

INSTITUTIONAL CAPACITY BUILDING - SOME EXPERIENCES AND STRATEGIES

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Why focus on ICB ?

- **Institutional Capacity Building (ICB)** - a leading issue for road development in developing countries and in countries with economies in transition.
- PIARC has decided to put ICB on the agenda in its 2004-2007 work period.
- The Technological Exchanges and Development Commission of PIARC is charged with promoting the ICB issue.

This presentation addresses the ICB according to PIARC position paper 2005.

The position paper on ICB

- The position paper addressed the following issues:
 - What ICB is and how it is to be understood
 - Strategies for ICB
 - Experience with ICB

What is ICB and how is it to be understood?

- The most frequently used definition of ICB in World Bank documents is that it encompasses three main activities:
 - Skill upgrading
 - Procedural improvements, and
 - Organizational strengthening

Thus, road related ICB refers to investment in **people**, **institutions** and **practices** that will enable developing countries and countries with economies in transition to achieve their road transport development goals.

How does ICB occur?

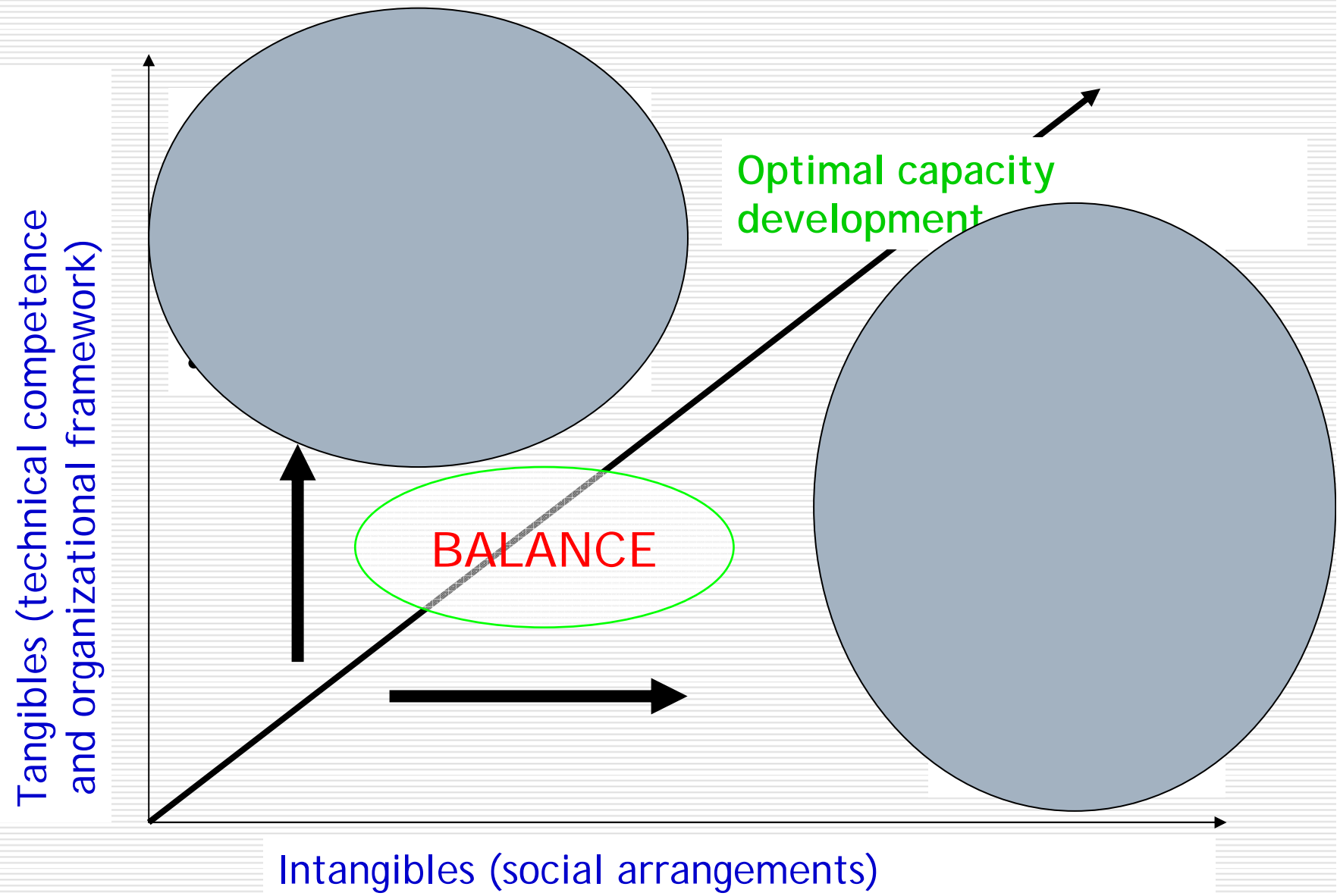
- By acquiring a large spectrum of resources and integrating them in a way that lead to change and development:

All are equally important

- Financial
- Human
- Network
- Knowledge
- Culture
- Systems

Political stability
and commitment

Balancing between Intangibles and Tangibles in ICB



Two types of capacities

- **Tangibles:** Physical assets which are easily measurable either in physical terms or indices. Includes infrastructure, machinery, training, economic resources, legal framework etc.
- **Intangibles:** Soft but equally important factors such as social skills, experience, creativity, social cohesion, values and motivations, habits and traditions, institutional culture etc.

Why ICB?

- ICB is about creating efficient and effective institutions.
- Hence it pursues the objectives of Good governance and Integrity

Relationship between ICB and Good Governance & Integrity

Intangibles

ICB

- Motivation
- Values
- Traditions
- Culture

Tangibles

- Legal Framework
- Economic & human resources
- Functioning organization

Good Governance & Integrity

- Transparency
- Accountability
- Predictability
- Credibility

The ultimate is goal creating efficient and effective institutions and reliable transport systems

Observations so far

- ICB is about integrating tangibles and **intangibles (soft factors!)**
- ICB and Good Governance & Integrity are **inseparable**

But how has ICB worked in the past ?

Answers to this question will help in forming strategies for future ICB

Case studies on 19 projects to infer:

1. How ICB is perceived
2. How ICB is addressed
3. To what extent the cases relate to the ICB concept (as set out in the position paper)
4. Which experiences have been gained (successes and failures/short-comings)

The projects are those of World Bank, DANIDA, African Development Bank and NORAD

How is ICB perceived?

- In different ways:
 - In most cases - training and technology transfer
 - In some cases - developing structures, organizational mechanisms and processes, and human resources

Alarming situation; intangibles left out even within the world Bank projects

How is ICB addressed?

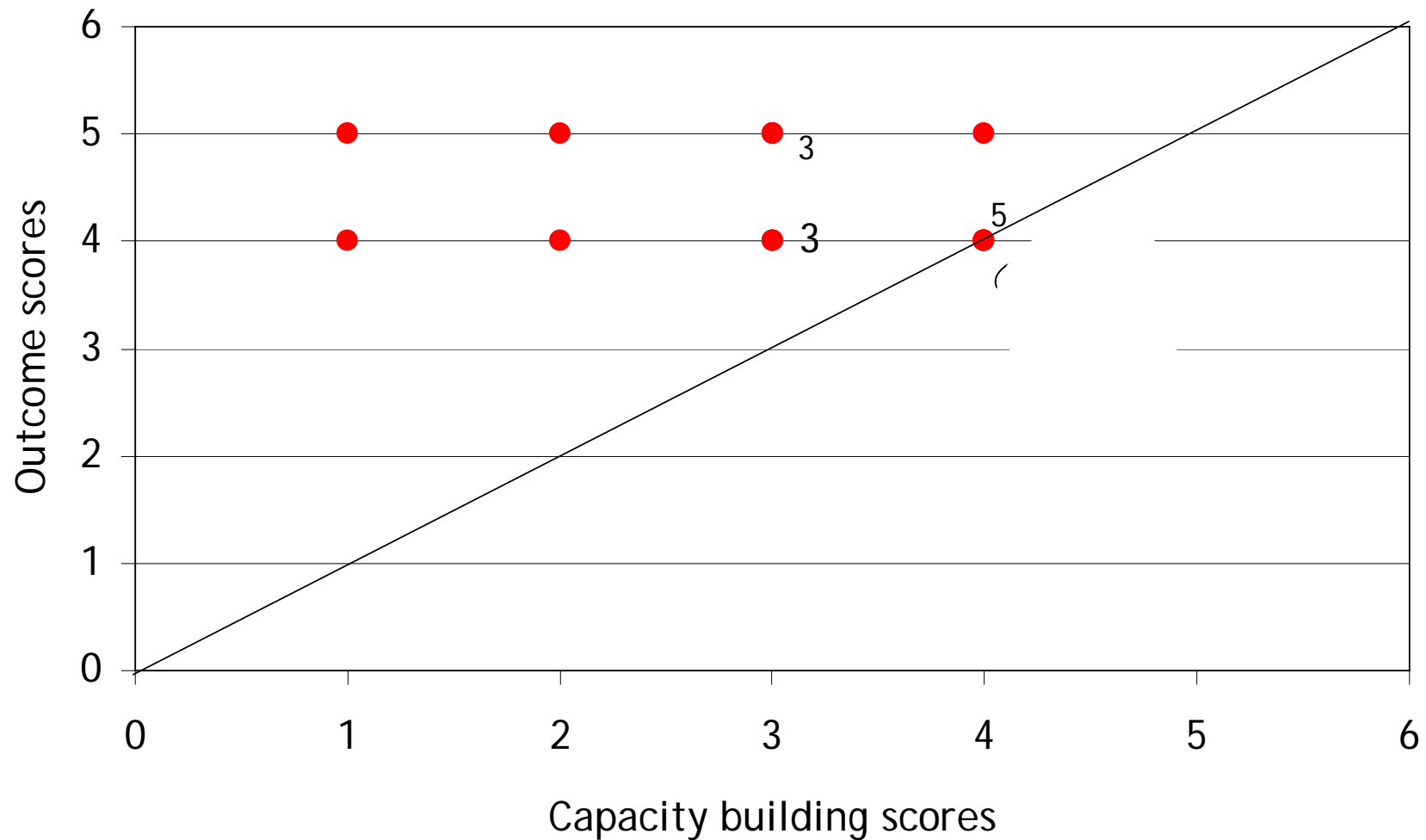
- Training on managerial and technical matters
- Developing organizational mechanisms and processes and human resources
- Technical assistance through:
 - consulting services
 - expatriate staff - long-term assignments
 - institutional cooperation/twinning arrangement

Again, lack of soft factors!!!!

Related to the ICB concept?

- The answer is no!:
- Interventions geared towards hard capabilities (**technical competence and organizational framework**)
- Little attention paid to soft capabilities (social arrangements) - although local conditions are taken into account

Results of post evaluations: Outcomes more the goal than capacity building !



5 specific cases studies

1. Institutional sustainability and capacity development within SIDA financed road safety projects
2. Norwegian assistance to the road sector in Botswana
3. Norwegian assistance to the road sector in Tanzania
4. AfDB assistance to the transport sector in Ghana
5. Road sector management in Lao PDR, Philippines and Papua New Guinea (ADB)

Institutional development impact

“The extent to which the project improves the ability of a country to make better use of its resources”

Road safety projects	Botswana	Tanzania	Ghana	Laos	Philippines	Papua New Guinea
Modest	Substantial/Modest	Substantial	Modest	Substantial	Modest	Modest

Scale: High, substantial, modest, negligible

Shortcomings - ICB related

1. Donors are not clear on what may be meant by ICB; efforts to achieve it are equally unclear
2. Low or inefficient attention to consensus building
3. Excessive use of extreme conditions to achieve the overall goal; realising projects and less on institutional capacity building
4. Weak development of partnership between the donor and important stakeholders
5. Little understanding of the social and cultural conditions necessary for institutional building to prosper - "the intangibles"

Success factors

- Long-term involvement
- Demand-driven assistance
- Interventions adapted to the level of development and absorption capacity of the institutions involved
- Focus on human resources development
- **Emphasize the intangibles !!!**

Did you get the message?

If not, think intangibles a thousand times!

Thanks for listening