

European Commission Technical Cooperation reform

Summary:

The European commission has undergone an original process of putting into practice a reform of its Technical Cooperation.

In July 2008, EuropeAid adopted a [Strategy on "Reforming Technical Cooperation and Project Implementation Units for External Aid provided by the EC"](#) also known as the Backbone Strategy on TC Reform. The Strategy's objective is to improve the effectiveness and sustainability of EC Technical Cooperation, such as Technical Assistance, studies and trainings.

The key message of the Backbone Strategy is to deliver "quality" TC.

Quality is indicated by compliance with the five following quality criteria :

- 1) Analysis of the context and existing capacity;
- 2) Demand from partners;
- 3) Link to outputs and expected outcomes;
- 4) Harmonized support;
- 5) Appropriate "programme implementation arrangements".

The originality of the reform lies on the coherent approach which is given to the set of quality criteria and to their logical sequencing and on its application process, based on a number of actions applied to the project cycle:

- Systematic screening of new operations for Quality of Technical Cooperation
- Monitoring of the quality of TC within actions being implemented
- Annual reporting on TC operations and their adherence to the TC quality principles
- TC reform regular reporting to Management
- Reporting to the European Parliament
- Regular concertations of two TC reform "core team committees" (sector specialists, geographical directorates representatives)
- Dissemination activities within the EC, EU Delegations, European Council CODEV committee, and beyond (Member States, Other Donors, NGOs)
- Learning activities in Headquarters, EU delegations (with participation of Country partners and other donor agencies)
- Creation of a collaborative Web platform on the issue of Technical Cooperation and Capacity Development : www.capacity4dev.eu

Two years after the reform was put in place, there was a change of mindset within the institution.

A more detailed introduction on both Capacity Development and Technical Cooperation is presented in the following pages.

Capacity Development and Technical Cooperation

Introduction to the EC's approach

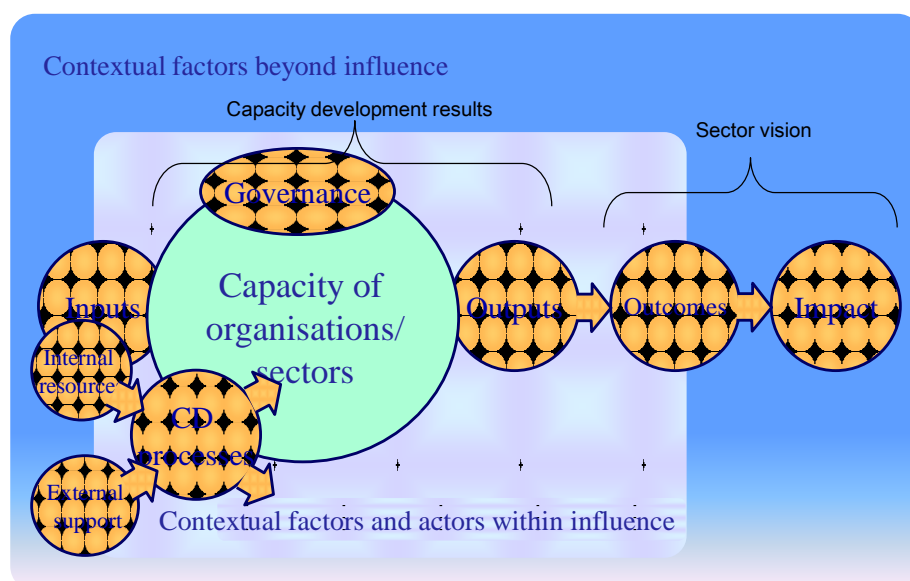
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This note introduces the EC's approach to *capacity development* and *technical cooperation*. It draws on the EC's reference documents "Institutional Assessment and Capacity Development", "Toolkit for Capacity Development" and "Guidelines on making cooperation more effective" – all available at www.capacity4dev.eu.

Capacity Development

The goal of capacity is to deliver an enhanced service to the collectivity, as well as more efficient regulation, improved or cheaper products. In development, such outputs serve wider outcomes: effective teaching leads to learning outcomes which again impact the wider life opportunities of children. Capacity issues are therefore a core, integrated part of development concerns, and not something that can be addressed as an afterthought. Figure 1 provides an illustrative model (an "open systems approach") that is helpful when thinking through the various links and relations around capacity and capacity development that will be discussed further in this note.

Figure 1: Logical framework for addressing CD in sectors or organisations



Capacity Development (CD) can entail a change in knowledge, skills, work processes, tools, systems, authority patterns, management style, cooperation and coordination patterns etc. CD takes place in both people and organizations/systems, however, like learning, it cannot be forced upon someone. Instead it can be stimulated from the outside by creating incentives to change, develop and learn. This has two important implications:

1. Donors should support CD processes and/or help to create the right external incentives for them to occur

- Those setting out to develop their capacity should lead and drive the assessment, formulation and implementation of CD processes to such a degree that their ownership and commitment remains intact or even boosted.

Functional and political dimensions of organizations and systems

Organizations cannot simply be understood by looking at official mandates and goals, formal procedures, and other “functional aspects”. Organizations everywhere also have a “political” dimension, where interests compete, and power and loyalties can shape performance ;often informally. The following four-dimensional framework allows the assessment of output levels, present capacity and the dynamics that explain it, by identifying strengths and weaknesses in all four quadrants. It also indicates intervention and support areas that should be considered for CD – though usually not as areas for donor support to CD.

	Functional Dimension	Political Dimension
Internal Dimension	Internal, functional dimension: Strategy, systems, structures, work processes, formal internal relationships, communication etc.	Internal, political dimension: Leadership, power distribution, material and nonmaterial incentives, rewards and sanctions, possible vested interests, conflicts.
External Dimension	External, functional dimension: Legal framework, timeliness and adequacy of resources, results-based performance targets, oversight bodies, formal accountability requirements.	External, political dimension: Political governance, possible vested interests, pressure from clients/customers, competitors, media attention.

=> *The Toolkit for Capacity Development provides*

- a quick capacity scanning matrix to help getting capacity issues and CD on the agenda,*
- a process checklist to help organise a dialogue and/or an assessment of capacity (cf. tool N°1 pages 18 to 24).*

Assessing organizational performance

Capacity assessments should start from where the partners currently stand – not where they should be! They should avoid ending up as a “gap analysis”, which measures the existing situation against a perceived ideal for how organizations/r sectors should work. There are two reasons for this:

- Gap analysis may measure the distance to a desired ideal, but it does not explain the current
- Gap analysis tends to identify weaknesses as opposed to strengths, which may de-motivate.

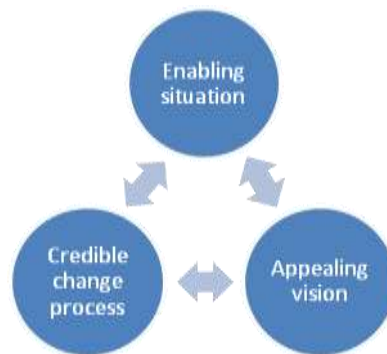
However, there are cases where the underlying motivation to change can be high. In such cases, the partner country/organisation may wish to perform some sort of gap analysis, for example to compare their administrative framework with an established benchmark.

=> *The Toolkit provides a checklist for organizational assessment helping to ensure that the most critical areas of organisational capacity are considered when an assessment is planned (cf. tool N°2 pages 25 to 29 and annex 1 providing ToR for capacity assessment (pages 71 to 82).*

When will CD and change happen?

Figure 2 shows the three essential elements that must be present.

Figure 2: Three preconditions for change and CD to happen



These three elements must be in balance. If, for example, “enablers” and the ability to change – or the *change readiness* of the partners - are limited, then an ambitious vision will not be sustained; instead the process may be reduced to incremental steps. Equally, stakeholders dissatisfied with a dysfunctional organisational set-up will not want to waste energy on small, largely cosmetic changes.

It is important that the “enablers” and the change readiness inform the scope of the vision or policy. In the short run the change readiness, although malleable, remains the independent variable and therefore understanding it is the starting point to arriving at a realistic vision.

Enabling situation

Some actors inside and/or around an organization/sector may find the current capacity to be either too low, or misdirected, while others may find it acceptable. Therefore those wanting change must have more power than those who are satisfied.

The present performance level of a sector/organization is likely to benefit some more than others. Therefore the stakeholder preferences and interests can be mapped relative to the current situation to show who is winning and who is losing? This is just the first step. A change in either direction will result in a new scenario, therefore, stakeholder interests and preferences must also eventually be mapped in accordance with future scenarios.

=> *The Toolkit provides:*

1. *An assessment framework for sector governance relationships analysis (tool N°4 pages 35 to 40). This helps users to identify the core public, private, and civil society organizations with a significant role in demanding, governing, overseeing, delivering and accounting for sector outputs*
2. *A political economy and stakeholder's analysis framework (tool N°5 pages 41 to 49) for a quick scanning of significant cross-sector context factors that are likely to enable and/or constrain the capacity and performance of sector organizations.*

Change management

A credible change process is required to arrive at a future vision, otherwise, those affected by the process will not buy into it. The following types of questions need to be addressed up front:

- Is there a capable team that can convince skeptics; overcome resistance; accommodate losers; seek early wins; forge alliances; keep CD on the agenda; drum up additional financial support; ensure adequate technical quality; and manage the daily business of implementing CD or reforms?

- Will a ring-fenced implementation arrangement ensure buy-in and strategic support from higher levels, or will it isolate the team from those who they should be helping to change?
- Should a high-level manager take the daily lead and if so, who should it be?
- If change encompasses various organizations, how will the change process organization ensure they stay on board?

Linked to task of detailing change management is the question of the role of local and external partners; this includes development partners and technical assistance (TA) with contractual links to the development partners. How much should they push, suggest, decide, control and how can they be accepted as trusted partners?

=> *The Toolkit provides a change management assessment framework (tool N°6 pages 50 to 56) designed to adjust ambitions for CD and change processes to the available capacity to manage change and define functions and distribute responsibilities for important change management elements.*

Vision and design of CD processes

Without a credible change process containing an enhanced capacity, the pressure to change will result in both frustration and passivity. Therefore, the final element is the vision for CD, which together with the other elements leads to a more detailed design of the CD processes.

Arriving at a broad scoping and sequencing of a CD process is just the first step. The next challenge is to make operational both the CD process and its possible partner support, so that funds and resources can be assigned, activities managed, and progress monitored.

Importantly, a CD plan should start by viewing the wider impact but then focusing in on both the changes in organizational/sector outputs that will be achieved, and the capacity required to deliver this performance. Notably, it should not limit itself to focusing on the “deliverables” that, for example, technical cooperation can provide.

The primacy of local ownership in practice is crucial for a successful design which should detail the inputs of the partner – leadership, management and staff time – to the same degree as it details possible external support to the process.

=> *The toolkit discusses sequencing and scoping of CD and reform (tool N°7 pages 57 to 63), and offers a capacity development intervention result framework (tool N°8 pages 64 to 70).*

Dilemmas when donors address CD

While the importance of capacity development is widely recognized, it is not the only concern in development. Notably, donors – and partners – often wish to achieve quick, tangible results that address urgent needs (e.g. in health, education, transport etc.). However, the current feasibility of the partners to achieve these results is insufficient (including shaping effective policies, disbursing funds, delivering quality services and monitoring effects). The larger the gap between the desired outcomes and the current capabilities, the more probable it is that donors and partners alike will create a parallel, unsustainable ad-hoc capacity to implement – simply because endogenous CD cannot catch up with the aspired level.

This dilemma is particularly evident in fragile situations and aid dependent countries. Therefore, CD – which demands time, intensive dialogue and often a rather modest amount of funds - may fall victim to concerns about short-term implementation and the tendency to execute bigger programmes; the latter is often necessary to achieving "Division of Labour".

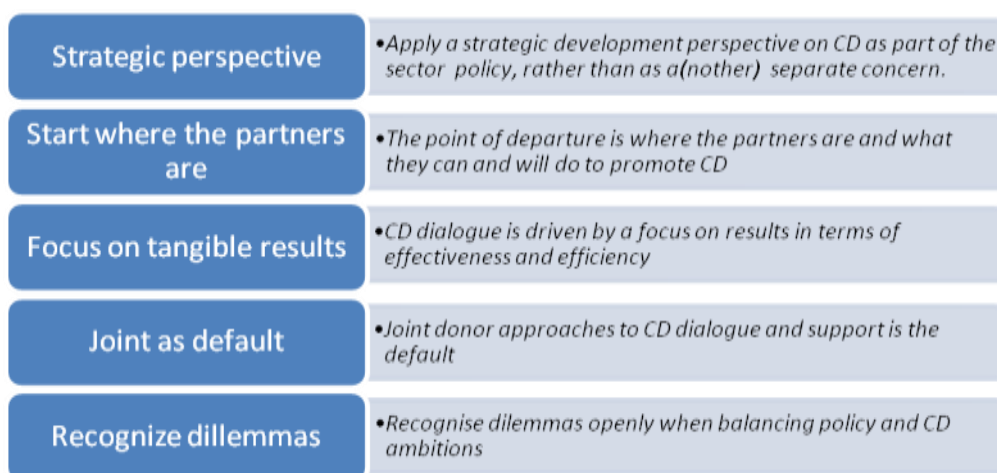
There are two solutions:

1. Donors and partners should pay frequent and careful attention to the roles they play, and the dealings they have. This requires attention to details such as who takes initiatives, who leads meetings, etc?
2. Continuous, open dialogue about these roles and dilemmas is required to ensure a balance between both CD, and other, concerns.

=> *The toolkit includes a tool to foster dialogue about roles in CD processes by country and development partners, respectively (tool N°3 pages 30 to 34).*

Summary: Five principles for addressing capacity development

This short introduction can be summarized in five basic principles:



Making Technical Cooperation more Effective

The EC's reform of technical cooperation (TC) focuses on making TC effective for capacity development and centres on eight key principles detailed below.

1. Focus on capacity development

CD and sustainable results are the key objectives of all EC assistance. Where relevant, TC can be called upon to play other roles. TC may be also needed to:

1. provide specific policy or technical advice;
2. to ensure the effective implementation of complex projects ;
3. to facilitate EC programme preparation

2. Demand led approach where TC is not provided by default

TC is optional and its provision should be based on the demand and requirements of the partner country. Assessing the demand for TC is an integral part of the identification and formulation phases and should also include an assessment of the context and existing capacity – preferably building on previous assessments. It should start by assessing the broader picture, then focusing in on what the partners can and will do, before finally focusing on the TC support from the EC.

Ideally, the preparatory phase (identification and formulation) is initiated by the Commission's services at least two years before the action is due to be implemented. The roles have to be carefully considered as there is a fine line between attempting to stimulate TC support, and overselling it so that it becomes supply driven.

3. Adopting a results-orientation

In the case of CD support, the logical results chain is illustrated in figure 1 above. It is needed to clearly link the provision of partner and TC inputs/activities to capacity results; it is never enough to focus only on what TC will do.

Special attention should be given to procurement of TC inputs. It may take many months to prepare good quality TOR, tenders or contracts; and forward planning is therefore essential. TC staff should always be selected after properly checking their previous performance.

4. Country-owned and managed TC process

Partner countries/ Stakeholders ownership is the key underlying principle for the organisation of EC-funded TC. From the identification to the implementation phase, partner countries should be actively involved in the design of programme implementation arrangements and TC-supported programmes; including the procurement of TC services and the management, review and accounting of TC results.

5. Taking account of country and sector-specific requirements

Many TC supported interventions have failed; not because the TC inputs were of poor quality, but because TC was an insufficient or inadequate response in the specific context. Understanding the political, socio-cultural, sectoral and institutional factors at play is therefore essential, not only to assess whether TC support will be effective, but also to become a trusted dialogue partner. Blueprint approaches should be avoided. Three key context factors are particularly important to understand if and how TC will work:

1. the overall country's ability to develop capacity
2. the track record of previous CD efforts and TC support
3. the general incentives to performance in the country or sector

6. Working through harmonised and aligned action

Ensuring the best possible harmonisation is crucial for CD – and therefore also for TC support. Fragmented TC may distort incentives in a sector, create overlaps and duplications, - and contribute to diminishing rather than increasing capacity at the institution level.

Harmonisation should be considered early in the identification process. TC support should be coordinated with other donors, country strategies and programmes through the increased use of pooling arrangements or other harmonised approaches, for example such as delegated cooperation. There are five main steps to take in the pursuit of harmonisation of TC:

1. put all harmonisation options on the table in the dialogue with partners (full implementation by the partner; pooling funds; TC support delegated to one or a few partner; or – as minimum response - agreeing a set of programme objectives to which donors may bring their individual TC support)

2. if EC stand-alone TC is the best option, then other donors should be informed about the TC support in preparation
3. if TC support in the area is fragmented, start harmonising TC around a joint agenda for analytical work, joint reviews and evaluation
4. support the partner in playing a stronger role in relation to implementing TC
5. support mutual accountability mechanisms in the country with data about EC TC

7. Avoiding the use of parallel PIUs and promoting effective partner-owned implementation arrangements

How a programme or project is set up and managed is as important for its success as all other aspects of its design. The aim is for the programme implementation arrangements to contain three or more of the following characteristics:

- the programme is primary accountable to the country implementing agencies
- the TOR for externally-appointed staff are determined by the country implementing agencies and, as relevant, endorsed by the supporting donors
- most of the professional staff are appointed by the country implementing agencies
- the salary structure of national staff is the same as that of other civil service personnel

Particularly in fragile situations and aid dependent countries, the use of individual topping-up schemes to provide incentives for civil servants (or quasi-civil servants hired as local technical assistants) may be a prominent feature to implement specific programmes. However, it risks isolating such programme units or agencies from both mainstream government and the civil service in general. In such a context, it is important to place this complex issue high on the policy dialogue agenda between donors and partners.

8. Consider different and innovative options for TC provision

The design of TC support should consider a panoply of alternatives. The Accra Agenda of Action highlighted the commitment of donors to promote the provision of TC by local and regional resources. Advantages of this approach are for example language capabilities and peer legitimacy. Technical cooperation can include twinning, staff-exchange arrangements, EU Member States public expertise or the establishment of regional platforms for exchange and learning.

More guidance – and exchange with other development professionals

There is an overwhelming amount of guidance, methodologies, toolkits, studies and evaluations available about capacity development and technical cooperation. The EC's interactive platform www.capacity4dev.eu provides a good entry point for finding references and guidance material. It also offers the opportunity to exchange information on lessons learned.

Registering is easy – more than 2000 have already done it!