

Capacity Development: Building Institutions and Beyond

April 10, 2019

10:00 a.m. to 11:15 a.m.

Meeting Halls A&B, IMF HQ1

Moderator: Eleni Giokos, Business Africa Correspondent, CNN

Opening remarks:

Carla Grasso, Deputy Managing Director, International Monetary Fund

Panelists

Diwa C. Guinigundo, Deputy Governor, Bangko Sentral ng Pilipinas

Steven Radelet, Director of the Global Human Development Program, Georgetown University

Alain Hervé Rasolofondraibe, Governor, Madagascar Central Bank

Cecilia Sharp, Assistant Director General, Swedish International Development Cooperation Agency (Sida)

Accounting for close to a third of the IMF's activity, capacity development (CD) is critical to foster economic stability and growth amongst its members. A panel of thought leaders and policy makers discussed the challenges facing CD, including building necessary political support, improving donor coordination, providing the adequate technical expertise, and ensuring country ownership.

Key Points:

- **Importance of CD.** Panelists agreed on the important role in which CD plays to ensure long-term sustainable development. *Rasolofondraibe* attributed the recent strong economic growth of Madagascar to the reform and institution building that had been implemented with the assistance of the IMF. *Guinigundo* highlighted the role that institution building had played in contributing to the 20 years of consecutive strong economic growth in the Philippines, as well its resilience to economic shocks.
- **Designing and implementing CD programs.** *Radelet* outlined the three levels at which capacity development can focus, either through core skills at the individual level, at the organizational level to carry out essential functions, and at the institutional level to set norms and best practice. He also emphasized that capacity building is a long-term process and that result measurement is challenging. *Guinigundo* underlined the importance of incorporating flexibility as well as country tailoring into CD programs.
- **Country ownership.** Panelists agreed on the importance of strong country ownership for sustainable institution building. *Guinigundo* stated that authorities should define both the ambition and scope of CD, as well as provide sustained commitment to the CD program. *Sharpe* outlined the key role that the authorities should play in developing the CD plans, as well as the importance of building trust between all stakeholders.
- **CD in fragile states.** *Radelet* highlighted the significant challenges of weak or even non-existent institutional capacity in most fragile states, yet it is exactly in these contexts CD can have the most impact. *Radelet* noted that, without strong commitment and leadership, achieving success in these contexts are extremely challenging. *Rasolofondraibe* emphasized the importance of a stable national CD strategy and retaining trained staff in a fragile context.

Quotes:

“Successful capacity building requires going beyond sharing technical expertise: Political support, country ownership, community engagement, and coordination across stakeholders are equally important.” **Carla Grasso**

“Building Capacity is not a one, two, three-year process. It’s a generational process.” **Steven Radelet**

“Capacity building should be flexible, adapted to local needs...[it is] critical that there is consensus, that there is public ownership”. **Diwa C. Guinigundo**

“As outsiders your role is to assist, not to tell.” **Steven Radelet**

Contributor: Alex Lalor