ACTION AREA 2: GOVERNANCE AND CAPACITY BUILDING

Key messages

- Leadership and governance systems are at the heart of decision-making that guides how resources are used and assets are developed to target inclusive outcomes. Leadership forms the foundation of how a vision on social inclusion is translated into reality.

- Inclusive institutions with good governance are required to promote and enforce policies that address social inequalities, particularly with regard to under-served and other vulnerable groups.

- Important elements of good governance include transparency and accountability, which create trust between the government and society. Ease of access to information and modern communication tools can help to create an interactive and collaborative environment.

- In governance processes, the attitudes and behaviours of decision-makers and professional staff, whether conscious or unconscious, are important. Training and education of existing government personnel can help strengthen capacity to better understand, integrate and address the needs of vulnerable groups.

- Targeted capacity building may strengthen the relevant information, knowledge, and skills needed by under-served or other vulnerable groups to enable them to access wider benefits from infrastructure, such as access to markets, jobs and services.

Two key practices have been identified under this Action Area for which further detail and guidance is given in the sections below:

Inclusive Governance and Transparency	Capacity Building

DEFINITIONS AND CONTEXT

Definitions

Governance refers to structures, processes and systems that define decision-making and interactions amongst various stakeholders. It is also broadly referred to as the exercise of functions and power through a country's economic, social, and political institutions. In the context of inclusive infrastructure, it is linked to how government institutions are structured and operate in infrastructure development and implementation, and how they interact with the various public and private sector stakeholders.

In combination with **capacity building**, which is a process used to improve or acquire certain skills, knowledge, processes or systems in sufficient quantity to meet its core functions, governance can impact how decisions are made and implemented. In the context of inclusive infrastructure, capacity building refers to (i) strengthening the relevant capabilities in government institutions and (ii) developing the skills of under-served and vulnerable groups to enable them to better access job opportunities and other beneficial outcomes from infrastructure development.

Context

Leadership and governance systems are at the heart of how resources are targeted, and assets are developed. Leadership is closely linked to good governance, which is a prerequisite for effective infrastructure development[35]. A leader can transform a common vision into a reality. A good example of this is the Mi Teleférico Cable Car project in Bolivia (see *Section 4* for *Mi Teleférico Cable Car Case Study*), where strong political support from the nation's president was a driving force in the successful completion of the project. The cable car eased traffic and transportation issues between the two cities of La Paz and El Alto and provided a new transport option for previously excluded groups of passengers.

Infrastructure and its associated services stimulate economic growth, contribute to building the capabilities of under-served and vulnerable groups, and facilitate their connection to political processes, markets and social relations[36]. This can be achieved through the development of efficient and well-integrated markets for labour, land and housing, effective public finance and responsive governance.

Additionally, governance has a significant impact on how the needs of social groups at risk of exclusion or discrimination can be better defended or positively promoted, and how protective measures can be developed and enforced. This is particularly relevant in situations of abuse of power or the application of entrenched social attitudes, values and discriminatory behaviours by an official, or when there is a lack of effective complaint or redress processes. In these situations, under-served and other vulnerable groups (such as low-income groups, women, indigenous peoples, etc.) are likely to suffer most[37].

To leverage the benefits of greater inclusion in infrastructure, governments, civil society organisations, private companies and local communities need to fully understand the issues and assess potential opportunities that can be derived through good governance, particularly in the decision-making and planning processes. Governance which acknowledges the collective benefits of improved inclusiveness will influence infrastructure developments positively in the long-term. However, for this to be effective, there must be a system of accountability in place to ensure proper implementation and monitoring of inclusivity initiatives within government.

An open government policy is one instrument of accountability to promote transparency. An open government is exposed to public scrutiny, is always accessible to everybody, and is responsive to new ideas and demands. Transparency and accountability can be enhanced by taking an open government approach to data. That means government information is proactively disclosed and available online for everyone to access, reuse and redistribute without restriction[38].

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[35] The Impact of Leadership on the Governance of Infrastructure Development in Nigeria, (Onolememen, 2015)

[36] A sourcebook for Poverty Reduction Strategies : Core techniques and cross-cutting issues, (Klugman, et al., 2002)

[37] A sourcebook for Poverty Reduction Strategies : Core techniques and cross-cutting issues, (Klugman, et al., 2002)

[38] United Nations E-Government Survey 2016: E-Government in Support of Sustainable Development. Chapter 2 Transparency through open government data, (United Nations, 2016)

The benefits of opening government data to the public are not limited to social gains; there are also economic benefits to be derived. Studies show that, globally, open data could generate USD 3 trillion in economic gains per year. Potentially as much as USD 5 trillion could be generated across several sectors including education, transport, consumer products, power, oil and gas, healthcare and consumer finance[39].

In governance processes, the attitudes and behaviours of decision-makers and professional staff, whether conscious or unconscious, are important. Training and education of existing government personnel is required to better understand, integrate and address the needs of vulnerable groups.

Capacity building and training is also required to elevate members of disadvantaged groups into positions of power, decision-making and influence. Inclusive governance requires greater transparency and public awareness of the existing governance structures and processes; of whether there is any lack of inclusion in government; of the occurrence of discrimination and inequality; and of the availability of information. Transparency and access to information can lead to greater participation by the community in decision-making.

A structured, rather than ad hoc, approach to capacity building enables more effective participation. It may trigger behavioural change or a paradigm shift if applied on a programmatic basis, with a long-term perspective and linked to practical components.

Improved governance, with an emphasis on capacity building, empowers citizens and fosters accountability and a shared sense of responsibility on the part of the government, provided there is consistent application of the strategy over time and a commitment to cultural change instead of one-off interventions.

ANALYSIS AND GUIDANCE ON PRACTICES

INCLUSIVE GOVERNANCE AND TRANSPARENCY

Overview

Governance pertains to the structures, processes and systems that define decision-making, economic and social interactions within a country. Key aspects of governance include the political will and capacity of governments to manage resources efficiently and to formulate, implement and enforce sound policies and regulations; and the processes by which the government is held accountable and monitored. With respect to infrastructure development, governance processes cover the entire lifecycle of the asset and are core to the project planning and decision-making phase.

Inclusive institutions with good governance are required to promote and enforce policies that address social inequalities, particularly with regard to under-served and other vulnerable groups. It is necessary to have processes, systems and institutions that enable communication with citizens and ensure their views can be acted upon.

Other important elements of good governance include transparency[40] and accountability, which create trust between the government and society. Ease of access to information and modern communication tools create an interactive and collaborative environment.

Good governance and well-designed institutions can help improve transparency and complaint mechanisms by establishing freedom of information legislation, the right to petition governments, opening lobbying to scrutiny, and setting up commissions of enquiry[41].

For example, participatory budgeting, like that undertaken by the Sevilla Authority in Spain or the Toronto Community Housing Corporation in Canada, provides taxpayers with a say in how public funds are spent on the services that affect them.

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[39] United Nations E-Government Survey 2016: E-Government in Support of Sustainable Development. Chapter 2 Transparency through open government data, (United Nations, 2016)

[40] Transparency refers to "unfettered access by the public to timely and reliable information on decisions and performance in the public sector", (Armstrong, 2005).

[41] All on board: Making inclusive growth happen, (OECD, 2015)

ELEMENTS OF GOOD GOVERNANCE

Accountability

At the macro level, this includes financial accountability; that is, an effective, transparent and publicly accountable system for expenditure control and cash management, and an external audit system. At the micro level, it requires that implementing agencies be held accountable for operational efficiency. Auditing systems should meet international standards and be open to public scrutiny.

Transparency

Private sector investment decisions depend on the public knowing what the government's policies are and having confidence in the government's intentions, as well as on the information provided by the government on economic and market conditions. Transparency in decision-making in infrastructure projects, particularly in budget, regulatory and procurement processes, is also critical for effective resource use and reduced corruption and waste.

The Rule of Law

In infrastructure development and implementation, a fair, predictable and stable legal framework is essential. Businesses and individuals need to be able to assess economic opportunities and act on them without fear of arbitrary interference or expropriation. This requires that the rules be known in advance, that they be enforced and applied consistently and fairly, that conflicts can be resolved by an independent and impartial judicial system, and that procedures for amending and repealing the rules exist and are publicly known.

Participation

Good governance requires that civil society can participate during the formulation of infrastructure development strategies, and that directly affected communities and groups should be able to participate in the design and implementation of infrastructure programs and projects. Even when projects have a secondary impact on localities or population groups, there should be a consultation process that takes their views into account. This aspect of governance is essential in securing commitment and support for projects and enhancing the quality of their implementation.

Source: IFAD (1999), International Fund for Agricultural Development. Good Governance: An Overview.

Relevance

Inclusive infrastructure requires close and meaningful engagement between the government and all stakeholder groups affected by, or benefiting from, a policy or project. This engagement should identify the developments likely to enhance the rights and interests of target groups, as well as those that will have a negative impact. In accordance with applicable legal and regulatory requirements, the focus should be on further strengthening the positive impacts and eliminating, mitigating or compensating any negative impacts.

At the policy level:

- *Improving regulations and legislation*. Embedding inclusivity in governance requires changes to operations and public administration, which affect the administrative rules of a state and may require amendments to relevant regulations and legislation.

- *Establishing a political champion and coordinated approach*. Initiatives may be complex and require a coordinated and aligned approach across all government ministries and other government or quasi-government entities involved, ideally supported by strong political champions.

- *Improving transparency*. Transparency is considered good practice in governance and helps to improve accountability and increase participation. Greater transparency can be achieved by giving the public access to information, helping people understand the decision-making process and by creating avenues for the public to express their opinions and influence government decisions on matters that impact them. Robust processes are required to enforce transparency. New technologies and communication platforms may increase accessibility to information and enable vulnerable groups (e.g. people with hearing or visual disabilities) to participate.

At the project level:

- *Integrating policy and regulatory requirements into project implementation*. Project governance refers to the processes and systems that allow a project to achieve its intended objectives and to implement these objectives in the best interests of all stakeholders[42]. To integrate inclusivity in project governance, project policies should be aligned with existing policies at the corporate or national level. For example, if there is a corporate policy on affirmative action in recruitment or a national policy on including minority-owned businesses in procurement, these should cascade down and be implemented at the project level. Project-related governance structures need to align with regulatory requirements, but should also be defined at project level. Policy and regulatory aspects are further outlined under Action Area 3: Policy, Regulations and Standards.

- *Aligning stakeholder views with project strategy and objectives*. Views and opinions of communities at risk of being excluded or under-represented, whether consciously or unconsciously, should be integrated into the project's strategy and objectives. Please refer to Action Area 4: Project Planning, Development and Delivery for further detail.

- *Improving transparency*. Regular and public reporting, transparency in decision-making processes, and redress mechanisms should be applied.

Guidance

1. **Create a governance structure that moves away from the siloed approach of different ministries solely responsible for their sector, to an approach that encourages inter-agency cooperation and collaboration in the implementation of policy and projects[43].**

For instance, in the development of a housing project, there may be several ministries involved but an over-arching body would facilitate their interactions. In the case of the *U.S. Bank Stadium Case Study* and the *TransMilenio BRT Case Study* in Colombia, task forces were created to encourage inter-agency cooperation.

2. **Use well-designed institutions to help improve transparency and contestability, notably by enacting freedom of information legislation and the right to petition governments[44].**

A major resource on transparency in PPP infrastructure projects is the World Bank's 2015 *Framework for Disclosure in Public-Private Partnership Projects*, which provides detailed technical guidance for systematic, proactive pre- and post-procurement disclosure of information in public-private partnership projects.

Some additional methods to increase transparency[45] include:

- developing and adopting specific measures to prevent, identify and tackle corrupt activities. This can be applied at the institutional and project level, and can be enshrined in law and regulations. For example, in Qatar, there is a requirement for an Anti-Corruption Declaration Form to be signed by all contractors working on government projects[46];

- making the formal guidelines on the decision-making process publicly available, together with any other information that would help concerned stakeholders lodge an enquiry and make key decisions open to public scrutiny and challenge. A good example is the *U.S. Bank Stadium Case Study*, where the governance structure and procurement and employment processes, which incorporated inclusivity targets, were released to the public, who were also welcomed at many of the meetings;

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[43] Leaving no one behind: A critical path for the first 1,000 days of the Sustainable Development Goals, (Stuart, et al., 2016)

[44] All on board: Making inclusive growth happen, (OECD, 2015)

[45] Transparency and the Performance of Outsourced Government Services, (Mulgan, 2015)

[46] Atkins internal expert: this is practised in Qatar.

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[42] Governance rules! The principles of effective project governance, (Kelly, 2010)

- providing online information on government contracts above a certain investment threshold, so the public is aware of the terms and conditions under which the infrastructure has been procured; and

- developing criteria to identify which sections of the contract are confidential for commercial or intellectual property reasons and establishing arrangements allowing for an independent audit of government agency compliance, with the following considerations in mind:

  - maximising access for government auditors during the design and implementation of contracts;

  - mandating that all contractors on major government projects adopt an open-book accounting principle;

  - providing administrative monitors with access to the contractors or operators; and

  - facilitating access to information held by government agencies or private sector partners, which is relevant to the provision of a publicly-funded service.

An example of how transparency can be achieved can be found in *Box 4: Illustrative example – Transparency in Practice: The United Kingdom experience*.

3. Hold public officials and senior managers accountable throughout the term of their service, not only during elections.

To do so, citizens must have access to information, and be able to interact with authorities. A transparent and inclusive approach should allow budgetary choices to be made available to citizens and other stakeholders (see *Box 4: Illustrative example – Transparency in Practice: The United Kingdom experience*)[47]. In many countries, there are multiple mechanisms that facilitate fair and equitable access to information and provide opportunities for people to engage in the policy-making process. The following mechanisms address barriers to inclusion:

- freedom of information laws;

- policy enquiry commissions;

- high-level social partnerships between government, the private sector and community organisations; and

- referenda and two-way citizen engagement mechanisms driven by information and communication technologies[48].

It is important to note that the mechanisms adopted should be relevant, accessible and provide appropriate assistance to disadvantaged groups.

4. Outline the structures, roles, and responsibilities of the different government entities involved in a project and map them against the different levels of governance, management structures and management roles across the project lifecycle.

This process will allow the following steps to be taken:

- assess the operational constraints in the enabling environment of an inclusive infrastructure development;

- conduct an institutional and governance assessment, and develop an institutional map to inform project planning and implementation;

- identify and assess the main institutional and governance issues in the planning, programming, structuring and marketing of infrastructure investment programs and projects, and make recommendations for enhancing the government's capacity; and

- ensure adequate data collection, specifically in regard to groups in society who are at risk of being neglected or negatively impacted by the infrastructure development[49].

5. Decentralise powers and functions in government and encourage excluded groups to participate in governance.

Decentralisation can help to ensure public resources are properly allocated and the services that are delivered meet the needs of people living in the decentralised regions and remote locations. As part of this devolution of powers, efforts must be made to help traditionally excluded or marginalised groups take part in the governance process. One example of this is the constitutional acceptance of Panchayat in India (see *Box 3: Illustrative example - inclusive governance in India*).

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[47] All on board: Making inclusive growth happen, (OECD, 2015)

[48] All on board: Making inclusive growth happen, (OECD, 2015)

[49] Taken and adapted from the ADB Tool Kit for Inclusive Urban Development. While the literature is specific to urban development, institutional mapping can find broader application at national or sub-national government level, (Asian Development Bank, 2017)

6. Sustain effective governance throughout the project lifecycle.

Ensure funding strategies and inclusive policies are implemented to safeguard the political prioritisation and inclusion of marginalised groups. There must be explicit recognition of the relationship between economic, social and environmental challenges, and an institutional structure that ensures policy is created and implemented collaboratively, not in silos[50].

7. Establish a monitoring process to track outcomes.

An example of a potentially useful tool is the Asian Development Bank (ADB) Citizen Report Card, which assesses the quality of governance and the satisfaction of citizens regarding the delivery of public services[51]. The design of the data collection process should ensure that data can be disaggregated to determine whether previously under-served or other vulnerable groups are benefitting from the services. The process should also consider the language and literacy barriers of certain groups, and how mechanisms for data collection (such as field interviews) help to ensure their views are taken into account. Action Area 1: Stakeholder Identification, Engagement and Empowerment offers more details on disaggregation of data.

BOX 3: ILLUSTRATIVE EXAMPLE - INCLUSIVE GOVERNANCE IN INDIA

Summary

In 1992, the 73rd and 74th amendments to the Constitution of India were passed, giving constitutional status to Panchayats (a decentralised form of government that allows each village to self-govern) and urban local bodies. It was the most significant country-wide initiative to promote inclusivity in governance and the devolution of powers. Of particular interest, with respect to inclusivity, is reserved seats for scheduled castes, scheduled tribes (scheduled castes and scheduled tribes are officially designated groups of historically disadvantaged groups in India) and women (who should have at least one-third of the seats) in the Panchayats. This allowed citizens to become more involved in the decision-making process on issues that directly affect them. There is now direct interaction between the government and its constituents, and communication is no longer limited to discussions with elected representatives or at occasional town hall meetings.

Panchayati Raj institutions

Prior to these amendments, only elected representatives to State legislatures and Parliament had a formal voice in the decision-making process. With the constitutional recognition of Panchayats through the 73rd amendment, inclusiveness at the grass-roots level was made possible. It devolved power to villages and various sub-districts, allowing each village to participate in local governance through an elected Panchayat. The Ministry of Panchayati Raj (system of Panchayat) reports that there are close to 2.8 million elected representatives composed of 30% women, 19% scheduled castes, and 12% scheduled tribes. In some areas, women have won as many as 58% of the seats.

In some states, the implementation of the Panchayati Raj has been successful in facilitating public welfare initiatives, such as the creation of water reservoirs, the establishment of small-scale industries, computerisation programs, and other initiatives.

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[50] Leave no-one behind: infrastructure and inclusion - K4D – Knowledge, evidence and learning for development, (Raje, 2016)

[51] ADB Tool Kit for Inclusive Urban Development, (Asian Development Bank, 2017)

Social audit

In 2005, social audits of Panchayati Raj Institutions were made mandatory through the National Rural Employment Guarantee Act, which enabled citizens to directly question elected representatives on a regular basis. In certain states, including Andhra Pradesh, social audits have resulted in administrative or criminal charges being filed against 7,000 officials for fraud.

Outcomes

The constitutional recognition of Panchayati Raj Institutions enabled the wider participation of disadvantaged groups (particularly women, scheduled castes and scheduled tribes) in governance by allowing for consultation and involvement in the decision-making process at the grass-roots level. The social audits have improved the transparency and accountability of these institutions for the citizens.

Source: Transparency for Inclusive Governance: An assessment of India. (Sharma, 2012)

8. Implement an open government policy.

There are many ways to interpret the phrase 'open government', but it can be broadly defined as fostering collaboration and co-creation between government and civil society. This may be through a dedicated project website, for example, and should promote the following principles:

- *Participation:* participation can be encouraged by informing, consulting, involving and empowering citizens and social organisations. Refer to Action Area 1: Stakeholder Identification, Engagement and Empowerment for more detail on participation.

- *Accountability:* governments must actively account for their actions and take public responsibility for their decisions.

- *Open data:* data that relates to the use of government funds and that does not contain sensitive commercial information or intellectual property must be made available in accordance with international standards for publishing data on the internet. It should be open, complete, primary, timely, accessible, machine processable, non-discriminatory, non-proprietary and licence-free.

The data can also be disclosed on public procurement platforms for infrastructure projects (see the above-noted World Bank *Framework for Disclosure in Public-Private Partnership Projects* and the additional discussion below on open data).

- *Sharing public information*: public information must be circulated to reach a wider audience.

- *Access and simplicity*: whenever possible, simple and easy-to-understand language should be used in documents.

- *Collaboration and co-creation*: practices and policies should be designed to encourage collaboration and co-creation at all stages of the process, particularly during the project development stage for infrastructure projects[52].

An open government data policy can be implemented using the following measures:

- create or appoint an oversight authority that will be responsible for publishing data;

- provide guidance or other binding regulations to help with the implementation of the open government data policy;

- incorporate public perspectives into policy implementation;

- set appropriately ambitious timelines for the implementation of the open government data policy;

- create processes to ensure the quality of the data to be published;

- ensure sufficient funding is available to implement the open government data policy;

- explore potential partnerships. For example, for infrastructure projects that involve the private sector, information may be published online by private sector partners, but it must support the government's transparency policy; and

- mandate future reviews or potential revisions of the open government data policy[53].

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[52] What is the concept of Open Government? (Bellix, Guimaraes, & Machado, 2016)

[53] What is the concept of Open Government? (Bellix, Guimaraes, & Machado, 2016)

It is important to make government data available to the public, but this alone is not enough for the policy to be deemed inclusive. For that to occur, the needs of disadvantaged groups must be specifically addressed to ensure they are also able to access data through capacity building programs, the provision of tool kits and data literacy campaigns[54].

9. **Measure the success of implementation by assessing the following aspects:**

- government commitment;

- policy or legal frameworks;

- institutional structures;

- responsibilities and capabilities within government;

- government data management policies and procedures;

- demand for open data;

- civic engagement and capabilities for open data;

- level of government funding provided for an open data program; and

- national technology and skills infrastructure[55].

BOX 4: ILLUSTRATIVE EXAMPLE – TRANSPARENCY IN PRACTICE: THE UNITED KINGDOM EXPERIENCE

The government implemented legislation mandating an open data policy, increasing transparency and positively influencing the behaviour of public officials.

The UK has had a Freedom of Information Act for almost two decades but, in 2010, the government took its commitment to transparency a step further. For the first time, government and local authority contracts and tenders, individual items of spending by central government departments and local authorities, and local service and performance data, were all published online. The government's provision of open data is a leading example of a comprehensive approach to operational transparency.

The UK is one of the founding members of the Open Government Partnership, a multilateral initiative to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption and harness new technologies to strengthen governance. The initiative was formally launched in 2011 and now has over 70 participating countries.

Support for open data increased in 2007 when the government commissioned its Power of Information Report to explore how it could improve the publication and sharing of available data. This was followed by the creation of a Power of Information Taskforce, which recommended that the government create an online repository where public information could be stored and maintained.

In 2010, the government launched *data.gov.uk*, with three main objectives – to increase transparency, improve public services, and drive economic and social growth.

The cross-government commitments covered the following:

- central and local government spending transparency, including tenders, itemised spending and contracts; and

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54 What is the concept of Open Government? (Bellix, Guimaraes, & Machado, 2016)

55 What is the concept of Open Government? (Bellix, Guimaraes, & Machado, 2016)

- specific to infrastructure projects falling under the UK Private Finance Initiative (PFI) program, updated data and project trackers published on *data.gov.uk* periodically, as well as on the government's main website, *gov.uk*. The government also publishes the equity internal rate of return (IRR) for each project on both websites.

While the government has not been able to track and quantify the benefits of transparency because there are no monitoring measures, there is anecdotal evidence that the publication of data is having a positive effect on the behaviour and culture of public officials, making them more conscientious in their use of resources.

Sources:
Stott, A. (2012). Queensland Office of the Information Commissioner and the Australia and New Zealand School of Government. Transparency in Practice: The United Kingdom Experience, Occasional Paper No. 4. Retrieved from https://www.oic.qld.gov.au/__data/assets/pdf_file/0017/7640/100_4-Stott-Transparency-in-Practice_15.pdf

https://data.gov.uk/

www.opengovpartnership.org

www.gov.uk

CAPACITY BUILDING

Overview

Capacity building in this Action Area refers to the capacity of two groups:

1. the government institutions and private enterprises that are involved in infrastructure development and implementation. The aim is to enhance their ability to integrate inclusivity elements in the project lifecycle; and

2. the members of under-served and vulnerable groups. The focus is on improving their knowledge and skills to allow them to effectively participate in infrastructure projects, either in the decision-making process, in the supply chain or in the labour market.

For the first group, skills related to infrastructure development and implementation could include training topics on project management, social and gender safeguards, financial analysis, business case development and contract management.

A primary challenge is in ensuring the sustainability of capacity building initiatives within the government, which is responsible for engaging public-sector experts and industry leaders to provide training to its staff and to affected communities. It is important to ensure that capacity building takes place in a structured and sustainable manner, so that knowledge is retained at the institutional level, rather than just at the individual level, retaining capacity in spite of the turnover of government officials.

For the second group, capacity building relates more to the provision of additional information on infrastructure projects, to the impact it will have on these groups and their avenues for participation, and to improving the employability of these groups.

Capacity building, when implemented strategically and sustained over time, is a powerful tool to enhance the effectiveness of the government to understand the needs and concerns of vulnerable and other under-served groups, including providing them with mechanisms that empower them to raise their concerns.

Capacity building can also help empower vulnerable groups by providing them with relevant knowledge, skills and information to better access wider benefits from infrastructure, such as access to markets, jobs and services. This strengthens trust and creates a commitment between the government and its stakeholders. The end result is a community that participates in decision-making processes and opportunities, and a government that is sensitive to, and able to, address their needs.

Relevance

Capacity building activities should be available to all stakeholders to achieve maximum outreach, increase inclusivity awareness and address skill gaps.

At the policy level:

- *Enforcing capacity building through policy.* Capacity building requirements related to inclusivity can be integrated into existing or new policies.

- *Increasing employment opportunities through government-mandated capacity building.* Training for vulnerable groups lacking the skills required to access employment opportunities can be required by the government for the construction and maintenance of public infrastructure.

- *Changing preconceived notions through education.* In developing a capacity building policy, there should be a focus on changing attitudes or biases, whether conscious or unconscious, and ensuring staff members understand and respond to the needs of disadvantaged communities.

- *Fostering diversity at the organisational level.* Taking this a step further, there should be attempts to recruit qualified candidates from minorities or other disadvantaged groups to foster diversity and inclusion within the structure, values and culture of an organisation.

At the project level:

- *Providing inclusivity training.* All stakeholders involved in a project (throughout project development, stakeholder engagement and implementation) should be offered training to help them understand what inclusivity is and how best practices can be implemented.

- *Integrating the needs of vulnerable groups into a project through recruitment.* An effort should also be made to recruit candidates from disadvantaged communities into project teams, so their needs can be addressed in project plans and programs. For example, training offered to young people, either by industry or government, is often insufficient, of poor quality and poorly coordinated, which often means they find it hard to obtain employment.

A good example of building capacity and job skills is given in the Cairo Metro Case Study in Egypt, where construction work suppliers were contractually required to provide proper knowledge sharing to the workers. The knowledge sharing program, supplemented by necessary training, facilitates the transfer of knowledge and the upskilling of workers.

Guidance

1. **Use public campaigns to raise awareness of the benefits of inclusion at the institutional, government, and project level, and the benefits of involving stakeholders and civil society organisations[56].**

Positive action can be applied during the recruitment process to increase the participation of underrepresented groups in the labour market. While the benefits extend beyond the target minority groups to include all employees, it should be noted that positive action is not a universal remedy and must be tailored to the specific needs and circumstances of each case[57].

2. **Take a strategic, long-term perspective with detailed planning for effective capacity building programs.**

Identify target groups (government officials, private sector employees or members of under-served and vulnerable groups) and help them build the skills they need (e.g. planning, construction, administration) sufficiently in advance to deliver against project objectives over an extended period. This requires the accurate identification of the target stakeholders; their level of awareness and competencies; and the skills that need to be developed, taking into account the advance time required for skill development[58]. Also, strong political figures to champion social inclusion objectives should be identified.

3. **Target a wide range of stakeholder groups, including government, private companies, communities (individuals, disadvantaged groups, or community organisations, such as cooperatives, women's groups, farmers' groups etc.), non-governmental organisations and local governments.**

Some of the issues faced by these groups include governance issues, lack of resources, insufficient and/or inefficient management capacity, and lack of technical skills[59].

4. **Create incentives by providing operating grants.**

Provide small grants to train and upskill core staff members at key agencies, especially when capacity building activities include members of disadvantaged

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[56] Youth Scoping Study: Boosting Youth Employment through Infrastructure Programming, (Haegeman, 2017)

[57] The Benefits of Positive Action: Thematic Discussion Paper, (Strasser, Gächter, & Dzhengozova, 2008)

[58] Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets, Chapter 5: Investment in Capacity Building, (International Finance Corporation, 2010)

[59] Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets, Chapter 5: Investment in Capacity Building, (International Finance Corporation, 2010)

groups. An example of such a scale-up and incentivisation program is South Africa's Black Economic Empowerment Policy, where employment and education incentives are offered to South Africans who have previously suffered from discrimination.

5. Provide direct assistance to organisations.

Transfer experts (on a temporary basis) into organisations to provide expertise or direct technical assistance[60] in areas such as, for example, financial modelling, engineering solutions, business case, gender equality, and accessible design.

6. Make sure behaviour aspects are considered as part of the capacity building exercise.

Capacity building should focus on improving attitudes and eliminating or mitigating biases, as well as boosting functional and technical capacity or skills. It should provide equal focus on the following capacities:

- *Functional capacities*: the leadership and management capacities to formulate, implement and review strategies, programs and projects relevant to various sectors;

- *Technical capacities*: capacities associated with specific sectors or areas of expertise; and

- *Behavioural capacities*: cultural shifts and changes in attitude[61].

A relevant example is the training provided for employees in the *TransMilenio BRT Case Study* in Colombia. Staff members in customer-facing roles were asked to consider the feelings of passengers with disabilities and were offered guidance on the appropriate language and behaviours that should be used to create an inclusive environment. This capacity-building activity helped to address some of the challenges faced by people using the public transport system.

7. Apply the following measures to build key functional capacities, focusing on members of disadvantaged groups:

- *Engage communities*: this involves building the capacity to involve multiple stakeholders in activities by building trust, listening, helping to give voice to the silent majority, and working towards putting community members "in the driver's seat";

- *Assess a situation and define a vision and mandate:* skills in analysis, defining a vision, assets and opportunity assessment, goal setting and project design should be improved or built upon as part of this capacity area. Mandates and vision statements should concisely explain the project's goals and help stakeholders to focus on its value and implementation;

- *Formulate policies and strategies*: skills in this area include strategic thinking, strategy mapping and development, social network mapping, prioritisation, operational planning, feasibility analysis and risk analysis;

- *Budget, manage and implement:* skills in this area include forecasting, participating, budgeting, cost analysis, funds allocation, reporting, financial oversight and bookkeeping; and

- *Monitor and evaluate*: skills in this area include setting measurable goals and objectives, defining outcomes, developing indicators, formulating and asking appropriate questions, gathering and analysing data, using tools for conducting participatory evaluations, and creating a positive learning environment[62].

8. Support a capacity building strategy through the following interventions:

- *Networking*: connecting communities, organisations and individuals through formal and informal affiliations to expand service delivery, improve information sharing, set performance standards, and/ or empower groups.

- *New entity creation*: this can involve the creation of new groups, co-operatives, civil society organisations, borrower groups, etc. that can advocate for the needs of under-served and vulnerable groups.

- *Training*: designing and delivering curriculum to support the transfer of critical skills.

- *Partnering:* brokering new relationships and joint ventures between key actors to meet capacity building objectives[63].

- *Leadership development*: serving as a role model or counsellor to emerging community leaders to encourage participation of under-served and vulnerable groups in self-governance.

- *Organisational development:* providing support to local organisations to enhance performance.

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[60] Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets, Chapter 5: Investment in Capacity Building, (International Finance Corporation, 2010)

[61] Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets, Chapter 5: Investment in Capacity Building, (International Finance Corporation, 2010)

[62] Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets, Chapter 5: Investment in Capacity Building, (International Finance Corporation, 2010)

[63] Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets, Chapter 5: Investment in Capacity Building, (International Finance Corporation, 2010)

- *Exchanges and visits*: sponsoring exchanges to promote learning and the sharing of ideas.

- *Coaching and mentoring:* sharing time and expertise to inspire and empower target groups and promote active involvement in infrastructure development and implementation. An example of this type of intervention is the capacity building program for rural women in renewable energy (see *Box 5: Illustrative example – International Solar Training Program, Barefoot College, Worldwide*).

- *Social marketing*: applying principles of commercial marketing to raise awareness and influence behavioural change.

- *Development of local service providers*: strengthening the quantity and quality of local service providers to stimulate the local economy and labour market.

Figure 7. Interventions for capacity building

Examples

The importance of governance and capacity building interventions is highlighted in a number of the Case Studies (see *Section 4*).

In addition, two examples of how capacity building can help to address gender equity issues are shown below in *Box 5: Illustrative example – International Solar Training Program, Barefoot College, Worldwide* and in *Box 6: Illustrative example – Access to technology leading to women's empowerment, Kenya*.

BOX 5: ILLUSTRATIVE EXAMPLE – INTERNATIONAL SOLAR TRAINING PROGRAM, BAREFOOT COLLEGE, WORLDWIDE

A global training program educating and empowering disadvantaged women to become solar energy engineers.

The International Solar Training Program began in 2008. It is supported by the Indian Technical and Economic Cooperation (ITEC) – a division of the Ministry of External Affairs in India. The six-month program, which is conducted twice a year, is a collaborative effort of Barefoot College, ITEC and the respective governments and NGOs (ground partners) of the participating countries.

Barefoot College builds capacity at the village level by training rural, illiterate and semi-literate women from Asia, Africa, America and the Pacific Islands to build, install, maintain and repair solar energy systems in off-grid villages. Additional support is also given in wider legal, financial, IT, health and microenterprise training. During the six-month training program at the Barefoot College campus in India, the women build solar energy systems (such as LED lamps, charge controllers, home lighting systems and solar lanterns). The equipment is then shipped to their villages where it is used in their houses and communities. They are also taught how to set up a rural electronic workshop in their villages to store components and equipment needed for repair and maintenance of the solar units. Through its program, Barefoot College has trained women from 77 countries as solar engineers (as of 2018).

Sources:
International Solar Training Program (Barefoot College, 2018)

Infrastructure: A game changer for women's economic empowerment (Biswas and Mohun, 2016)

BOX 6: ILLUSTRATIVE EXAMPLE – ACCESS TO TECHNOLOGY LEADING TO WOMEN'S EMPOWERMENT, KENYA

M-Pesa, which was developed in 2007, is an electronic money transfer product that enables users to store value on their mobile phones. It is an example of a project that creates business opportunities, increases income possibilities and empowers people.

There are two types of users of the M-Pesa product: urban senders, who are mostly men, and rural recipients, who are mostly women:

1. Urban users: urban users adopted M-Pesa because it was cheaper, easier to access, and safer than other money transfer options;

2. Rural users: through using M-Pesa, women have been able to receive and manage the household budget independently, without having to seek permission from their husbands. M-Pesa has reportedly increased the financial autonomy of household members with lower bargaining power.

While the project does not intentionally target women as an under-served group, they benefit from training exercises that familiarise users with the use of phones and electronic money transfer services. This has improved social and financial inclusion.

The product helps people acquire new skills, find ways to express and fulfil specific needs, and gives them the chance to pursue entrepreneurial activities.

Source: M-Pesa - a success story of digital financial inclusion (Ndung'u, 2017)