



# MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS

*Gabinete do Secretário de Estado dos Negócios Estrangeiros e da Cooperação*

## **Capacity *is* Development**

**UNDP Global Event**

**Marrakech, 17-19 March 2010**

### **Session 1 – Meeting the Millennium Development Goals: Smart Strategies and Capable Institutions for 2015 and Beyond**

This meeting is taking place at a crucial time in the preparation of the UN High Level Plenary Meeting (HLPM) on the Millennium Development Goals (MDGs). We all know that despite the progress achieved, much remains to be done if we are to achieve our 2015 targets. **Sub-Saharan Africa in particular is lagging behind. Those most off-track are often “aid orphans” and faced with situations of fragility.** In order to overcome this cycle, we have to make the most out of the 5 years still to go.

Much of the focus has been on meeting ODA targets and commitments; that is important of course, and must remain in focus, but for our purposes I think that it is more useful to look at whether we are doing the best that we can with the money that we have. And I have to say that I am not at all convinced that this is the case. We are somewhat off-track in terms of our financial commitments; but we are very much off-track in terms of the MDGs, and especially so in Africa. This could mean that the MDGs are more expensive than we calculated, or that we are not using the money well; my feeling is that it is the later. And I think that where we are most failing is precisely in the domain of building institutions for development.

Money does not automatically build institutions; the process is a complex one, and money is a necessary but by no means sufficient factor.

I think that the essential starting points are the **principles of ownership and partnership**. Quite rightly these principles are at the core of the Millennium Declaration and they have proven to be key success factors. Successful institutions will not develop without these principles.

National **ownership** means putting partners in the driving seat of the MDG process, but in the case of Portugal, we have been particularly concerned with **countries in situations of fragility**. In these countries aid volatility is twice as high as in other low income countries, and the state simply does not have the consolidated frameworks that we call institutions. So we are faced with the dilemma of needing to develop partnerships without official partners, and to look for ownership where institutions have been weakened, sometimes over decades. The call for good governance is obviously important, but in some of the contexts in which we work this is something that is simply not immediately obtainable, and certainly not going to come about simply by lectures or exhortations.

In these situations, we have to acknowledge that the process of consolidating institutions and recognizing ownership has to happen through partnerships not just with the state but also with civil society. Particularly in post-conflict situations and in countries where states institutions are weak, **capacity building** is clearly an essential element to ownership, but we have to stimulate the consolidation of institutions wherever possible, and in many cases the state sector may not be the most promising source of partnerships.

Obviously some elements of the central state are absolutely essential as partners whatever the national context, and in Portugal we have focused a lot of our work on the link between **security and development**. The partners in this respect have to be the institutions that represent the state's monopoly of legitimate violence, Weber's classic and minimum definition for a functional state.

So in the most difficult situations I would say that the focus has to be two-fold: capacity-building in the state sector for a minimally functional level of protection of personal physical integrity; and institution-building in civil society, for the purpose of creating basic living standards, and wherever possible also with incipient ministries and other state institutions,

Allow me to mention two mechanisms that I think we need to explore a lot more over the next few years, and this is where Portuguese development aid is going to be investing some time, energy and resources.

**Firstly, we need a renewed look at triangular cooperation. This is not new but it is also not something that has been explored to its full potential, and I think that in the field of capacity building we could definitely achieve much more in the future.** We have had good experiences with Brazil in East Timor, in capacity building for teachers, and we have also learned from quite successful partnerships with the US in Angola and Mozambique, with capacity-building for judicial and police institutions respectively. These experiences have been small scale and ad hoc, and in our view the time is right now for replicating what we have learnt on a larger scale. The UNDP has a particular contribution to make in this regard, and we are very well pleased with our partnership in the justice sector in East Timor over the past few years.

The point here is a simple one. Triangular partnerships reduce transactions costs, increase the depth and width of experiences that are brought into a common framework, and yet they do not evaporate into the anonymity of processes that join together large numbers of participants and as a result reduce the possibilities for dialogue and interaction.

The development of capacities is an endogenous, long-term process, which must be owned and led by our partners. This means not only that recipients must move towards reaping the benefits of external resources, but also that donors should learn how best to work as a catalysts, stimulating reform processes and innovation, in an inclusive manner. Cooperation between a small number of different donors, each with their own value-added, can be a particularly sensitive and dialogue-driven process for capacity-building.

Until recently, technical cooperation was seen both by donors and recipient countries as a “technical issue”, where “knowledge” was transferred from the former to the latter. However, it has been widely recognized that “pre-packaged solutions” are not the way to meet long term needs and may in fact reduce the initiative of recipients, who become passive and dependent on external help. We have heard a number of criticisms of international aid for undermining local capacity, ignoring local wishes, fragmenting methods, distorting priorities and choosing high profile activities, among others, and in my view we have a duty to rethink

this relationship. We have to drop simplistic ideas of knowledge transfer, and focus instead on building the appropriate contexts within which it is possible to work in partnership. “Quality technical cooperation” requires that **both providers and recipients be cognizant of their roles, strengths and limitations, while working out exactly how they wish to work together.**

This brings me to the other mechanism that we have not sufficiently explored, twinning for development. Let me begin with a note of caution. We are only too familiar with twinning arrangements that in fact are little more than thinly disguised excuses for some refreshing tourism, away from the daily challenges of whatever institution we happen to be speaking of. That is obviously not the kind of twinning we have in mind. I think that we should be developing a set of principles for what we might call “twinning for development”. These principles would bring together institutions that work in common issue-areas (this could be local authorities, but also state or civil society institutions, or even ministries), creating a partnership with an extended time-frame and a set of common objectives and commitments.

Partners need to openly discuss and agree upon goals, work toward mutual agreements and understandings, be flexible but adhere to established objectives. They should agree upon a definition of success, establish a mutual understanding of their respective roles and responsibilities, and work to maintain the partnership by means of collaborative strategies. Twinning for development requires resources, but perhaps more important than the financial resources are the institutional resources that should be more or less permanently available. A twinning arrangement of this type can benefit from small-scale but systematic inputs over an extended period of time, which points to a type of project that is altogether different from our traditional models. This is increasingly easy in a context in which innovative instruments, such as new information and communication technologies, as well as long-distance technical assistance, can be brought into use.

I think that we have relied excessively upon rather loose models of transfer of technical know-how, based on quick injections or decontextualized mentoring. Over the years it has become clear that technical assistance needs to be based on institutions rather than simply handing over know-how. But what I am suggesting is that it is not only important for developing countries to have an institutional framework, but it can also be decisive if the donor country is working through an institution that is available for a long-term partnership.

From our experience we have learned some lessons that we would like to share with you. One that comes to mind is contributing to the wonderful achievement of having one of our partner countries, São Tomé e Príncipe, declared by WHO and UNICEF as being **on track to attain the MDGs in the health sphere. São Tomé is one of the poorest countries in the world, so this is no small achievement.** While doing so, this country is also considerably improving the proportion of people with access to safe drinking water and basic sanitation with indicators that rate among the best in Sub-Saharan African countries.

You may find a short description of this remarkable project in a leaflet being distributed. It basically works together with local authorities in transforming a highly inefficient healthcare system into a decentralised network covering the entire country through an integrated healthcare service package that promotes prevention and offers primary healthcare all over the country,. The Integrated Healthcare Service Package is efficient and coherent with local needs, offering equal and widespread access to all with significant impact in this poor country. The “Health For All” project introduced rigorous, efficient, coordinated and decentralised management and control procedures. Over several years it invested in the training and education of the technical staff, who are all nationals, and in strengthening the institutional capacity of the STP Health Ministry. It continues to support local technical staff, avoiding a brain drain. The project also assures financial sustainability through cost-recovery policies. In financial terms, ‘Health for All’ has also proven to be viable. In comparison to a World Bank health package set for Sub-Saharan African countries, “Health for All” is 25% more affordable while also having extremely positive utilisation rates. Moreover, it offers a wider package which includes fighting against poverty diseases (malaria, tuberculosis and HIV/Aids).

In sum, I would like to finish by highlighting some of the lessons Portugal is drawing from experiences like this one.

- 1) Never forget the ownership and partnership principles; without them we have no chance of success;
- 2) We need to be flexible without losing sight of the ultimate objectives, and this means that we have to gain the kind of knowledge that only comes through long-term partnerships;

- 3) Partnerships need to be country-specific, sensitive to local particularities;
- 4) Partnerships have to have an eye on the immediate institutional partner while being well aware of the wider national-level context; this means that parallel institutions have to be avoided;
- 5) Partnerships should make sure that they have institutional roots, and this means on both sides of the partnership.

Ladies and gentlemen, I would like to thank UNDP for the opportunity to address you today, as it is my strong belief that **learning by doing and sharing experiences** is a key part of capacity building programmes.

For this reason, events like the one in which we are participating today are of utmost importance to share our experiences and to learn from each other, as we all stand together in trying our best to face up to the challenges of the MDGs.

Thank you!

João Gomes Cravinho

Secretary of State for Foreign Affairs and Cooperation of Portugal