well and what has worked less well, it will examine how inputs have taken account of a country's enabling environment for capacity building—including its policy and institutional framework and public demands for improved public sector performance—and how outputs and outcomes have been influenced by those environmental factors.

18. In the absence of a Bank operational policy on capacity building, the evaluation will draw on Bank strategic documents (including the Strategic Compact, successive AFR strategies, and the 2000 public sector strategy paper) and country assistance strategies (CAS) to establish the objectives against which to measure the relevance and effectiveness of the Bank's capacity building support at the country level. Project and program objectives will provide an additional metric at the operational level. In coping with the challenge of establishing indicators of success, the review will use a variety of judgmental measures (drawn from both Bank documentation, such as CPIA ratings, PERs, PRSP progress reports, and sector-wide program reviews, external governance reviews, and beneficiary surveys) and relevant factual measures (such as changes in the number of civil servants over time, turnover of senior officials, sector-specific service delivery changes).

IV. The Key Evaluative Questions

19. The review of Bank support for capacity building provided through country assistance programs (including lending and non-lending operations), IDF grants, WBI programs involving African participants, and ACBF will address the following main questions about the *relevance*, *efficacy*, and *efficiency* of capacity building operations.

20. **Relevance.** The evaluation will take the country as the primary unit of account and will assess the relevance of the Bank's assistance for countries' capacity needs and priorities in the policy making and public administration roles of the public sector—at central as well as provincial and local levels of government and within specific sectors. The questions to be addressed are:

- How adequately does the Bank identify and assess country capacity needs, and how adequately do CAS objectives address those needs?
- To what extent does the Bank take a strategic approach to capacity building in all its types of support, responsive to development demands and priorities in a country, and other requirements for sustainable capacity gains; and to what extent are its strategies technically and politically sound?
- How well designed are the Bank-funded capacity-building operations? Do the operations have clear capacity building objectives and indicators of success; and to what extent is the size and composition of the capacity building elements in the country assistance program consistent with the objectives and strategies set out in the CAS?
- To what extent has the Bank focused on interventions where it has a comparative advantage in capacity building support, and taken account of the interventions of other donors?
- Overall, does the Bank have a coherent underlying model of capacity building and are its various activities (projects, programs, IDF, WBI, and ACBF activities) consciously directed at particular aspects of the problem and complementary?

21. **Efficacy.** The evaluation will assess the extent to which output and intermediate outcome objectives have been or are likely to be achieved in a sustainable way. Specific questions to be addressed are:

- To what extent have individual lending and non-lending interventions, IDF grants, and WBI and ACBF programs achieved their intended output objectives (i.e., how have incentives for improved public performance been enhanced, and what organizational or individual capacities have actually been strengthened) and intermediate outcome objectives (i.e., what improvements have occurred in the performance of specific public sector functions)?
- To what extent have activities (e.g., TA and training) contributed to capacity outcomes in intended ways? For example, in the case of training, were targeted skills gained, applied, imparted to others, and retained; and, in the case of TA, was knowledge transferred to counterparts and applied?

- How do outcomes, or likely outcomes, compare across countries, sectors, and public sector functions? And how do they compare across the different types of capacity building interventions—involving the broad systemic reforms, the TA and training within projects, or the non-operationally linked TA, training, and knowledge sharing?
- To what extent have the results of all the types of support, in the aggregate, advanced CAS capacity building objectives; and to what extent are the capacity gains likely to be sustained?

22. **Efficiency.** The evaluation will assess efficiency by looking at issues of demand, costs, and coordination. Specifically, it will ask:

- Has the Bank concentrated its work where there is demand for its assistance and in ways supportive of country leadership of capacity building efforts?
- Have capacity building objectives been pursued using the least resources necessary? For example, has the Bank built on and used local capacity wherever appropriate? What innovations in capacity building activities have been supported in recent years?
- Have IDF grants, WBI programs with African participation, and ACBF activities been integrated in country assistance programs so as to increase the efficiency of the Bank's total intervention?
- Has the Bank coordinated appropriately with other donors to avoid gaps, reduce overlaps, and build on its areas of comparative advantage?
- Has it followed a regional approach to capacity building assistance, where likely to be more cost effective than a national approach?

23. In addition, the evaluation will examine issues of **Bank and borrower performance** of operational processes. In the case of the **Bank**, it will assess the extent to which Bank operational policies, processes, and work practices have reinforced or undermined capacity building aims. A draft OPCS stocktaking of Bank capacity building assistance has described significant shortcomings on a Bank-wide basis.¹¹ The OED evaluation will compare the performance of the Africa Region against these Bank-wide findings.

24. In the case of **borrowers**, the evaluation will assess the extent of country leadership of and commitment to capacity building efforts, as indicated by a country's role in the identification of its capacity constraints, establishment of capacity building objectives, and the design of strategies to meet those objectives, including the establishment of policy and incentive frameworks conducive to capacity development. In addition, review of borrower performance will look at whether or not the borrower has exercised leadership in the identification, design, implementation, and monitoring of individual capacity building interventions.

¹¹ Shortcomings were found in a) inadequate identification of capacity needs and capacity building indicators in CAS and project documents; b) insufficient capture of capacity building lessons from operational work; c) limited attention to opportunities to build partnerships in support of capacity building; and d) absence of systematic attention to capacity building efforts in self- and independent (OED) evaluations.

25. Figure 2, based on the dimensions of public sector capacity and capacity building to be used in OED’s evaluation, provides a framework for synthesizing the evaluation’s findings on Bank support for enhancing the ability of public sectors to perform, and account for their performance, of key development functions.

Figure 2: Assessing Public Sector Capacity Building Support

	<i>Public Sector Functions</i>			
Public Sector Capacities	<i>Long-term Strategic Planning and Policy Formulation</i>	<i>Mobilization and Management of Funds</i>	<i>Service Delivery</i>	<i>Regulatory Enforcement</i>
<i>Institutional</i>				
<i>Organizational</i>				
<i>Human Resource</i>				

V. The Evaluation Design

26. The major building blocks of this evaluation are:

- **The literature review** of capacity building and related (technical assistance and institutional development) evaluations and studies undertaken inside and outside the Bank, which has informed this Approach Paper
- **A desk review of the most recent CASs for all African countries, and a sample of Bank capacity building projects and project components**, completed in the period FY1996-2003, from across all Sub-Saharan client countries, with special attention to institutional development impacts achieved and factors of success (if any).
- **Six country case studies**, which will be carried out by teams of international and in-country consultants, who will review Bank documents and conduct interviews with Bank staff and some 25-30 key informants in the government and civil society of each country. The studies will review the alignment of capacity building objectives with changing country development goals and conditions, and the effectiveness of the overall approach to capacity building support in the country assistance strategy, including coordination with other development partners. The country studies will also seek to assess the quality of the design and sequencing of individual interventions, and the extent to which the capacity enhancement objectives have been (or are likely to be) achieved. Particular attention will be paid in all country studies to capacity building assistance related to broad public sector reform operations and in the four areas: education, health, roads, and public expenditure management. The countries—Benin, Ghana, Ethiopia, Malawi, Mali, and Mozambique—have been selected according to criteria of a) diverse policy and institutional characteristics, b) geographical/regional balance, c) types of capacity building

approaches and interventions in recent CAS, d) avoidance of overlap with other recent or ongoing evaluations, and e) availability of data.

- **A cross-country survey** of some 240 client stakeholders (including government, civil society, and private sector leaders) in a total of 12 countries (including the six mentioned above), which will seek views on the relevance and effectiveness of Bank support for capacity development and ways of enhancing results.
- **Review of the effectiveness of the WBI** in capacity building in Africa, involving examination of its support provided directly through its learning programs and other services to clients, and indirectly through its input into Bank CASs and country operations. The evaluation will assess the extent to which: a) WBI program objectives are relevant to country capacity needs and CAS objectives; b) the design of activities are consistent with proven training methods; c) the activities have produced, or are likely to produce, sustainable capacity gains; and d) WBI interacts effectively with Bank country programs and other providers of capacity building support. In addressing these questions, particular attention will be given to WBI's effectiveness for the evaluation's six case study countries. The assessment, which will be conducted by a consultant, will be largely a desk review, drawing on WBI's program documentation and self-evaluations, and supplemented by interviews of WBI staff and WBI course participants from those six countries. Its findings will be reported in a background paper and incorporated into the assessment of the coherence of the various elements of the Bank's capacity building activities in OED's overall evaluation.
- **Review of the effectiveness of the ACBF** in funding and facilitating capacity building programs and institutions at national and regional levels. The review, which will be a meta-evaluation drawing on a number of existing ACBF evaluations, will address the extent to which ACBF has a clear vision of the capacity building needs of African countries in the areas of policy making and development management and a coherent strategy for meeting those needs. It will also assess how well aligned its grant-making and program support activities are with its strategic objectives; what capacity enhancement has been achieved with its support so far; and to what extent its funding of regional institutions has proved to be a cost effective approach to capacity building. The review, which will be undertaken by a consultant, will combine a review of ACBF program documents, existing evaluations of ACBF (including a review of the incorporation of PACT under ACBF management), interviews with ACBF staff, and interviews with ACBF recipient programs and organizations in the six case study countries. Findings will be summarized in a background paper and integrated into OED's overall evaluation.
- **A review of the Institutional Development Fund** that will examine the process by which grant funds are designed, allocated, and monitored and the relevance and effectiveness of individual IDF grants in the context of the Bank's assistance programs in the six case study countries. The findings of this review will be incorporated into the overall evaluation.

VI. Evaluation Timetable, Consultations and Dissemination, and Costs

27. The evaluation, expected to be completed by March 2005, will be undertaken in the four phases outlined in Table 1. An entry workshop, held on February 3 in Washington, D.C. and involving African and international experts and practitioners in public sector capacity building, has informed this Approach Paper. Several of the workshop participants will continue to provide guidance to OED throughout the review, by serving as peer reviewers of the background studies and synthesis evaluation report. A second workshop will be held in Africa to review the findings emerging from the country studies prior to drafting the final report.

28. With the current high level of attention being paid to the issue of capacity building by the international development community, a broad dissemination strategy is planned for this review following submission of the final report to CODE. In addition to the exit workshop mentioned above and dissemination to Bank VPUs, OED will co-sponsor a meeting in Europe to which donor and African participants will be invited. It will also offer to present the report to a meeting of the MDBs' Evaluation Cooperation Group, the Special Program for Africa, and the Economic Commission for Africa or the Region's New Partnership for African Development (NEPAD). And it will disseminate the report widely on existing capacity building and development assistance websites.

29. The evaluation will be conducted under the overall management of Victoria Elliott (OEDCM). The task manager will be Catherine Gwin. Peer reviewers will include Benno Ndulu (DEC), Harris Mule (Chancellor, Kenyatta University, Kenya), and Merilee Grindle (Harvard University).

30. Support for the evaluation's country studies and international participation at the evaluation workshops will be provided from Norwegian and Swiss Partnership funds, and the Danish Consultant Trust Fund.

Table 1: Timetable for Evaluation

Phase	Dates	Tasks
I	October 2003 to February 2004	Literature and portfolio reviews Entry Workshop Case study background work Internal consultations
II	March 2004 to June 2004	Country study missions and drafting ACBF review WBI review
III	July 2004 to November 2004	Country, ACBF, WBI studies finalized Cross-country survey design Exit workshop to discuss preliminary findings Main report processing
IV	December 2004 to March 2005	Draft for World Bank management review Submission of report to CODE