

LenCD Learning Package on Capacity Development

Part 2

How-to...



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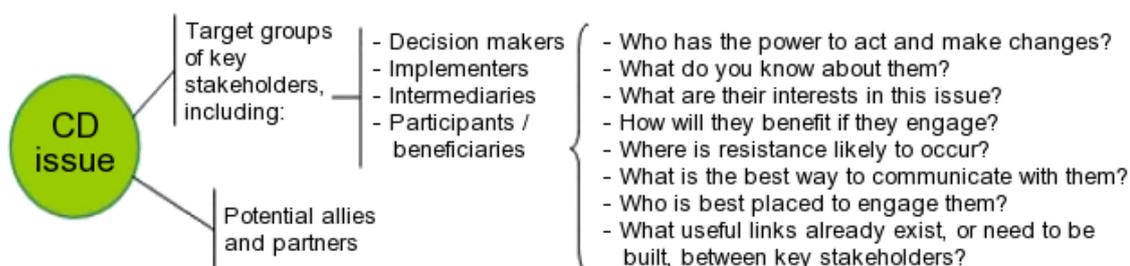
How to map and influence stakeholders to get started

Summary: key points and action steps

CD isn't a solitary pursuit, and no one can act alone to either start or sustain CD initiatives. Whatever the CD issue or need, whether at institutional, sector, organisational or individual level, many stakeholders will need to be engaged to support action. Understanding who the stakeholders are, their interests, and how to engage them is one of the important first steps in developing a CD strategy or intervention. This understanding is integral to understanding both the specific context and the general institutional environment. The need to influence stakeholders might be about raising awareness and mobilising support for what needs to happen, or it may be about overcoming resistance to new initiatives and change. This section offers some guidance about how to get started.

The question 'Capacity for what?' needs to be kept at the centre of thinking, decisions and communications

- First, clarify the CD issues to be worked on and the message that needs to be shared:
 - Remember to consider **all relevant levels** when thinking about the issue and stakeholders. **The trap of thinking that CD is always about developing individual skills needs to be avoided**, the challenge might be that capacity exists but organisational or institutional constraints are preventing it from being used, which may call for engaging multiple stakeholders in different ways
 - In the first instance success is more likely through **focusing on one or two key issues as a starting point**. Trying to tackle too many issues at once will likely lead to problems.
 - Working on issues that give '**quick wins**' is a good way to overcome resistance
- Next, map the **stakeholders** around this CD issue



- All the partners who will work together should **clarify their shared assumptions and expectations**, and their approaches to the CD issue, once this is done they can move to
- Decisions **which overall approach will work best** to influence the target group about the CD issue, and which mix of specific methods and tools to use. This should include involving and or delegating to those who have the best chance of being effective. For example, a senior decision-maker may be more likely to listen to one of his or her own advisors than to someone unknown, so the advisor becomes the primary target as the route influencing the decision-maker
- **Develop** a simple, focused and persuasive message, which will be most effective if based on analysis of the capacity need, the critical factors that affect it, who could be influential in facilitating the necessary changes and what needs to be said in order to persuade them to act
- **Deliver** the message through the people or tools most likely to have influence on the target group, adapting as necessary the focus or style for different stakeholders
- **Reinforce by following up**. People may need to hear an idea many times, or in many different ways, before they are fully persuaded to act.

Explanation

The first challenge that a CD champion might meet is how to identify the key stakeholders to engage in the development of an overall strategy or specific initiatives. Taking the time to do a good stakeholder analysis helps to deepen understanding of the specific context and the broader institutional environment. Stakeholder analysis can also help to identify champions and partners and help surface issues and challenges related to the broader context. Additionally the stakeholder analysis can help inform and prepare the ground for other important tasks such as assessment of existing capacity and needs - capacity for what? For who?

The extent to which stakeholders need to be engaged will vary according to the intended initiative – it might, for example, be a general need to get others to support the integration of CD into existing or planned programmes and projects, a very specific need to persuade someone to try a new approach to CD when they are stuck on one particular way of doing things, or the need to address an institutional or environmental problem that is preventing capacity from being used. To get started on engaging stakeholders it is necessary to work with three key questions, which should all be considered at all levels relevant to the issue under consideration:

- **What?** The first step in planning any action to engage others is to identify the issues for which their engagement is needed and the message or information that they need to hear about it.
- **Who?** Every capacity need or challenge has many different stakeholders. Who are the key individuals or groups it will be necessary to work with in order to achieve the purpose of the CD initiative.
- **How?** Which methods, tools or approaches are going to be most effective to achieve the purpose?

What?

The first step in planning engagement and advocacy is to identify the priority issues to start with. Within any set of circumstances there will probably be a range of capacity issues that need attention, but no initiative is likely to be successful if it tries to work on everything at once, so targeting one or two areas of need to start with will increase the chances of achieving change. These might either be the big priority needs or perhaps something that would offer a 'quick win' that would help persuade others to engage on bigger challenges. Specific rather than general arguments for CD are more likely to be successful.

When identifying issues it is important to consider all the possible entry levels. It might be that individuals need knowledge and skills, but in many cases the primary challenge is not at that level, or not only at that level, and other factors may be much more important. It may be that the organisational structure and systems do not facilitate the flow of resources needed for individual's capacity to be utilised. Alternately the challenges might be systemic blocks at the institutional level, such as necessary laws – a critical aspect of the enabling environment – being non-existent or out of date.

A poorly functioning provincial department

An organisational level example might be that while local government officers are in general capable of fulfilling their mandate, they are not able to do so because the senior managers of the provincial department they work in are stuck in a paralysing political party conflict that has created deep divisions among different staff factions. The result is that many staff are unable to cooperate on essential tasks and the flow of resources is unbalanced. In such a case the critical capacity factors are NOT technical - at the level of individuals' skills or the availability of resources. The challenge is in the organisation's 'soft' capacity dimensions, namely: how conflict is managed, how power is distributed and used, and how both affect functional relationships and the allocation of resources.

Whoever is arguing the case for CD will need to be well informed about the chosen issues in order to be very clear when talking to the target audience. This can best be done through participatory discussions and exercises to help all stakeholders deepen their understanding of the range of issues and together formulating a strong case.

Keeping the question ‘*Capacity for what?*’ at the centre of everyone’s thinking will ensure accurate definition of the hoped for change. Arguments can then be developed accordingly.

In the provincial department the answer to ‘Capacity for what?’ is - to manage and resolve conflicts, and to establish and maintain functional relationships that prioritise fulfilling organisational mandate over party interests.

As background information it might also be necessary to include some ‘big picture’ dimensions such as:

- The recognition in the aid effectiveness agenda of the need for demand led CD, especially the Paris Declaration and the Accra Agenda for Action
- Important documents such as the NEPAD Capacity Development Strategic Framework
- Budget information about what is being spent on CD

The message should be kept simple, direct and consistent: it is better to have a few key points well delivered than a lot of information in which the important message gets lost. A message that is positive about future benefits and links the issue to the concerns of the targeted audience through practical examples and lessons learned is more likely to be persuasive than a message that is critical about current problems. The message should be varied to make it specific for different people and groups within the target audience, taking into account the important levels that will need to be addressed for a comprehensive solution. Adapting the way the message is presented to achieve the greatest impact on different audiences without changing its key points is called ‘framing’.

Who?

In any circumstance CD involves many people at different levels ranging from policy makers through middle managers to ordinary staff. When considering engaging and persuading key stakeholders, they will fall into two main groups – the target audience and the partners. To get started through finding the right entry point requires analysis to work out who falls into which group. It will help if to map out everyone who is potentially involved, as:

CD isn’t a solitary pursuit

- **Target audience:** those who need to be persuaded – politicians, policy makers, implementers, intermediaries, participants, or perhaps combinations of people at different levels.
- **Partners:** those who will work together in a variety of roles

Then analysis then needs to go deeper, by identifying:

- Who is known, what is known about them and the best way to communicate with them
- Possible ways to reach those who are recognised as being important but not known to any of the partners acting together on the CD initiative. For example, it might be necessary to first target an advisor in order to influence a political decision-maker.

Target audience

Remember that the target audience will likely change and expand over time as the work progresses. There always needs to be a balance between being inclusive of all who might be stakeholders in bigger capacity issues in the longer term, and staying focused on key individuals and groups, who are, or need to be, directly involved with the activities currently in hand. The better the stakeholders

are known and defined, the easier it is to select the most appropriate tools and approaches to reach and influence them. The target audience needs to be known and understood in terms of:

- *Key decisions makers and other prime actors:* Who has the power to make decisions and shape relevant policy about capacity needs? Who and what influence the decision-makers? What interests do decision-makers have in supporting CD?
- *Other power dynamics, including control of money and other resources:* Who has the power to support or block implementation of any decisions made? What are their interests and concerns? How is finance allocated and distributed?
- *Potential allies who might support the arguments, those who will resist, and those who might be neutral:* Who would gain what from a CD initiative and what influence do they have on decision-makers?
- *Linkages between the different actors involved:* Where do bridges already exist and where will do they need to be built?
- *Potential conflicts of interest:* Who might view themselves as a loser? Where might CD be in competition with other initiatives that are considered equally important? What is needed to avoid or mitigate potential conflicts of interest?
- *Where is the resistance?* It is helpful to analyse resistance for what it represents in the context, and for ideas about how it can best be addressed? Ignoring or arguing with resistance is not a constructive response.

If the key to capacity in the provincial department described above is breaking the political deadlock, who would need to be targeted to address the challenges? There are several groups that could potentially be important to work with - national and local politicians, central ministry officials, local media, local communities/voters, local government staff associations, and maybe more.

Partners

Collaboration between those who are committed to the issue not only benefits everyone through the sharing of expertise, knowledge about context, potential points of resistance, lessons learnt and other resources, it also extends the scope of influence and potential impact. Additionally advocacy is generally much more persuasive if a group are presenting the same message. Potential partners need to discuss their interests and find both the fit and the areas of difference. Why would national politicians be interested in a provincial department solving its problems and starting to function properly? Perhaps because they want to get re-elected in that province. Or maybe the local government association is being discredited and losing influence in other places because of the department's poor functioning. In which case the association would have much to gain if it was seen to help resolve the conflict and move the department towards resolution. Before partners and allies start working together it is wise for them to take time to clarify their shared values, assumptions, motivations and expectations. Doing this will make them stronger in discussions with others and identify who would be best to take which roles and tasks. Those who do not have any access to national politicians, for example, might be best able to contribute by supporting others who do have that access, or by facilitating connections to other key actors.

How?

Effective communication means:

Developing
Delivering
Reinforcing } the message

Developing a persuasive and effective message depends on doing the analysis of the capacity need and the critical factors that affect it, who could be influential in facilitating the necessary changes and what need to be said in order to persuade them to act.

Delivering the message involves choosing and using an appropriate variety of tools. There are several communication tools that can be used to put a case to others. Review the variety of options to find the tools with the biggest potential impact on the target audience:

- **Lobbying:** lobbying is defined as attempting to directly influence decision-makers. It can be either formal – through letter writing and scheduled meetings, or informal – at chance meetings, through leaflets, or invitations to events.
- **Project visits:** visits can both demonstrate good practice and show the full extent of the need, challenge or issue in order to encourage stakeholders to engage with CD initiatives.
- **Mobilising demand:** getting the people who would most directly be involved in and benefit from CD to speak out can be a good way of influencing decision makers.
- **Leaflets and newsletters:** printed matter can be used to raise awareness with different groups. Eye-catching headings and simple presentations of the facts relating to the issue can get the message across to a lot of people.
- **Engaging a powerful spokesperson:** someone who is well respected by the target audience may be able to do a lot both to put pressure on decision-makers and to raise awareness within wider groups of stakeholders.
- **Working with the media:** media such as TV, radio and the press can play a significant role in advocacy, through influencing decision-makers directly or through changing public opinion on an issue.

Reflection questions

How would you use any or all of these methods if you were working on the provincial department challenge? Which would most likely be effective, and which would probably not be so useful?

For example, **lobbying** politicians and other high level decision-makers is particularly relevant when the capacity challenge is not of a technical nature but in the soft-political-relational dimensions of organisational functioning. Similarly, **mobilising demand**, perhaps both the local electorate and the central ministry, to articulate how they are affected by the department's poor functioning would also be a good way to influence political party leaders so that they put pressure on the provincial managers to resolve the conflict. **Working with the media** might be very effective for mobilising public opinion, but not so relevant for the central ministry. It may not be appropriate for you to undertake these activities directly, but you can play an important role by supporting partners in your network, like the local government association, to do so.

It is equally important to pick the right time and place for delivery, so planning should include assessment of the time frame surrounding the selected issues. It is always worth monitoring for events that present ad hoc opportunities for delivery of the message. More important though is to watch and analyse current activities and trends that present opportunities, for example, the start of a policy debate is an appropriate time to lobby decision-makers. Or perhaps an election is coming up and it would be a very good time to mobilise public opinion.

Reinforcing the message is essential, because it is very rare for anyone to be persuaded to adopt change and act differently on the basis of only one exposure to a new idea. Sometimes people need to hear an idea many times, or in many different ways, before they are fully persuaded. Changes in organisational systems or personnel can also mean that messages get lost or need to be adjusted over time. All these reasons call for the need to treat engagement and advocacy activities as ongoing needs rather than one-off events.

Case study: Capacities at Multiple Levels and the Need for Connection: A Bhutan Example

Case study by Hendrik Visser

The case study is from **Capacity Development in Practice** (2010) ed. Ubels, J., et al., Earthscan, London. For downloads of the digital versions of the full publication or separate chapters, visit <http://www.snvworld.org/en/Pages/CapacityDevelopment.aspx> or www.capacity.org

This case study shows how, over time, a group of development practitioners from SNV working on an Environmentally Friendly Road Construction programme in Bhutan engaged various stakeholders in the sector and advocated successfully to persuade them of the need to shift from a purely technical approach and incorporate CD for the whole sector and related systems into the programme. It also highlights two really important points about mapping and influencing stakeholders:

- The need to recognise and work at multiple levels in the system in order to achieve sustainable system and sector change, so starting from the technical basis of the project the team then worked iteratively to draw in more stakeholders in the broader system as they project progresses
- The use of 'quick-wins' to influence those who were initially resistant to anything beyond a technical project

For those who read the case study, the questions below might be useful prompts for discussion and analysis.

Reflection questions

- The SNV team kept a CD focus central to their thinking and decisions from the start of the first phase of the project. How would you answer 'Capacity for what?' to describe the capacity goal they used to guide their work?
- What can you learn about mapping stakeholders from the way that the SNV team worked with expanding and different groups and levels of stakeholders over time?
- What were the most effective approaches and methods used by the SNV team to develop, deliver and reinforce their message about CD?
- What were the benefits of the 'quick win' activities and how did they influence key stakeholders to change their perspective and embrace CD as well as the technical aspects of the project?
- What can you learn from this example that you can apply to your own context and current CD challenges?

Recommended readings

The Bhutan case study builds on the introduction, in Chapters 2 and 3 of the book, of multiple dimensions and multiple actors in capacity development. Political and governance dimensions of capacity, accountability and micro–macro linkages are further discussed in Chapters 11, 12 and 13 respectively. The issue of (bridging) leadership is also touched upon in Chapter 16, and practices for ongoing learning are the topic of Chapter 21. The following are some other key readings on a systemic and learning approach to capacity development illustrated in this chapter.

Fukuda-Parr Sakiko, Lopes Carlos, Malik Khalid (2002) *Capacity Development. New Solutions to Old Problems*, United Nations Development Programme and Earthscan Publications Ltd, London.

The authors make a case for understanding development as a transformational process, an organic development process where building local capacity is essential. They analyse system capacity at the individual-organizational and institutional-societal levels.

Chambers, Robert (2003) *Whose Reality Counts? Putting the Last First*, Intermediate Technology Publications, London.

Chambers provides valuable insights on how professionals and organizations create their own realities. He cautions about an inability and lack of motivation of professionals to understand the reality of 'poor people' and their complex livelihoods, thus creating a cycle of development activities that is based more on the (unconscious) needs and mental models of the professional and his organization than the need and reality of the poor.

Morgan, Peter (2005) *The Idea and Practice of Systems Thinking and their Relevance for Capacity Development*, European Centre for Development Policy Management, Maastricht.

Morgan provides a concise and comprehensive overview of 'systems thinking' theory and its implications for capacity-development approaches. He highlights how systems behave, in terms of patterns and flows more than in individual actions and events. (See also www.ecdpm.org for other publications worth a look.)

Wilber, Ken (2001) *A Theory of Everything, an Integral Vision for Business, Politics, Science and Spiritualism*, Shambala Publications Inc, Boston, MA.

Wilber offers an ambitious framework for understanding and navigating complex change. He analyses theories on the development of human consciousness and highlights three broad development stages: ego-centric (self), ethno-centric (family) and world-centric (whole). These stages are applicable for individuals as well as collectives like societies. He also makes a case for better understanding how informal systems (like values and beliefs) interact and are inter-dependent with formal systems in society. (See also: www.integralinstitute.org.)

For downloads of the digital versions of the full publication or separate chapters, please visit <http://www.snvworld.org/en/Pages/CapacityDevelopment.aspx> or www.capacity.org

How to work with incentives to stimulate change

Summary and key action points

Incentives are one of the main links between people and change. Successful capacity development initiatives are dependent on having the right incentives in place because positive change can only be sustained where improved performance is enabled and rewarded. Incentives are most usually considered at the individual level, defined as either financial or non-financial, and internal or external, but it is also relevant to consider the organisational level and informal incentives.

Tips for developing an incentive structure

- **Creating an appropriate and optimal mix of incentives of different types:**
 - **Financial incentives** can be important, but don't always work and are most effective if combined with non-financial incentives
 - In particular **merit based schemes** for recruitment, promotion and professional development opportunities are effective incentives. Merit incentives do not have to be formal – simple recognition of effort and results can be highly motivating. Pride, prestige and public recognition are also powerful incentives.
 - **Accountability** is another non-financial incentive. The external environment can be both the source of 'demand-side' calls for good performance and accountability. There are many opportunities to introduce accountability incentives linked to service standards and customer satisfaction, for beneficiaries groups, management, local or national politicians, and or donors
 - Another type of non-financial incentive is **benchmarking and competition**, to stimulate healthy competition between different work units.
 - **Training** needs to be used with caution as it can become a perverse incentive
 - *It is important to be careful of unintended negative consequences.*
- **Linking incentives and good human resource management:** a key factor in improving public sector performance is to have in place incentive structures that attract, retain and motivate staff and hold them accountable for their performance. Internal incentives therefore need to be used in conjunction with staff management and performance processes that are embedded in the organisational culture and how performance is rewarded and punished.
- **Targeting:** who is most likely to contribute towards sustainable capacity if appropriately motivated and rewarded?
- **Sequencing:** some incentives can be dealt with quickly at an operational level, but some need policy level change that will take time to resolve, so it is important to sequence the introduction of incentives accordingly.
- **Attention to culture and context:** the enabling environment is highly pertinent because it can be the most powerful source of both formal and informal incentives that either provide or block capacity development and the source of incentive resources. Where officially sanctioned and supported formal incentives are missing, the situation often creates informal incentives that work against capacity development
- **Creativity:** small expenditure on activities like team building or workplace upgrading that are not usually thought of as capacity development can create the conditions for capacity development to happen.

Introduction

Incentives are one of the main links between people and change and this applies to change for capacity development as much as to change for any other reason. Many studies have shown that one of the key factors in successful capacity development initiatives is having the right incentives in place because positive change can only be sustained where improved performance is enabled and rewarded. Given that development is as much a political as a technical process what can be achieved is frequently dictated by power and incentive structures. Development sector approaches in many developing countries therefore attempt to change any existing incentive structures that work against sustainable capacity development and replace them with more positive ones.

Relevance of the enabling environment

The enabling environment will not only create the mandate and rules for the functioning of the public (or any other) sector, it will also dictate power dynamics and the control of significant factors such as the flow of resources. So aspects of the enabling environment will be highly pertinent for either providing or blocking capacity development at both organisational and institutional levels. This needs to be taken into account when assessing what incentives are at work that will encourage and facilitate public agencies to fulfil their mandate effectively.

Types of incentives

It is not possible to be definitive about exactly what constitutes an incentive because what motivates one person will be of no interest to another. Another challenge of definition is that some frequently used incentives can be defined in different ways, for example some people classify training as non-financial, but others think it is financial because of the costs involved.

The enabling environment can be the most powerful source of both formal and informal incentives.

In general incentives of all types are most usually considered at the individual level, defined by two pairs of dimensions that are often linked together in a matrix:

	Financial	Non-financial
Internal	e.g. a fair salary	e.g. career progression opportunities
External	e.g. project based salary supplements	e.g. awards and public recognition

However, it is now recognised that in order to have a comprehensive understanding of how incentives work, it is necessary also to consider two further dimensions. First, because while individual level incentives are important other, higher level, factors can also be very influential, so going beyond individuals to the **organisational level** can provide a very influential set of factors supporting capacity change. Organisational level incentives are often integral to organisational culture and how performance is rewarded and punished. While they may appear to be indirect for individuals they will be central to the overall structure necessary for other incentives to be effective.

Second, in situations where there are few or no officially sanctioned and supported formal incentives, the power of **informal incentives** is significant: they are often illicit and an indication of poor governance. An informal incentive might be something like wanting to gain and maintain the patronage of a powerful official, or peer pressure to be involved in corrupt practices. Informal incentives are often a key indicator of what is in place at the institutional level.

There is now recognition that organisational level incentives are highly influential, and that it is necessary to understand informal incentives that work against capacity development.

Note: sometimes official and positive non-financial incentives are referred to as informal. In the analysis in this section the word informal is being used to

denote those incentives that work against sustainable capacity development because they are not officially sanctioned, not transparent or have some other negative aspect to them.

Unintended consequences

Incentives can have both positive and negative impacts – sometimes both at the same time. For example, incentive schemes that reward and motivate some staff are often found to demotivate those staff who do not get the rewards, whatever the reason. There is also the syndrome of ‘perverse’ incentives, which are the incentives that motivate people for the wrong reasons. The example of perverse incentives most usually given is that of people attending conferences, meetings or training courses not because of interest in the subject but because of the per diem for attendance that supplements low salaries. Unfortunately aid interventions designed to be helpful for civil servants, such as per diem schemes, allowances and top-up systems, are now seen to have contributed much to this problem. Perverse incentives need to be considered carefully when designing an incentive structure in order to be aware of any potential negative consequences of what might be put in place.

Financial incentives

Most generally financial incentives are an organisation’s formal system of salaries, bonuses and other financial benefits such as housing allowance or health care compensation. While financial incentives are important they are not the whole story and various studies have shown that the positive impact of non-financial incentives has so far been underestimated. In some cases financial incentives make no difference at all to how people utilise their capacity to improve performance. In other cases impact is only achieved when a combination of financial and non-financial incentives are put together, which is an important point in developing countries where it is not realistic to design incentive structures based on the availability of money.

Financial incentives don't always work and the potential impact of non-financial incentives appears to have been underestimated.

Non-financial incentives

Non-financial incentives can be further categorised into two broad types: merit based and those linked to accountability.

At the individual level merit based schemes for recruitment, promotion and professional development opportunities are known to be much more effective incentives than other approaches, especially schemes based on seniority.

Similarly, using merit as the basis for deciding attendance at conferences, workshops and training, or resource allocation, will usually have positive impact. Merit incentives do not need always to be formal – simple recognition of effort and results can be highly motivating. Pride, prestige and public recognition can all be very powerful positive incentives. At the organisational level merit based performance assessment as the criteria for allocation of resources is an incentive. Using merit as an incentive needs to be embedded in clear and equitable policies and procedures that are used transparently at all levels. For any rewards allocated on the basis of merit at either level, the criteria for decision making needs to be seen to be just, equitable and transparent.

Accountability is another important incentive for improved performance. Public sector institutions do not have the same type of powerful accountability that the private sector has in terms of customer satisfaction being essential to corporate survival. However there are still many mechanisms can be put in place for accountability to beneficiaries groups, management, local or national politicians, and or donors. (See also internal and external incentives below.) Establishing comprehensive and effective accountability systems takes time and they will only come into place and be sustainable if linked to other incentives, rather than being solely a system of control and sanctions.

Other types of non-financial incentives:

- **Benchmarking and competition**, which are very common in the private sector. Even simple benchmarking can prompt an element of competition as an incentive to improve performance.
- **Good human resource management**, to improve people’s working conditions. Clarifying job descriptions in relation to organisational mandate; ensuring that performance management

and staff appraisal systems are in place and properly implemented; or simplifying previously confusing or difficult systems can all be important incentives that encourage staff to work better.

- **Training** can be very influential in supporting capacity development, but it can have questionable results. It is often used as an incentive, but all too often it is caught up in the perverse incentives trap. Additionally there is rarely sufficient follow up for the learning from the training to be applied and result in sustainable capacity.

Internal and external incentives

A key factor in improving public sector performance is to have in place incentive structures that attract, retain and motivate staff to work well. Internal incentives therefore need to be used in conjunction with processes that manage and evaluate performance. The only sustainable way for such structures to work is if they are transparently negotiated with and sanctioned by government as part of public sector conditions of service, rather than being ad hoc and temporary as the result of donor projects.

While individual and organisational capacities are internal, how they are developed is frequently determined by external factors. The external environment can be both the source of 'demand-side' calls for good performance and accountability, and the source of incentive resources. Demand-side mechanisms for accountability can include citizen surveys, complaints procedures, public reports, and so on. Again while it is never the whole story, external demand for results and accountability can be particularly influential and the motivation for internal changes that lead to capacity development. As noted above the public sector has few incentives linked to performance in the way that the private sector does, for example a sales person getting a bonus for achieving a sales target. However, even in the public sector, there are still many opportunities to introduce incentive systems linked to service standards and customer satisfaction.

Tips for developing an incentive structure

As noted above, there are several helpful points to remember when developing an incentive scheme.

- **Creating an appropriate and optimal mix of incentives of different types.** Relying on just one type of incentive is rarely likely to be effective. The Social Security Fund of Rwanda (see case study below) has become a success story because of internal as well as external incentives at work.
- **Linking incentives and good human resource management**
- **Targeting**
- **Sequencing**
- **Attention to culture and context**
- **Creativity**

Some incentives that have been used to good effect

	Internal	External
Non-financial	Individual level <ul style="list-style-type: none"> • Clarity of tasks and purpose set out in a clear job description and linked to a match with individual capabilities • Internal accountability, linked to performance management tools • Supportive supervision and feedback • Recognition and awards schemes • Merit based status, career prospects and professional development, including training allocated in transparent and equitable processes • Opportunity and support to apply new skills and learning from training • Study leave, sabbatical or other planned career breaks • A sense of achievement, purpose and meaning • Quality of personal relationships in the workplace • Autonomy in personal matters • Participation in decision making processes and reforms • Work environment • Prestige and reputation • Job security • Holidays • Flexible working hours 	Individual level <ul style="list-style-type: none"> • General living conditions • Awards and public recognition
	Organisational level <ul style="list-style-type: none"> • A mission that employees can identify with and understand their contribution towards achieving • Performance oriented management: style, clear and consistently applied performance standards, the means to support with resources etc., and the ability to recognise and reward good performance • Good leadership • Team building and morale boosting • Quality improvement teams and building a quality culture • Vertical and horizontal dialogue among staff for participatory problem assessment and problem-solving processes • Technical upgrading • Recreational facilities 	Organisational level <ul style="list-style-type: none"> • Public accountability schemes such as citizens' charters, service delivery surveys, etc. • Market exposure • Financial responsibility • Governance: transparency, preventive anti-corruption measures, responsibility for decisions • Regulatory mechanisms • Benchmarking and competition among agencies • Awards and public recognition • Clear legislation, policies etc. that mandate action
Financial	<ul style="list-style-type: none"> • Fair, adequate, and non-distorting material compensation package • Group based performance awards and pay 	<ul style="list-style-type: none"> • Relocation support and adequate housing

Case studies

There are several case studies of capacity development success stories that show clearly how incentives have been used with great effect to support positive performance change. One such is the Phnom Penh Water Supply Authority, written up in the **MfDR sourcebook**, which shows how incentives were used strategically in the process of creating an effective municipal utility.

Another interesting case study from the Public Sector Capacity Building Secretariat in Rwanda (www.pscbs.gov.rw) illustrates how incentives were used to develop, utilize and retain capacity in a public sector institution.

Rwanda Public Sector Capacity Building Secretariat BEST PRACTICES IN CAPACITY DEVELOPMENT SERIES **A Success Story in Capacity Development in the Rwandan Public Sector:** **The Social Security Fund of Rwanda**

Background and Organizational Structure

The Social Security Fund of Rwanda (CSR) was created during the colonial rule and catered for contractual workers in Ruanda-Urundi and the Congo-Belge. After Rwanda's independence, the decrees were amended by the Government of Rwanda to formulate the Decree Law of 15 November 1962 marking the official existence of Social Security Fund of Rwanda. The laws currently facilitating and enforcing the good functioning of the institution include the 1974 social security law and the 2003 amendment.

The Fund, under the tutelage of MINECOFIN is mandated to provide social security services to employees in Rwanda. It employs a total of 231 people, from which 143 work in the head office in Kigali and others work in local offices in all 30 Rwandan districts. For the purposes of efficiency in managing the Fund, the Board is subdivided into various management committees each with distinct duties and the organization is structured in 10 departments.

The achievements of the CSR...

Since it was reformed in 2005, CSR has registered a lot of successes. By the year 2002, CSR had 4,099 employers compared to 11,832 in 2009. The number of declared employees shifted from 179,720 in 2002 to 306,561 in 2009. On average, employers and employees increased at an average rate of 16.8% and 8.5% respectively. Between 2005 and 2010 its major achievements include:

- Decentralized services with branch offices in all 30 districts, where all services are available.
- Remarkable contributions to Rwandan Economy with investments, job creation and revenue generation projects.
- Increased number of timely and true declarations through audits and awareness raising initiatives geared at employers.
- Improved service delivery through new online services like registration, inquiries, and checking of account situation.
- Backlog of over 7 million un-computerized declarations from 1963 to 1993 entered into the database to speed up processing of benefits. Processing a dossier takes maximum 5 days now.

How did the Social Security Fund of Rwanda reach such a success? A story of capacity development...

Human resource development and management for motivated and skilled staff

"The success is largely attributed to our staff of fresh graduates who are keen on learning new things" Henry Gaperi, the former Director General said. "What the institution aims at is to have good and well

trained professionals, to ensure that they serve to the best of what is expected from them and to ensure clients receive quality services in a specified time” Henry further emphasized.

The institution engages in both internal and external training programs for its staff. Departments are asked to present training requirements based on their priorities to enable successful and effective training. Furthermore CSR created an opportunity for its staff to widen their knowledge through opening an in-house library equipped with updated text books in the fields of Law, Finance, Construction, Real Estate, Investment Analysis, Planning and professional courses in Accounting.

The process of inducting new staff members entails organizing meetings with different heads of units to acquaint new members with a whole range of activities undertaken by the institution and conducting training on specific areas in which the staff will be operating. The institution then ensures that individual capacities are utilized on the job through proper allocation of tasks with regular monitoring and evaluation as well as coaching.

CSR’s human resource policy is geared towards skills development, promoting innovation and creativity among staff, ensuring efficiency and competency and motivation of all staff. On top of that, the institution ensures that all staff are knowledgeable of systems and procedures by involving the staff in the process of designing these procedures and monitoring their application.

However, challenges of staff retention exist in this institution as well. Like in most other public institutions, it’s not easy to keep staff on board. For this reason the CSR tries to make the job more attractive by applying a job rotation system. The objective is to expose the employees to different experiences so that they develop a wider variety of skills and gain additional insights into the institution.

The institution has put in place a staff recognition scheme as one of the rewarding systems. Staff members with excellent performance and those who produce relevant and useful innovations are rewarded by the institution’s management team. All this intends to motivate staff and to promote research and development in the Social Security Fund of Rwanda.

Leadership for change and organizational development...

“It’s not only about training and getting the right people on the right positions within the institution, it’s also about management” explained Gaperi. Therefore Social Security Fund developed various management tools, legal instruments and plans which include for example policy issues, processes and internal procedures.

One of the ways in which the institution’s top management provides leadership for change is through their decision making system. The top management has initiated a bottom-up system which involves all staff in the transformation process. The institution strengthened the commitment for change by ensuring that all staff members understand the need for change and are capable of shouldering it.

CSR manages the change process by involving all stakeholders and ensuring that they are part of the processes. CSR also uses a specific information network technology which facilitates information sharing between the headquarters and the branches all over the country. The former Director General asserted that “unlike before, currently there is no need for people queuing at the headquarters since similar services can be accessed in the districts”.

Lessons learnt

The Social Security Fund of Rwanda has become a success story because of internal as well as external factors. A strong outside demand coming from Government requests a well-functioning social security system and enables the well functioning of CSR by assuring adequate legislation and providing CSR with a clear mandate.

Parallel to this, internal changes took place to improve the institution’s functioning; the organization developed an efficient organizational structure and implemented a clear HR policy focusing on capacity creation (mainly through training and providing access to information), capacity utilization (by setting clear objectives and expectations towards their staff) and retention (various measures to keep

staff motivated, not only through financial incentives but through possibilities for personal development, active participation, creating space for innovation and creativity and rewarding schemes recognizing good practice)

In the CSR, the organizational culture makes changes possible. This way, the organization keeps improving and stays dynamic, ready to tackle new challenges.

How to assess change readiness

Summary and key action points

The purpose of a change readiness assessment is to analyse the level of preparedness of the conditions, attitudes and resources, at all levels in a system, needed for change to happen successfully. The greater the complexity of the proposed change, the greater the importance of understanding whether and where there is readiness for change as this can be critical first for deciding whether it is appropriate to intervene and, if it is appropriate, about both the entry points and the types of intervention.

Key action steps

- **Definition of the scope of the proposed change:** all key stakeholders need to know the full range of system components that need to be assessed. It is important to understand whether the whole system, and any or all of the elements within it, are ready.
- **Selection of tools:** There are some generic tools and resources available for change readiness assessment, mostly from the business world, and there are also a few that have been created for the development sector. Some useful materials can be found on the following websites:
 - <http://www.strategies-for-managing-change.com/index.html>
 - <http://www.evidenceintoaction.org/index.php?q=node/166>
 - <http://www.evidenceintoaction.org/index.php?q=node/217>
 - www.capacity4dev.eu
 - www.cipd.co.uk/subjects/corpstrtg/general/pestle-analysis.htm?lsSrchRes=1

All generic tools should be adapted for relevance to local needs and context before they are used. If nothing is available to suit the specific needs something should be created. Whatever tool is used it should cover attitudes, conditions and resources at all relevant levels.

- **Assessment of relevant dimensions of the context:** The starting point for any assessment is identified by the scope of the capacity development initiative and associated change that is envisioned from its implementation.
 - Whatever the starting point of the assessment it is necessary to go beyond looking at one specific point in the system to all relevant levels (e.g. individual, organisational, institutional/enabling environment), so a 'zoom in and zoom out' to other levels and points in the system will provide better information. Zooming in means looking at smaller units, such as departments, teams or individuals. Zooming out means assessing relevant factors in the surrounding environment.
 - Additionally dimensions of readiness – attitudes, conditions and resources – need to be assessed.
 - **It is absolutely essential to include a realistic analysis of the political economy at national and or local level in any change readiness assessment.**
- **Analysis and summary.** The summary definition of readiness does not need to be complex, it can be as simple as: **Fully ready**; **Partially ready**; or, **Not ready at all**, so long as the conclusion is backed by appropriate evidence.

Introduction

Readiness means being prepared. In summary change readiness can be defined as:

- Having the right conditions and resources in place to support the change process
- Having a clear vision and objectives for the intended change
- Having the motivation and attitudes to engage with the change and make it work

So the purpose of a change readiness assessment is to analyse the preparedness of the conditions, attitudes and resources need for change to happen successfully. The greater the complexity of the proposed change, the greater the importance of understanding where in the system¹ there is readiness for change as this can be critical first for deciding whether it is appropriate to intervene and, if it is appropriate, about both the entry points and the types of intervention.

Why assess for change readiness?

In any context capacity development is about change. Implementing and managing change is usually a very big undertaking which is why there is so much attention paid to all aspects of change in the academic and business worlds, and increasingly development practitioners understand how important change is to the success of development initiatives at all levels. The changes intended by a capacity development initiative may be on a very large scale, affecting many elements and individuals within a system and how they relate to each other, or they may be quite small affecting only one part of a system and a few people.

Whatever the size and scope of the intended change it is important that the key stakeholders understand whether the whole system, and any or all of the elements within it, are ready. This is for two reasons: firstly, embarking on a capacity development change initiative without assessing readiness, at best risks wasting opportunities and resources, and at worst risks doing damage to existing capacity. (This is why change readiness assessments are sometimes referred to as change risk assessments.) Secondly, the interrelatedness of all parts in a functioning system means that even though many may be ready, perhaps one small element could block capacity development initiatives from being effective. It can also be about the ability to manage change, which requires several soft capacities such as communication skills, flexibility and responsiveness, strategic thinking and so on. The lack of the right conditions often creates blocks to capacity creation, utilization and retention. Understanding where these blocks are can provide valuable guidance for entry points: maybe the block has to be dealt with first in order to free up access to all other parts of the system, or maybe the proposed entry point has to be amended in order to by-pass a block that can't be overcome.

Assessing and defining change readiness

As with other aspects of capacity development the very strong interrelationships between different levels (individual, organisational, sectoral and institutional/enabling environment) makes it essential to assess readiness at all relevant levels. While some change readiness assessment tools focus on organisations the majority are very heavily oriented towards individuals. Neither focus gives a sufficiently comprehensive analysis of change readiness for the purposes of a capacity development initiative. Going beyond looking at one specific level or point in the system through a 'zoom in and zoom out' to other levels and points in the system provides better information, and an example of how to do this is given below. Within each level it is necessary to assess different dimensions of readiness: attitudes, conditions and resources. The levels and dimensions are shown together in the matrix below.

While conditions and resources are of course important it is increasingly understood that it is absolutely essential to make an honest assessment of the political context and political economy

¹ In this context the word system is being used to cover organisations, sectors, networks, national structures, or any other combination of elements that might together be the focus of a capacity development initiative.

(which means the relationship between political and economic actors in any one country). All too often in the past capacity development initiatives have been launched without taking account of the political conditions and the political economy with the result that little, if any, sustainable change has been achieved. The support of key stakeholders, who may be at national or local level, is essential to sustainable change. There may be many reasons why powerful stakeholders choose not to engage and give their active support to a capacity development initiative, for example: they may not see any benefits for them; they may see some threats to their own interests; they may have other priorities; they might not understand the need or what the process is about; or, it may be that powerful regional or international factors are at work. Only when these factors have been identified and understood will it be possible to plan interventions that work appropriately to address or overcome constraints arising from the political context and the political economy.

While a full write up the findings of the assessment process is needed, a matrix such as the one below could be a helpful guide for analysis and visual summary of the findings. A simple phrase such as **Fully ready; Partially ready; or, Not ready at all** in each box would show clearly both where there are strong elements of change readiness that can be engaged and built on for the capacity development initiative, and where preparatory work, perhaps to overcome resistance or create enabling conditions, has to be done before any change process can start with a hope of success.

Dimensions	Levels		
	Institutional/enabling environment	Organisational	Individual
Attitudes: The political economy for change: the vision of a different future and the commitment to achieve it	1	2	3
Conditions: The laws, structures, systems, etc. necessary to mandate, support and manage the change	4	5	6
Resources: The human, physical and financial resources needed to support or facilitate the change	7	8	9

The starting point for any assessment is identified by the scope of the capacity development initiative and associated change that is envisioned from its implementation. If, for example, the initiative is to be public administration reform, the starting point might be in box 4 – looking at the what laws, policies, strategies are already in place in the institutional environment to mandate the necessary changes. Or if the focus is something smaller, like extending the operational mandate of a ministry department then the starting point would likely be boxes 5 and 8, looking at the functional and resource factors at the organisational level.

Once the starting point has been decided the ‘zoom in – zoom out’ idea is useful for ensuring that the assessment covers all relevant factors. Zooming in means looking at smaller units, such as departments, teams or individuals. Zooming out means assessing relevant factors in the surrounding environment. What this might mean in practice is shown in the table below.

Dimensions	Levels		
	Institutional/enabling environment	Organisational	Individual
Attitudes:	Zoom out to the political economy for change: e.g. what factors in the environment will enable or inhibit the work?	Zoom out to the culture and motivation in the organisations in the sector and associated networks	Zoom in to the attitude of key stakeholders: e.g. will the leadership give the change their political support?
Conditions:	Start here for sector reform conditions: e.g. what laws, policies, structures, systems are already in place?	Zoom in to the mandates, governance, structures and systems of individual organisations	Zoom in to the job descriptions and conditions of service of individuals
Resources:	Zoom in to look at what external resources are already available to support the change	Zoom in to organisational resources: e.g. do they have what they need to implement and manage the change?	Zoom in to the knowledge and skills of individuals who will be critical to implementation

Finding helpful tools

The matrix above can be considered as a tool, but it would not fit all needs, and different tools may be needed to look at more specific components of system readiness. There are some generic tools and resources available for change readiness assessment, mostly from the business world, and there are also a few that have been created for the development sector. Some useful materials can be found on the websites listed in the summary on page 16.

There are two development specific tools in the *EuropeAid Capacity Development Toolkit* (www.capacity4dev.eu). **Tool 6** is for making a qualitative assessment of the strengths and weaknesses of the available capacity to manage change of a team or an individual. It is primarily intended for use by stakeholders who intend and have the option to play a significant role. This tool works with the “open systems approach” and the capacity of a change team is defined by 1) its internal strengths and weaknesses, 2) by stakeholders in the context and 3) the ability of the team to relate to stakeholders, which depends on the team’s skills and the positions of the stakeholders. **Tool 6a** is for mapping current strengths and weaknesses of the relations of the change team to key stakeholders, and of the internal strengths and weaknesses of the team to improve these relations in favour of capacity development and change. The tool helps the team to establish a realistic picture of whether it will be able to handle the change.

PESTLE is an acronym for political, economic, sociological, technological, legal, and environmental. This is a well-known assessment tool from the business world that is very effective for doing an analysis of the context and conditions in which an organisation exists, especially the political economy. The findings of a PESTLE analysis can highlight both positive and negative influential factors for capacity development processes, and that information can be used to guide decision making. It is considered to be most effective when used as a self-assessment tool. A useful guide to the PESTLE analysis tool is available from the Chartered Institute of Personnel and Development (CIPD) at www.cipd.co.uk/subjects/corpstrtgty/general/pestle-analysis.htm?lsSrchRes=1

The questionnaire below is a good example of the many tools and questionnaires that are available on the Internet when ‘change readiness assessment’ is typed into a search engine. It can be used by managers who are tasked with planning and implementing a change process.

Change Readiness Survey (WorkLife Design, 2008)²

<i>Take a few moments to think about how your organization typically plans for and implements workplace changes. With this “change history” in mind, use the following scale to respond to each statement below. Circle the number that most closely reflects your experience. Compare your responses with co-workers and discuss ways to address areas of concern. A perfect score is 100; a perfectly miserable score is 20.</i>	
	1 Strongly disagree 2 Disagree 3 Not sure 4 Agree 5 Strongly Agree
1. Change typically occurs here with a clear picture or vision of the intended future.	1 2 3 4 5
2. Appropriate resources needed to make the change work are allocated.	1 2 3 4 5
3. The purpose or rationale for any change is clearly communicated to employees.	1 2 3 4 5
4. My manager/supervisor consistently demonstrates support for the change.	1 2 3 4 5
5. Standards and expectations for new behaviors are established and communicated during times of change.	1 2 3 4 5
6. Communication channels allow for ongoing feedback and/or information sharing between employees and designated leaders.	1 2 3 4 5
7. People impacted by the change are actively involved in shaping the desired future.	1 2 3 4 5
8. New expectations are a clear priority and desired actions are reinforced.	1 2 3 4 5
9. People most affected by the change are involved in identifying possible obstacles.	1 2 3 4 5
10. Processes are in place to document or report on our progress in making change work.	1 2 3 4 5
11. Communication channels with designated leaders are open for all employees.	1 2 3 4 5
12. People have a chance to “rehearse” new actions through practice, simulations, or visualizing the change.	1 2 3 4 5
13. Employees regularly know how well they are meeting the change expectations.	1 2 3 4 5
14. Key milestones are recognized with celebrations, rewards, or other acknowledgement.	1 2 3 4 5
15. Employees have a clear understanding of the standards and expectations that accompany any change.	1 2 3 4 5
16. Steps are taken to ensure that employees affected by a change have the knowledge, skills and abilities necessary to make the change work.	1 2 3 4 5
17. Managers and other leaders make themselves easily accessible for answering questions or information-sharing during times of change.	1 2 3 4 5
18. If the change involves significantly altering existing company-wide systems or processes, a trial period is conducted before the change is fully implemented.	1 2 3 4 5
19. Designated leaders actively seek input from employees concerning challenges, expectations, and innovations.	1 2 3 4 5
20. Overall, my organization leads, manages, and supports change in an effective, energizing way.	1 2 3 4 5

Creating an assessment tool

As a general rule all generic tools should be adapted for relevance to local needs and context before they are used. In cases when none of the available tools seem to fit the needs it is advisable to create one. This can be done by reviewing the questions in the different tools available on the Internet and

² This questionnaire and several other useful tools are available on from <http://www.strategies-for-managing-change.com/change-management-implementation.html>

deciding which, if rephrased for local relevance, might be helpful for the needs. Listed below are some of the key areas that should be covered by the questions:

Attitudes

- What is the demand for capacity development and change, and is it sufficient to overcome challenges and resistance and lead to sustainable change?
- What is the vision of change and is it agreed by key stakeholders?
- What understanding do stakeholders have about how to define necessary changes?
- Is there a clear alignment between the shared vision of the intended changes and the development goal?
- Who holds the power to support or block change in this context?
 - Who holds visible/legitimate power?
 - Where is the invisible/illicit power and how is it used?
- Is there political will to initiate and resource change?
- What motivation to change do the different stakeholders' have?
 - How important is the change initiative for them?
 - What incentives are there for them to engage with change?
 - What perverse incentives would stop them from engaging?
- Has senior management made a commitment to act as a sponsor of the change?
- What issues in the culture, such as gender, are likely to be relevant to the change initiative?
- Is the change consistent with the current organisational culture?
- What is the value system and change background of the stakeholder groups?
- What type of resistance can be expected and from where?
- How has the leadership planned to manage resistance to change?

Conditions

- How well are stakeholder goals aligned to the development goal to enable harmonisation around the change?
- What is the scope of the change for the affected organisations, people, systems etc.?
- Have the necessary results been quantified and articulated as objectives and indicators?
- What supporting legislation, policies, strategies are already in place, and are more needed?
- How much change is already going on and how well is it being managed?
- Is there a history of adequately helping individuals make personal changes?
- Will human resource policies, practices and processes (e.g., salary and benefits structure) support or inhibit the change?
- Does the infrastructure exist to enable employees by providing them with the appropriate tools and training?

Resources

- What organisational, project or programme management tools already exist that would help to plan, execute and monitor the change?
- Are there enough staff in the right places?
- Are staff appropriately skilled to manage and implement the change?
- Are finance and other necessary resources available or likely to become available? If not, what is needed and where can it be sourced?

How to assess existing capacity and define capacity needs

Summary: key points and action steps

The starting point of any capacity development planning process is assessing existing capacity. For any given context that means starting with the initial definition of capacity, in response to the question 'Capacity for What?', which is then considered at the different levels. Individual, organisational (network/sector) levels are framed in terms of performance and results, and at the institutional level in terms of conditions, but there may be overlap between these categories.

Steps in the process

1. Identify key actors and stakeholders and how to engage them in the assessment and analysis
2. Frame the assessment in terms of:
 - The definition of capacity and any capacity development framework that is being applied in the particular context being assessed
 - The purpose of the assessment
 - The mandate of the entity to be assessed
 - Change readiness and stakeholder agreement about the need for the assessment
3. Decide what to assess and how to analyse data. For example, think about the:
 - **Levels of capacity:** whatever the starting point going on to 'zoom in and zoom out' will lead to a holistic understanding of all the factors enabling or inhibiting performance and capacity change, (see below for an example)
 - **Types of capacity:** remember to assess both hard and soft capacities, including power distribution, incentives and sanctions, leadership, and values and beliefs
 - **Themes for application:** the capacity development framework will help to prioritise the areas for the assessment
 - PLUS understanding **gender and other cross cutting issues** can be essential to gaining a comprehensive assessment
4. Choose the overall approach and specific tools
 - An **incremental** approach starting with identification of existing capacity as the foundation for identifying realistic steps forward, or
 - A **gap analysis** starting with definition of how things 'should be', then looking at how they are and defining the difference between the two as what is missing, i.e. 'the gap'
 - There are many tools available for different aspects of assessment. They can and should be adapted to local context
 - The specific data needed and questions to ask will be determined by all the above factors

Points to remember

- Every entity has an ongoing development process - a history that not only created the present but can also help to inform the future
- Be pragmatic – too much information can be as problematic as too little. It is not necessary to know and analyse everything – what is needed is sufficient relevant information for a 'good enough' analysis so that the design of interventions will be appropriate and realistic
- Avoid sweeping generalisations in the analysis, conclusions should be sufficiently focused to guide action
- Processes that support self-assessment are preferable because they are very effective for creating ownership of the analysis and buy-in for any change initiatives that follow

Introduction

Assessing existing capacity should be the starting point of any capacity development planning process. To be relevant and useful all capacity development initiatives need to be grounded very clearly in the practical realities of delivery against mandate so a great deal will be framed by the answer to the question '*Capacity for What?*' linked to a development goal. For example, related to Millennium Development Goal to '*Achieve universal primary education*', a national education sector would need capacity to achieve the first target, to '*Ensure that all boys and girls complete a full course of primary schooling*'. Capacity should be defined in terms of function and performance at all levels - individual, organisational (network/sector) and institutional. So, whichever level is under consideration, the assessment process has to start with understanding what the capacity is needed for. Appropriate assessment of existing capacity and capacity needs can only be made when these background factors are clear and understood.

Who should do the assessment

Many people and agencies have different interests and roles in capacity assessments. In multi-stakeholder settings it is necessary to be selective about who should be involved at which stage. It might be best for the starting point to be with a core group, which expands and involves others over time. For example, local leadership is one of the important prerequisites for a successful process so that might be the best place to start. There are 'power tools' that help with a quick and dirty initial assessment of stakeholders in terms of 'leadership' for the development goal. Who can really lead on change towards this goal? At what levels can 'leadership' be seen, and where is it missing? What does this mean for where change can start, and how it can spread? What if certain stakeholders are not on board yet? **Just as it isn't necessary to have all the information, so it isn't necessary to involve all the stakeholders all the time.**

A further point about ownership is that key stakeholders will only accept the findings if they feel they have been appropriately involved. For example, the management and staff of an education department might reject a critical report done by an external expert, whereas if they have been asked to assess their own strengths and weaknesses, any negative findings in the analysis will be accepted as true and reasonable. So, while contributions from and facilitation by external parties, such as national or international consultants, can be useful for a variety of reasons, the core assessment activities need to directly involve the relevant stakeholders. This means it is important to allow enough time to consult the stakeholders appropriately in the design and implementation of the assessment, including explaining assessment and analysis tools before the process begins. This can be time-consuming but will pay off in terms of creating buy-in, energy and excitement for the process to come.

Ideally the assessment should be 'owned' and driven by a relevant local institute or entity. The team doing the assessment may be made up of local managers and staff, international and national consultants, each taking on different tasks and contributions through the steps of design, implementation, analysis and reporting. Participants are the stakeholders who actually contribute information and opinions to the assessment. They may be involved in self-assessment activities, or asked to contribute in other ways. Another group are those involved in different aspects of supporting the capacity assessment process, for example by: giving financial support; facilitating connections to key informants; giving political credibility; providing managerial or logistic support; or, sharing technical expertise.

A final important point is to safeguard the interest of less powerful stakeholders, especially beneficiaries and traditionally marginalised groups. This can be done by special consultation exercises, or by identifying those who are able to speak on behalf of these groups.

Framing the assessment

Before starting on any capacity assessment process there are several important considerations that need to be in place. Any assessment that hasn't addressed these prerequisites is likely to be inaccurate, incomplete or a waste of time and resources because key stakeholders have not engaged to support the process. The factors are:

- A definition of capacity and any capacity development framework that is being applied in the particular context under consideration. (See Core Concept section for discussion of these issues.) Having clarity about the definition and framework will help to guide other decisions, such as the areas to be assessed and the choice of assessment tools.
- Clarity about the purpose of the assessment, based on the development goal for which capacity is needed, the overarching answer to ‘Capacity for what?’ This will help to determine appropriate entry points for the assessment – in the education example the entry point might be at the level of individual schools, or perhaps at provincial departments.
- Clarity about the mandate of the entity to be assessed. The specific answer to ‘Capacity for what?’ i.e. what product or service outputs does the entity need to achieve in order to contribute towards the development goal?
- Assessment of change readiness and stakeholder, especially leadership, agreement about the need for the assessment. In most contexts factors in the enabling environment³ are more important than any technical consideration for facilitating or blocking any initiative.

What to assess

The entry point and focus of the assessment will be decided by several factors: the way that capacity is defined; any capacity development framework in use; the mandate of the entity being assessed; and, the purpose of the assessment. Again in the education example capacity could be defined as the ability to deliver the full primary education. Components of the capacity would be resources such as the existence of the curriculum and the materials to teach it, sufficient teachers with the right set of skills and knowledge, and so on. Where the entity’s mandate is clear, perhaps defined by law or in a mission statement, this can be the starting point for assessing current capacity and future needs. Where the mandate isn’t clear it will be harder to assess those issues and it could, in fact, represent a capacity need in its own right.

The core concept of capacity can help you to organise how you map out what to assess. Think about the:

- **Levels of capacity:** wherever you start, don’t forget to ‘zoom in and zoom out’ to get a holistic understanding of all the factors enabling or inhibiting performance and capacity change. Zooming out to understand the enabling environment is especially important. For example if you are assessing the provincial education department, you will need to zoom out to the legislative environment, and zoom in on schools and teachers.
- **Types of capacity:** it is important to go beyond assessing hard capacities such as technical skills, structures, financial systems, work processes and so on to look also at soft capacities. This includes power distribution, incentives and sanctions, leadership, and values and beliefs.
- **Themes for application:** the capacity development framework will help to prioritise the areas for assessment. For example, according to the framework you might need to focus on human capacity, systems and procedures, knowledge management and good governance.
- **Cross cutting issues:** especially gender can be essential to gaining a comprehensive assessment

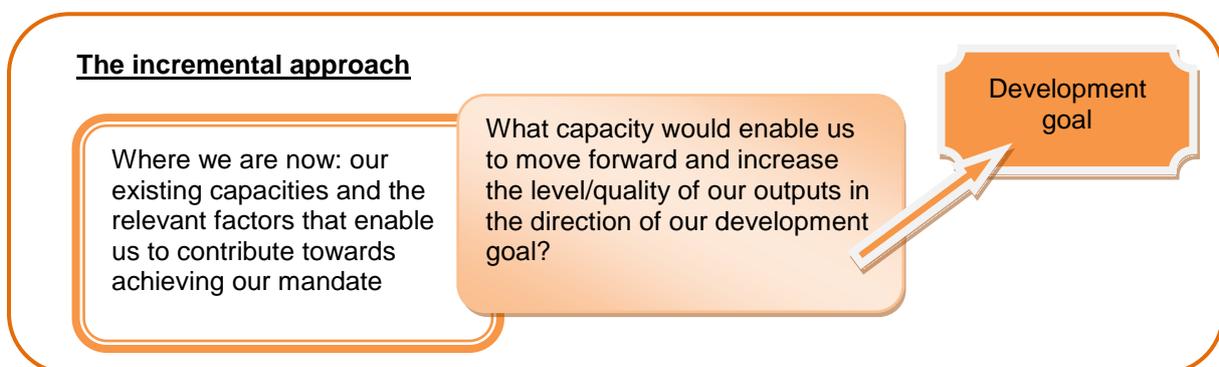
The data specific assessment questions needed to gather the right information will vary according to all of these factors.

³ The enabling environment is not necessarily at the national level, it also exists at sub-national levels. It is made up of political and relationship factors; policies, rules and norms; priorities; modes of operation; and culture – all of which exist within and across sectors and other types of social or functional systems.

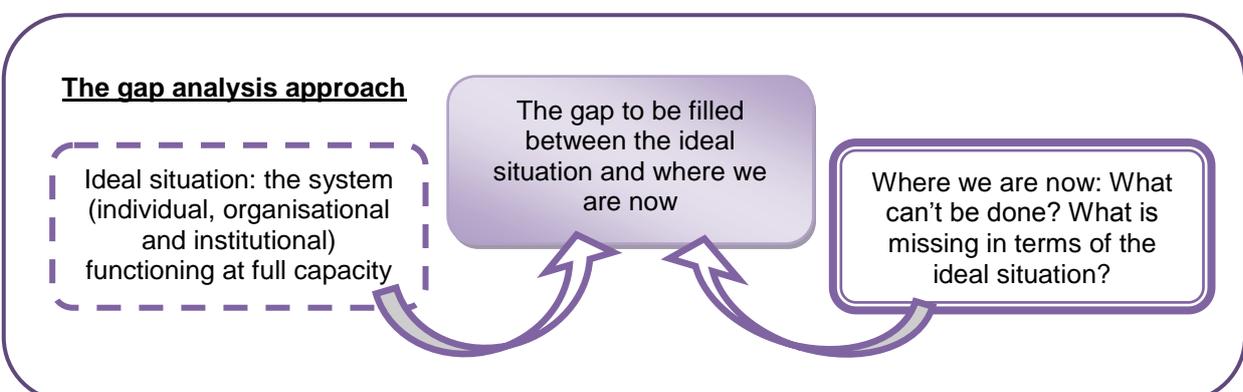
Choosing assessment frameworks and tools

The approach to assessing capacity can start with choosing one of two basic questions – ‘What capacity is already in place?’ or, ‘How should it be and what is missing?’, and the choice will determine how the assessment is conducted. ‘What capacity is already in place?’ starts the **incremental** approach of identifying existing capacity and using that as the foundation for moving forward. ‘How should it be and what is missing?’ starts the **gap analysis** approach, which works from how things ‘should be’, then looks at how they are now, and define the difference between the two as what is missing ‘the gap’.

An **incremental** approach has a much more positive feel to it and, because of its affirmative starting point, it is very helpful for involving targeted stakeholders in participatory self-assessment. The incremental approach defines needs as realistic steps that will move the organisation forward in the right direction, rather than aiming for ambitious, high-level capacity targets. It has the advantage of being more flexible, allowing key stakeholders to define what they consider to be important for the context, including soft capacities and their role and importance in the overall analysis. The main weakness of this approach is that the stakeholders may not necessarily have the appropriate technical knowledge or other information necessary to frame their next capacity steps in a meaningful way.



The **gap analysis** tends to be based on externally defined criteria for full and effective functioning of the organisation or sector according to its mandate - the ideal situation. This approach can be helpful for some types of needs, but it has three weaknesses that need to be taken into account when deciding whether or not to use it. The first is that gap analyses tend not to recognise or value existing capacity sufficiently well to make it the starting point of new initiatives. The second is that the statement of the ideal situation is often far too ambitious to be helpful in setting realistic goals and objectives for moving forward. The third is that gap analyses tend to focus on hard capacities, with little attention given to essential soft capacities. Another problematic aspect of gap analysis is that it tends to depend on outside experts and their assessment of how things should be, which often means that the people concerned do not have sufficient say in the assessment process.



The difference between an incremental analysis and a gap analysis can be shown in a very simple example of a rural school. If at present the school has the capacity to teach only the first two years of the primary school curriculum, an incremental analysis would look at the strengths and capacities that enable the school to teach at that level and ask, what does the school need to build on those existing capacities and move forward to teach year three? The teaching staff and other local stakeholders would be the primary informants for the data gathering. The gap analysis would start with the assumption that the school should be able to teach the full primary curriculum and specify why the school can't do it, in terms of its weaknesses and what is missing.

At the end of this section there is a list of assessment tools for different types and aspects of assessment. However, it is important to remember that these tools should not be considered as fixed formats. Any tool can and should be adapted to local context and needs, either by amending a single tool, or by taking bits and pieces from several and merge them together. Either process will facilitate deeper thinking about what is needed to achieve a meaningful assessment, according to who needs to be involved and the circumstances in which it will be done. Again it is very beneficial to involve key stakeholders in processes to explore and experiment in order to find the best options.

Other points to take into consideration

All organisations, networks, sectors and the individuals in them have a history of capacity development prior to the assessment. This should be recognised as a process of evolution that has a past, a present and will have a future. Within this process of evolution many factors will explain the current capacity and how it was developed. Capacity assessment frameworks need to look not only at the present, but also at the journey to get there. Understanding the developmental history will result in a better design of future initiatives.

In some countries and within some core development themes people may already have been involved in many different assessments. Depending on how the assessments were conducted and what happened as a result the people concerned might be very cynical about the purpose and value of doing another one, and this might make them resistant to engage, or engage fully. This situation could be described as assessment fatigue.

Time factors need to be considered in two important ways. Firstly, that there is enough time for the collection of data & information. Apart from anyone allocated or hired specifically to work on the assessment, everyone else involved will still need to work on their routine tasks and responsibilities. It is important to be sensitive to this fact and not plan the activities in a way that place an unhelpful burden on any individual or group. Participants and key informants might not all be available at the same time, so activities should be scheduled to allow for flexibility. Secondly, it is important not to rush to designing a capacity development response until the assessment process is complete. Interventions will only be effective if based on comprehensive rather than piecemeal analysis.

Another point is that it is important to avoid sweeping generalizations that cannot be translated into practical actions. Conclusions should be sufficiently focused to give good guidance to the design of interventions.

Some helpful assessment questions to work with

- What is being done/produced that contributes to the organisational mandate?
- What is enabling those outputs?
 - What soft capacities exist at institutional, organisational and individual competency levels?
 - What hard capacities exist at institutional, organisational and individual competency levels?
- How has this capacity emerged or been developed?
- What enabling environment factors explain the current capacity assets?
- How can gender and other cross cutting issues be incorporated appropriately in the assessment process? (Assessments are often gender neutral, but it can be of critical

importance to gaining a comprehensive understanding of where capacity exists and is needed. Again using the education example it may be necessary to set up processes for consulting mothers to ensure that their opinions about education for boys and girls are heard and their ideas for what they can contribute to bringing about change.)

- Have all relevant stakeholders and ways to involve them in the assessment and analysis been identified?
- What local capacity is available to manage a capacity development process?

Last point! Too much information can be as problematic as too little. It isn't necessary to know and analyse everything – only to be pragmatic in ensuring sufficient relevant information to do good enough analysis for the design of interventions to be appropriate and realistic.

Some points to consider about the assessment process

- Is it clear and agreed why the capacity assessment will be done?
- Is the capacity assessment involving all the key organisations (and/or units) whose performance is central to the achievement of the wider sector objectives?
- Are all stakeholders, including beneficiaries, appropriately involved in the assessment process?
- Is sufficient attention given to the political and power dimensions of the organisation(s), in addition to the rational, functional dimensions?
- Are previous, parallel or planned capacity assessment processes sufficiently taken into consideration?
- Is the assessment process placing a reasonable burden on the organisation(s), considering other priorities and tasks?
- Is the feedback and decision making process related to the assessment reasonably specified and made clear to all concerned?
- Are the conclusions from the analysis sufficiently substantiated by facts, figures and arguments?

Some helpful assessment tools

- EuropeAid (2009), **Toolkit for Capacity Development**, Tools and Methods Series, Reference Document No. 6, European Commission.
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- ILO (2007) **A Manual for Gender Audit Facilitators: The ILO participatory gender audit methodology**. International Labour Organization.
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- John Gaventa (2005) **Reflections on the Uses of the 'Power Cube': Approach for Analyzing the Spaces, Places and Dynamics of Civil Society Participation and**

Engagement CFP evaluation series 2003-2006: no 4, Mfp Breed Netwerk.
http://www.partos.nl/uploaded_files/13-CSP-Gaventa-paper.pdf

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<http://www.undp.org/capacity/assess.shtml>

Baser, H., and P. Morgan, with J. Bolger, D. Brinkerhoff, A. Land, S. Taschereau, D. Watson, and J. Zinke (2008) **Capacity Change and Performance: Insights and Implications for Development Cooperation**. European Centre for Development Policy Management, Maastricht.
[http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/5321BD4DC0C1DB09C1257535004D1982/\\$FILE/PMB21-e_capacitystudy.pdf](http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/5321BD4DC0C1DB09C1257535004D1982/$FILE/PMB21-e_capacitystudy.pdf)

How to design the overall capacity development approach and an evolving mix of 'best fit' methods and tools

Summary and key action points

Learning and change for sustainable capacity in complex situations requires a long-term process orientation that works iteratively at multiple levels and often with multiple strands of activities towards a capacity goal. This calls for strategic and long-term thinking to be applied to the design of both the overall approach and the specific selection of methods.

Action steps

- Assembly of the essential information to guide design decisions. Starting design before all the right information is in place can lead to expensive mistakes. Information is needed about current capacity, change readiness and future capacity needs, together with a goal, objectives and indicators for the overall capacity development process.
- Identification and engagement of key stakeholders in the decision making process. Everyone needs to be thinking holistically about the levels (individual, organisational, sectoral and institutional) and types (hard and soft) of capacity, in order to avoid the trap of thinking everything starts and ends with training individuals
- Decisions about entry point/s taking account of: previous or existing initiatives; relevant factors in other parts of the system; and, the need to produce some quick-wins that solve urgent problems and engage support for long-term activities. (This is a particularly critical point to address in post-crisis and transition situations.)
The other all-important factor to think about at the start is follow up for the activities to ensure implementation can be sustained
- Choice of interventions. The more complex the need and context, the bigger the need for a range of responses working simultaneously and consecutively over time. This can be called the 'best fit' selection. A range of responses are needed to address the hard and soft capacity needs at all levels, because it would be very unusual for any capacity need to be fully met by a single intervention. It is not wise to choose the interventions for the whole long-term process in detail at the start: it is better to adopt an iterative, step by step, approach that is flexible and responsive to emerging capacity and identified priorities for the next steps in the overall process. There are many different tools that can be considered for the various needs in different parts of the system.
- Sequencing the interventions and activities. Sequencing does not mean that all interventions and activities have to follow each other one at a time, it means getting them into the most logical groupings and order for success. This is necessary for operational planning of any capacity development initiative. Prioritising needs to be strategic so that interventions and activities happen logically in a sequence that addresses the necessary components of capacity incrementally and coherently.

Introduction

Design is a series of decisions, and the quality of those decisions will be directly related to the quality of the information the decision makers have about both the specific target group and the background context. Learning and change for sustainable capacity in complex situations requires a long-term process orientation that works towards a capacity goal iteratively at multiple levels, and often with multiple strands of activities. Taking this approach does not mean that the project approach has to be abandoned, but that smaller and shorter project based interventions have to be recognised as a component of something bigger. This calls for strategic and long-term thinking to be applied to the design of both the overall approach and the specific selection of methods.

What needs to be in place for good design?

Good design depends on having the preparation to put in place the essential information to guide decisions. Starting design before the information is available could lead to decisions that don't really fit the needs and circumstances and the waste of precious resources and opportunities. The two core requirements for good design are:

- Comprehensive assessments of:
 - Current capacity
 - How change is already happening – including previous or existing capacity development initiatives
 - Capacity needs
 - Change readiness, including relevant supporting or blocking factors in the institutional environment, and
 - Cross cutting issues – especially gender
 - Available resources
- A long-term goal and short-term objectives for the capacity development initiative
- Capacity indicators for the goal and objectives

At the start the assessments, goal, objectives and indicators will provide the core information needed to make decisions about priorities, entry points and methods. They will all need to be reviewed and revised regularly throughout the life of the capacity development process.

Note: Assessments do not have to provide vast amounts of information about everything – what is needed is 'good enough' information to provide enough **accurate understanding** to get started.

Getting started and deciding entry points

Any capacity development intervention will have informal, and possibly formal, political dimensions, so a key start up activities must be to identify and engage relevant stakeholders to get their support, or at least to neutralise their resistance.

It is important for the key stakeholders to work out the priority issues to address, making sure that everyone is thinking holistically about the levels and all types of capacity, in order to avoid the trap of thinking everything starts and ends with training individuals. This means answering questions such as: What can be achieved quickly and what needs more time? Where is there energy for change? What resources are available? One good way to go about this is to ask - What has to be put in place as prerequisites for other needs? That will help identify the basic capacities that are the building blocks for the bigger capacity goal. For example before a Ministry of Finance can undertake a public financial reform programme it will need to have in place a range of basics including: policies, systems and procedures; mechanisms for transparency and accountability; motivated and effective leadership; physical resources and equipment; qualified staff; functional working relationships with other ministries; and political support for the reform. Such a range of basics can only be put in place by working at multiple levels simultaneously. The soft capacities of political support and functional relationships with other ministries have to be approached at the institutional level with a long-term perspective. Other factors like transparency and accountability mechanisms, policies and

procedures, and effective leadership require both soft and hard capacities at organisational level, which can only be achieved in the medium term. Qualified staff, who could possibly come into place quickly, represent the individual level.

When working at an organisational or sector level some agencies use a simple matrix to categorise capacity needs and guide interventions, as follows (from the ADB).

	Predominantly Functional-Rational Perspective	Predominantly Political Perspective
Internal elements, supply side	Focus on getting the job done	Focus on getting power, loyalties, and incentives right
Context or external stakeholders and factors, demand side	Focus on creating an enabling regulatory and supervisory environment	Focus on increasing external pressure for performance

Whatever the entry point/s it is important to consider:

- The linkages with previous or existing initiatives that new interventions need to relate to and build on
- What is happening in other parts of the system and how these interventions might interact with them
- Producing some quick-wins that solve urgent problems and engage support for long-term activities. This is a particularly critical point to address in post-crisis and transition situations.

The other all-important factor to think about at the start is follow up for the activities. If ongoing support is not in place the likelihood of activities resulting in sustainable change is significantly reduced. Again this is an issue to work on with key stakeholders. Initiatives for organisational and institutional learning can be helpful for getting everyone to understand the nature of the learning process required to support change.

It is essential to think carefully about the institutional environment and its potential impact on planned interventions, so precious resources are not wasted on activities that cannot possibly result in change. It is extremely unlikely that any contextual analysis will show a situation in which there were many helpful opportunities and no constraints, so thought is needed for how to maximise opportunities and minimise constraints. In this respect it could be argued that no capacity development interventions should be undertaken until there is a fully enabling environment at the institutional level. However, in many situations that would mean nothing ever gets started. It is better to be aware of the external constraints and work with internal drivers of change at other levels in ways that help them somehow to influence, overcome or work around any institutional constraints.

Choice of interventions

It would be very unusual for any capacity need to be fully met by a single intervention. The more complex the need and context, the bigger the need for a range of responses working simultaneously and consecutively over time. This can be called the 'best fit' selection that addresses the different capacity needs and the links between them, and also maximises the strengths and mitigates the challenges of each tool or approach. Working in this way calls for very regular and structured review processes to keep adjusting the best fit as capacity emerges and or the context changes.

It is neither possible nor relevant to choose at the start the interventions for all the steps to achieve a long-term goal. The choice of interventions and activities should be guided by the identified priorities for the next steps in the overall process. Some agencies do this by what they call the platform approach, i.e. component capacities are grouped together according to what is needed as the platform on which the next level of capacities can be built. It is also important to remember that it may be necessary to experiment with pilot approaches and activities in order to find the most effective way forward.

Once the priorities, entry point/s and available resources are agreed between key stakeholders it is time to think about what to do. The box at the end of the section lists some of the tools that can be considered for interventions.

Some helpful lessons learned about design from the past, not in order of priority – they are all important, are:

- No intervention starts with a 'blank canvas'. In every situation there will already be many things happening that should be further developed or incorporated into new initiatives. Good design recognises and builds on what exists and mobilises people to support activities by making relevant connections.
- Too often approaches have been decontextualized and apolitical, based on the assumption that if the approach is right the outcome will be positive, regardless of contextual or political factors.
- Technical skills, while important, are rarely enough on their own. Individual and organisational learning through effective communication and joint reflection processes is much more likely to lead to sustainable capacity in the long term. It is therefore necessary to ensure a balanced approach that works with different types of capacity simultaneously.
- Similarly formal responses such as laws and policies are rarely enough on their own, all they can do is establish the structure for potential change. Much more important are the behaviour and informal processes that surround the development and implementation of formal technical instruments. Again balance is needed to ensure both types of capacity are addressed.
- Scale-up can create problems because it can never be guaranteed that practices that proved effective for one time and set of circumstances are automatically going to be effective at other times and in other circumstances.
- Tools for interventions should be used with caution because no single tool can provide the answer to a need. Tools must be used appropriately and skilfully as part of the facilitation of the change process.
- Overly structured intervention plans can end up constraining, rather than enabling the emergence of capacity, it is better to work iteratively in order to be flexible and responsive
- The demand side motivation and absorptive capacity to work with the intervention has to be monitored and taken into account

The table below gives a short and simple example of a balanced set of interventions at three levels and for both types of capacity. Note that training of individuals is only one small part of the overall array that can be applied over time.

	Hard capacity needs	Soft capacity needs
Institutional	Formulation of enabling legislation Establishing necessary institutions to oversee legislation enactment and implementation	Public awareness campaigns Lobbying and advocacy with political decision makers
Organisational	Development of policies and procedures Development of strategic and operational plans	Facilitation of conflict resolution Leadership development programme Introduction of reflective learning practices
Individual	Training to upgrade of technical skills	Facilitation of reflective learning practices

Sequencing

Because the capacity goal has a long-term perspective it is necessary to think about how to sequence interventions in the overall process. Sequencing does not mean that all interventions and activities have to follow each other one at a time, it means getting them into the most logical groupings and order for success. Sequencing is a primary consideration for the operational planning of any capacity

development initiative. It is about working with what is doable, realistic and acceptable to all stakeholders at any given time, rather than creating ambitious plans that are doomed to fail because the right conditions are not in place. It is also dependent on resource availability.

Some questions to explore when deciding on sequencing are:

- What are the priorities?
- What needs to be in place first so these priorities can be addressed?
- How busy is the target entity with other demands? What can it realistically take on at this time?
- What might result in a quick win?
- What package of interventions makes sense as a harmonised approach?
- How can internal or external opportunities be used to maximum benefit?
- What will achieve the best balance between a focus on necessary and immediate results and long-term capacity development?
- What will achieve the best balance between internal capacity development and positive changes in the enabling environment?
- What array of interventions is necessary for the particular level of complexity?

In short it is necessary to be very strategic in prioritising needs and choosing interventions to make sure that activities happen logically in a sequence that addresses the necessary components of capacity incrementally and coherently.

A selection of approaches, tools and techniques for learning and change at all levels

Advocacy: lobbying, media campaigns, public events, etc. to influence both public opinion on the demand side and the highest level decision-makers.

Blended learning: is the combination of different training and learning technologies, activities and events. It most usually combines a mixture of e-learning and interactive human contact.

Coaching and mentoring: is generally focused on workplace challenges and issues and will be time bounded. Mentoring is generally a long-term process of supporting an individual's career and personal development. Both are tailored and contextual.

Communication: processes that connect groups and surface their collective knowledge and wisdom, in order to enhance and support learning and change within those groups. Considered by some to be a cross-cutting element of all other processes, and by others to be a component of knowledge management. Some specific communication methods are the World Café, Open Space Technology and Appreciative Inquiry.

Customised training: training commissioned for the needs of a specific group.

Degree-level study overseas: usually scholarships for graduates to study at masters and doctoral levels at overseas universities.

Distance learning: academic study programmes offered by overseas universities for participants to follow from home.

E-learning: technology-supported or web-based learning systems. E-learning can happen across distances and borders or within one organisation and therefore not necessarily at a distance.

Experiential learning: generic heading for numerous structured and semi-structured processes that can support individuals to learn from their workplace experiences. Tools and techniques that come under this heading include: action-reflection-learning-planning cycle, action learning sets, action research, critical incident analysis, on-the-job training, work-based learning, work/job shadowing, and whole person learning.

Exposure: Exposure visits take people to see what others are doing in work situations similar to their own. Attending conferences and other events provide exposure to new knowledge, ideas and influences within sectors.

External training courses: Courses for which the content and curriculum are predefined by the provider, who may be a private company, a training institute, or not-for-profit organisation.

Facilitation: guided support for organisational and group processes

Knowledge management: Considered by some to be a cross-cutting issue in CD, it is the process by which organisations generate value from their intellectual and knowledge-based assets by documenting what staff and stakeholders know about the organisation's areas of interest, and then sharing that collected data back to those who need it to enhance their job performance.

Leadership development: Processes designed to enhance the leadership skills of existing and potential leaders within systems. Most effective when training modules are combined with activities such as exposure visits, and coaching or mentoring.

Organisational strengthening: There are three inter-related disciplines known as organisational development, change management and organisational learning. Working with co-ordinated learning and change techniques to help organisations gain the capacity they need to be effective and fulfil their organisational/sectoral mandates.

Partnerships and networks: Mechanisms through which diverse actors with mutual interests come together in order to achieve a common goal. This can include twinning organisations and institutions with similar mandates, and the same or different levels of capacity.

Resources used to develop this section

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UNDP: *Capacity Development: A UNDP Primer* United Nations Development Programme Capacity Development Group, New York, 2009. Available at <http://www.undp.org/capacity/publications.shtml>

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How to establish partnerships for scale up

Summary and key action steps

A partnership is **a negotiated relationship in which different actors work together to achieve a shared purpose**. In the context of capacity development partnerships are the means to bring together the complimentary knowledge, skills and resources of different actors to achieve capacity goals and objectives. If established and managed appropriately partnerships also often prove to be a capacity development process in their own right for the organisations and individuals involved in them. Partnerships are especially important mechanisms for scale up of successful initiatives.

Action steps

- The starting point is to clarify the aims and objectives for forming a partnership. What is the partnership intended to achieve?
- Once the aims and objectives are established the choice of partners for any initiative should be based on both strategic and operational decisions, including:
 - **Decision makers:** Who can make the necessary policy decisions?
 - **Resource providers:** Who can provide the money and other resources?
 - **Experts:** Who has the necessary knowledge and expertise? **Note:** When taking an initiative into new geographic areas it is essential to engage with local partners who can facilitate the necessary adaptation to local context.
 - **Implementers:** who can do the activities?
 - **Participants:** in what way can participants contribute to extension of the work?
- It will likely be necessary to identify a number of organisations that might have similar aims and objectives in relation to the capacity development goal and then explore with them the potential and common ground for working together. This should include:
 - Reviewing the mandate, role, interests, approach, motivation, expectations and existing capacity of all the organisations that might join together in partnership
 - Creating a vision and shared agenda for action - *'What can we do together and how?'*
- The purpose of working together, the roles and responsibilities of each partner, and the means of working together need to be established clearly at the start. This can be done through drawing up a partnership document that covers core aspects of the agreement plus important operational factors such as: how power for decision making is to be distributed among the partners; partnership management and accountability; planning, monitoring and evaluation of activities; communication strategy; how to systematise learning; shared values that will underpin the work; and, mechanisms for regular and ongoing consultation between partners to review both how the work is progressing, and how well the partnership is working.

Lessons learned about partnerships

- Setting up a good partnership takes time: rushing or bypassing negotiations can result in many problems if essential aspects of the partnership have not been clarified at the start. This is especially true of scale up because it can be very complicated to get one organisation to understand and adopt content and process developed in another context, and adapt them to their own context.
- Shared working practices in partnerships can lead to some very big changes in each of the partner organisations.
- It may be necessary to set up specific mechanisms to support the partnership, for example a secretariat to facilitate communication, shared learning and other aspects of implementation.
- There will be no sustainable capacity development unless the target participants are involved appropriately in the partnership arrangements.

Introduction

All capacity development initiatives have many different stakeholders, some of whom might work together throughout the life of the initiative, while others may be involved only for specific activities. In the context of capacity development partnerships⁴ are a way of bringing together the complimentary knowledge, skills and resources of different actors to achieve capacity development goals and objectives. A partnership can be defined as ***a negotiated relationship in which different actors work together to achieve a shared purpose***. The partners' contribution can take many forms, depending on their mandate, interests and capacity. If established and managed appropriately partnerships also often prove to be a capacity development process in their own right for the organisations and individuals involved in them. Partnerships are especially important for the scale up of successful initiatives.

There is a lot of debate about the word partnership, which is often used to describe the relationships between funding agencies and entities or organisations to whom they give money. Often those relationships do not have the characteristics of equitable partnerships because the financial factor creates a heavy imbalance of power. This section does not address those issues and deals instead with partnerships as a positive opportunity for action to implement and extend successful capacity development initiatives.

Who needs to be involved?

Strategic and operational considerations about partnerships to take a capacity development initiative forward or to scale need should include:

- **Who can make the necessary policy decisions?** If something has started at a local level, the next step might be to engage provincial or national level policy and decision makers in order to go to scale.
- **Who can provide the resources?** Those who funded the initial activities might not be in a position to fund more extensive implementation, but they might be best placed to talk to other development partners about forming a support partnership.
- **Who has the necessary knowledge and expertise?** Taking any major initiative forward, or taking a small one to scale will present new challenges to be solved, and emerging learning about what happens when the methods are introduced in new contexts. Several different types of expertise might therefore be needed to support the process, make appropriate adaptations, and ensure that new learning is applied to ongoing implementation.
Note: When taking an initiative into new geographic areas that have very different conditions and cultures to the original activity area it is essential to find and involve local partners that can facilitate the necessary adaptation to local conditions.
- **Who can implement?** Whether a national or local government department or some other type of agency was involved in initial implementation they are unlikely to have the mandate and or resources to go to scale, perhaps in different parts of the country. The implementation of activities in new areas will therefore call for new partners and they would need to be oriented to the work.
- **In what way can participants become involved in extension of the work?** The Food and Agriculture Organisation (FAO) case study below is a very good example of working creatively with participants to involve them in extension. Interested farmers who had successfully completed the training as participants were later trained as facilitators in order that they could deliver the curriculum to other farmers. Peer to peer work of this type has many advantages over training delivered by others.

⁴ Words such as networks, alliances, allies, consortia and coalitions are also used to describe the relationship between different groups working together. What follows can be applied to any of those arrangements, but for the sake of simplicity this section will call them all partnerships.

The lead agency driving the capacity development process will need an established and working relationship with all of the partners. However not all the partners need to be in partnership with each other, for example the implementers do not need to be in partnership with the policy makers, or experts with policy makers.

A visual way to think about what partnerships are needed for any initiative might be to create a spider web type diagram. This could show both the partners needed and how they would need to connect to each other. The web for a scale up operation would start with the initial project at the centre of the web and then have lines out for each of the types of support needed in new areas – policy, resources, implementers, etc. Along each line should be the agencies at both national and local levels that could support outward spread by becoming connection and anchor points in the web. Lines between the different anchor points would show who would need to be in partnerships together.

The case study referenced below is from FAO the about Farmer Field Schools in India. It is a very good example of how multiple actors with different interests worked together over time to make a capacity development initiative successful and then take it to scale.

Establishing a partnership

Some partnerships will require formal agreements and contracts for how the agencies involved will work together. This is very often finalised in the form of a project based funding agreement, but generally this type of contract does not address some of the important considerations needed to make a partnership work well. Other partnerships will not need to be set up under a formal contract, but the arrangements will still need time and attention if the partnership is to work to best effect and for the mutual benefit of everyone concerned.

Some words and phrases in the definition above give guidance about what is needed to establish an effective partnership arrangement. A good partnership needs to be **negotiated** between all the parties, as opposed to everyone assuming they know how it will work or one party imposing the terms on others. One of the most common causes of partnership breakdown is the failure to explore what will happen and how, and what everyone's expectations are of each other. A good partnership also recognises and respects the **difference** between the parties and what they each bring to working together for the achievement of a **shared purpose**. The critical aspects of partnership are about deciding together and acting together. But this does not mean that all partners are involved in the same activities, it means that their contributions and actions are coordinated to create a cohesive whole.

Steps in the process

- The first step is to clarify the aims and objectives for forming a partnership. What is it intended to achieve?
- Once the aims and objectives are established it will likely be necessary to identify a number of organisations that might have similar aims and objectives in relation to the capacity development goal and then explore with them the potential and common ground for working together. This should include:
 - Reviewing the mandate, role, interests, approach, motivation, expectations and existing capacity of each organisation that might join the partnership
 - Creating a vision and shared agenda for action - *'What can we do together and how?'*
 - Further questions to help explore the relevant issues include:
 - *What, if any, governance structure would this the partnership need?*
 - *What will be the agreed indicators of mutual trust and respect?*
 - *What will we do to resolve conflicts?*
 - *What can we do to ensure that as we work together we all grow and strengthen?*
 - *How can we monitor the impact the partnership has on each of the partners?*

- *How long will this partnership last and how will we bring it to a close when it is no longer needed?*
 - Consideration is also needed about whether each potential partner needs some capacity development of their own in order to be able to fulfil their role in the partnership.
- When agreement has been reached a partnership document should be drawn up to cover core aspects of the agreement plus important operational factors such as: how power for decision making is to be distributed among the partners; partnership management and accountability; planning, monitoring and evaluation of activities; communication and information sharing; how to systematise learning; shared values that will underpin the work; and, mechanisms for regular and ongoing consultation between partners to review both how the work is progressing, and how well the partnership is working.

Some lessons learned about partnerships

- Setting up a good partnership takes time. Rushing negotiations or bypassing important steps in reaching agreement can result in problems because essential aspects of the partnership have not been clarified at the start. This is especially true of scale up because it can be very complicated to get one organisation to understand, adapt and adopt content and process to their own context when it has been developed by another organisation in different context. Apart from dealing with differences in the context the original organisation might be reluctant to see their process changed and the receiving organisations might want to make inappropriate changes to impose their own ideas. All steps in the transfer therefore need careful management and monitoring.
- Attention needs to be given to the partnership itself, not just to the work it is set up to do. A partnership of any size and scale will need specific support mechanisms, for example a secretariat to facilitate the flow of communication and learning, and other aspects of implementation.
- Shared working practices in partnerships can lead to some very big changes in each of the partner organisations and these need to be acknowledged and managed.
- There will be no sustainable capacity development unless the target participants are appropriately involved in some aspects of the partnership arrangements.

Case study: Farmer Field Schools on Integrated Pest Management for Cotton in India

Available at http://www.fao.org/bestpractices/content/12/12_01_en.htm

Summary

A long-standing partnership between the Government of India and FAO facilitated central and state governments, development partners and a range of other organisations and groups to come together over more than a decade to scale up a successful capacity development initiative. At different times some or all of the following were involved in the work: policy makers in central government; the FAO and the European Union; policy makers and agriculture extension staff from state government; national and international scientists and agriculture experts; research institutes; non-government organisation staff; and, experts and facilitators in participatory approaches. In the later stages alumni farmers worked as facilitators and their alumni groups became an important resource for the extension support activities. As a result, across four states there is now the capacity to train up to 100,000 a year in a proven integrated pest management methodology for cotton production. This example shows how a diverse range of actors can each contribute to the overall goal, even though they don't all work directly together or at the same time. The partnerships operated in different ways for different needs and steps in the process.

Looking at the list it can be seen that the partners involved fell into some key groupings, namely: decision makers; funders; experts; implementers; and, participants. Sometimes one agency might fall into more than one of those categories, for example many funding agencies have their own experts

who provide valuable knowledge and skills resources in addition to money. While this is not a fixed list that can be applied to every capacity development process, it is likely that over the life of any initiative partnerships will be needed with agencies in all of those groups, and maybe more. Another type of partner might be an ally: someone who is not directly involved but who is interested in the agenda and is therefore willing to offer support, information exchange and so on.

The factors which contributed to the success of the programme are the following:

Government commitment: The Government is committed to innovative approaches to building the capacities of its extension service to meet farmers' needs, and supported the introduction of the FFS approach leading to a new National Policy for Farmers in 2007.

Stable/strategic allocation of resources: The central government and governments of three states have allocated funds to programmes of farmer training in cotton IPM since 2002.

Appropriate pedagogical design of training: Training programmes for farmers and extensionists were learner-focused, with duration and content selected to match individual development goals. Learners were actively engaged over an entire cropping season, gaining practical experience and refining their analytical and decision-making skills.

Mix of modalities of intervention: A range of international meetings, workshops, and seminars were organised as complementary instruments to sensitise policy-makers on the need to adopt educational programmes enhancing farmers' knowledge.

Quality of technical inputs and monitoring: Appropriately proficient FFS facilitators, committed to the Field School approach and working closely with government officials, were essential to stimulate participation by farmers and enable discovery learning. Governments established an appropriate system to monitor quality in FFS.

Support to collective action and empowerment: The community approach in FFS supported group formation and empowerment, generating income and fostering socio-cultural activities.

Interactions between different stakeholders: Interactions were facilitated between scientific institutions, universities, and policy-makers at state and central level, creating effective partnerships for integrated strategies/approaches.

Lessons learned and opportunities

FFSs have been used as a capacity development approach in India, both by local governments and by other FAO projects, since the end of the FAO-EU IPM Cotton Programme in Asia. However, the institutionalization process is facing challenges in maintaining the quality of training while expanding and extending the approach on a large-scale.

Among the practical constraints to scaling up the adoption of FFS have been the delayed releases of funds to support FFSs, the lack of coordination between stakeholders and the overload that FFS organization places on local extension officers. It seems that a higher integration of the rural development strategies could mitigate some of these problems.

To date, FFS programmes in India have focused on increasing farm productivity and reducing the cost of production. The present food price crisis is showing the need to support farmers beyond the farm gate to escape poverty. Improving agriculture productivity and resilience has not offered a way out of a subsistence livelihood for the majority of the poorest farmers. Low farm-gate prices and competition from large-scale producers threaten to keep small and marginal farmers trapped in poverty. The relaxation of the post-independence political instruments regulating domestic trade of national commodities has facilitated the entry of larger private companies into agri-businesses, which have rapidly established vegetable and cereal retail chains across the nation. However, small farmers are not directly linked to the market and are therefore unable to derive financial benefits from improved marketing arrangements.

New tools and specific FFS components are needed to address these issues. FFS programmes could be used explicitly to strengthen farmers' capacity to organize them to meet market demand and should support pro-poor marketing approaches. FFSs should build more organizational capacity to enable farmers to add value to agro-products for local markets. They should also serve as platforms to link farmers' organizations to big retail chains. In some limited areas and for specialized crops, they could also provide access to export opportunities.

An opportunity emerges: growing environmental concern has set an increasing domestic and global demand for 'clean' products. To date, IPM products, such as cotton, have been commercialized in local markets without any premium being paid. FFS could support the federations of small farmers' organizations to develop niche products and microenterprises to capture this additional value.

This section is drawn from the following resources

Big Lottery Fund, **Working in partnership: a sourcebook**

http://www.biglotteryfund.org.uk/wales/evaluationandresearch-wal/learning_themes/er_better_funding/er_eval_working_in_partnership_sourcebook_uk.htm

Capacity.org **Issue 30, Partnerships for service delivery**

(<http://www.capacity.org/capacity/opencms/en/journal/issues/partnerships-for-service-delivery.html>)

and **Issue 27, Partnerships and Networks**

(<http://www.capacity.org/capacity/opencms/en/journal/issues/networks-and-partnerships.html>)

Improvement Network, **Finding your common ground in partnerships**

<http://www.improvementnetwork.gov.uk/imp/aio/11471>

Kingdom of Belgium, Federal Public Service, Foreign Affairs, Foreign Trade And Development Cooperation (2010) **Evaluation of NGO partnerships aimed at capacity development**, Section 4.1 on quality of partnerships.

http://diplomatie.belgium.be/en/binaries/evaluation_ngo_partner_relations_capacity_building_tcm312-112949.pdf

World Wildlife Fund (WWF), **The Partnership Toolbox**

http://assets.wwf.org.uk/downloads/wwf_partnershiptoolboxartweb.pdf

The Partnering Initiative, offers several useful resources: **The Partnering Toolbook**, **The Brokering Guidebook**, and **Moving On** (which addresses the exit aspects of a partnership - a part of the cycle often unplanned or mishandled). All available at <http://thepartneringinitiative.org/>

How to formulate capacity goals and objectives

Summary: key points and action steps

Different models and organisations use the words goal and objective in different ways, alongside other elements of the Logical Framework approach such as outputs, outcomes and impact. This section provides some basic guidance for how stakeholders can reach agreement on what is needed for their particular need and context.

A capacity goal is the ability to do whatever is needed to achieve a development result. Objectives are the capacities needed to achieve the goal.

Capacity goals

A capacity goal should state the **overall purpose or aim** of the CD initiative in terms of what it is that an organisation, target group or sector needs the capacity to be able to do. It can be written by answering the following questions:

- Who or what (organisation, target group, sector, etc.) needs capacity?
- Why is the capacity needed – for what purpose?
- What type of capacity is needed in order to achieve the purpose?

However, equally important as the content of the goal is the process used to create it. Supporting key stakeholders to come together and create a shared vision about a new situation with new capacities in place creates ownership and buy-in for the process of achieving it.

A capacity goal should focus on the **intermediate or middle level of the overall development framework** and what is expected can be achieved in the **middle or long term**. This is somewhere between the national or sector level development result to which the capacity goal will make a contribution, and the specific objectives and results needed for system components, organisations and individuals to contribute to the higher level targets. Because of the level and time frame they cover goals would normally be stated in somewhat general terms.

Capacity objectives

Capacity objectives should be statements of the **results to be achieved** and they are, therefore, much more specific, and achievable in less time than the goal. The most common guidance for writing objectives is to make them **SMART**: specific, measurable, achievable, results-oriented, and time-bounded. This guidance applies for capacity objectives so long as care is taken in the way that the capacity result is formulated. This means objectives need to be written at the level of outcomes, with the **focus on results rather than inputs and outputs**. Objectives apply at the **level below the goal** in the Logical Framework so it is important to make sure that they are stated differently.

Example

A helpful guide to formulating goals and objectives, making sure they are clearly different but related can be to state the goal focusing on a verb – the ability to do something, and focus the objective on nouns – whatever is needed to achieve the goal. The difference is clear in this example:

Goal: The food production sector has the capacity **to continuously increase** the quality and quantity of food production.

Objective: By (date) food producers will have the **knowledge, conditions and resources** needed to implement improved food production methods.

Explanation

Setting goals and objectives for CD provides the framework for action. In order that they have meaning and will contribute to real development results CD activities need to be situated within the setting and context of initiatives in sectors, such as agriculture or education, or development themes such as democratic governance or decentralisation. They may also be part of work on cross cutting issues such as gender or human rights.

A particularly important consideration is the process by which the goal and objectives are formulated. Something produced externally is unlikely to resonant with the relevant stakeholders or engage their commitment to action. Whereas if key stakeholders are facilitated to come together and create a shared vision about their desired new situation and what capacities are needed to achieve it, they are much more likely to have ownership not only of the goal but also of the changes needed to achieve it. This in turn both generates energy for the change and diminishes potential resistance. A step in this process would be to help stakeholders to see the potential in their current situation and opportunities, and to believe in its achievement. Also checking whether or not there is local leadership to support change processes, and this links to the necessity of assessing change readiness and the political economy.

Different models and organisations use the words goal and objective in different ways, alongside other elements of the Logical Framework approach such as outputs, outcomes and impact. There are also different opinions about whether the SMART criteria should be applied to objectives or indicators. This section gives some basic guidance and examples that can help with the formulation of goals and objectives for integrating CD into other initiatives, including guidance about SMART objectives for those who feel that is the most appropriate method for their needs.

What is a capacity goal?

A goal is the aim or purpose of doing something. A capacity goal should state the overall purpose or aim of the CD initiative in terms of what it is that the target group, organisation or sector needs to the capacity to be able to do.

This will make most sense when the capacity goal is related to strategies, programmes or projects with higher, perhaps national, level goals. For example if a government has a national agriculture strategy to achieve food self-sufficiency and food security it is likely to have a range of components on issues like land, markets, and technical resources. The capacity goal would fit in where the focus is on developing the capacity of key elements of the system and key groups of actors.

What does a capacity goal need to cover?

The ultimate goal of CD is for more people to gain greater control over their own destinies.⁵



In this goal it is 'people' who need capacity, in order to 'gain greater control over their own destinies.'

Another example from the African Management Services Company's work in Rwanda is more specific:



*To help create a self-sufficient team of local employees at Fina Bank, capable of independently managing and leading the bank in the future.*⁶

⁵ Lusthaus et al Capacity Development: Definitions, Issues and Implications for Planning, Monitoring and Evaluation, Universalia Occasional Paper No. 35, September 1999

⁶ Ahmad Tijan B. Jallow et al, Mapping of Ongoing and Planned Capacity Building Activities in Rwanda Final Report, April 2008

In this example it is 'local employees at Fina Bank' who need capacity, so that they will be 'capable of independently managing and leading the bank'.

Both of these goals focus on people, which still implies that capacity is about developing individual knowledge and skills. However, current concepts of CD do not focus on individual alone, as this is not sufficient. Organisational or higher level capacity is the core issue and that is a more appropriate focus for a capacity goal. While of course it is a fact that individuals, who make up much of the organisation and the enabling environment, and also implement change processes, structures and legal framework, etc. they are not the whole story. The start of the art now is how to integrate all levels and components into cohesive whole for a holistic and sustainable approach. Despite the individual focus in the statements above they hold some very important ideas that can help to guide the formulation capacity goals. Those ideas can be framed as questions:

- **Who or what needs capacity?** Sometimes individuals have capacity but they are in an organisation or system that does not function effectively and blocks the use of the capacity that does exist, so it is the capacity of the organisation or system that needs to be considered, rather than that of the people.
- **Why is the capacity needed?** What is the ultimate purpose or development result for which the capacity is needed?

There is a very important third question that neither of the goals above specify, and that is the type of capacity needed:

- **What type of capacity is needed in order to achieve the purpose?**

A general statement in the goal of the type of capacity needed will help with the specification of the objectives that will be needed to achieve the goal.

An example from an NGO capacity development project in Cambodia specifies capacity at the organisational level and also the type of capacity that is needed.



To strengthen the organisational capacity and management of the partner organisations in order to strengthen their ability to deliver programmes that achieve positive impact.

This is a comprehensive capacity goal statement because it specifies the capacity is needed by organisations (who/what), why it is needed and the type of capacity needed.

Where to focus the capacity goal? Which entry level?

This example illustrates where to focus the capacity goal. Cambodia has a new law to establish sub-national administration (SNA) structures and, as would be expected for a national initiative of this nature, planning for implementation is multi-level and multi-dimensional.

Developing a capacity development strategy for the SNAs was part of the implementation planning for the new law. This strategy has a capacity goal that is linked to the national development goal. The strategy also provides analysis of the core capacity needs at the three primary entry levels and uses this as the basis for a framework to guide implementation and M&E. This includes specifying a more detailed capacity goal for each of the three different levels. Note that this still stays focused at the level between the national development goal and the specific objectives about results needed to achieve the overarching goals.

National development goal	To develop the functioning and capacity of SNAs, in particular Districts and Municipalities, Khan, Communes and Sangkats to represent the views of local citizens and to respond to their demands, within an established legal framework.
Overall capacity goal	To develop and enhance performance and effectiveness of SNAs to carry out their mandates that encompass delivery of ongoing public services, reflecting the principals of democratic development defined by the National Program for Sub-National Democratic Development.

Capacity goals by level	<p>Institutional: To interpret, use or influence the enabling framework</p> <p>Organisational: To enhance organisational effectiveness and achieve the mandate</p> <p>Individual: To deliver on specific tasks to contribute to the mandate of local SNA</p>
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The example in the table below ‘*The food production sector has the capacity to continuously increase the quality and quantity of food production*’ also illustrates that the capacity goal needs to focus on the intermediate or middle level of the overall development framework. That means somewhere between the national or sector level development goal, and the specific objectives and results needed for system components, organisations and individuals to contribute to the higher level targets.

What is an objective?

An objective is a statement of a result to be achieved. The most common guidance for writing objectives is to make them SMART: specific, measurable, achievable, results-oriented, and time-bounded. The general guidance for writing SMART objectives still applies for capacity objectives so long as care is taken in the way that the capacity **result** is formulated, see the example below.

At what level do capacity objectives apply?

Objectives apply at the level below the goal in the Logical Framework so it is important to make sure that they are stated differently. A helpful guide can be to state the goal focusing on a verb – the ability to do something, e.g. ‘*The food production sector has the capacity **to continuously increase** the quality and quantity of food production*’. An objective can be stated with the focus on nouns – whatever things (capacities) are needed to achieve the goal, e.g. *By (date) food producers will have the **knowledge, conditions and resources** needed to implement improved food production methods*. This helps to keep a clear difference between the different levels.

Because of the level and time frame they cover goals will tend towards being somewhat general, whereas objectives need to be much more specific and achievable in less time. Very often objectives are written with a focus on inputs and outputs, which may sometimes be appropriate, but that level does not lead to a clear specification of the capacity that is needed. In general it is more helpful to write the objective at the level of outcomes, in order to move the focus beyond inputs and activities to the results that the inputs and activities need to achieve.

This example shows how to be clear that the objective is focused at the capacity outcome level.

Type	Example
Not SMART – input oriented	To train farmers about pest control and crop rotation
SMART - but input/output oriented	By the end of 2011 the agriculture college will have provided N farmers from X province with training on pest control and crop rotation
SMART at the outcome level	<p>By (date) food producers will have the knowledge, conditions and resources needed to implement improved food production methods</p> <p><i>A more specific objective for a component of the strategy could be:</i></p> <p>By (date) essential linkages, subsidy and tariff systems for the food production value chain will be established and fully operational</p>

The learning and change perspective

CD, learning and change are all very closely linked. Some of the more recent approaches to CD have a strong focus on learning and change as guiding principles. Questions about learning can be very helpful in the process of specifying capacity objectives, for example:

- **Who needs to learn?** This is not only about individuals, but also at the organisational and sector level
- **What do they need to learn about in order to achieve the desired change?**
- **To what higher level goals will this learning contribute?**

This table provides an illustration of how the most commonly used words and ideas can be applied for setting capacity goals and objectives.

Component	Level	Description	Timeframe	Agriculture Example
Development Result	National or sector impact	The ultimate target changes in people's lives and circumstances to which the capacity goal needs to contribute.	Long-term	National self-sufficiency in food production
Capacity goal	Impact: organisational* or sector** performance	Improvements/increases in the ability to do something	Medium and long-term	The food production sector has the capacity to continuously increase the quality and quantity of food production
Capacity objective	Outcomes: individual and organisational functioning	Changes in the way people or organisations do things because they have applied their learning	Short and medium-term	By (date) food producers will have the knowledge, conditions and resources needed to implement improved food production methods <i>For programme and project planning purposes this overall capacity objective would be underpinned by specific objectives relevant to each to the necessary outputs list below.</i>
Activities and immediate results	Outputs: conditions, physical resources, system changes, individual and organisational learning that contribute to the outcome of change	Immediate results: the achievement of activities and what people or organisations have learned from the activities; and the acquisition of resources	Short and medium-term	Institutional level Supporting legal and policy structure in place Secure land tenure for farmers Value chain linkages supported by relevant subsidy, tariff and market systems ICT systems in place (access to market information) Agriculture disaster risk reduction plan in place Organisational level Systems, policies and procedures fully functioning in relevant central and local authorities

Agriculture Colleges technically upgraded

Farmers' associations resourced to support application of new methods

Individual level

Farmers knowledge of new methods, e.g. pest control & crop rotation

Farmers have physical access to markets (roads)

Inputs

The people, activities and other resources allocated to CD activities at the level of agricultural colleges, farmers' associations and farmers

Technical inputs for legal and policy development, physical resources like road building and ICT, and sector learning

Resource inputs such as finance

Training for farmers and their associations

Provision of resources such as finance

* In this context the word 'organisational' also covers groups that may not be defined as formal organisations, for example all the farmers in a province

** in this context to word 'sector' also covers networks such as a federation of farmers' associations, and lateral groups across multiple sectors, for example all women managers in ministries

How to formulate capacity indicators for different contexts and levels

Summary and key action points

It often takes a long time and complicated process for the original intention to develop capacity for achievement of a development goal to materialise in the form of the impact achieved as a result of the capacity having been developed. Indicators are useful for keeping track of what is happening as the process unfolds. Working with capacity development indicators has many acknowledged benefits, but also some tough challenges. Innovative practices are now providing some answers to the challenges and also providing ways to meet multiple needs.

Action steps

- **Identification of stakeholders who need to be involved in defining and using the indicators.** Effective capacity indicators reflect the interests and choices of all key stakeholders, especially participants in the capacity development activities. Stakeholders need to develop the indicators through dialogue about the critical functions and performance needed to achieve the development goal, and the best way to measure steps of progress.
- **Gathering baseline information.** An indicator of progress or improvement can only be fully meaningful if the starting point has been established according to clear criteria. The most useful form of baseline for capacity indicators is a mapping exercise of current performance, perhaps a description of the quantity and quality of the services produced by an organisation or sector. The baseline can be simple, something 'good enough' that everyone can understand and use as their starting point. The mapping should cover soft capacity issues like leadership, power relations, learning and so on. Additionally information is needed about the relevant factors in the institutional environment, especially any that are recognised to be blocks to capacity development.
- **Decision about the types of indicators needed.** Indicators for hard and soft capacities, and for the different levels, will be very different because the capacities themselves are so different. Similarly the indicators for the capacity development process and the capacity product it has been designed to develop will also be different.
 - Hard capacities are generally easier to measure by the quantity and quality of outputs but may not be a good indicator of overall capacity. A focus only on indicators of hard or formal results will not, in the long run, be very helpful for providing information about the development of sustainable capacity. For this type of capacity applying SMART criteria can be helpful.
 - Soft capacities are very important indicators of overall system capacity and the potential for sustainable change. Even if they cannot be measured, they can often be observed.
- **Sequencing the indicators over time.** In long-term capacity development processes, especially those in complex contexts, it is not helpful, and maybe not even possible, to formulate indicators for all stages of the process at the start. As capacity emerges individuals and organisations will be able to focus on higher level and more sophisticated targets for their own performance. Sequencing also allows for flexible experimentation and adaptation. Ideas for better indicators and ways to measure will also often emerge as the process progresses.

The '*capacity for what?*' question should be kept central to all thinking about indicators.

Introduction

There is often a long process between the original intention to develop capacity for achievement of a development goal and the impact that is ultimately achieved as a result of the capacity. From start to finish many things will happen and many factors will be influential. Indicators are useful for keeping track of what is happening as the process unfolds. There is still a lot of debate and experimentation about the best way to develop and use indicators for monitoring and evaluating capacity development. Some of the issues being explored are: What is being assessed – process, product or both? Who needs the indicators? How can they use them to best effect? What values are at work in the measurement of capacity? How can soft capacities be measured? Innovative practices are now providing some answers to these questions and also providing ways to meet multiple needs.

Why are indicators needed?

Capacity development indicators have the acknowledged benefits of:

- Describing both the desired future state (results) and the process to reach it
- Supporting monitoring and evaluation of progress at all levels
- Giving an impetus to all stakeholders to clarify what they mean about capacity in the specific context
- Providing information for key stakeholders
- Being part of the of capacity development itself process itself when used appropriately in reflection and learning exercises
- Generating a sense of progress and success which is, in turn, an incentive to keep going

Among the main challenges are:

- How to formulate indicators for soft capacity that cannot easily be defined in quantitative formats
- Understanding what is worth measuring as opposed to what can be measured, and,
- Framing indicators that are simple and meaningful for all stakeholders when working in complex needs and situations

Who should define and use the indicators?

If they are to be effective capacity indicators must reflect the interests and choices of all key stakeholders, especially participants in the capacity development activities. Thus involving those stakeholders in the formulation of indicators can be critical to their engagement. It is often found that one of the difficulties with capacity indicators is that they tend to be oriented to donor and project Logical Framework needs and do not necessarily come from an agreement between all relevant parties about current capacity or future needs. It is, therefore, really important that the key stakeholders develop the indicators through dialogue about the critical functions and performance needed to achieve the development goal, and the best way to measure steps of progress. Given that capacity development processes often continue over the life of several projects it is helpful to have in place a process not only to assess and report on indicators, but also regularly to re-establish local ownership and commitment to working with them.

Starting point – baseline information

An indicator of progress or improvement can only be fully meaningful if the starting point has been established according to clear criteria. It is only possible to know the progress made if conditions at the start were made clear. Too often in the past this step has been overlooked. The starting point is often referred to as the baseline, which can take a number of forms, some of which can be very complicated. The most useful form of baseline for capacity indicators is a simple ‘mapping’ exercise of current performance, perhaps a description of the quantity and quality of the services produced by an organisation or sector. Focusing the baseline on current capacities and outcomes is a way to avoid monitoring inputs or gaps rather than achievements and progress. The mapping should cover soft

capacity issues like leadership, power relations, learning and so on. Additionally, information is needed about the relevant factors in the institutional environment, especially any that are recognised to be blocks to capacity development. Overcoming blocks to change might be a good indicator of an effective capacity development process.

As noted above, if indicators are to be useful for all stakeholders, they all need to be involved in baseline assessments in order to reach agreement about the current situation and what improvements would look like. This might need time in order that some participants in the process can reach an appropriate level of self-awareness of their current situation. Another good reason to involve all stakeholders is that they probably already have a lot of the necessary information, or will be key sources for getting it.

Types of indicators

The first difference to be clear about is between indicators for the process and for the capacity (product) it has been designed to develop. For example the capacity development intervention might focus on organisational learning, so the *process indicator* would be the integration of learning tools into everyday work processes. The *product indicator* might be that the learning practices have led to better problem solving and improved quality of service for customers.

Some approaches to planning, monitoring and evaluation use SMART criteria (specific, measurable, achievable, results oriented and time bounded) for indicators, as well as , or sometimes instead of applying these criteria to objectives. As mentioned in other sections, there is no right or wrong in these choices, each of which have to be made according to what will be most appropriate for the context and needs.

Hard capacities can generally be easier to measure, for example by the fact that something now exists, or by the quantity and quality of outputs. For this type of indicator the SMART criteria can be very helpful. However, the existence of a hard capacity, for example a legislative or policy framework, is often not such a good indicator of overall capacity as are the soft capacities needed to create or implement the framework. This is because a new law might be an indicator of the skills of a legal department in a government institution, whereas of much more interest to the development goal of good governance will be the process through which the government consulted and negotiated with relevant citizens groups, civil society the private sector and internally about formulation of the law. A focus only on indicators of hard or formal results will not, in the long run, be very helpful for providing information about the development of sustainable capacity because firstly, they do not reflect behaviour and attitudes and, secondly, they can keep the focus of monitoring so narrow that important improvements in soft capacity are missed.

Some capacities are observable, even if they are not measurable. Things like the quality of interactions between institutions, the confidence with which a woman addresses a public meeting or the ability of a leadership team to think strategically, while not easy or perhaps even impossible to capture in quantitative terms are nevertheless important indicators of capacity and the potential for change being sustained. Some soft capacities can be hard to measure because they relate to personal behaviour and attitudes and the individuals concerned may find the assessment intrusive or threatening. This is another reason to ensure their engagement and participation in formulating the indicators right from the start. Interpretation of the data and judgements about any indicators will often be subjective, especially so with soft capacities.

Sequence the indicators over time

In long-term capacity development processes, especially those in complex contexts, it is not helpful, and maybe not even possible, to formulate indicators for all stages of the process at the start. As different aspects of the capacity development process are implemented there will be many outputs and outcomes. There will also be changes in the institutional environment that while not directly linked to the capacity development process, will have a direct impact on implementation and results. All of these factors need to be reviewed periodically against existing indicators and when necessary new indicators should be formulated. Additionally, as individuals or organisations develop different

capacities, they will be able to focus on higher level and more sophisticated targets for their own performance.

The final reason for sequencing is to enable flexible experimentation and adaptation. Given the use of capacity indicators is a relatively new discipline, no one can know for sure at the start of a process if the chosen indicators are going to be the most helpful and informative. Maybe the wrong things are being measured, or the right things are being measured in the wrong way. Ideas for better indicators and ways to assess them will often emerge as the process progresses.

Selected examples from the literature

From Capacity, Change and Performance, ECPDM Study 2008

A local government project in the Philippines identified a key factor in selecting local government units (LGUs) as partners was their 'readiness' or 'receptivity' to work with an external intervention. The checklist of indicators of readiness or absorptive capability that the programme developed over time, was:

- The willingness of mayors to support capacity interventions;
- The level of interconnections between each LGU and others involved in the reform;
- The level of internal teamwork between the mayor and the elected council;
- The level of community involvement and participation in LGU affairs;
- The state of the security situation in the area; and
- The LGU's perception of the relevance of the external assistance on offer.

From The design and use of CD indicators, Peter Morgan 1998

WHOSE CAPACITY?	CRITICAL FUNCTION (CAPACITY TO DO WHAT?)	INDICATORS
Local financial officials, district assembly members, central financial officials, political authorities at all levels	Decentralizing payment functions from line ministries to local governments	Ability of the system to transfer funds between authority levels (say within 45 days of the end of the quarter) and or produce audited statements within six months of the end of the fiscal year
Operational staff at the field level of certain central agencies and ministries	Need to coordinate information amongst six ministries working on environmental issue of soil erosion in a particular region	25% increase in the number of projects that require contributions from two or more departments

From Defining and measuring capacity results, UNDP Capacity Group

Human Resources

1. The institution has adequate staff in all key positions.
2. Compensation is adequate and equitable.
3. Monetary and non-monetary incentives support targeted behaviour.
4. The staff turnover rate is low.
5. Opportunities exist for staff professional development and on-the-job training.
6. Staff is held accountable for getting work done according to clear performance standards.

Management

1. Institutional management has a high degree of autonomy.

2. The institution's management style is participatory and enabling.
3. Managers have a clear sense of realistic goals and priorities.
4. There is effective delegation of management responsibility to second-level managers.
5. Managers have a high level of fiscal and operational awareness.
6. Staff can clearly describe their roles and responsibilities.

Enabling Environmental Mastery

1. Appropriate links exist with other institutions.
2. Bureaucratic support is evident for the institution's activities.
3. Major environmental influences are identified and assessed for relative degree of influence and are accurately forecast.
4. The institution has controlled access to essential natural resources and other inputs.
5. The institution has access to needed technologies.

From Capacity Development Results Framework, World Bank Institute 2009

Indicators	Description of indicators
Commitment of leaders to the development goal (DG)	Social and political leaders consistently and frequently make statements or take leadership actions and decisions supporting the DG.
Stakeholder participation in decisions about the DG	Decision-making processes about the DG consider all stakeholder opinions, and government and other organs of the state are responsive to the views of civil society and the private sector.
Stakeholder voice in decisions about the DG	Stakeholders know their rights related to the DG, claim those rights, and communicate their grievances and proposals for change to the government and legislature.
Transparency of information to stakeholders about the DG	Government and other public service entities provide accurate, relevant, verifiable, and timely information about the DG and explain actions concerning the DG in terms that stakeholders and other stakeholders can use to make decisions
Legitimacy of the policy instrument	Processes for decisions about policy instrument are informed, transparent, participatory, and deliberate. Policy instrument is perceived as desirable and appropriate within the local system of norms, values, beliefs, and definitions. The actions and sanctions prescribed by the policy are perceived as fair by stakeholders. Rights to appeal are assured.

From the Royal Government of Cambodia: National Capacity Development Framework for the Three-year Implementation Plan (IP3) of the National Program for Sub-National Democratic Development (2010)

a) CD Outputs: Immediate results produced by CD interventions or processes. CD products produced or CD services provided. Specific indicators to be measured are (but not limited to) are:

Individual Level:

- Number of CD activities organized, number of people involved
- Issues, concerns clarified through assessments, facilitation or reflection

- Measure the extent of self-awareness developed through CD interventions (coaching)

Organizational Level:

- Number and type of outputs produced (e.g. structures, plans, systems, proposals, reports etc.)
- Extent and type of organizational issues/problems clarified
- Identification of alternative options/solutions identified

b) CD Outcomes: Changes in people's behaviours and organizational practices that resulted from the use of CD outputs. Specific indicators to be measured (*but not limited to*) are:

Individual level

- Staff applying their learning into their workplace
- Changed behaviour, practices, beliefs, perceptions as a result of the intervention
- Staff follow standards of good practices

Organizational level:

- Better leadership
- Adoption of new plans, systems, structure, roles/responsibility, policies, and practiced / adhered to them accordingly
- Application of best management practices (decision-making, meeting, monitoring and evaluation, etc.)

c) CD Impact: Changes in staff performance; changes in organizational functioning, environment and performance. Specific indicators to be measured are:

Individual level:

- Staff work more productively
- Improved work quality of staff
- Staff get recognitions from leaders

Organizational level:

- Functions effectively and efficiently to achieve mandates
- proactively and able to adapt to external changing environment
- Citizen express satisfaction with services provided
- Organisation receives good cooperation from development partners and relevant stakeholders
- Staff in the organization are well motivated, committed and have high moral
- Organizations have developed relationship/cooperation with other public sector organizations, NGOs, IOs, CBOs, and the private sector to deliver governance
- Staff have developed better relationships, working environment, teamwork and collaboration to deliver mandates as one.

How to measure capacity outcomes and results for different levels and contexts

Summary and action points

To set up a capacity measurement system for any level or context, it is necessary to have in place: a clearly articulated framework for defining capacity; a definition of the starting point; a vision of where the process is trying to get to; a theory of change that guides intervention planning; indicators for key points in the process; and criteria to provide a framework for measurement.

Action steps

- **Decide who needs to be involved and how.** All capacity development processes have many stakeholders, some who are involved from start to finish; others who only participate in part of the process. There will be a constantly changing group whose needs have to be accommodated. It is important to guard against approaches that only answer the needs of only one type of stakeholder. Measurements need to be meaningful to all actors identified as relevant to the process. There are many ways to involve stakeholders appropriately.
- **Decide what needs to be measured and the criteria for measurement.** There is no single, universally agreed set of capacity development dimensions to use in a measurement system. Measurement dimensions need to be specific to the context and cover all levels – individual, organisational, sectoral and institutional, types of capacity – hard and soft, and the themes for application in any capacity development framework being used. Some frameworks use the OECD DAC monitoring and evaluation criteria of relevance, effectiveness, efficiency, ownership, impact and sustainability as a way to structure how they approach measurement. A balanced approach ensures that all relevant aspects of capacity are covered at one time or another. Important points to remember are to:
 - Ensure the system is capable of capturing not only predicted but also unexpected results
 - Guard against too heavy a focus on hard capacity
 - Focus on the aspects and dimensions of capacity that are worth measuring and for which you will be able to produce either qualitative or quantitative evidence for what you have chosen.
- **Create a measurement framework to fit the context.** Creating a specific framework can ensure that the measurement process and tools fit the capacity development process. The dimensions and criteria discussed above can be used to identify a starting point, which could be: inputs and outputs, outcomes, or impact. Using an iterative approach i.e. deciding where to start and doing the details one step at a time (rather than trying to map out the whole thing at the start) allows for effective response to what is emerging and any changes in the environment.
- **Test the framework.** The framework needs to be first tested, and later reviewed regularly, for relevance and practicality before it is put to extensive use.
- **Select tools.** When tools are being selected it should be remembered that: all tools should be adapted to local context and needs; all tools have advantages and disadvantages according to context, and this should be taken into account when using them; and, a mix is needed to cover all the different measurement requirements i.e. different tools will be needed at different stages in the process. **Some tools to consider are:** outcome mapping; stories of change; most significant change; case studies; random sampling; tracer studies; ladder of change; theory-based evaluation; rapid appraisal methods; cost-benefit and cost-effectiveness analysis; Logical Framework; and public expenditure tracking surveys. **NOTE:** client satisfaction is an important area of measurement that is often left out of monitoring and evaluation systems.

It is important to remember that the measurement system should be integral to the design and implementation of the capacity development initiative from the start. This can help to foster both effective use of the theory of change and reflective learning practices.

Introduction

Measuring is usually determined in two different ways: monitoring, which is the ongoing measurement of an intervention process in action as it happens; and evaluation, which is a periodic review, usually covering a broader range of criteria than everyday monitoring processes.

In order to set up an effective capacity measurement system, for any level or context, it is necessary to have some other things in place, namely: a clearly articulated framework for defining capacity; a definition of the starting point; a vision of where the process is trying to get to; a theory of change that guides intervention planning; indicators for key points in the process; and criteria to provide a framework for measurement.

Who needs to be involved in measurement and how?

All capacity development processes have many stakeholders. Some organisations and individuals will be involved from start to finish, others will only participate in part of the process. This means that there is a constantly changing group who need to understand what is happening and whose interests need to be accommodated. Target participants, implementing agencies, government institutions, the public, civil society and donors may all have different ideas about what capacity is needed and how it can or should be developed. While it may not be appropriate or possible to respond to all expressed needs and interests, wherever possible the system used should incorporate steps and tools that involve the key stakeholders as much as possible. **It is particularly important to guard against approaches that only answer the needs of only one type of stakeholder.** Measurements need to be meaningful to all actors identified as relevant to the process. This is especially important when working on long-term, incremental implementation approaches that can only be effective through multi-stakeholder engagement. If the assessments of progress made, challenges encountered, etc. do not have legitimacy in the eyes of all key stakeholders they are unlikely to engage with ongoing steps in the process.

Steps to involve key stakeholder groups appropriately include:

- Initial definition of current capacity and future capacity needs
- Identification of indicators
- Agreement about the measurement framework and tools to be applied, and how the different stakeholders will be involved
- Use of participatory tools when implementing the framework
- Feedback and discussion on measurement findings before they are finalised
- Regular consultation and reviews to ensure that both long-term and newer stakeholders are all kept up to date with the purpose, process and results of the measurement activities

Deciding what needs to be measured and the criteria for measurement

There is no single, universally agreed set of capacity development dimensions to include in a measurement system. As with all other aspects of capacity development, measurement dimensions need to be specific to the context. In order to be fully comprehensive, the measurement system needs to cover all the relevant levels, types of capacity, and the themes for application in any capacity development framework being used. It may not be necessary to pay attention to all components all the time but, if the measurement is to be holistic and meaningful, there should be a balanced approach that ensures that all relevant aspects of capacity are covered at one time or another. Taking a holistic approach is also more likely to answer the needs of multiple stakeholders. Some dimensions that can be considered when framing what needs to be measured are:

- The goal and objectives of the capacity development process
- Impact, outcomes and outputs, and the linkages between them
- Hard capacities (products, services, results) and soft capacities (learning, adaptation, relationships, etc.)

- Product and process of the capacity development intervention
- Competencies of individuals, collective capabilities of groups, and overall system capacity to achieve a development goal
- Perspectives of participants, providers, managers, donors, etc. and especially the customer perspective of service users
- Performance alone, or together with other capabilities as per the ECDPM model
- Pre-determined criteria AND openness to unexpected results

This last point is really important because the complex nature of capacity development in many contexts means that unexpected results, which can sometimes be more informative and interesting than what was expected, will always emerge.

Discussing which of these dimensions to include and or focus on when developing the measurement framework is a good way to surface the needs and understanding of different stakeholders and then bring them together to create a balanced approach to measurement. It is important to guard against too heavy a focus on hard capacity as it is now understood that such a focus can be detrimental to the development of holistic capacity. What matters is to focus on the aspects and dimensions of capacity that are worth measuring and for which either qualitative or quantitative evidence can be obtained.

Many models and frameworks use the OECD DAC monitoring and evaluation criteria as a way to structure how they approach measurement. This could be applied to capacity development as follows:

- Relevance of the capacity development intervention
- Effectiveness of the capacity development intervention
- Efficiency of the capacity development intervention
- Ownership of the capacity development intervention
- Impact of the capacity development intervention
- Sustainability of the capacity development intervention

Again, not all of these criteria will be relevant all the time, they should be considered as and when appropriate according to the stage of the implementation process.

Creating a measurement framework to fit the context

The components of capacity being considered and the stage of the capacity development process both need to be taken into consideration in order to organise the measurement process and tools and create a framework specific to the context. The framework needs to take account of what needs to be measured and the criteria for measurement, as discussed above, but that doesn't help to decide where to start. Thinking about an iterative approach can be useful, which means deciding where to start in terms of the overall theory of change then doing the details one step at a time. This way allows for more appropriate responses to what is emerging, and for taking account of any changing factors in the environment.

One way of choosing where to start is:

- **Inputs and outputs:** This approach starts with the activities and tries to track the effect and impact they created. The advantage of this approach is that it addresses issues of attribution, and covers the quality of the capacity building activities and interventions. Disadvantages are that it will tend to focus on specifics rather than cumulative interventions, and cannot easily be used to produce holistic measurement.
- **Outcomes:** This is the zoom in, zoom out approach to measurement. It takes a recognised change as the starting point then zooms in to see what might have caused the change, and zooms out to see what impact the change is having. The advantage of this approach is that it can embrace multiple capacity development initiatives and other factors relevant to change. The disadvantage is that it may not be possible to identify the effectiveness of specific activities.

- **Impact:** This method starts where there is identifiable change in terms of the development goal and then works backwards to see what has caused that change to happen. This method is helpful for technical capacity development, where there is an easily defined end-product. It is likely to show how improved capacity within different organisations can together contribute to wider changes at society or community levels.

It is not necessary to make either/or choices, because at different times and for measuring different aspects of the process, many methods will be relevant, individually or together.

Any framework created needs to be tested for relevance and practicality before it is put to extensive use, it should also be reviewed regularly to keep it up to date with developments in the overall process.

It is important to remember that the measurement system should be integral to the design and implementation of the capacity development initiative from the start. This can help to foster both effective use of the theory of change and reflective learning practices.

Some tools that can be used for measurement

- **Outcome mapping:** this approach looks at the network of players involved in a capacity development process over the long term and looks at the changes in their behaviour in terms of a spread of outcomes.
- **Stories of change:** working with stories is a good way to capture the experiences of participants in capacity development processes that are too complex to be measured in other ways. To avoid this approach being criticised as anecdotal it should be used in conjunction with other tools.
- **Most significant change:** is a system of recording and analysing changes that were not anticipated or predicted at the start of the intervention. As with stories of change the data from this method needs to be triangulated by other tools.
- **Case study:** a case study can provide a very rich, full and analytical assessment of capacity changes. The criteria for the study and analysis need to be clearly stated at the start. Case studies take time so this is not a tool that can be used for large measurement needs.
- **Random sampling:** Choosing a selection of individuals or organisations to be the subject of case studies can allow for extrapolation of findings to build up a more comprehensive picture of the full impact of a capacity development process.
- **Tracer study:** this is a longitudinal study that does regular measurement exercises, qualitative or quantitative, over time in order to be able to track progress against pre-determined criteria.
- **Ladder of change.** A hypothetical ladder is developed by key stakeholders, starting with a statement of the current situation on the middle rung. Statements of how the situation might get better or worse are put above and below on the ladder. The exercise is repeated regularly in order to provide comparative information about changes.
- **Client satisfaction:** there are many different ways to measure client satisfaction and how it changes over time – citizen report cards, client satisfaction surveys, focus group discussions, and so on.
- **Theory-Based Evaluation:** this is a process of examining all the factors identified in relation to the theory of change or capacity articulated as underpinning the intervention process. Depending on the theory in use, this approach has the benefit of being able to deal with complexity and of avoiding the cause and effect constraints of the Logical Framework approach.
- **Rapid Appraisal Methods:** activities such as individual interviews, focus group discussions, observation, mini-surveys, etc. can be used as quick and relatively low-cost ways to get information. These approaches will not provide comprehensive information unless triangulated.
- **Logical Framework:** standard practices for planning applied to capacity development activities. This approach has many critics as being too dependent on cause and effect logic

and too constrained by project timeframes, neither of which are always appropriate for capacity issues.

- **Cost-Benefit and Cost-Effectiveness Analysis:** these tools can be used to assess whether or not activities and resources used for a capacity development process can be justified by the results. The danger with these tools for capacity development is that they measure everything in monetary values.
- **Public Expenditure Tracking Surveys:** these surveys track the flow of public funds and the extent to which resources reach target groups. This type of survey is helpful for capacity measurement at institutional level, but again can constrain measurement to monetary considerations.

When selecting tools the important things to remember are that:

- All tools should be adapted to local context and needs
- All tools have advantages and disadvantages for different contexts, which should be taken into consideration before they are put into use
- A mix is needed to cover all the different measurement requirements and different tools will be needed at different stages in the process

This section is drawn from the following resources

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How to develop M&E processes that foster learning

Summary and helpful tools

Monitoring and evaluation (M&E) processes can be among the most effective ways to foster learning for sustainable capacity development. Yet, even though there are now many innovative approaches that recognise the importance of learning in M&E, there has yet to be a significant paradigm shift towards adopting these new approaches for all capacity development initiatives.

The many good reasons to integrate learning into M&E of capacity development initiatives include: improving the capacity development process as well as recognising results; making the management of the capacity development more adaptive and responsive; being more inclusive and working to bring beneficiary and participant perspectives into consideration; contributing to organisational development and management capacity development; promoting active use of theories of capacity, its development, and change, all of which improve the quality of design and implementation of capacity development processes; using errors or failures as learning opportunities, rather than as something to be hidden or falsified; and promoting an evaluative culture in which enhanced learning, multiple accountabilities, transparency and organisational understanding of change and impact become the norm.

Some of the common characteristics of effective learning approaches to M&E are:

- Holding central the understanding that continual learning is essential for sustainable capacity change.
- Involving multiple stakeholder groups in ways that balance their interests and priorities, including accountability to participants and beneficiaries.
- Combining methods that generate both quantitative and qualitative data, which together lead to more comprehensive understanding.
- Using iterative, continual reflective feedback approaches to determine what is happening in the capacity development process and why it is happening.

However, there are some challenges to overcome when trying to integrate learning as a fundamental purpose when M&E systems are being developed. The history of M&E for donor accountability has established a culture of donor ownership of M&E and it can take time to negotiate an approach that has elements that are helpful for all stakeholders and in which all accept the validity of what others need from the system. There is still no easy way to resolve the inherent tension of trying to work with both accountability and learning in M&E processes at the same time. Additionally, as yet there are no well established and universally accepted mechanisms to bring learning from M&E of implementation into other arenas such as policy making or academic study.

There are several helpful tools available to work with learning and capturing qualitative information in M&E systems and some can be used both for qualitative and quantitative data, so they do not exclude accountability needs. Some M&E tools and processes can be capacity development tools in their own right, especially:

- **Establishing learning objectives at the start of the capacity development process**
- **Integrating the action-reflection-learning-planning cycle into implementation activities**
- **Using action research** as a reflection tool to answer the question 'How can I/we improve my work?'
- **Asking why?** In any circumstance asking not only what happened, but why it happened will contribute a lot to generating learning from both ongoing and periodic review processes.

Introduction

Monitoring and evaluation (M&E) processes can be among the most effective ways to foster learning for sustainable capacity development. Unfortunately, because in the past M&E has most usually framed and designed by the need for accountability learning has not been established as a primary focus of M&E systems. It is now recognised that the intended beneficiaries are often the most neglected stakeholder group because of the predominantly upward focus of accountability. This history of M&E meant that the approaches and tools used for accountability, which were often quantitative rather than qualitative, became the starting point for developing M&E processes for capacity development. While there are now many innovative approaches that recognise the importance of learning in M&E, there has yet to be a significant paradigm shift towards adopting these new approaches for all capacity development initiatives.

Benefits of learning approaches that foster M&E

There are many good reasons to integrate learning into M&E of capacity development initiatives. Some of the most frequently cited benefits are that learning approaches:

- Focus on getting the process right in addition to recognising the results. Given the long-term and complex nature of many capacity development initiatives the process orientation is necessary because it is important to know not only that something happened, but also why it happened. Generating this information and understanding creates a body of evidence about what works and what doesn't work in any given context.
- Foster a broad learning approach to implementation that is helpful for adaptive and responsive management to guide improvement of the process, including planning more relevant and realistic next steps. This is especially important when working in complex systems, because using learning to guide implementation is more important than measuring outputs and outcomes that may not accurately reflect the total complexity of the situation.
- Tend to be more inclusive and can work well to bring beneficiary and participant perspectives into consideration, thereby leading to more comprehensive, relevant and deeper understanding, which in turn contributes towards achieving sustainable change.
- Enable understanding of what is happening by drawing on the realities of experience.
- Contribute to organisational development and management capacity building through the promotion of self-assessment, feedback, reflection and internal and external dialogue.
- Promote active use of theories of capacity, its development and of change, all of which improve the quality of design and implementation of capacity development processes.
- Use errors or failures as learning opportunities, rather than treating them as something to be hidden or falsified.
- Have proven benefits as incentives and for building confidence of participants
- Lead to enhanced understanding of context including the socio-political, cultural and power factors in the environment
- Promote multi-way and multi-level learning among stakeholder groups.
- Promote an evaluative culture in which enhanced learning, multiple accountabilities, transparency and organisational understanding of change and impact become the norm.

Characteristics of effective learning approaches to M&E

Studies have shown that there are some common characteristics among the effective learning approaches to M&E, namely they:

- Hold central the understanding that continual learning is essential for sustainable capacity change.
- Involve multiple stakeholder groups and balance their interests and priorities, including assuming that accountability to participants and beneficiaries is equally as important as accountability to the donors. The questions to be answered and the methods used are therefore based on multiple needs including the need to demystify methods so that everyone

can participate and have a voice. If structured and conducted appropriately self-assessment processes contribute significantly to the overall success of any capacity development initiative.

- Combine methods to generate both quantitative and qualitative data, which leads to more comprehensive understanding. For example, the type of information that is best obtained through stories, case studies or other creative means significantly enriches, broadens, deepens and sometimes explains any data that has been gathered against predetermined indicators.
- Work with all key internal and external actors to establish dialogue about the linkages between capacity development activities and what they lead to in ways that promote understanding of all the factors that are relevant.
- Use iterative, continual reflective feedback approaches to determine what is happening in the capacity development process and why it is happening. This allows for internal recognition of challenges, successes and priorities as they emerge. Having this information available to help drive the process enhances both the quality of the capacity development practice and ownership of the capacity development process.
- Become capacity development tools in their own right because of the emphasis on collaborative analysis and decision-making and recognition of what has been learned.

Challenges

Despite all the advantages there are a number of challenges to overcome when developing an M&E system with learning as one of its fundamental purposes.

- There is often an inherent tension when trying to work with both accountability and learning in M&E processes at the same time. Most notable is that the accountability focus on measurement of results can make implementers risk averse and unwilling to admit to problems, whereas a learning focus holds problems as a rich source of invaluable learning that can help to improve future implementation and practice. There is also the syndrome of 'regressive' learning in which implementers learn what is needed to fulfil donor requirements, and ignore all other learning opportunities arising from the work.
- The history of M&E for donor accountability has established a culture of donor ownership of M&E. Letting go of old methods and controls in order to change that culture to establish another that holds multi-stakeholder learning central to M&E will take time and might be very difficult for some stakeholders to manage.
- There are political dimensions to the choices about the purpose of M&E and how it should be conducted. It can take time to negotiate an approach that has elements that are helpful for all stakeholders. There is a fundamental challenge in getting different stakeholder groups to accept the validity of what others might want from M&E. Those who need hard facts and figures to show that money has been well spent may not readily see the use of a story that explains how someone is now doing something differently. Similarly a person whose life has changed as the result of an intervention might not even know what an Excel spread sheet is, let alone value the information it holds.
- Bringing learning from M&E of implementation into other arenas such as policy making or academic study calls for multiple horizontal and vertical learning loops that have a very different nature and purpose to the predominantly vertical structures in which most M&E systems for accountability operate. While some initiatives are already established it is going to take time for their benefits to spread and be universally accepted.

A selection of tools

The list below shows some of the tools that are currently in use for working with learning and capturing qualitative information in M&E systems. Note that some of these tools can be used for both qualitative and quantitative data, so they do not exclude accountability needs, but rather work with both together. The first four in the list are all very effective approaches that can be integrated into any capacity development process and M&E systems.

- **Establish learning objectives:** The most effective way for to ensure that learning is integral to M&E processes is to integrate learning into the design of the capacity development process. This can be done by developing indicators and objectives about the learning necessary for capacity to be developed and sustained i.e. focusing on what needs to be learned in order to create the product rather than on the product itself. For example a disaster management department needs constant and up to date information about relevant factors in the regional environment. Rather than setting an objective about the product needed, e.g. “By the end of X, the management of the disaster planning department will have an analysis of the regional environment”, a learning focus would set an objective about the learning skills needed, for example: “By the end of X, the management of the disaster planning department will be able continuously to scan and analyse the regional environment.”
- **Action reflection learning planning cycle:** this was developed to overcome the frequently observed problem of activities leading straight to the planning of more activities without any time taken to reflect on and learn from those already completed. It is a simple but very effective monitoring tool for structuring reflection and learning processes.
- **Action research:** Action research is a learning and change methodology now in use in many different disciplines where professional development is needed, especially education and health. It is a tool for learning by reflection and at its simplest action research starts with the question ‘*How can I/we improve my work?*’ Action research can be conducted by individuals and groups.
- **Ask why?** Even in an M&E system without a learning focus, or it integrate learning into accountability mechanisms a very simple and easily applied approach is to work with the question ‘Why?’ In addition to noting what has happened, evaluators and participants in routine monitoring activities can keep asking questions like ‘*Why was this activity effective?*’, ‘*Why did this intervention not achieve the expected results?*’ or ‘*Why was this intervention more successful with group A than with group B?*’ The answers to such questions will contribute a lot to generating learning from both ongoing and periodic review processes.

Other tools in current use are:

- 360 degree audits
- Appreciative inquiry: this is about searching for the best in people and their organisations. It approaches problem solving and future planning from a positive, ‘what if the best happened?’ perspective, rather than by analysing problems and their causes
- Benchmarking against well-defined indicators
- Customer satisfaction surveys
- Empowerment evaluations
- Most Significant Change: can be used to capture change that has happened during the capacity development initiative, but not directly intended or related to the initiatives goals, and then understand the linkages and causal factors.
- Organisational processes: including strategies; strategic plans; annual plans and budgets; strategic reviews; peer reviews; organisational climate reviews; annual participatory review and reflection (self-assessment); processes; annual; reports; internal governance annual review; external and internal audits; and open information policy.
- Individual performance management processes: appraisals; coaching, mentoring and supervision Organizational self assessments and action plans
- Outcome mapping
- Story telling (can be particularly useful as it allows all participants to recognise their part in larger change processes)
- Use of evidence in relation to best practice standards

This section has been compiled using the following resources

Hovland, I., *Knowledge Management and Organisational Learning: An International Development Perspective: An Annotated Bibliography* (2003) ODI Working Paper 224.
<http://www.odi.org.uk/resources/download/143.pdf>

ODI. *Evaluating humanitarian action using the OECD-DAC criteria: An ALNAP guide for humanitarian agencies* (2006) Active Learning Network for Accountability and Performance in Humanitarian Action,
<http://www.odi.org.uk/resources/details.asp?id=1632&title=evaluating-humanitarian-action-using-oecd-dac-criteria>

Pearson, J. "Integrating learning into organisational capacity development of Cambodian NGOs: lessons learned from the ICCO Partners Project", forthcoming article in *Development in Practice*

Ramalingam, B. *Learning how to learn: eight lessons for impact evaluations that make a difference* (2011) ODI Background Note, <http://www.odi.org.uk/resources/download/5716.pdf>

Taylor, P and A. Ortiz. *IDRC Strategic Evaluation of Capacity Development*, "Doing things better? How capacity development results help bring about change" (2008), http://www.idrc.org/en/ev-133669-201-1-DO_TOPIC.html

Watson, D. *Monitoring and evaluation of capacity and capacity development*. (Discussion Paper 58B). Maastricht: ECDPM, <http://www.ecdpm.org/dp58B>