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**UNDERSTANDING CAPACITY DEVELOPMENT AND SOUTH-SOUTH  
COOPERATION**

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**ABSTRACT:**

Much of developing countries challenge to successfully implement development programmes stems from the capacity weaknesses at national, sub-regional and continental levels. Previous efforts and approaches like traditional aid and assistance from developed nations to build capacity have failed to make substantial impact. Recent literature places a significant faith in SSC in addressing the need for a transformative, effective public policy design and implementation of capacity development. Such an approach will require a framework which will reflect a holistic understanding of what capacity building means and where is it failing in the traditional frameworks. The purpose of this paper is to build on the evolving definitions, which will follow tracing of the origins and the shifting paradigms in development cooperation. It will also look at the challenges posed by Development Assistance Committee (DAC) approach and look if South-South Cooperation will have any different impact on capacity development. It aims to shelter the effectiveness of South-South Cooperation. Observations from this paper may provide a much-needed attestation for the ability of South-South Cooperation as reinforcer of capacity development.

**Key Words:** *Capacity Development, Capacity Building, South-South Cooperation, Development Cooperation.*

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## INTRODUCTION

In addressing today's development challenges of economic and social in nature, capacity and development go hand in hand. There is now emerging agreement in the development community that capacity development is the engine of human development (UNDP, 2009) and capacity development will remain critical for sustaining progress towards achieving development objectives. Before getting caught up in the nomenclature, it is important to begin with a few fundamental questions which would establish the base for our understanding.

The following would be the questions to be considered before we begin to analyze and assess the various approaches. What is capacity, why do we need to build capacity, in whom do we build capacity and how should we do it? Capacity can in the simplest form be understood as the power or potential to do something. Capacity is required to be able to build or grow, a nation for example would require certain skills or technology would make or produce goods to be traded, without which a nation cannot prosper. Capacity development in individuals (via education, practical training to develop hands on skills) and communities help realize efficient modus operandi and effective use of resources to gain better results. While developed and developing countries face many global challenges like climate change, poverty, depletion of fossil fuels and lack of education, it is the emerging need to equip them to meet these challenges. Therefore, capacity development plays a critical role in the process of overall human development and in the development of nations.

Traditional approaches to capacity development have been met with considerable criticism for various reasons. Various theorists have criticized the developed nations for having a hidden agenda behind such cooperation. Theorists like Marx and Wallerstein provides account of how societies work and engage with each other in a dominating and oppressive manner. Their claims have only been strengthened by the various conditionalities put on the recipient nations by the donor agencies and countries when providing assistance. Such an approach proved ineffective when it has not made use of or built capacities of the communities in which the projects and programs were undertaken.

These problems have paved way to the formation of South-South Cooperation (SSC), wherein the learning and cooperation is about developing countries acknowledging that they share common development challenges and working together to address them as partners. For example, the Brazilian response to the HIV/AIDS epidemic has been used as a learning tool for other Latin American nations trying to tackle the disease. Brazil is also helping Botswana design and implement an integrated strategy to combat HIV/AIDS (Tejasvi,2007). India is increasingly promoting technical cooperation with other developing countries, for example, the Water Resources Development and Management Center at the Indian Institute of Technology. The objective of the center is to train engineers from Asia, Africa, and other developing countries in various aspects of water resource engineering. Since its creation in 1951, the center has trained 2,032 serving engineers from 38 countries in the field of water resource development and irrigation water management<sup>1</sup>.

South-South Cooperation approach promotes a closer technical and economic cooperation among countries by employing experts from the south, as they can share their lessons learned from best practices as well as help to develop a sense of ownership of the development process unlike the lack of it in a North-South arrangement. SSC is believed to be effective in realizing the need for a transformative, effective public policy design and implementation of capacity development for developing nations and LDC's to grow and fairly prosper.

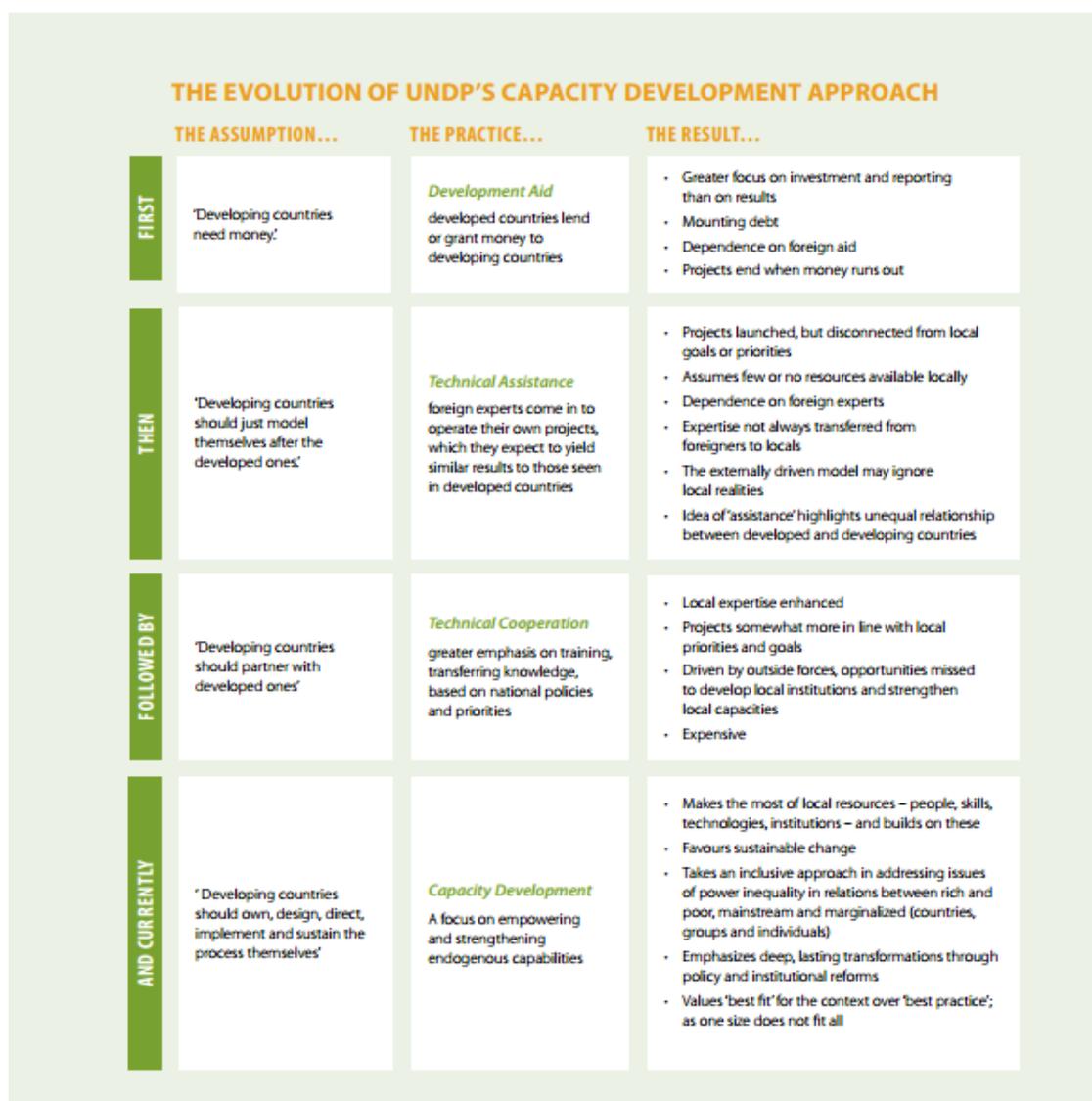
In this paper, I attempt to build on the evolving definitions of capacity development, which will follow tracing the origins and the shifting paradigms in development cooperation. I will also look at the challenges posed by the Development Assistance Committee (DAC) approach and look if South-South Cooperation will have any different impact on capacity development. It aims to shelter the effectiveness of South-South Cooperation with the help of examples. Observations from this paper may provide a much-needed attestation for the ability of South-South Cooperation as reinforcer of capacity development and likewise.

## **DEFINITIONS & EVOLVING NATURE OF DEVELOPMENT COOPERATION**

Before looking into the definitions, it is important to learn how capacity development came to be into being as a significant game changer as a mode of Development cooperation. UNDP traces the evolution of capacity development approach and is illustrated below.

It is difficult to peg down a few words as a definition of capacity development especially with the evolving nature and scope of the term within the ambit of development cooperation. However, various development organizations or agencies and experts have tried to explain what capacity development means. In some cases, the definitions strongly reflect the specific interests of the agencies that define them. With the use of some definitions, I will try to tease out some important elements when defining capacity development.

Figure 1: UNDP Primer Report



For UNDP, Capacity Development is a process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time (UNDP, 2009). Whereas OECD defines it as the processes, whereby people, organizations and society a whole unleash, strengthen, create, adapt capacity over time. This definition by OECD has been widely accepted by many other agencies such as Europeaid, FAO and others. These two definitions could be regarded as the conventional or traditional understanding of Capacity development. WBI defines capacity development as a locally driven process of learning by leaders, coalitions and other agents of change that brings about changes in sociopolitical, policy-related and organizational factors to enhance local ownership for and the effectiveness and efficiency of efforts to achieve a development goal. This definition is an interesting example that can be used to explain how South-South Cooperation plays on development cooperation differently from the conventional OECD approach. There is much emphasis placed on the nature, mode of conduct and to specific goal realization. Capacity

development can be understood to be practiced as a locally driven process as opposed to transferring experts and technology from the donor country for a specific project, an approach popularly used by traditional donors. It also acknowledges the role of civil society organizations and local agents of change as leaders in leading the development process through initiating capacity building programs. The importance of efficiency and effectiveness of local ownership is duly acknowledged. This gives us a comprehensive understanding and helps in pulling out some common elements in capacity development as well as the development processes. It also attempts to be inclusive as it explains the need for capacity building at different factors by looking at organizations and sociopolitical elements this leads us to the scope question. We can now establish that capacity is about growth, of individuals in knowledge, skills and experience. There is emerging a notion from the development community that capacity development must be viewed from three distinct but related concepts. UNDP (UNDP, 2009) illustrates the following three points:

1. Individual: skills and knowledge vested in individuals, communities and groups,
2. Organizational: the internal policies, systems and strategies that enable an organization to operate and to achieve its goals,
3. Enabling environment: the wider society within which individuals and organizations function.

For UNDP, these three conditions would ideally interact to nurture an environment where capacities can be built.

## **THE CONVENTIONAL APPROACH TO DEVELOPMENT**

While conducting capacity development programs, the conventional approach has been exclusive and ineffective in developing capacities which capacity crippled the communities they were involved with and sometimes making the development challenge they were dealing with much worse than they had begun with. How did the conventional approach fail at building capacities? Donor agencies working on a project, for example, would provide a team from the donor country barring the local people's involvement on the project. It would also purchase goods and services from the international market on behalf of the government and foreign experts would be hired to work and perform needed functions (OECD, 2011). Conventional approach led to many problems as it failed to build skills and make use of local expertise leading to inefficient allocation of resources. It also worked as a palliative measure instead of making real impact that is long lasting. Local priorities and goals were often ignored. Even though, the traditional donors can afford financial assistance as it comes from the developed nations, it is important acknowledge that financial resources cannot alone sustain human development.

## **WHAT DOES SOUTH-SOUTH COOPERATION OFFER?**

DAC countries claim that South-South Cooperation is no different from their approach except that it is born out of the South. For this reason, South-South Cooperation is to prove itself not only as a stand-alone approach but also a more efficient and fair approach from the conventional approaches. Japan International Cooperation Agency (JICA) broadly defines SSC as "support by developing countries, whose development has advanced in certain fields, to efforts of other developing countries. Dr. Kenji Yamada, a Japanese expert on capacity development presents findings from his study "Case studies on Capacity development in the power sector with South-

South cooperation components”, that SSC offers a number of advantages over traditional capacity development approaches, e.g. North-South knowledge and capacity building programs. Relying on linguistic, cultural, historical and even geographical similarities between providers and recipients, SSC facilitates the delivery of appropriate solutions tailored to the needs of other developing countries. Dr. Yamada also asserted that SSC enhances aid effectiveness and efficiency by reducing costs—vis-à-vis North-South centered programs— since capacity development programs led by third country experts are far less expensive to execute than those that rely on experts from developed countries (Fernandez, 2009).

Another example of South-South Cooperation success is with The Association for Social Advancement, a Bangladesh nongovernmental organization as it provided technical assistance for establishing 15 microfinance institutions in the Philippines for delivery of microfinance services to more than 25,000 clients. With 1.5 million members, this association is widely acknowledged as a model of good practice in microfinance, because of its unique accounting methods, standardization, and efficient cost structure. In Africa, The West African Rice Development Association (WARDA) has succeeded in discovering new crop varieties, called New Rice for Africa (NERICA), created by crossing African and Asian rice species and combining the best attributes of both. West African farmers played a key role in developing these crops and ensuring their suitability for farmers who cannot afford fertilizer or pesticides (Tejasvi, 2011).

There are several success stories, however, does that mean South-South Cooperation poses no risks and challenges? Is all good with South-South Cooperation? SSC still faces several challenges that in some cases are related to institutional and technical capacities of Southern countries – particularly those of Middle-Income Countries. They include, improving the quality of information (data, processes, cases, change agents) that would enable transparency and better quality and results; practical challenges (financial costs and logistical issues) and alignment to national systems and development can sometimes be a challenge with some developing countries would be difficult.

## **CONCLUSION**

In this paper, I have tried to demonstrate what capacity development is and how it evolved to be one of the most talked about idea within the development cooperation community in the recent times. I have also tried to juxtapose the traditional/conventional development cooperation approach to the emerging South-South Cooperation. We have seen the constraints presented by a traditional approach where initiatives tended to be donor driven and expensive while relying unduly on foreign expertise while distorting national priorities. These challenges from the DAC approach led the developing countries to realize the need for them to support each other rather than depend on assistance from donor countries. The emergence of South-South Cooperation posing as an anti-thesis to the traditional approach is serving as a useful alternative while making the countries involved feel as partners in an equal relationship where it is a give and take relationship instead of a dependent relationship. As with capacity development, South-South Cooperation acts as an efficient approach with the exclusive focus on inclusivity, focus on local ownership, sharing best lessons from partner countries. Within South-South Cooperation, we can see that the idea of best fit trumps the best practice, where resources and actions are tailored to the needs of work environment. The SSC approach is demand-driven rather than donor driven while saving up on

several costs and time. There is mutual trust and transparency. The local ownership is respected and civil society organizations are encouraged leading to greater employment and enhancing of skill set. In conclusion, there is an adequate attestation for the ability of South-South Cooperation as reinforcer of capacity development in comparison to the traditional DAC approach.

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