Donor Approaches to the Development of Institutions – Formal and Informal Rules

A Partial Overview

Sara Bandstein
Foreword

Institutions – formal and informal rules within which humans and organisations interact and perform – play a crucial role for sustainable development. However, existing institutional set-ups in many countries prevent development from taking place, just as they may render development co-operation ineffective. Donors recognise this. Hence, supporting institutional development is a strategic issue – increasingly so, not least in light of the Paris Declaration and current trends towards programme support and capacity development at system level. Institutional development is not easy, however, and experience-based knowledge about how to successfully support such processes is limited. Still, it is increasingly recognised that donors need to both consider and affect the broader institutional and political context. The importance of informal rules is also underscored.

In 2004, Sida’s Department for Evaluation and Internal Audit (utv) launched an evaluation theme on support for the development of formal and informal rules. The primary purpose is to learn lessons from Sida’s experience from supporting institutional development in partner countries. This theme is also to contribute to an increased understanding of institutions and institutional development, and of the implications for development co-operation more broadly. It is to perform a learning function for Sida staff at all levels and therefore adopts a process-oriented and participatory approach. As a first step, an orientation and overview phase was conducted in close co-operation with Sida’s operative departments and embassies to set the stage for evaluation. This phase was completed in 2005 and a series of reports were produced – this report is one of them.

While support for institutional development is part of many donors’ development co-operation activities, the concepts of institutions and institutional development are often vague and vary between donors. This makes it difficult to overview the support and whatever lessons that may be learned from it. In order to contribute a clearer picture, this utv Working Paper serves as a first orientation into how other donors have approached support for the development of institutions. It attempts to identify documented initiatives to the support for institutional development among some major donors, and thus offers a partial – and brief – overview.

A major finding is that explicit approaches to support for the development of institutions in terms of formal and informal rules seem to be scarce. However, many donors include institutional aspects in the approaches that they have developed to support for capacity development. Another finding is that institutions mostly are described in general and abstract terms, and few donors seem to have developed tools for the development of institutions per se. Evaluations and other documents that explicitly report on lessons learned from support for institutional development prove particularly difficult to identify.

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Abstract

In 2004 Sida’s Department for Evaluation and Internal Audit (utv) initiated an overall evaluation theme on support for institutional development. Within the initial orientation and overview phase, utv has commissioned this study of donor approaches to institutional development. The aim of the report is to find policies and similar initiatives, methods and analytical tools which address institutional development in a direct way, as well as evaluations and other documented lessons learned.

The findings of this partial overview suggest that explicit approaches are rather scarce and that institutions are mostly described in general and abstract terms. However, most donors have developed approaches on their support to capacity development where institutional aspects usually are included as one component.

The donor with the most explicit approach to support for institutional development is DFID (the UK Department for International Development Cooperation), which has initiated both the Drivers of Change and the Governance Resource Centre initiatives. These comprise various tools to facilitate the work of practitioners as well as discussion and research forums. The World Bank, the Development Centre within OECD and the Forum Series within USAID are also useful sources of further information.
1 Introduction

1.1 Background

In recent years, the role of formal and informal rules for social, economic and political development has received considerable attention from development researchers, policy makers and donor agencies. Various forms of support to institutional development are therefore part of many donors’ development cooperation activities. However, the concepts of institutions and institutional development are often vague and vary between donors, making it difficult to overview activities within the area. This report is an attempt to find documented initiatives to the support of institutional development within the donor community and provide at least a partial overview of donor approaches.

The aim of the report is to document policies and similar initiatives, methods and analytical tools which address institutional development in a direct way and evaluations and other lessons learned from support for institutional development. However, the latter have proved more difficult to find, and are therefore documented to a lesser degree. If a donor does not emphasise institutional development explicitly, indirect approaches to supporting institutional development have been considered, mainly captured within the concepts of capacity (development) and (good) governance. The material used in the report is collected from official web sites and contacts with agency staff. With some exceptions, the documents referred to have not been thoroughly examined. For these reasons, the report does not claim to be exhaustive. Rather, the aim is that the study might serve as a starting point for interested readers and not as a comprehensive overview.

The donors reviewed in this report are: CIDA, DANIDA, DFID, the Dutch Ministry of Foreign Affairs (here referred to as the Netherlands), NORAD, OECD/DAC, USAID and the World Bank. The approach of each donor is described in the following chapter, and includes information on addresses and selected documents that may be of interest.

1.2 Definition of concepts

Since the notion of institutions varies to a large extent, both between and within donor agencies, it is essential to state what the concept means in this context. In addition to explaining the concept of institutions, it is of great importance to define the similar or closely interlinked notions of organisations, capacity (development) and (good) governance. These are often confusing concepts since they are rather abstract and sometimes overlap and/or complement each other.

1.2.1 Institutions and organisations

In its widest sense, the one upon which most donors would agree, the concept of institutions could be described as “a number of written and unwritten constraints that together make up the societal context within which people interact and make decisions.”

Here the concept of institutions is defined as behavioural rules for social interactions or as North puts it: “the rules of the game in a society”. Eriksson Skoog considers institutions to be social rules as opposed to

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1 Sjöquist 2001: 4
2 Eriksson Skoog 2004: 2
3 North, 1990: 3
personal ones, since they prescribe individual behaviour in the interaction between human beings. In this context, rules may be either formal such as constitutions, laws and regulations or informal, such as traditions, routines and codes of behaviour.

Organisations, on the other hand, can be government agencies, companies, political parties, churches or non-governmental organisations. Both institutions and organisations provide structures for human interaction, but institutions can be said to define the rules of interaction whereas organisations act within existing sets of rules and constraints. Institutions form ‘the rules of the game’ whereas organisations and other actors are ‘the players in the game’. The institutional framework will determine what organisations come into existence and how they evolve over time, but organisations simultaneously influence how the institutional framework develops. The two are thus closely interlinked and interact.

1.2.2 Capacity (development)

In “Sida’s Policy for Capacity Development”, the concept of capacity is explained as the conditions that must be in place for development to take place. These conditions include knowledge, competence and well-functioning organisations and institutions. Capacity is thus a much wider concept than that of institutions. Institutions are only one of many components within the concept of capacity.

Capacity development is described by Horton as “the process by which individuals, groups and organizations improve their ability to carry out their functions and achieve desired results over time.” Therefore, capacity development needs to take place on many levels: from individual to national and supranational levels.

1.2.3 (Good) Governance

Governance is another complex concept with many varying definitions. Plumptre and Graham argue that the term is fundamentally about power, relationships and accountability, which involves the analysis of influence, decisions and how decision makers are held accountable. This view is developed by the World Bank which explains governance as:

…the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them.

At Sida, the concept of good governance is concerned with:

…the exercise of executive power on the basis of the rule of law, responsibility, openness, integrity and efficiency. It also embraces the accountability and transparency of public authorities and the relationship between public authorities and citizens.

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4 Eriksson Skoog 2000: 37
5 Sjöquist 2001: 4
6 Eriksson Skoog 2004: 2
7 North 1990: 5
8 Sida 2000: 21
9 Horton 2002: 1
10 1999:3
11 http://www.worldbank.org/wbi/governance/about.html
12 Sida 2003: 27 Digging Deeper Four Reports on Democratic Governance in International Development Cooperation Summary, DESA
It is important to bear in mind that good governance cannot be achieved if the institutional framework is neglected.

### 1.3 Findings

This first overview of donor initiatives shows that explicit approaches on how to support institutional development and processes of institutional change are rather scarce. When institutions are explicitly described, it is mostly in general and abstract terms. Most donors have developed approaches on their support to capacity development where institutional aspects are included as one component. However, there seems to be a confusion between the various concepts, especially between organisations and institutions.

Nevertheless, some donors have both an explicit approach, with a clear separation of the concepts, and a vital discussion of the issues. This mainly seems to be true for DFID which has initiated both the Drivers of Change and the Governance Resource Centre initiatives. These comprise various tools to facilitate the work of practitioners as well as discussion and research forums. The World Bank is also a useful source of further information on support to institutional development, both as a knowledge bank and for providing practical guidance. Not as comprehensive, but still worth mentioning are the Development Centre within OECD and the Forum Series within USAID.
2 Donors

2.1 CIDA

Institutional development at the Canadian International Development Agency (CIDA) is not emphasised on its own but discussed within the concept of capacity development. Capacity development is defined as:

…the approaches, strategies and methodologies used by developing country, and/or external stakeholders, to improve performance at the individual, organizational, network/sector or broader system level.13

Institutions are thus one component of capacity development notably mentioned at the network/sector levels. This broad definition of capacity development, however, indicates that most of the activities which CIDA engages in can be categorised as capacity development of one form or another. Réal Lavergne at the CIDA Policy Branch confirms this picture and considers that most projects have capacity development as their primary outcome. CIDA does not have a formal policy on capacity development or institutional development, so these must be derived from various documents, mainly presented at CIDA’s capacity development webpage and CIDA’s Policy Statement on Aid Effectiveness.14

The capacity development webpage consists of reference documents of central ideas, definitions, lessons learned, handbooks and guidelines etc. The bibliography is not restricted to CIDA’s own documents but is a compilation of approaches developed by other donors, both bilateral and multilateral, development cooperation think-tanks and universities. However, it is not possible to determine whether the extensive bibliography is used by CIDA staff in their daily work or whether it serves merely as a handy source of information for interested parties. Since the bibliography does not consist of documents provided solely by CIDA, it is also somewhat inconsistent in its terminology. Almost 200 documents are divided into the following seven subgroups:

• Basic Principles and Concepts
• Aid Effectiveness
• Strategy, Planning and Implementation
• Techniques, Tools and Approaches
• Thematic and Sector Issues
• Monitoring and Evaluation
• Case Studies and Lessons Learned

Of these documents, a number of those with more practical uses have been identified in the “Capacity Development Toolkit”. This Toolkit is an attempt to address capacity development issues in a systematised way and to provide practical information on how to work with capacity development. The reference documents within the Toolkit are divided into the following groups:

• Tools for newcomers to CIDA’s approach to capacity development
• Tools to assess the project and program context

13 Bolger, J. 2000: 2
14 Lavergne, R 2005-05-11
• Tools to assess existing capacity and “capacity gaps”
• Tools for deeper analysis of capacity development issues
• Tools to plan and monitor capacity development, select indicators and develop LFAs
• Tools for implementing projects and programs
• Tools for building local ownership over projects and programs
• Tools for policy development

The Toolkit serves as a practical guide for CIDA staff in the day-to-day work on capacity development.

Documents
CIDA 2004. “Cida’s Policy Statement on Aid Effectiveness” (Full reference missing)
http://www.acdica.gc.ca/cida_ind.nsf/8949395286e4d3a58525641300568be1/80a1039c5604bed285256cbe005844f3?OpenDocument

Addresses
Performance and Knowledge Management Branch: http://www.acdi-cida.gc.ca/perfor-e.htm

2.2 DANIDA

The Danish International Development Cooperation Agency (Danida) does not appear to deal with institutions or institutional development explicitly. However substantial effort within Danida has been made in the creation of a method to evaluate support for capacity development, specifically within sector program support. To develop this method, known as the Capacity Development Outcome Evaluation (cdoe) approach, Danida conducted four studies. The first developed an analytical framework for the analysis of capacity development. The objectives of the second paper were to establish an overview of the existing Danish support to capacity building and test the relevance of the cdoe approach suggested in Step 1. The third study developed a draft methodology for the evaluation of the outcome of capacity development assistance and the fourth synthesised the insight of the first three papers. In addition, a field study in Ghana was carried out to test the methodology in two Danida-supported programmes of the water sector and the decentralisation reform. The synthesis report “Between Naivety and Cynicism”, aims to support practitioners in developing countries and donor organisations working with capacity-development issues in an analytical and operational manner, especially in the context of sector-wide or programmatic approaches. The central questions it tries to answer are: What capacity improvements may be possible under present and foreseeable conditions in poor countries? Moreover, if opportunities for capacity development exist, what can outsiders such as donors do to support and encourage them?
Currently, Danida is preparing a set of guidelines for their support to capacity development.\footnote{Tove Degnbol, Technical Adviser, Quality Assurance Department, DANIDA} However, whilst the methodology is designed to evaluate CD and CD support in organisations it is focused on organisations and not institutions.

Selected documents


Addresses

Danida: http://www.um.dk,
Department for Evaluation: eva@um.dk
Department for Quality Assurance: kva@um.dk

2.3 DFID

Of the UK Department for International Development Cooperation (DFID), most information within the area of supporting institutional development is compiled at the Governance Resource Centre (GRC) or the public portal; the Governance Resource Centre – Exchange (GRC–Exchange). The Governance Resource Centre (GRC) is an information service designed to meet demand for governance advice and expertise within DFID whereas GRC Exchange is the public website.

The GRC and GRC Exchange are managed by a partnership between the International Development Department (IDD) of the School of Public Policy at the University of Birmingham and the Institute of Development Studies (IDS) at the University of Sussex.

The main ideas within the area of support to institutional development seem to be captured within the Drivers of Change (DoC) approach and the institutional development theme. These two headings are explained further below.

2.3.1 Institutional Development

The institutional development webpage outlines some of the key tools used in institutional development but focuses on those that are or have been used in DFID’s own institutional work. Themes discussed include the institutional development process, institutional changes and organisations in the institutional
framework. Institutions are thus treated very directly, concepts are clear and institutions are separated from organisations, capacity etc:

The options for intervention are divided between the institutional and the organisational. Institutional reform usually focuses on policy, or on incentives to improve service delivery. Organisational reform may be structural, systems or human resources. Institutional reforms can be slow and expensive, and often call for the reform of organisations to implement the new measures.16

The documents published at the grc Exchange/Institutional development webpage are a compilation of reference documents provided by donors, research institutes and universities etc. In addition to the documents listed below, grc Exchange contains an extensive information database with numerous publications on the subject.

2.3.2 Drivers of Change

The DoC-approach is a method and a tool for analysis developed by DFID to foster the agency’s economic, social and political reform work. DoC is described as:

…a way of understanding the political economy of change and poverty reduction in developing countries. It directs attention to the structural and institutional factors likely to ‘drive’ change in the medium term, and to the underlying interests and incentives that affect the environment for reform.17

The DoC methodology seeks to identify the political institutions, structures and agents that can enable pro-poor change and therefore improve the effectiveness of aid. The DoC approach emphasises the contextual importance in the change process and the complexity of changes to occur. DoC studies have been carried out at the various country levels involving in-depth analyses to identify opportunities, incentives and obstacles to change (see reference list below).

Selected documents


DFID 2004. “Public Information Note: Drivers of Change” DFID, UK


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16 grc exchange, http://www.grc-exchange.org/g_themes/cc_institutionaldevelopment.html
17 About DFID. http://www.dfid.gov.uk/aboutdfid/organisation/driversofchange.asp

GRC Exchange


Bossuyt, J., 2001. “Mainstreaming Institutional Development: Why is it Important and How Can it be Done?”, European Centre for Development Policy Management (ECDPM)


Addresses
DFID: www.dfid.gov.uk

Institutional development: http://www.grc-exchange.org/g_themes/cc_institutionaldevelopment.html

Drivers of Change: http://www.grc-exchange.org/g_themes/politicalsystems_drivers.html

2.4 The Netherlands

The Dutch Ministry of Foreign Affairs has presented two policy memorandums on the way swaps have been implemented in Dutch bilateral aid. The most recent, “The Sector-wide Approach – Organising Principle for Bilateral Development Cooperation” summarises and consolidates what has been achieved so far within the swap approach. The support to institutional development receives attention within this approach since well functioning institutions are seen as a prerequisite for successful implementation of swaps. Institutions are described explicitly and the various concepts separated. However, the issue of institutional development has only been included in a rather general way. Several case studies have been conducted for the review but these do not include specific studies on institutional development. While the Bangladesh case study on the water sector focuses to some extent on institutional development, attention in the Bolivia case study is paid to the Programa de Reforma Institucional (PRI) and the results of the decentralisation programmes supported by the Netherlands and other donors.18

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18 Nico van Niekerk, Inspecteur/Evaluator, Policy and Operations Evaluation Department, 2005-05-13
The Policy and Operations Evaluation Department has also conducted an evaluation more specifically concerned with institutional development: “Institutional Development – Netherlands Support to the Water Sector 1988–1998.”

In general though, the official website of the Netherlands Ministry of Foreign Affairs does not contain much information on the subject. Whether this is because almost nothing is being done within the area or whether the English webpage does not contain any important initiatives, we do not know. It is possible that more information could have been found by using the Dutch webpage.

Selected documents


Ministry of Foreign Affairs 2003. “Mutual Interests, mutual responsibilities”

Policy memorandum. (further information missing.)


Addresses

The Directorate-General for International Cooperation (DGIS): dgis@minbuza.nl

Social and Institutional Development Department (DSI): dsi@minbuza.nl

2.5 NORAD

The Norwegian Agency for Development Cooperation (NORAD) has developed a handbook to assess institutional sustainability and a guide for institutional development. Although these documents discuss institutions as defined here, they are mainly involved with organisations and organisational development. The Guide for Institutional Cooperation provides guidelines for cooperation between Norwegian organisations and organisations in Norway’s partner countries. Thus it is more involved with various forms of so-called twinning arrangements etc. than with institutions. Institutional cooperation is defined as the “long-term, binding cooperation between two similar institutions, regulated by contract between the parties concerned”.

DONOR APPROACHES TO THE DEVELOPMENT OF INSTITUTIONS– FORMAL AND INFORMAL RULES – UTV WORKING PAPER 2005:5
The Handbook in Assessment of Institutional Sustainability aims to provide practical guidance or tools for analysis when assessing institutions in partner countries. The handbook is to some extent aimed at organisations, but more comprehensively than the guide. However, some separation of the concepts of institution and organisation is made explicitly, although this seems to apply to the theoretical level more than the practical one.

Another interesting initiative within norad is four studies made on “development through institutions”, summarised in a synthesis report. Through these studies a “multi-dimensional model of institutional development” has been created. This model has three dimensions: human resources development, organisational development and system development, and five different levels: individuals and groups, organisations, network linkages, sector and overall context.19

The model is interesting since it provides an analytical tool for assessing development cooperation projects and programmes. In particular, the distinction between various levels of institutional development is rewarding in that it differentiates between rules, policies and legislative framework on the one hand and values, norms and traditions on the other. The placing of values, norms and traditions on a higher level than rules, policies and legislative framework indicates that the latter are actually dependent on the former.

However, the synthesis report is in part conceptually confusing. Sometimes institutions are described in the words of North as, “the norms and rules which guide and constrain the behaviour of individuals and organisations and shape human interactions” whilst institutional development is defined as “the process by which individuals, organisations, and institutions increase their abilities and performance in relation to their goals, resources and environment.” It is unclear if institutions in this latter description should be treated as public institutions or as rules and norms.

To conclude, norad, or the Ministry of Foreign Affairs does not seem to have a clear definition of institutions, although institutional development is conceived as an important strategy to achieve overall development objectives.20 This is emphasised in the synthesis report, which states that “… institutional development tends to be treated as synonymous with training and organisational development”.21 Thus, institutional development is often used within norad but usually means something other than what was described in section 1.2.1.

Selected documents

NORAD 2001. “Guide for institutional cooperation”


The above synthesis report is based on the following four sub-studies:


19 Kruse et al 1998: 17
21 Kruse et al 1998: 24


Addresses
Department of Governance and Macroeconomics:
http://www.norad.no/default.asp?V_ITEM_ID=2383

Department for Quality Assurance:
http://www.norad.no/default.asp?V_ITEM_ID=2380

Evaluation Department:
http://www.norad.no/default.asp?V_ITEM_ID=2385

2.6 OECD

At the Organisation for Economic Cooperation and Development (oecd), the concept of institutions and the important role played by institutions is mainly dealt with by the Development Assistance Committee (dac) and the Development Centre. Various policies, methods, lessons learned and other key documents from these two forums in the area of institutional development are outlined below.

2.6.1 The Development Centre

The main tasks of the Development Centre are to bring together knowledge and experiences of economic development and policy formulation from the member countries and to adapt such knowledge and experience to the real needs of countries or regions in the process of development. In addition, the Development Centre spreads these experiences to the international community, policy makers, academics, the business community and civil society. The Development Centre emphasises the need for efficient and predictable institutions for development and the concept of institution is clearly separated from that of organisations. The goal of the Centre is to define policies by which well-functioning institutions can be created and maintained. 22

A number of Policy Briefs, Publications, and Working Papers etc. are presented under the heading of Institutions, Governance and Development. Some of these, with specific relevance to institutional development, are listed below:

Selected documents

22 http://www.oecd.org/topic/0,2686,en_2649_33947_1_1_1_1_37413,00.html


Research programme on: Social Institutions and Dialogue.

Address
http://www.oecd.org/department/0,2688,en_2649_33731_1_1_1_1_1_1,00.html

2.6.2 DAC

The Development Cooperation Directorate (DAC) is the principal body through which the OECD deals with issues related to co-operation with developing countries. Institutional development is mainly discussed through its network on Governance, (GOVNET).

GOVNET aims to improve the effectiveness of donor assistance in governance and in support of capacity development. GOVNET provides a forum for development cooperation agencies and their partner countries for the exchange of experiences and lessons. In addition, GOVNET works to identify and disseminate good practice, and develop pro-poor policy and analytical tools.

The areas covered by the work of GOVNET include the fight against corruption, public sector reform, capacity development, human rights, democracy, the rule of law, assessing governance development, and difficult partnerships.

Selected documents


DAC-GOVNET 2005 c. “Lessons Learned on the Use of Power and Drivers of Change Analyses in Development Cooperation” Revised proposal. COWI in association with IDS.
2.7 USAID – Forum Series

At the United States Agency for International Development (USAID) the initiatives to support institutional development are mainly found within its Forum Series on the Role of Institutions in Promoting Economic Growth. The aim of the Forum Series is to improve the official development assistance of USAID in regard to further economic growth and development by increasing the understanding of the role of institutions. The forums aim to “bring some of the major thinkers on institutional reform together with USAID practitioners in order to identify practical applications.”

Forum Series consists of eight forums that have discussed or should discuss (for those that have not yet taken place) the following themes:

- The Institutional Approach to Donor-Facilitated, Economic Development
- The Institutional Economics Approach to Aid Effectiveness
- An Application of the Institutional Economics Approach to Aid
- Preparation of Applications
- Presentation Applications
- Alternative Perspectives on Development Economics and the Dilemmas of Foreign Aid Policy
- Institutional Barriers to Economic Change: Cases Considered
- New Institutional Economics and Development: Case Studies and Applications

Selected Document
Withthans, F “USAID Forum Series Problem Statement” USAID (full reference missing)

Address
http://www.usaid.gov/

2.8 The World Bank

The last donor to be discussed is the World Bank. The World Bank has a highly comprehensive data bank with analyses and published material relating to support for institutional development. According to Mary Shirley at the Ronald Coase Institute, “the Bank now requires an institutional development component in almost all projects so it may be hard to isolate activities that have an institutional focus.”23 Some of the groups, centres and institutes within the World Bank that are involved in one way or another with institutional development are the World Bank Institute, Operations Evaluations

23 Mary Shirley 2005-05-02
Department, the Capacity Development Resource Centre, the Knowledge for Change Program and Legal and Judicial Reform Practice Group. Each will be further explained below.

2.8.1 The World Bank Institute

The World Bank Institute (wbi) is described as the capacity development arm of the World Bank. The Institute helps countries share and apply global and local knowledge to meet development challenges. wbi’s capacity development programs are designed not only to build skills among groups of individuals involved in performing tasks, but also to strengthen the organizations in which they work, and the socio political environment in which they operate.

The World Bank Institute provides learning programs which cover a number of sectors and themes. Each program designs and delivers courses, seminars, policy consultations, and other events that cover most of the topics on today’s development agenda. The most important theme in this context should be the one on governance and Anti-Corruption.

Address
www.worldbank.org/wbi

2.8.2 Operations Evaluations Department

The Operations Evaluation Department (oed) is an independent unit within the World Bank; it reports directly to the Bank’s Board of Executive Directors. The goals of the conducted evaluation are to learn from experience, to provide an objective basis for assessing the results of the Bank’s work, and to provide accountability in the achievement of its objectives. The Operations Evaluation Department has conducted evaluations that are relevant to the support to institutional development. Some of these are listed below.

Address
http://www.worldbank.org/oed/

2.8.3 Capacity Development Resource Centre

The Capacity Development Resource Centre provides an overview of case studies, lessons learned, “how to” approaches, and good practices pertaining to capacity development. It also includes links to international and local capacity development agencies and other knowledge sources including working papers, recent books, strategy notes, and diagnostics. Capacity is defined here as:

the ability of individuals, institutions, and societies to solve problems, make informed choices, define their priorities and plan their futures… Capacity development is thus a gradual process, with the country taking the initiative to tailor interventions to meet its needs by investing and building on human capital and changing and strengthening institutional practices. “Ownership” is key to capacity, and there is evidence to suggest that capacity is built faster when the process is endogenous.24

The centre has also developed a Toolkit to assist in the planning, implementation, monitoring and evaluation of capacity development programs and projects. These tools are intended to help countries and country teams streamline tasks, utilize resources fully, maximize productivity and achieve national goals.

Address
www.worldbank.org/capacity/

### 2.8.4 Knowledge for Change Programme

The World Bank’s Knowledge for Change Programme (KCP) aims to help developing countries and donors achieve the Millennium Development Goals. However, since the programme assesses change processes, leaving out the concept of institutions in the analysis is unavoidable.

The Knowledge for Change Programme has been involved with the following products/activities:

- World Development Report 2004: Making Services Work for Poor People
- Monitoring of the MDGs
- Trade and Development
- Poverty Data
- Building the Investment Climate

**Address**

### 2.8.5 Legal and Judicial Reform Practice Group

Members of the Legal and Judicial Reform Practice Group, a specialised unit of the Legal Vice Presidency, include judges, lawyers and political scientists with worldwide experience. The group helps client countries build better legal and judicial systems by coordinating with other members of the World Bank Group, local stakeholders, and other international and non-governmental organizations. The objectives of the legal and judicial reform practice group is to build better legal institutions and judicial systems that address the needs of the poor and the most vulnerable.

The group works mainly with organisational development but also mentions the institutional context.

**Address**
www.worldbank.org/legal/leglr/

**Selected documents**


3 Key documents

Documents referred to by more than two donors, independent institutes and/or think tanks are listed in the following section. For this reason they have been labelled key documents. There may still be other documents more important for a single donor, although we can say with some certainty that the following papers are crucial.


Bibliography


Shirley, M 2005–05–02. E-mail correspondence with Sara Bandstein. President of the Ronald Coase Institute.


UTV Working Papers

2001:3 Contracted-financed Technical Assistance (KTS)
True Schedvin

Göran Schill

2001:5 Evaluating External Assistance to the Western Balkans
– with Special Emphasis on Bosnia and Herzegovina: A Preparatory study
Bo Sedin

2002:1 Mainstreaming Gender Equality:
Sida’s support for promotion of gender equality in partner countries:
Inception Report
Britha Mikkelsen, Team leader, Ted Freeman, Bonnie Keller, et allis

2002:2 Approach to Private Sector Development in the EEOA Programme, Zambia
Stephen Goss, Roger Blech, Guy Scott, Christopher Mufwambi

2004:1 Evaluation of Integrated Area Programmes in Bosnia-Herzegovina
– a Report from an Evaluation Workshop
Joakim Molander, Maria Elena Wulff, E. Anders Eriksson, Jonas Bergström, Katica Hajrulahovic, Tale Kvalvaag

2004:2 Integrating Gender Equality into Development Co-operation – Drawing Lessons from the Recent Evaluations by Sida and the European Commission:
Joint Seminar, Brussels, November 2003
Mary Braithwaite, Britha Mikkelsen, et allis

Lorena Acevedo Nares, Martin Christensen

2004:4 Effects of Budget Support – A Discussion of Early Evidences
Maria Nilsson

2005:1 The Impact of Aid for Reconstruction of Homes in Bosnia and Herzegovina
Dragan Bagić, Dejan Dedić

2005:2 Značaj pomoći. Sociološko istraživanje životnih uvjeta i stavova prema obnovi u Bosne i Hercegovine
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An Evaluation Theme, Basic Concepts
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