South-South Knowledge Exchange as a Tool for Capacity Development

BY TALAAT ABDEL-MALEK

SOUTH-SOUTH COOPERATION (SSC) has been gaining momentum as an effective mode of development assistance, complementing the more traditional North-South approach. The Accra Agenda for Action (AAA), agreed at the High Level Forum3 (HLF3) on aid effectiveness in September 2008, underlined the importance of SSC for the benefits it offers both aid recipients and providers. This exchange of development experiences, whether it takes place between governments, organizations or individuals, holds great potential.

The key question is how SSC knowledge exchange can address one of development’s most pressing challenges, namely weak institutional and human resource capacities. The World Bank, the United Nations Development Programme (UNDP), and others have identified this gap as a serious issue.

This article outlines the essential elements of capacity development (CD); it then identifies how SSC knowledge can facilitate CD and the obstacles to tapping its full potential. The article concludes with a few recommendations.

Capacity Development defined

ALTHOUGH SEVERAL DEFINITIONS exist, they all describe the same fundamental concept reflected in the OECD definition that CD is "The process by which individuals, groups and organizations, institutions and countries develop, enhance and organize their systems, resources and knowledge; all

Workers haul part of a fiber optic cable onto the shore at the Kenyan port town of Mombasa, bringing broadband Internet connectivity to east Africa. The East Africa Marine Systems (TEAMS) fibre optic submarine cable project is a joint venture of the Kenyan government and Emirates Telecommunication Technology (Etisalat) and a consortium of local investors.
reflected in their abilities, individually and collectively, to perform functions, solve [development] problems and achieve objectives.”

Capacity in a development context consists of a number of elements. It includes institutions, human resource skills and knowledge, the internal environment (operating systems, management and leadership qualities, performance appraisal and incentives, and so forth), and the external environment (legal, political, judicial, and technological), all of which shape any entity’s performance. This is true whether we refer to a single institution (such as a public enterprise or authority), a whole sector or subsector (such as water and sanitation), or a local or national policy-making entity (such as a governor, a minister, or a cabinet of ministers). A proper understanding of capacity and what it takes to strengthen it requires the adoption of a holistic approach that takes all the above elements into account.

One of the major disappointments of international technical assistance during the past half century has been the lack of an integrated perspective on CD. Most funding and technical expertise tended to concentrate on the training of human resources, supplemented by ad hoc policy advice. We have learned from experience that human resource training alone cannot deal with institutional capacity weaknesses.

### The role of South-South knowledge

**Given the above**, what role does South-South (SS) knowledge exchange play in upgrading capacities for development? No definitive evidence-based answer is yet available. However, recent pioneering efforts have examined how aid modalities, including SSC, are contributing to capacity development. Three major events took place in 2010. The NEPAD-sponsored workshop on capacity development and aid effectiveness in Pretoria addressed the African perspectives; the UNDP “Capacity IS Development” in Marrakesh took a broader global perspective; and the Bogota High-Level Event “South–South Cooperation and Capacity Development” explored the relationship between these two variables.

Under the leadership of the Task Team on South-South Cooperation, hosted by the Working Party on Aid Effectiveness at the OECD/DAC, more than one hundred case stories on South–South cooperation in the context of aid effectiveness were prepared for the Bogota meeting. More than 133 countries were involved in this. With notable exceptions, most cases did not sufficiently analyze the “how and why” of CD work. Several reasons help explain this, including the lack of expertise in CD among both SSC providers and recipients (as well as the case writers); the tight time constraints within which case stories were prepared; the urgency of many non-CD assistance needs; and the more demanding or longer-term requirements of integrative CD work.

The following section describes three streams of work involving three sets of CD actors: providers, recipients, and the SS knowledge network.

### Knowledge developers and suppliers

**Let us take these in reverse order**, starting with the suppliers and developers of SS knowledge. A great deal of knowledge on CD has been accumulated in the past 10-15 years, including the special capacity needs of fragile states. However, two observations are in order.

First, we have yet to build a truly international CD network to integrate the excellent work done by numerous sources. The proliferation of SS knowledge developers and suppliers is understandable as a first phase. However, the time has come to speed up the SS knowledge refinement and consolidation process, and expand its scope to address more diverse capacity needs. Recent international initiatives have brought suppliers and other CD actors together to discuss common CD issues. A leading example is the World Bank Institute-sponsored South-South Knowledge Exchange Platform, which is also part of the broad coalition reflected in the Task Team on SSC. The latter has created an international network while preparing the Bogota Event, and is now building the South–South knowledge exchange agenda for the Korea HLF. The Learning Network on Capacity Development (LenCD) is another example of a professional forum for exchanging CD expertise.

Second, our current knowledge is more conceptual and theoretical than practical and applied. There is definitely a need for a conceptual framework and a set of analytic tools to guide developers and users of SS knowledge. But it is important to move quickly from concepts to practice, focusing on implementation to illustrate the how and why of actual CD work in different settings. This will encourage potential users and assistance agencies to take a more holistic approach in their CD policies and transform the SS exchange “industry” from being supply-driven to becoming more demand-driven.

It is all very well on the conceptual level to underline the importance of dealing with the issue of incentives when upgrading institutional capacity; yet we lack the analysis to show how this can be tackled successfully in concrete situations. Similarly, the use of ”parallel units” to support senior (ministerial) decision-making levels, bypassing traditional bureaucratic structures, aims at speeding up policy implementation. In theory, it is easy to conclude that such practice is at best a short-term, if not short sighted, solution to weak capacity. But we have not offered a better pragmatic alternative.

### Knowledge providers

**The providers of SS knowledge** are the practitioners (consultants, communities of practice, NGOs, and the like) who make use of SS knowledge to help deal with clients’ capacity bottlenecks. Add to these, bilateral and multilateral assistance agencies that fund projects with capacity development components. Several barriers constrain their applying a holistic approach to CD. These include lack of knowledge about capacity development requirements; failure to carry out proper diagnosis of capacity needs; disinterest in taking what some would perceive as a high-risk approach (as compared to training); organizational inertia; and the extra cost associated
with such an approach. Add to these the clients’ reluctance to take ownership of CD initiatives and to make the commitments necessary for successful implementation.

There are, of course, practitioners who are at the leading edge of SS knowledge. There are also development assistance agencies that are reviewing current policies and practices. An example is the European Commission (EC) Backbone Strategy on reforming technical cooperation, the World Bank’s capacity development initiatives, and the OECD/DAC working party on aid effectiveness and associated support posts. But more needs to be done. The urgency of switching from conceptualization to implementation cannot be overstated. Meanwhile, triangular cooperation can play a significant role in facilitating horizontal SS exchange.

Knowledge clients

This brings us to the third group of CD actors, and in many ways the most important of the three. How much demand is there for SS exchange in capacity strengthening? Evidence suggests that demand remains very limited, though the needs appear substantial. This gap represents the main challenge facing all three groups of CD actors. Clients’ reluctance to own CD initiatives makes it difficult to move beyond human resource skill upgrading. This reluctance is caused by:
- the lack of decision makers’ expert knowledge in CD,
- their preference for short-term and least painful solutions to capacity weaknesses,
- the tendency to blame external factors beyond management’s control,
- the difficulties of identifying and accessing SS knowledge relevant to an institution’s CD needs,
- the perceived higher risk of embarking on CD undertakings which may be costly in financial or political terms, and
- poor institutional leadership and management style.

Add to these the shortage of successful examples of CD outcomes that have been based on the integrated approach.

The behaviors of the three sets of actors tend to reinforce one another, creating some kind of non-virtuous circle! The number of serious CD initiatives has been limited by the theoretical orientation of CD developers and suppliers, the mixed performance of CD providers and training-focused CD support by funding agencies, and the reluctance of CD clients to assume ownership and leadership roles.

Whether we talk about SS knowledge exchange or North-South support, Southern ownership is a prerequisite for sustainable outcomes. It has taken Africa a few years to develop a coherent Africa-wide CD strategy, which is now being launched. A prime deterrent has been the lack of strategy endorsement by top political leadership. This political prerequisite does not necessarily mean country leadership; what matters is the commitment to action and the involvement of top management of the institution or sector concerned. This is not a costless exercise in terms of time, human, and financial resources. But looking at this side of costs alone is a jaundiced view; CD costs should be compared with those incurred in the absence of capacity upgrading including foregone opportunities for improved performance and in some cases for institutional survival.

Two successful examples illustrate this point. The first is the (currently ongoing) transformation of Egypt’s subsidy system into the more efficient and equitable cash transfer system. Top political and ministerial leaders, aware of the serious shortcomings of the old system, were determined to change it. Advice was obtained through the World Bank, acting as a facilitator, from three ministers from Latin American countries that have successfully adopted the cash transfer system. Action was taken following a consultation process and the new system was successfully piloted before extending it nationally. The second example comes from Nigeria where the minister of finance decided to reform the pension system. Through the World Bank, the minister was able to connect with the right counterparts in Chile who provided the experience-based knowledge needed for action.

Recommendations

Four recommendations may be put forward to tap the potential of SS exchange as a tool for capacity development.

First, the new relationships being forged through international networks should focus on refining and consolidating the supply side of SS knowledge and setting professional standards for those involved in delivery. This is akin to an infant industry which must attend to quality and credibility as a top priority.

Second, providers and developers of SS knowledge should make more concerted efforts to identify CD implementation initiatives and analyze their outcomes; and spend less time developing more concepts and frameworks, which do not add much to our knowledge. International development partners should refrain from offering supply-driven initiatives, and instead support (technically and financially) the undertaking of CD needs analysis and implementation of recipient-led action plans.

Third, Southern CD leaders and champions need to play a catalytic role by bringing together key policy makers, in a Southern-led platform, to exchange views and experiences about CD needs, potential benefits, and constraints. This role could be instrumental in translating the huge CD needs into demand-based initiatives which can then be effectively met through SS exchange partnerships.

Fourth, it is essential to strengthen the broker/intermediary function in SS knowledge exchange. International and regional platforms or networks, through their interactive databases, have the key task of connecting potential users seeking relevant SS experience to those who can supply it. The role of regional platforms is particularly important because these are closer to where the needs are and are more familiar with the country settings in which CD initiatives would be launched.

Talaat Abdel-Malek is Senior Adviser to the Minister of International Co-operation, Cairo, Egypt, and Co-chair, OECD/DAC Working Party on Aid Effectiveness, Paris, France.

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