PACIFIC CHOICE

Building Capacity through Participation

Nauru National Sustainable Development Strategy

Asian Development Bank
PACIFIC CHOICE

Building Capacity through Participation

Nauru National Sustainable Development Strategy

by Kevin Balm
Participatory Process Specialist, National Sustainable Development Strategy Project

Asian Development Bank
Building capacity through participation: Nauru national sustainable development strategy


1. development strategy. 2. Capacity development. 3. Nauru.


The views expressed in this book are those of the authors and do not necessarily reflect the views and policies of the Australian Agency for International Development (AusAID) and the Asian Development Bank (ADB) or its Board of Governors or the governments they represent.

ADB and AusAID do not guarantee the accuracy of the data included in this publication and accept no responsibility for any consequence of their use.

Use of the term “country” does not imply any judgment by the authors or ADB and AusAID as to the legal or other status of any territorial entity.

ADB encourages printing or copying information exclusively for personal and noncommercial use with proper acknowledgment of ADB. Users are restricted from reselling, redistributing, or creating derivative works for commercial purposes without the express, written consent of ADB.
CONTENTS

iv  Acronyms
v   Foreword
1   Introduction
3   NSDS Project Scope and Capacity Dimensions
5   NSDS Project Context
7   NSDS Methodology: Framing Capacity Development
11  Building Capacity through Participatory Planning
    Nauru NSDS Process: Enhancing Many Capacities
    Participative Capacity: Participation in Development Planning
    Participatory Process Leadership Capacity: The Champions Group
    Civil Society Capacity: Awakening Community’s Role in Society
    Institutional Capacity: Development Policy and Planning
    Operational Planning Capacity: The Public Service
    Participative Democracy Capacity: Constitutional Review Project
23  Key Lessons for the Future
    Participatory Process Design and Methodology
    Fostering Participation
    Institutional Support for Participatory Approach
    The Citizen Participation Challenge for Governance
    Institutionalizing Collective Responsibility
    Conclusion
### ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMD</td>
<td>Aid Management Division</td>
</tr>
<tr>
<td>DPPD</td>
<td>development policy and planning division</td>
</tr>
<tr>
<td>ToP</td>
<td>technology of participation</td>
</tr>
</tbody>
</table>
Despite 50 years of aid in the Pacific region, including some S$17 billion invested over the past 25 years, overall results in terms of sustainable improvements in capacity have been mixed, at best. This raises questions, not only in the Pacific but also throughout the developing world, about approaches to capacity development—what works, what doesn’t, and why? The Asian Development Bank (ADB) recognizes the importance of capacity development, having officially embraced it as a thematic priority in 2004. ADB’s commitment is consistent with the Paris Declaration on Aid Effectiveness and the Pacific Principles on Aid Effectiveness. The programs of a number of other funding agencies, including the Australian Agency for International Development (AusAID), New Zealand’s International Aid & Development Agency (NZAID), United Nations Development Programme (UNDP), and the World Bank also embrace the importance of more effective capacity development.

Increased interest in capacity development in recent years reflects an acknowledgment of the shortcomings in development assistance over the past 50 years. This has led to calls for approaches that are more systematic and integrated, and which focus more on developing country ownership and achievement of sustainable results. Capacity amounts to the policy, procedures, personnel, organizations, institutions, and supporting environment required to effectively deliver development outcomes. In particular, ADB has focused on the ability of public sector capacity to deliver essential services, thereby strengthening the compact between government, civil society, and the private sector. Capacity development is much more than just training or skills transfer. It is really about effective organizations and institutions, a sound un politicized policy environment, accountability systems, effective relationships, and appropriate incentives. And as noted in this study, capacity development should be firmly rooted in a country’s political economy.

To gain a better understanding of what works in terms of approaches to capacity development, ADB’s Pacific Department (PARD) commissioned a regional study in 2007. The study was rooted in 20 case studies from 11 countries across the region, prepared mainly by Pacific islands consultants. The case studies covered a range of programming experiences—from economic planning, to infrastructure development, health and legal sector reform, and civil society enhancement, as well as different modalities for supporting capacity development. ADB’s intent in commissioning the overall study was to draw upon the individual findings and recommendations to help guide future capacity building efforts in the Pacific, including institutionalizing a more focused and effective approach to capacity development in ADB’s country programs and operations.
The case studies in this subseries and the overall study report are the result of collaboration among a number of consultants working with ADB under the direction of Steve Pollard, principal economist, PARD. The team leader for the overall study was Joe Bolger, and the authors of the studies were Helio Augusto, Kevin Balm, Brian Bell, Ron Duncan, Ben Graham, Ueantabo Mackenzie, James McMaster, Samson Rihuoha, Cedric Saldanha, Tom Seta, Paulina Siop, Eseka Solofa, Kaveinga Tu’itahi, Henry Vira, and Vaine Wichman. The study also benefited from the input of a number of resource persons, including Tony Hughes (Solomon Islands), Lynn Pieper (Timor-Leste), Tim O’Meara (Samoa), and Patricia Lyon, senior capacity development specialist, AusAID. The case studies represent the situation at the time of writing in 2007.

In conclusion, this report seeks to enhance understanding and dialogue on capacity development and its potential for contributing to poverty reduction and improvements in the quality of life of all Pacific islanders. I trust that you will find it both thought-provoking and practically helpful in advancing our collective commitment to development in the Pacific.

Sultan Hafeez Rahman
Director General
Pacific Department
The Pacific Choice
Nauru Facts

Location: Central–West Pacific Ocean.

Political status: Self-governing constitutional democracy since 1968, formerly a UN trust territory.

Land Size: 21 square kilometers (km²)
Population: 10,065 (2007 estimate)
Population Density: 495 per km²
Population Growth Rate: 0.14%
Natural Resources: Phosphate, fish
GDP per capita: US$1,400 (monetary)
Major industries: Mining, fishing licenses
Exclusive Economic Zone: 320 km²
Government Employment: 42%
Unemployment Rate: 22.7%
Adult Literacy Rate: 95%
Median age: 21 years
Life Expectancy: 55 years (men 53 years and women 58 years)
INTRODUCTION

If all planning is learning, and organizational planning is institutional learning, what kind of learning is national-level engagement in planning for sustainable development? And what role does that engagement play in developing capacity? To what extent has it reframed the values and stories of the people of Nauru to enhance demand for reform in support of their economic and social development?

This case study examines the contribution to local capacity development of a project that relied on participatory methods to engage many stakeholders in formulating Nauru’s National Sustainable Development Strategy (NSDS). The process included a component that sought to develop participatory leadership capacity (the capacity to facilitate people’s participation). This case study illustrates how effective engagement and authentic participation is more than the contribution of one’s thoughts and ideas to a plan. It can be, in the words of Brazilian educator Paulo Friere, an educational experience that is both empowering and transformational. This is a story about how the process of developing the NSDS was also a process of capacity development—creating new capabilities and expectations about participating in development decisions.

---

The National Sustainable Development Strategy (NSDS) project was a joint effort of the Government of Nauru, Asian Development Bank (ADB), Australian Agency for International Development (AusAID), and the Pacific Islands Forum Secretariat. The project began in late June 2005 and was completed with the presentation of the strategy document at a roundtable meeting of funding agencies in Nauru on 30 November 2005.

The aim of the NSDS project was to help the government and the people of Nauru determine and prioritize long-term development options based on feasible development scenarios. The project also sought to advance the process of reform initiated, in some measure, by development planning efforts such as the National Economic and Development Summit 1999, National Economic Forum 2003, Pacific Regional Assistance to Nauru 2004, and Government of Nauru National Strategy Discussion Paper 2004.

The key outcomes of the project were to have a robust national development plan, including a realistic budget and implementation strategy. The development plan would establish a vision for Nauru’s future, identify economic development options for Nauru, and clearly prioritize the activities for which development partners could potentially offer assistance.

One objective of the project, the focus of this study, was to “design and implement a participatory planning process characterized by wide community engagement and targeted communication of the choices and trade-offs that will assist the community to nominate preferred options for future development.”
The project design emphasized stakeholder engagement in planning, as well as the development of capacity to participate and communicate regarding choices and trade-offs. The methodology adopted sought to capitalize on this opportunity for community engagement.
President Ludwig Scotty was reelected on 23 October 2004 on a mandate of economic reform. With the country’s only major natural resource, phosphate, almost completely exhausted and national assets held under the Nauru Phosphate Royalties Trust also reduced to relatively minor holdings, the Government of Nauru requested ADB’s assistance in December 2004 to prepare a national strategy to guide future development. The government’s policies of good government included people’s participation in the development process, accountability, and transparency of public sector activities.

The situation in Nauru at the start of the project, captured in a statement entitled “Nauru Today,” further highlighted the operating context of the project. It is summarized below.

Population trends coupled with decreasing available resources and their mismanagement had left Nauru with overcrowding, poor sanitation and hygiene, poor

---

2 Current situation statement developed at inception of project.
nutrition, unreliable water and electricity services, a degraded environment both onshore and offshore, lack of jobs, and lowering of the education and skills base. Nauru’s economic performance was characterized by poor financial management. It also suffered from inefficient social services, a lack of human resources development, and limited private sector development. An inherited poor state of governance continued to worsen economic, social, and environmental conditions and international relations.

The standard of living enjoyed at the height of phosphate royalties was no longer possible and the welfare society that had developed could not continue. The government was putting in place a range of structural reforms to address the economic and financial circumstances inherited from years of mismanagement and corruption.
NSDS METHODOLOGY: FRAMING CAPACITY DEVELOPMENT

The Ministry of Finance, as the executing agency for the project, was the high-level partner that was to own and drive the National Sustainable Development Strategy (NSDS) process. Other key partners, such as ADB and Australian Agency for International Development (AusAID), as funding agencies, and the Pacific Islands Forum Secretariat—an apex regional body in the Pacific—were strong supporters of the project, including the need for a participatory approach. The project team comprised two senior officials of the Government of Nauru, and three ADB/AusAID contractors—a local social development analyst, a development economist and team leader, and a participatory process specialist. A planning specialist contracted by the Pacific Islands Forum Secretariat later joined the project team. Three members of the team were expatriates.

The entire team was present in Nauru for three periods of 3–5 weeks each over the 5-month project duration to undertake scheduled activities. During the intervening periods, follow-up
activities were carried out by the three Nauruan members of the team and the planning specialist.

The project methodology relied on participatory approaches to planning and leadership based on the technology of participation (ToP), which sees capacity development as integral to the process of participating in planning. Discussions within and between AusAID and ADB resulted in a decision to contract a consultant with background in ToP as the participatory process specialist.

The purpose of the first mission was to develop a shared understanding among key stakeholders about the current situation and, from there, start outlining potential future scenarios. Activities and outputs included a compilation of the current situation; five participatory workshops with stakeholders in key leadership roles in government, public service, state-owned enterprises, and the nongovernment and/or community sectors; and the first draft of three potential future scenarios.

The second mission was to test public support for the feasibility of these scenarios, with the output being agreement on the preferred option and its components. Activities in this phase included 10 engagement workshops with various segments representing a cross-section of Nauruan society, compilation of elements of the preferred future option, and the first of two 3-day capacity development workshops targeting 35 “champions” of the NSDS.

The third mission focused on developing detailed implementation plans for the agreed future scenario and integrating and institutionalizing implementation efforts. In this phase, activities included the second 3-day capacity development workshop for the champions group, preparation of detailed sectoral and departmental implementation plans, a public event to launch the plan, and meetings and workshops with relevant public and community sector departments and organizations to integrate and institutionalize implementation of the chosen scenario.

Value was added to the design by emphasizing the need to bring diverse individual experience and motivation to the development of the NSDS. The methodology also took into account that sustaining engagement and participation required developing participatory process leadership capacity—the capacity to

---

3 The composition, selection, and role of the champions group are discussed later.
lead effective engagement and participation processes. The contribution of the project to the development of capacity to engage and participate is a key emphasis of this study.

The methodology for the planning process was also guided by the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) (1999) statement that an NSDS is “a strategic and participatory process of analysis, debate, capacity strengthening, planning and action towards sustainable development. The aim is to ensure socially responsible economic development while protecting the resource base and environment for the benefit of future generations.”

While no formal capacity assessments were carried out at this stage, recent relevant publications and reports indicated that participation and/or consultation had not extended beyond asking questions of a panel of experts from the floor.

The absence of written departmental plans, policies, budgets, and work plans pointed to limited public service planning capacity, which made the NSDS project more challenging than it might otherwise have been.

In Nauru, as in many societies, the ability to objectively discuss, analyze, and reach informed conclusions on important issues is still influenced by politics, family and district affiliations, and access to decision-making structures. Another capacity challenge that became evident during this process was the low motivation
to work, possibly because of poor definition of responsibilities, low levels of remuneration, or the prevailing work ethic.

ADB’s adoption of capacity development as a thematic priority was reflected in the terms of reference for the project and further strengthened the approach and methodology. Initially, when a government member expressed doubt whether the depth and extent of engagement and participation proposed were feasible or desirable, the terms of reference proved a useful counterargument and gave the consultants the necessary “permission” to adopt the chosen methodology and promote a foundational development capacity. Developing stakeholder capacity to engage and participate can sometimes be perceived as a threat to governments. In this case, project stakeholders saw it as a way to “empower” people to influence decisions and processes that affect their everyday living. This is not surprising, given that family or clan and district affiliations provide much of the basis for one’s role and identity in Nauru.

The intermittent presence of external resources was key to creating and maintaining momentum and in gaining traction among stakeholders. In a small country with a low population, such as Nauru, one would expect that no one would remain unaware of the NSDS project. However, this was not the case. The intermittent presence of international consultants was perhaps desirable from a capacity development perspective as it allowed local members of the project team to be responsible for maintaining project momentum.

The inclusion of a Nauruan social development analyst as part of the team and the appointment of two government officials acknowledged the need for local ownership and domestic capacity development. The Ministry of Finance, as the executing agency, and in particular the finance minister, were key drivers of the project. Regular briefings with the finance minister and cabinet ministers ensured the project team’s access to policy and decision making at the highest levels. Together, these factors contributed to a high level of country ownership and integration of the project from the very beginning.
Building Capacity through Participatory Planning

Extreme wealth generated in Nauru over the 25 years since independence resulted in capacities being viewed as goods and services to be purchased. The rapid decline of that wealth in the last decade has resulted in awareness of the need for other types of capacity, including capacity to engage and participate in the effective functioning of households, the public and private sectors, and the nation as a whole.

The participatory process specialist’s experience and background in technology of participation (ToP) methods led him to believe that gaining wide support for an agreed, feasible future and taking steps to implement that future successfully required three critical conditions: (i) genuine and wide engagement and participation of stakeholders in building the components of the development plan; (ii) an experience of engaging in planning that was empowering, even transformational; and (iii) the development of participatory leadership capacity of at least a core group of people to champion ownership at all levels of the National Sustainable Development Strategy (NSDS).

“Participation” of stakeholders in the planning process had to improve the “doing” (skills and capabilities), “knowing” (knowledge and understanding), and “being” (attitudes and values) dimensions of stakeholders, individually and collectively. In other words, participation had to deliver more than a plan, however practical and feasible that plan might be. It also had to develop—in some cases shift—people’s knowledge base and understanding to align with the plan. And the experience from participating in the planning process had to attune, sometimes reframe, people’s historical and cultural attitudes and values. This was to be capacity development by engaging and participating
in development planning, and development planning made sustainable by developing capacity to engage and participate.

The community largely viewed formulating and implementing development initiatives as the responsibility of government, while the government largely viewed the community as not having the necessary capacities to be involved. Given the community’s low-level of trust and confidence in the abilities of public sector institutions, it was necessary to ensure that the NSDS, especially its implementation, was not going to be left to government alone. Hence, the need for a new kind of engagement with and participation in development planning, and the creation of a champions group drawn from the public and community sectors and equipped with participatory leadership methods to “champion” the plan and its implementation. If the NSDS were going to be a different “parade” to the future, the champions group would be the marshals of this parade.

**Nauru NSDS Process: Enhancing Many Capacities**

The NSDS project emphasized the capacity to engage with and participate in development planning. To sustain this capacity beyond the NSDS required the project to focus as well on developing the capacity to lead engagement and participation processes. Hence, the “doing,” “knowing”, and “being” dimensions of engagement, participation, participatory planning, and participatory leadership capacities were targeted. However, other capacities were also being developed or initiated by the NSDS and are described below. Additionally, while this section focuses on a few key capacities, it is important to acknowledge other capacity development efforts initiated on many fronts in Nauru—some as a result of inclusion in the NSDS document, others accelerated by the NSDS process.

**Participative Capacity: Participation in Development Planning**

Consultation, engagement, and participation in the context of ToP, as practiced during the NSDS project, have the following characteristics.
The ToP principles (Figure 1) describe a participatory process in which the authentic engagement and participation of individuals in a collective setting empowers “new” thinking and leads to collaborative efforts that improve collective capacity to act. In the case of Nauru, this meant enabling stakeholders to fully express their thoughts and ideas about the future development of their country. The second principle has to do with tapping the creative or innovative edges of thinking for, in the words of Albert Einstein, “the significant problems we face today cannot be solved by the same level of thinking that created them.” Third, participation is about collaborative efforts based on the recognition that no one person or interest group has a monopoly on good ideas and often, we do not know who will come up with the breakthrough ideas. Last, participation is about moving the results of thoughts and discussion into action.

Complementing these principles is an understanding of the underlying function of participatory processes (Figure 2) to (i) enable individuals engaging in the planning to see themselves as one human system focused on a shared endeavor; (ii) expand the base of information and awareness (divergence of thought) used in making the plan; and (iii) develop common understanding or shared frames of reference (convergence of thought) about the challenges and options from which to agree and act on the preferred scenario and its components.
The participatory-planning approaches to the NSDS had particular power in building capacity because they presumed every citizen’s experience represents “gold” and they sought to actively “mine,” process, and celebrate this resource. Because people’s experience and thinking were recognized and valued, people were more likely to feel a sense of engagement and ownership; from this came motivation to “be part of” the something new and different taking shape.

In Nauru, as with other societies where large groups of individuals are traditionally “disempowered,” participation on this scale is a potentially “radical” offering—yet because of the structure and style of the ToP methods, the “mining and processing” of individual experience was gentle and honoring.

**Participatory Process Leadership Capacity: The Champions Group**

Participatory process leadership capacity is the ability to help people engage and participate in the thinking, planning, decision-making, and implementation processes. Participants in this effort came mostly from the public and community sectors. The group was referred to as the NSDS champions group in recognition of the role intended for them in relation to the NSDS—to champion engagement and participation in the development and implementation of the NSDS; “marshals” of a new parade to the future.

The champions group’s capability was developed through a set of stand-alone yet integrated participatory methodologies in processes of strategic thinking, planning, decision making, implementation, and monitoring. Additionally, the sessions
integrated tools to build participants’ ability to create high-impact participatory events to move people from vision to action, from initial uncertainty to a point of clear purpose and commitment to act.

The capacity development workshops enabled the champions group to strengthen stakeholder ownership of the NSDS process and outputs and, later in the project, in driving an implementation campaign that set a course for achieving the preferred future.

Some immediate results observed included excitement and engagement with the possibility that there could be another way to exercise leadership, together with a heightened awareness of the country’s situation (through the NSDS as the “case study” content). A visible sense of satisfaction and achievement were felt at gaining and practicing new skills.

In addition, many individual “transformations” occurred over the period of the two workshops. One such story is of a painfully shy young policewoman who did not say a word during the first 2 days and then was up on her feet leading a workshop—amazing to see and hear. Another participant froze when she volunteered for a live practice of one of the techniques; she had to sit down, shaking with fear and unable to continue. The next day she reported that she had gone home and carried out her practice with family members, and it worked! She was visibly excited about acquiring the new skills and putting them to good use.

Insights gained by participants during and after the two capacity-building workshops included the following:

- A leader can ask questions, often of people who do not know that they have the answers, as opposed to needing to have answers to questions from others.
• Action planning is hard work but useful, and to have a sustainable plan you have to do the hard work of thinking and strategizing.

• Everyone has a valued contribution to make. The training team witnessed this “light” going on for many participants, particularly those not accustomed to seeing themselves or being seen as having something valuable to contribute.

• The need was evident to shift from “silo” thinking to more holistic, integrated thinking. An example was when, during a group discussion, a participant asked why Nauru was participating in the Olympic games in boxing. What are the ingredients of that success and how can we apply that to other areas in which the country needs to make progress?

A key capacity transformation noted was a mindset shift from the tradition of few individuals or institutions involved in finding solutions to shared problems to ordinary citizens’ seeing their roles to play, the belief that it could be done, and that an individual could make a difference. While this was not universally demonstrated, enough participants showed signs of this shift for it to be reported with confidence.

In a feedback survey conducted at the end of the capacity development workshops, participants shared what they gained most from participating:

- Confidence in using participatory frameworks, especially the focused discussion method, the consensus workshop method, and the strategic thinking process; skill in the ability to derive information from a group of people; and the importance of clear and thorough scene setting and summarizing.

- Participation and participatory methods have many facets and it is important to choose the most appropriate participatory approach to suit the issue and group at hand.

- Participatory leadership methods follow a structure and logic, so it is possible to acquire the skill with practice. Any issue can be led in a participatory way and different views can be reconciled.
The skills and confidence in guiding groups to undertake productive activities, including the ability to direct and coordinate discussion in a group of people and even to mediate between parties.

Participants’ indicated what they intended to do differently as a result of attending the two workshops:

- Take the opportunity to incorporate participatory leadership approaches in the course of everyday interactions as well as within one’s individual sphere of influence.
- Approach tasks and roles using a strategic thinking and planning framework.
- Use the skills at meetings with work groups and community meetings to develop issues and actions.

**Civil Society Capacity: Awakening Community’s Role in Society**

At the start of the NSDS project, civil society as a notion was largely absent in Nauru despite the presence of a few active community-based organizations and the existence, at least on paper, of an association of nongovernment organizations.

More than 600 persons representing all segments of Nauruan society participated in the many events, making up the NSDS process over the 5-month period. The idea that individual citizens
have an important role to play in decision making and direction setting, and not only the government, is taking root not just in the minds of individuals but also in institutions. An encouraging example was when, at the end of the session where participants ranked the elements representing the desired future, the director of civil aviation said he would encourage people from his district to attend future sessions because this was such an important decision-making process.

The NSDS process significantly accelerated the awakening of latent civic identity. Strong evidence of this is the constitutional review committee’s bold decision to adopt an open and inclusive process, well beyond that required by the Constitution itself, for reviewing Nauru’s Constitution. Also, the community’s active, sometimes robust, participation in the public consultation and subsequent phases of the review is evidence of civic duty. In Nauru, one’s sense of identity is referenced, almost exclusively, by family and by extension, district membership. Much remains to be done to foster a sense of national civic identity but the journey is well and truly underway.

**Institutional Capacity: Development Policy and Planning**

About the time that the NSDS project was to begin, the Pacific Islands Forum Secretariat also decided to help Nauru with strengthening institutional capacity in development planning. A development planning consultant, funded by the Pacific Islands Forum Secretariat, joined the NSDS team during the second mission and all the contracted consultants served as the foundation staff of the new development policy and planning division (DPPD). The director of the aid management unit joined the DPPD as well. Today, the DPPD is staffed by a team of six to seven Nauruans, whose function is largely to coordinate national planning efforts, in particular, monitoring the implementation of the NSDS. Under the development planning process formalized by DPPD, all development projects are analyzed and appraised to ensure that they support NSDS goals and strategies.
Other capacity development activities in the area of development policy and planning are shown in the table below.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capacity Development Focus</th>
<th>Issues Addressed</th>
<th>Accomplishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid Management</td>
<td>Ad hoc on the job capacity development sessions for Nauru aid management unit (AMU)</td>
<td>Roles and responsibilities for aid management systems to support AMU functions</td>
<td>Interim capacity-mapping process developed greater understanding of role of AMU versus other agencies</td>
</tr>
<tr>
<td>Development Planning</td>
<td>Ad hoc on the job capacity development sessions for development policy and planning division (DPPD)</td>
<td>(i) Development planning, (ii) Appraisal of resources for development planning</td>
<td>Increased understanding of development planning tools and techniques. Linking development plans to NSDS and sector plans</td>
</tr>
<tr>
<td>Development Planning</td>
<td>Project identification and development course (April–May 2007)</td>
<td>Development planning</td>
<td>Outputs from each participating group = draft proposals for appraisal by DPPD. Preparation for engagement with donors following roundtable of funding agencies in July 2007</td>
</tr>
</tbody>
</table>

Source: Aid Management Unit, Development Policy & Planning Department, Government of Nauru.

**Operational Planning Capacity: the Public Service**

The final stage of development of the NSDS focused on operational planning at the sector and departmental levels. A template based on a modified log-frame approach was used to introduce departmental staff to the capacity for developing key reference points for determining decisions, activities, and resourcing. This continues to be the mechanism by which planning, implementation, and monitoring of departmental and agency directions against national priorities are undertaken. A “learn by doing” approach was adopted to assist departmental staff acquire this capacity. While “learn by doing” is a recognized element in the process of developing capacities, on its own it
has limitations in that it does not cater well to different styles of acquiring capacity. In hindsight, the addition of more structured reflections could perhaps have strengthened the development of this capacity.

Other examples of capacity development for operational planning undertaken are shown below.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capacity Development Focus</th>
<th>Issues Addressed</th>
<th>Accomplishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Economics</td>
<td>Software training and technical assistance to 5 state-owned enterprises (SOEs)</td>
<td>Lack of financial reporting by SOEs to boards, ministers, and Parliament under legislation</td>
<td>Competency in basic operations of the software</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Ad hoc capacity mapping for human resources and labor and administration divisions of the office of chief secretary (OCS)</td>
<td>Overlap and/or gaps in functions and perceived poor performance in these divisions</td>
<td>Capacity map and functional charts prepared</td>
</tr>
<tr>
<td>Police and Prisons</td>
<td>Training and logistical support for protection and guarding personnel</td>
<td>Improve security of government assets by training personnel and providing logistical support</td>
<td>New personnel administration system, reporting of breaches in security to senior management</td>
</tr>
<tr>
<td>Sector</td>
<td>Capacity Development Focus</td>
<td>Issues Addressed</td>
<td>Accomplishment</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Police and Prisons</td>
<td>Implementation of new roster system for operations</td>
<td>Work performance, more equitable rostering of staff, better utilization of staff and supervision</td>
<td>Better response times to reported requests for assistance</td>
</tr>
<tr>
<td>Police and Prisons</td>
<td>Implementation of new manual records management system</td>
<td>Poor records management and data availability</td>
<td>Efficient records system</td>
</tr>
</tbody>
</table>

Source: Aid Management Unit, Development Policy & Planning Department, Government of Nauru.

While detailed information is unavailable at this time, similar capacity development efforts in education, health, small-scale commerce, and industry development are underway.

**Participative Democracy Capacity: Constitutional Review Project**

The constitutional review project in November 2006 was a six-step process of review and amendment of the Constitution of Nauru, in part as a result of the engagement and participation momentum from the NSDS process.

A year after the completion of the project, it was heartening to witness the transformation of an almost nonexistent civil society. The enthusiastic, sometimes robust, participation in discussing the nation’s supreme law was strong evidence of grassroots democracy in action, albeit in a fledgling stage.

An equally significant story emerged out of the opportunity presented to the seven Nauruans who conducted more than 40 public consultation meetings. They performed admirably in raising awareness of the contents and meaning of the existing Constitution of Nauru together with arguments for and against options for constitutional amendment. They facilitated small-group clarifications, discussion, and understanding of the provisions made by the articles in the Constitution. Their capacity to lead people’s engagement in this important area increased over the 5-week public consultation phase as did their self-confidence. While members of this group were different from the NSDS champions group, a similar journey of self-transformation was witnessed.
KEY LESSONS FOR THE FUTURE

The Nauru National Sustainable Development Strategy (NSDS) (and subsequent constitutional review) experiences provided a number of lessons on consultation, engagement, and participation practice in development processes.

Participatory Process Design and Methodology

The design of the overall consultation, engagement, and participation process, as well as the specific events, must assume that every individual stakeholder has ideas and insights to contribute based on life experience, and not just in reaction to expert advice or thinking. This helps build wide ownership from a very early stage. Development of depth in the capacity to engage and participate is achieved when stakeholders’ depth in life experience is honored, as is the case using the technology of participation (ToP) methodology. A participatory process that limits stakeholders to asking questions to members of “expert panels” is a limited view of engagement and participation, and makes little contribution to development of capacity to engage.

Fostering Participation

Competent facilitation of the participatory process helps stakeholders participate in an empowering way. Such facilitation is both art and science. Orchestrating standard steps or procedures is not enough. Competent facilitators understand that there are ways to serve particular human dynamics underlying the participatory process and tap people’s innate sense of accomplishment and effectiveness.
The capacity pay-offs of developing local facilitation competence, combined with strong external professional facilitation, are (i) empowerment of stakeholders to engage and participate, and (ii) development of strong capacity in a few to lead participative processes for the many. Local facilitators bring, among other things, knowledge on cultural nuances and their likely impact on the participatory process, while external facilitators have a perspective based on their “objective outsider” status.

Development of participatory-process leadership capacity among a core critical mass helps to signal and sustain engagement and participation as a new norm while creating and responding to the expectation of civic participation in development. In addition to the local facilitators, a larger group of people representing a cross-section of all stakeholders is needed to acquire a sound base of skills, knowledge, and understanding in participatory approaches. This is necessary to generate momentum toward both the product of the participatory process and the new ways of engaging and participating in the debate—the metaphorical parade down Main Street, signaling something new and different that has critical mass to sustain itself long enough to take root. Good participatory processes mirror natural processes and are, therefore, not alien to people. Thus, learning how to lead participatory processes is more about assisting the recovery of something from within than learning something from without. There is something very appealing about switching on one’s own innate sense of accomplishment and effectiveness. This helps in spreading and sustaining the awakening to the process of creating demand for change in support of economic and social development.

**Institutional Support for Participatory Approach**

Establishing an authorizing environment (of institutional, political, and informal leaders) legitimizes and affirms the outputs from the new approach. In most societies, the authorizing environment comprises people from the “establishment.” While participatory processes empower and legitimize the voice of the non-establishment in discussions and decisions significant to all,
it is important to be inclusive, especially of those whose support or authority is key to ownership and implementation. Donor and development assistance agencies, including many international and national nongovernment organizations, understand well the important role that such an authorizing environment plays in developing countries’ leadership and ownership of a capacity development initiative.

The Citizen Participation Challenge for Governance

Consultation, engagement, and participation processes and the development of capacity in these processes work effectively in ideal environments of democratic, political, and economic stability. These are environments with some degree of redistributive policy to overcome the sometimes disabling legacy of paternalistic and control-oriented agencies or governments. Ironically, the need for participatory capacity receives sharp focus in such environments. Perhaps its value is recognized most when traditional institutional responses are inadequate, or when people’s backs are to the wall. Sustained, genuine participatory capacity can result from or be perceived as organized demand for reform and sometimes as a challenge to the dominant historical paradigm of governance. This can place aid agencies and consultants in an interesting position, one that could become untenable without appropriate partnerships with the governments concerned.

Institutionalizing Collective Responsibility

The individual and collective capacity to engage and participate appears to be an integral and foundational capacity for development; hence, the need for it to be mainstreamed into development on all fronts—economic, political, social, environmental, and civil. Consultation, engagement, and participation capacity is everyone’s business and not a separate endeavor. It is an important thread in everything else. It helps institutionalize the notion that everyone is responsible for identifying, envisioning, and implementing needed change. In a world where the “rights” of the individual are increasingly gaining attention, something magical happens when individuals...
are called to assume responsibility to exercise their right to participate in development decisions that affect their everyday living.

**Conclusion**

Consultation and participation as a new norm need not encompass all manner of decision making at all levels of a country. Such an approach is bound to get stalled enough for people to lose confidence. However, as with the NSDS, a good demonstration of what is possible and how it can be achieved will create expectations for how future decision making needs to be carried out.

The value of the demonstration of effective participation is strengthened if there are beginnings of an authorizing environment in the form of one or more individuals who see the need and value of effective participative processes. A small core group with skill in leading effective consultation and participation processes can ensure an empowering individual and collective experience of participation. The metaphor of a parade is again useful here. It is hard to ignore a parade that is colorful, noisy, and engages people. It makes bystanders want to get involved, in this case, in a continually self-organizing and reorganizing movement, giving voice to the need for reform in support of economic and social development.
Building Capacity through Participation

For years, Nauru, a small Pacific island nation (population 10,000), benefited from the considerable wealth generated from its only major natural resource, phosphate. However, when that resource was almost exhausted and national assets held under the Nauru Phosphate Royalties Trust (NPRT) had been reduced to relatively minor holdings, the Government of Nauru sought and received assistance from Asian Development Bank (ADB) and Australian Agency for International Development (AusAID) to prepare a National Sustainable Development Strategy to guide future development in the country. This case study examines innovative efforts to strengthen participatory capacity in Nauru to support development of the new strategy, focusing on the design and implementation of a participatory planning process which engendered wide community engagement and included communications with communities about the choices and trade-offs facing them moving forward.

This subseries is published by the ADB to provide the governments of its Pacific developing member countries (PDMCs) with analyses and insights on key issues and lessons learned with respect to capacity development. Cases studied highlight a range of experiences throughout the region by sector, theme, and source of external support, revealing approaches to capacity development that work best and the conditions that have been conducive to their success. They also explore the unique challenges faced by PDMCs in addressing capacity constraints as well as some opportunities facing governments and the people in the Pacific islands. Among other things, the case studies underline the importance of PDMC leadership, engagement of local partners, strategic attention to long-term capacity issues, and effective use of external resources. We hope that the findings in these reports will help guide future capacity building efforts in the Pacific.

About the Asian Development Bank

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to two thirds of the world’s poor. Nearly 877 million people in the region live on $1.25 or less a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
www.adb.org/pacific
Publication Stock No. BBK177008
Printed in the Philippines