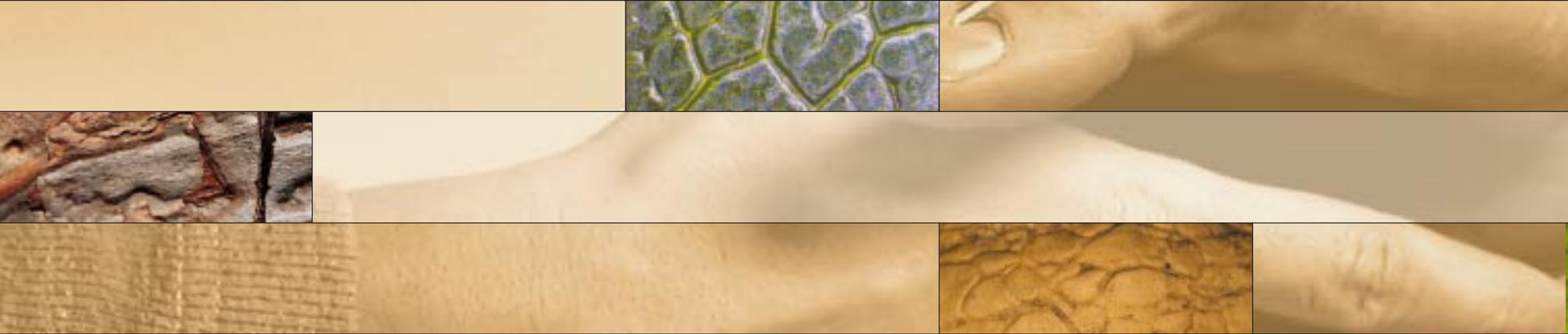


# Capacity Development for Sustainable Development

A Core Task of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)



Deutsche Gesellschaft für  
Technische Zusammenarbeit (GTZ) GmbH



1\_ The BMZ criteria are: respect for human rights, popular participation in political decision-making, the rule of law and legal certainty, a market-friendly and social economic order, and development-oriented state action.

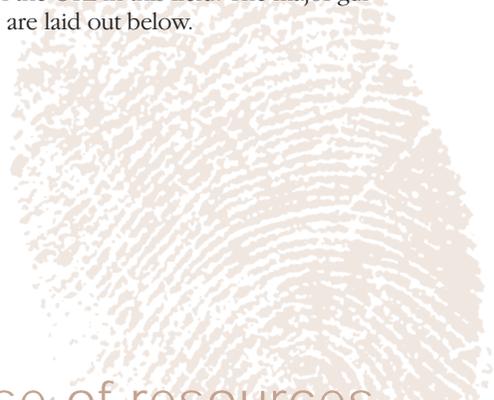
2\_ These are development cooperation projects "which are directly geared to improving the human rights situation, involving the people in the political process, and creating democratic structures in line with the rule of law" (BMZ)

**C**apacity Development has been one of the GTZ's core tasks ever since it was founded. Initially, the focus was on building the technical skills of individuals, while in the eighties the priority shifted to the development of organisations, in particular state organisations, in partner countries. In the early nineties, German Technical Cooperation, and hence the GTZ too, began to focus on the importance of political and institutional frameworks for development in general, and for the development and harnessing of existing and newly created capacities in particular. With the adoption of the „five most important internal framework conditions for development“ (the „five BMZ criteria“)<sup>1</sup> and the introduction of what came to

be known as „positive measures“<sup>2</sup> by the German **Federal Ministry for Economic Cooperation and Development (BMZ)**, the shaping of political and institutional framework conditions became an integral part of the GTZ's mandate. Over a period of almost thirty years, the GTZ has gained a wealth of knowledge and experience in this field, has been able to develop its own advisory competencies and has devised a flexible, demand-driven range of services.

The GTZ's definition of **capacity development** is based both on the development policy of the German Government and on accepted standards in international cooperation. The GTZ not only takes its own experience into account; it also draws on the experience of other bilateral and multilateral orga-

nisations, as laid out in numerous evaluation reports, and on scientific studies, which have proved to be very valuable contributions to the debate about the concept. By integrating these findings in a **capacity development** approach geared to implementation, the aim is to consistently enhance the day-to-day work of the GTZ in this field. The major guidelines are laid out below.



capacity development process use of resources individuals

NO.1

> **Capacity Development – an Investment for Sustainable Development**

The GTZ sees **capacity development** as the process of strengthening the abilities or capacities of individuals, organisations and societies to make effective and efficient use of resources, in order to achieve their own goals on a sustainable basis. This is done by **investing** in:

> **People:** This dimension of capacity development primarily looks at how to develop human resources and to use them within society. It comprises the transfer of knowledge, experience, skills and values, beha-

vioural changes, the development of cooperation and communication systems, and ways of enhancing the opportunities of individuals to participate in political, economic and social life.

> **Organisations:** The aim is to boost organisational output through training and upgrading for the members of the organisation, the establishment of management and incentives systems, the development of an organisational and management culture, the improvement of work processes, and the extension of task-related organisational networks.

> **Institutions and policies:** This includes the development of democratic, rule-of-law institutions as well as the social and ecological market economy, the improvement of the

legal and administrative framework for the activities of individuals and organisations, the gearing of state actions (policies) to development, and the promotion of cooperation between the state, the private sector and civil society.<sup>3</sup>

Investments of this sort boost the performance capacity of individuals, organisations and societies by modifying the resources, structures and rules of play that affect the way tasks are performed. Investments like these benefit not only today's generation, but also future ones too.



<sup>3</sup> "Good" institutions and policies have a dual function. Firstly, the performance capacity of a society – its capacity to raise the standard of living of its people – depends largely on the quality (i.e. the stability and the efficiency) of its institutions and policies. Secondly, the capacity of individuals and organisations to act effectively and efficiently on a sustainable basis depends not only on their own situation (resources available), but also on the quality of the institutional and socio-economic environment in which they act. A "good" institutional and socio-economic environment thus acts as an "enabler". It enables individuals and organisations to act effectively and efficiently on a sustainable basis; it promotes their performance capacity.

They are therefore a precondition for sustainable development and at the same time make a direct contribution towards it. They also help implement the international conventions and agreements adopted by the international community with a view to achieving sustainable development and reducing poverty – especially the Millennium Declaration (including the Millennium Development Goals – MDGs), the Declaration of the International Conference on Financing for Development in Monterrey (Monterrey Consensus) and the Declaration and Programme of Action adopted at the World Summit held in Johannesburg in 2002.

The GTZ sees **capacity development** as a change process at the level of individuals, organisations and framework conditions (institutions and policies). These can be chan-

ge processes within a state, civil society or the private sector, but also processes that focus on shaping cooperation between them. For the GTZ, **capacity development** is both an end in itself and the means to an end, and indeed a specific procedure.

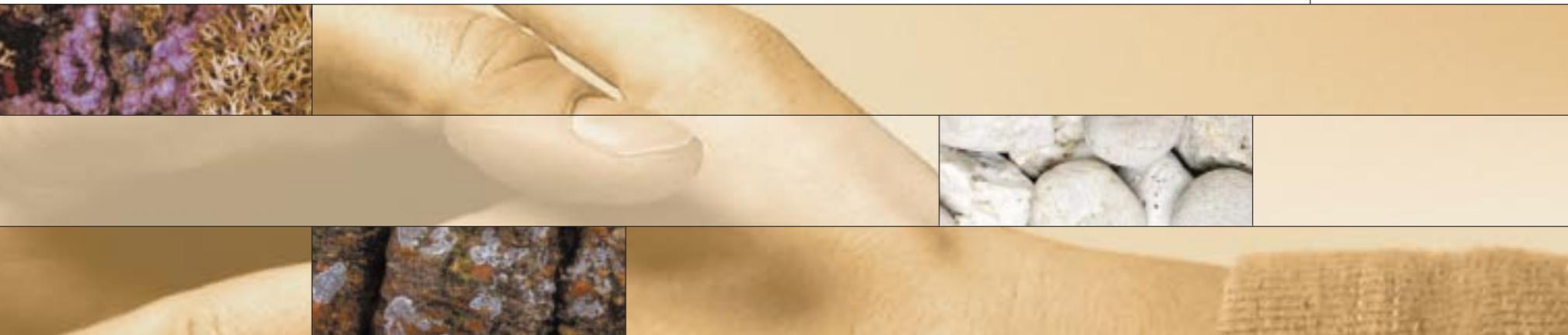
As the **means to an end**, it lays the foundations needed to realise development-policy objectives.

As a **procedure**, it emphasises the role and the intercultural competence of advisors as enablers, catalysts and facilitators.

As an **end in itself**, it focuses on responsible citizens and effective organisations with the competencies required to play an active part in shaping the future of their country and enhancing their own well-being.

For the GTZ, investments in people and institutions in particular are value-oriented, because these activities go hand in hand with the fundamental values and principles of state structures as these are understood in Germany and continental Europe: the concept of a democratic state based on the rule of law (Rechtsstaat), with a social and ecological market economy, and specific criteria for good governance (transparency, accountability, participation, freedom from corruption, etc.). The specific shape that these visions take on must be tailored to existing systems in the partner country in question. In its advisory services, the GTZ, in dialogue with the partner, helps adapt policy visions to bring them into line with the situation on the ground.

future means to an end participation capability procedure end in itself transparency



## > Capacity Development – a Task for Partners

Within the scope of projects supported by the GTZ on behalf of the BMZ, **capacity development** is a task performed by the GTZ in cooperation with its partners within the framework of the national development strategy of the country in question. This includes efforts to meet the complex demands made of both partners during a change process such as this – in terms of principles and methods. These are primarily the following:

> **Systemic approach:** **capacity development** requires a systemic approach. Although traditional **capacity development** strategies put the emphasis on strengthening the performance capability of individuals and orga-

nisations, experience indicates that, depending on the situation, these kinds of measures must include moves to upgrade institutions and policies (because of their dual function). At the same time, the structural adjustment programmes of the eighties and nineties showed that improved political and institutional frameworks alone cannot make a significant contribution to boosting the performance capability of individuals, organisations and societies, unless they are accompanied by **capacity development** measures at micro level.

> **Long-term and flexible measures:** **Capacity development** needs a long-term, consistent approach that must not be sacrificed to short-term measures and the rapid dissemination of success stories. Firstly, capacities can only be built gradually over a period of time, and capacities thus developed can

quickly fall into disrepair if they are not maintained and utilised. Since policies the world over tend to be geared towards short-term interests and pursue short-term goals and changing priorities, effective **capacity development** approaches must offer a way of dealing with this dilemma productively. The GTZ thus takes a flexible approach and tries to cooperate with a wide variety of executing structures, and to provide particular support to those organisations in a network that are willing to invest in **capacity development**. In addition, the GTZ always tries to realign its **capacity development** activities to meet the short-term goals and changing priorities of the German Government and the government of the partner country.



systemic approach

capacity development

flexibility

consistence

> **Good project design:** An effective contribution to developing endogenous capacities in the partner country presupposes a systematic reflection by both partners about the planned change process. When preparing projects, the GTZ performs **capacity assessments** with its partners in order to identify and assess the various dimensions of **capacity development**. The following questions must be answered: Where are there **capacity gaps**? What sort of interventions can be used to close these gaps? How can these interventions be strategically managed and incorporated into the national development strategies?

> **Impact orientation:** **Capacity development** focuses on the question of how a project changes people, organisations and societies, and what incentives it creates for the participants to maintain these impacts in the long term. Indicators must be used at all levels to

quantify improved performance or the achievement of results (performance and results indicators) or to assess the inputs in terms of their effectiveness in supporting particular performance improvements or the achievement of results. In the final analysis, the impacts of **capacity development** activities must be measured at the level of the ultimate beneficiaries (target group level), because they are the ones who are intended to benefit from the improved performance, resources and framework conditions.

> **Help towards self-help:** In principle, the GTZ's **capacity development** inputs are designed to encourage the efforts of individuals, organisations and societies to resolve problems independently and to achieve their objectives. They should take the form of help towards self-help rather than replacing the independent efforts of local partners. The latter should not

be released from their responsibilities; instead, endogenous change processes should be strengthened. This help towards self-help is all the more effective if local potential in the partner country is used (principle of minimum intervention). In practice, however, we often find situations in which the partner is willing to assume responsibility, but capacity gaps prevent it from doing so. To ensure the long-term success of **capacity development** measures, the GTZ must be willing in such situations to assume the functions of its partners in the sense of partnership co-responsibility, parallel to the establishment of endogenous capacities.

> **Ownership and participation:** **Capacity development** is an endogenous change process in countries cooperating with German Technical Cooperation and must be initiated and steered by local partners. Their willingness to assume responsibility, to make their

own inputs and to independently continue and refine the innovations achieved is vital if change processes are to be effective and sustainable, and is a key demand made of GTZ counterparts. The more actively the target groups participate in defining the goals and measures, and the greater their determination to assume ownership of the changes to be made, i.e. the more closely they identify with measures and the greater their willingness is to continue these on their own responsibility, the more successful change processes will be. It is largely the responsibility of the partner organisations to ensure that this is the case. The GTZ is responsible for advising partners on the clarification and assumption of any new roles and fields of responsibility, in order to realise ownership and participation at all levels.

### > The GTZ's Service Package

**In the narrower sense**, the services offered by the GTZ, to support one or more dimensions of **capacity development** in partner countries include:

- > participatory capacity assessments within the framework of project preparations and implementation;
- > support in setting up monitoring and evaluation systems;
- > technical outfitting of participating partner organisations;
- > counterpart training;
- > sector-specific and organisational advisory services;
- > promotion of cooperation between the state, the private sector and civil society;
- > advisory services in the interests of improving the legal and administrative framework wit-

hin which the promoted tasks can be performed efficiently and sustainably;

- > shaping all projects in line with the demands of professional change management which integrates the above services appropriately into a change process.<sup>4</sup>

**capacity development** in the narrow sense of the term is the task of all GTZ projects and programmes. **In the broader sense**, the GTZ's inputs in the field of capacity development include:

- > helping to shape the general political and institutional frameworks in line with the „five BMZ criteria“;
- > inputs to strengthen the performance capacity of the state, to empower civil society and to promote the private sector;
- > the promotion of access to education services.

<sup>4</sup> The framework and the quality standards for the design and management of change processes are laid down in the GTZ guidelines on Veränderungsmanagement in Beratungsprozessen der GTZ ("Change Management in GTZ Consulting Processes").

In many partner countries, the GTZ's inputs in the field of HIV/AIDS prevention and control are an increasingly important contribution to **capacity development**, since they help retain the human resources base and uphold the operations of important organisations and institutions in the partner country.

There can be no doubt that the promotion of **capacity development** is less a pre-defined „package“ than a procedure, in which the role and intercultural competence of the advisor are crucial. The **capacity development** approach demands that the GTZ can at any time account for the impacts of its work at both intervention and national level, internally and externally. In order to do so, the GTZ has at its disposal a new computer-assisted evaluation tool (e-Val).

### > Capacity Development, Gender Equality and Poverty Alleviation

In highly fragmented societies, general **capacity development** measures can have a relatively disadvantageous impact on women, ethnic minorities and low-income groups. The marginal status of these groups within society means that they are denied adequate access to the pertinent services. General **capacity development** measures must therefore be complemented by target group-specific activities to accord underprivileged groups special promotion. German Technical Cooperation has taken account of this by making gender equality and poverty alleviation cross-cutting issues. This means that **capacity development**

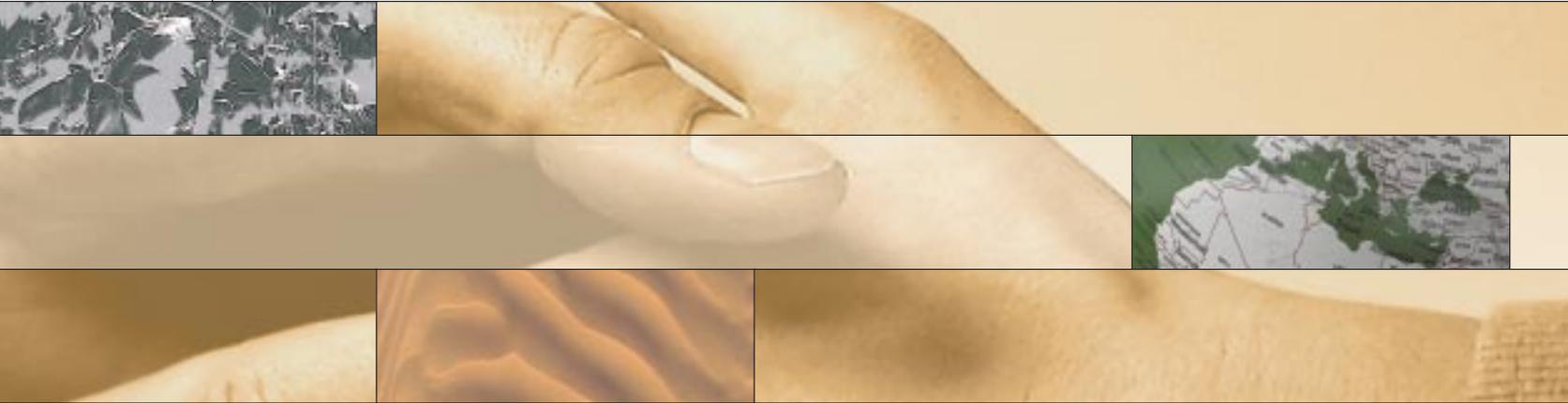
measures implemented within the framework of GTZ projects must be analysed, planned and monitored on a target group-specific basis in terms of their impact on women, ethnic minorities and poor population groups too.

### > Capacity Development and Seconded Experts

Seconded experts are one of the most important instruments of German Technical Cooperation. In connection with **capacity development** in particular, the GTZ considers this instrument advantageous for **three reasons**:

>

experts  
capacity assessments  
consultancy  
transfer of know-how  
humanity



**1\_**The assignment of a seconded expert generally goes hand in hand with a transfer of know-how and experience.

**2\_**In TC projects in the fields of organisational, institutional and political advice in particular, seconded experts are a vital element of their success. An ongoing, objective dialogue between the in-country partners is essential because of the nature of the projects (open results; need for regular, context-based adjustment of measures; flexible mandates; and value orientation). Projects of this type can only be successful if all participants accept the need for partnership and continually negotiate and balance their interests, roles and responsibilities within the scope of an organised dialogue.

**3\_**Ownership, participation and the ability to manage projects and programmes (including programme aid in the form of budget assistance, basket financing, etc.) cannot be presumed from the outset, although this would be desirable. The GTZ thus has the task of strengthening the consensus and competence in-country through an organised dialogue and through **capacity development**.

The GTZ is well aware of the sensitivity needed when seconding experts. There is, of course, a risk that ownership of the project by the recipient will be weakened, that qualified local staff from the partner organisation will be recruited to work elsewhere, and that the development of endogenous capacities in the partner country will be obstructed. For this reason, the GTZ seconds experts in three cases in particular:

**1\_**When no suitable experts are available in the partner country to perform a task. Seconded advisors are called on to support the partner and help the partner side use and develop its potentials in line with its own objectives. They provide knowledge, experience and systems from other contexts and bring these into line with local conditions, but they also help the partner to mobilise and develop local knowledge.

**2\_**When internal conflict and disputes point to the need for a neutral facilitator.

**3\_**When the success of development measures requires an ongoing, long-term dialogue about values and the economic order. This competence is a crucial criterion when selecting seconded experts.

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