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Capacity Building

Introduction

The UN Development Programme (UNDP) has defined capacity as ‘the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner’ (UNDP 2006). The term ‘capacity building’ describes the task of developing human, institutional and infrastructure capacity. ‘Agenda 21’, the outcome document of the 1992 UN Conference on Environment and Development (UNCED), is even more specific. It states:

Specifically, capacity building encompasses the country’s human, scientific, technological, organisational, institutional and resource capabilities. A fundamental goal of capacity building is to enhance the ability to evaluate and address the crucial questions related to policy choices and models of implementation among development options based on an understanding of environment potentials and limits and of needs perceived by the people of the country concerned. (UNCED 1992, Chapter 37)

Within the context of developing and implementing an NES, capacity building is the process of equipping a country with the skills necessary to enhance its export competitiveness. The shared vision, the stakeholder participation, and the opening and enhancement of dialogue between the government and the private sector representatives create new possibilities.

At the individual level, the participants in an NES project take part in a process that demands the application of a framework and the use of tools, so they expand their understanding of business, and export business in particular. In addition, the process requires them to reconcile differences and make judgements as they analyse, prioritise, focus, make plans and turn these into actions. Those individuals from the public and private sectors and civil society who participate in the formulation and implementation of the strategy will strengthen their communications, co-ordination, advocacy and negotiation skills. The additional skills, access to information, knowledge and training will help the individuals perform their respective functions more effectively.

The NES consultative process involves the elaboration of management structures, processes and procedures and the management of relationships between different organisations and sectors. This enhances the capacity of the different organisations to undertake their respective mandates, not only for the NES project but also for their other mandated activities.

One of the outcomes of the NES process is the alignment of national regulations and conditions to the international market requirements. In some situations this requires making changes to legal and regulatory framework, which enhances the capacities of the organisations involved.

Building Capacity through the NES Process

Examples of areas where countries feel that capacity has been developed during the NES process are provided by the following extracts from the NES review (Record and Motnya 2008):

The **Grenada** Minister for Finance and Planning, Honourable Anthony Boatman, in a communication to the Commonwealth Secretariat, stated:

The numerous benefits...derived thus far by Grenada from the preparation of the Strategy; Grenada now has a cadre of trained persons in strategy design which has resulted in savings to the Government of Grenada in lieu of hiring of consultants... (p. 6).

Statements by leading stakeholders support this view:

The process of developing the Grenada National Export Strategy had a lasting effect on the export of nutmeg products. The rigorous process brought stakeholders together, identified priority areas on which to focus, identified links between sectors and pinpointed areas of weakness... (p. 6).

As a result of the NES process two leading companies, which both process nutmeg products for export, fine-tuned their objectives and focused on factory retooling for greater efficiency and on training staff in key areas such as ICT, marketing and accounting...(p. 14).

The development of the NES signalled a new approach to exports which is not limited to marketing but encompassed other important issues such as transport, finance, trade information, export competencies, quality management among other issues...(p. 14).

In **St Vincent and the Grenadines** the NES process showed that market access, although desirable, is not the only solution to improved export performance. Many of the sectors identified as high potential areas were previously entered by default or for subsistence. They were not seen as business opportunities. It has also become evident that not all of the supporting conditions were in place before the process of developing an NES was established. The NES process has called for the following measures to be instituted urgently:

- A clear government policy on trade development including export development;
- Capacity development for artisans, industry practitioners and regulatory organisations; and,
- A re-orientation of mindsets.

The NES process has created awareness in both **Tanzania** mainland and the islands of **Zanzibar** and **Pemba** that market access alone is not sufficient to improve export performance. The country would have to address supply side constraints and these have been identified to include the following:

- Enhancing technological and managerial capabilities;
- Developing entrepreneurs;
- Strengthening financial support systems;
- Developing linkages and networking between small and medium enterprises (SMEs).

The NES approach used in **Swaziland** left a team of well-trained individuals on various aspects of strategy formulation and these individuals have been called upon to provide inputs in various economic development initiatives. The Trade Promotion Unit is better prepared to co-ordinate export development and promotion activities in the country than was the case before the advent of the NES process.

Botswana has undertaken several initiatives besides the NES but the latter has clearly provided the basis for efforts to promote the development of exports. Further, through the NES, the country's brand, 'Opportunity and Tranquillity Beckons', is seen through the eyes of the exporting community.

Uganda was among a few countries that did not use consultants in the development of the NES. Through the technical guidance of both the Commonwealth Secretariat and ITC, Uganda developed a small team of resource people in different areas and sectors of strategy formulation. These individuals upgraded their competence in strategy development and are now participating in other economic activities not just in their own country but also in other countries in the region.

As a result of prioritising sectors for the NES **Samoa** was able to respond promptly to an unsolicited offer of assistance and request the kind of support that would be most appropriate and relevant. One stakeholder stated:

We launched our NES three months ago and we have already had a review and an opportunity. By having our NES ready we have been able to take advantage of the offers which are out there... (p. 36).

In **Belize** lack of implementation of the NES has been attributed to the absence of political endorsement at the outset of the project. But now both the public and the private sectors are better informed about the need to engage all change agents from the very beginning of a process. The success of other public-private sector initiatives in Belize could be attributed to this knowledge.

The capacity that was developed during the NES process can be directly linked to the formulation of some key policies that have enhanced export development in **Nigeria**. These include the following:

- Provision of incentives and facilities for a number of products identified in the NES;
- Enhanced role of the Cassava lobby groups;
- Revision of legislation and the removal of import duty on all imported agricultural equipment;
- Enhanced collaboration with the International Institute of Tropical Agriculture (IITA), Standards Organisation of Nigeria, and National Agency for Food and Drug Administration and Control.

The **Namibia** national team can now see the direct link between trade policy and export development. Because of this, Namibia is supporting regional integration and the strengthening of regional institutions like the Southern Africa Customs Union (SACU) and Southern Africa Development Community (SADC).

The NES process in **Tonga** has helped both the government and the private sector to identify obstacles impeding the country's competitiveness, and to formulate strategies to address these constraints. The Cabinet approved a steering committee to oversee NES implementation. Membership of this committee is drawn from the NES national team.

In **Fiji**, since the NES was completed in 2006 the government has been allocating resources to support NES activities through a bidding process. Management of these resources is under one of the members of the Fiji NES team who is using the knowledge and skills gained during the NES process to manage this fund.

A lasting legacy

There is general agreement among those involved in NES projects that the process of developing a strategy has been effective in building capacity across a range of skills and knowledge. Recommendations to further enhance its effectiveness include:

- Continual review of the NES;
- Support from partners during the NES implementation phase, for example through business advocacy and assistance with the sourcing of funds;
- An institutionalised forum for the public and private sectors to continue working together beyond the NES project;
- The involvement of the media to communicate progress and celebrate success stories.