

Managing for Capacity Results

A paper for the
Cairo Workshop on Capacity Development

March 28-29, 2011

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Produced at the request of
the Development Cooperation Directorate of the OECD, Paris
in collaboration with the
Learning Network on Capacity Development (LenCD)

Acknowledgements

This paper would not have been completed without the support of a large group of people. Thomas Theisohn, the Coordinator of LenCD, brought his clear vision of what was needed to stimulate discussion on the topic of capacity results. Tony Land of Botswana supported the writing with his incisive analytical skills. And Jim Hradsky, the Senior Coordinator, Capacity Development at the OECD, provided his usual sound advice on policy issues.

Many other people contributed their time and energy to making comments on earlier versions of the text (see the list in Annex 2). I have tried to pull these together to provide some directions for the future, despite considerable diversity and sometimes contradiction among comments made. Space did not allow me to reflect all of the comments in the paper but those not included will be considered in future work on the topic of capacity results.

Despite all this good advice, I alone take responsibility for any errors or omissions in the text.

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1. Purpose and Background

The increasing recognition of the crucial contribution that capacity makes to sustainable development as well as its importance as a fundamental objective of aid suggests that those developing countries and their partners who are committed to managing for development results (MfDR) need to find ways to effectively manage for capacity results. This paper explores some of those ways. For the purposes of this paper, “managing for capacity results” refers to defining, implementing, monitoring and evaluating and adjusting capacity development efforts to effectively support sustainable development.

The paper builds on the following observations:

- Developing countries and their partners are jointly committed to improve development and aid effectiveness through MfDR (see the box below).
- Partner countries need strengthened human resources, organizations and institutions¹ to deliver more effectively the services needed both to achieve the Millennium Development Goals (MDGs) and to strengthen the state more generally.

Managing for Development Results (MfDR)

Managing for development results means managing and implementing aid in a way that focuses on the desired results and information to improve decision-making. With a focus on building a stronger performance culture, MfDR is designed to guide the allocation of resources by shifting the emphasis from inputs (“how much money will I get?”) to measurable and concrete results (“what can I achieve with the money?”). MfDR is increasingly widely applied, often in the form of results-based management (RBM), with partner countries and donors alike voicing their commitment to its results-driven mindset.

Based on the Paris Declaration, the website for MfDR: <http://www.mfdr.org/1About.html> and OECD 2008 *Managing for Development Results: Information Sheet*. Paris: OECD, DAC.

- Improved human, organizational and institutional capacity is a key enabler of the kinds of sustainable results being sought through MfDR and thus needs to be included as an integral part of any managing for results framework.
- There are inherent difficulties in “measuring” less visible though often substantive capacity results - the “soft”, human or relational aspects of capacity - that need to be

¹ The term *institutions* refers to the structures, norms and rules of behavior, both formal and informal, that shape social order.

recognized. Also the longer-term nature of CD processes poses a challenge to results frameworks conceived for shorter time-frames.

- MfDR approaches as currently practiced in the "development mainstream" run the risk of being applied in ways that are not conducive to CD and at worst may undermine the very processes being supported, by bringing into play distorting pressures and incentives.
- Many organizations have been addressing these challenges and there are important lessons to draw. Many approaches and methods for managing capacity results used in diverse contexts offer promising avenues which can be brought into the mainstream of MfDR practices.

This paper builds on a literature review and consultations focused on three main questions:

- What approaches do organizations currently use for defining, monitoring and evaluating capacity and capacity development?
- What challenges do organizations face in using these approaches? How have they tried to tackle these challenges?
- What other promising approaches for defining and measuring or assessing the results of capacity development work exist?

The paper is written as an input to the Cairo meeting on capacity development and is directed to non-specialists. The intention is to articulate promising practices that can be further developed and used more widely and to suggest which challenges need to be addressed in doing so.

2. The Challenge

As the President of Rwanda, Paul Kagame, recently noted, capacity or “the ability to get things done” goes beyond formal qualifications and technical skills development to include the cultivation of invisible or “soft” attributes such as the ability to drive change and to build processes, organizations, and institutions which can deliver public services over the long term².

Yet, many developing countries and their partners find it challenging to get recognition for such results and the fact that they underpin “hard “or visible development outcomes and their sustainability. This makes it difficult to change approaches to program design and implementation (including how results are defined) so as to provide the flexibility needed for developing “soft” kinds of capacity, especially in complex and changing contexts.

² President Paul Kagame, address to the gala dinner to celebrate the 20th anniversary of the African Capacity Building Foundation, Kigali, February 8, 2011.

Other problems cited in recent literature with current approaches to results management as they apply to capacity development include³:

- They encourage the delivery of short-term, predictable and visible results rather than the longer term often less tangible and more unpredictable changes associated with organizational capacity development as reflected in process and system-related capacity. This can create an illusion of certainty and smart investment that does not play out in reality;
- They discourage risk taking and experimentation which are often critical to any learning process, and are less accommodating of emergent demands and needs that may arise during the course of implementation;
- They encourage an approach to measurement that privileges the collection of easily quantifiable data that is more amenable to aggregation by comparison with less visible qualitative data that is more difficult to roll up at higher levels; and

In terms of donor-funded activities, some additional problems with many current approaches to defining and measuring capacity results include:

- The drive to identify tangible results pushes aside analysis of the broader context and ‘difficult’ issues, like power and political will, that can have a major impact on implementation and results.
- The paperwork obligations of many current approaches to results and especially to their monitoring and evaluation tend to crowd out the time available for staff in both developing countries and their partners to build relationships, understand the context and adapt implementation of programs accordingly.
- Methods based on prediction and control of results with emphasis on measurement tend to steer capacity development activities towards the delivery of discrete outputs, rather than functions such as mentoring, building consensus, and increasing multi-stakeholder engagement for which clear indicators of progress are more difficult to define. When it comes to the aid relationship, this often results in tasks being taken over by technical assistance personnel, either national or international, and can undermine permanent staff. It

³ These issues have been highlighted in many international discussions on capacity development and are raised again in the *Perspectives Notes* recently prepared for the *Cairo Workshop on Capacity Development: from Concepts to Implementation* scheduled for March 28-29 2011. These Notes reflect on the specific commitments of the Paris Declaration and the Accra Agenda for Action in five priority areas: the enabling environment, sector strategies and country systems, fragile situations, technical co-operation and civil society actors.

also encourages activities outside country systems where donors can better control results, thus undermining local ownership.

- Within aid organizations, these methods seem to have encouraged more funding for oversight and less for implementation of activities. This in turn leads to more decisions based on fast disbursement rates, timely reporting, and good records rather than on the sustainable impact of activities which in many cases depends on improvements in capacity.
- By focusing predominantly on measurement of concrete and visible changes, current approaches to managing for results discourage learning about the relationships between different groups, organizations, and networks. It is, however, by understanding such relationships and changes in them that we are able to scale up and to replicate development interventions.

3. Promising Approaches

The search for workable approaches that avoid some or all of the problems identified above is well underway. Many organizations have been experimenting, some for years, with new approaches. Some are general analytical frameworks for assessing development issues but which can be applied to capacity and capacity development, whereas others are specifically designed for capacity issues. Some are based on linear⁴ approaches, others depend more on interrelationships and emergence⁵. Some are well established with accompanying tools and years of experience, others are less developed. Many still remain outside the mainstream of results, assessment, and monitoring and evaluation frameworks.

We present below approaches that fall into three groups: first, approaches which provide an overall methodology for addressing capacity development, second, approaches that particularly address one or more of the “soft “dimensions of capacity and third, approaches that address one or more aspects of how capacity development activities are carried out. This paper does not aim to do justice to these frameworks by describing them in depth. However, additional documentation on each will be put on the LenCD website. The first group includes approaches which help to assess changes in capacity at various stages of an activity. A good number of organizations already draw on these approaches and the examples presented are only illustrative.

⁴ Linear approaches have definable and predictable links between inputs and outputs whereas non-linear ones may produce change that is disproportionate to the inputs made and less unpredictable.

⁵ Emergence is a key concept in complexity theory and is the result of the interaction among interconnected and interdependent elements affected by feedback from other, often on-going events. In complex contexts, relationships are frequently nonlinear, that is, when change occurs, it is frequently disproportionate and unpredictable. Jones, 2011 (draft), *Building a toolkit for complexity: principles and priorities for governance and policy-making*. London: ODI. page 8.

- **Action research** provides a method of progressive problem solving led by individuals working with others in teams. It can be used to help build consensus around capacity issues in an iterative process. *IDS*, for example, uses action-research to understand and promote capacity development for emancipatory social change where social justice values are the driving processes. It is led by practitioners directly involved and expects them to reflect on the process – What are the capacities? How do they develop? How are they supported? etc.
- **Complexity-based approaches** help participants understand better the unpredictable processes associated with complexity when the goal is unclear and the means not yet determined. The *ODI Toolkit fit for complexity* attempts to fill the toolkit gap specifically for governance and policy making. The three main issues addressed – Where? When? and How? – are, however, applicable to many capacity problems. The principle applied is *that there is not just one ‘scientific approach’ to tackling problems*⁶. This toolkit is part of an extensive stream of work done by ODI on complexity theory.
- **Developmental Evaluation** supports the process of continuous development and adaptation for innovation such as capacity using a combination of monitoring and conventional evaluation. *The McConnell Foundation’s DE20: A Practitioner’s Guide to Developmental Evaluation* outlines a process of asking evaluative questions and applying evaluation logic to support program, product, staff and/or organizational development. The primary focus is on adaptive learning rather than accountability to an external authority. The purpose is to provide real-time feedback and generate learning to inform development.
- Approaches that focus on **locally-driven processes** aim to rebalance the predominant emphasis in M&E on accountability with more attention to learning and adaptive management as critical processes for CD. The *WBI Capacity Development and Results Framework* integrates M&E at all stages of CD programming to promote learning and adaptive management for sustainable institutional change. It also provides a typology of learning outcomes to guide the design of capacity development programs and to capture the more immediate results of program activities, as well as a typology of higher level institutional capacity outcomes.
- **Plausible linkages** provide an alternative to attribution as a means of showing accountability for activities that contribute to results of a long-term nature based on multi-stakeholder contributions, such as many capacity development processes. *The Dutch Ministry of Foreign Affairs* evaluation group uses this to build a case for the linkages between activities financed and capacity results that is “beyond reasonable doubt” while demanding a level of proof that is less stringent than pure attribution.

⁶ ODI draft 2011p 6-7.

- **Simple evaluations in limited time periods** provide a quick assessment of the activities of an organization in the face of severe time and resource constraints. The objective is often to allow flexible adjustments to activities in support of CD. *INTRAC's 'quick and dirty' evaluation* focused on these key questions which cover both “hard” and “soft” issues and could apply to capacity interventions: What has changed? To what extent can these changes be plausibly associated with the different change interventions? How have the impact of these changes been felt at beneficiary levels? Has this investment been cost effective? What were the key success factors and constraints?
- **Story telling** helps make connections between different events and situations, for example, by showing how capacity development takes place in space and time rather than through indicators alone. *Most Significant Change* involves collecting change stories from the field level and the selection of the most significant by panels of designated stakeholders or staff of organizations responsible for the M&E process⁷. *SenseMaker* is another way of collecting, analyzing, debating and sharing stories. It is well suited to situations with great diversity of possible outcomes and perspectives that need to be compared and contrasted.
- **Strength-based or asset assessment approaches** provide an alternative to deficit or problem-based approaches which can be demoralizing. The philosophy is that if people, groups and organizations can better understand their context constructively and what they have as assets, they will have both a more positive focus for the future⁸ and more willingness to participate in activities that build their capacities. *Appreciative Inquiry*, for example, is a 4-stage process to identify what works well and why; envision what is desired for the future; plan and prioritize what would work well; and define an implementation strategy.
- Processes which **unpack the elements of capacity** provide more precision about what is often seen as a vague term. *Capacity Development: A UNDP Primer* asks questions such as: To what end do we need to develop capacity? Whose capacities need to be developed? What kind of capacities need to be developed? The UNDP framework distinguishes five functional capacities as central to determining development outcomes: engaging stakeholders; assessing a situation and defining a vision; formulating policies and strategies; budgeting, managing and implementing; and evaluating⁹.

With respect to the second group of approaches, many organizations are incorporating the **soft aspects of capacity**, as the examples below show.

- *IDRC's Outcome Mapping* is a methodology for planning, monitoring and evaluating development initiatives comprised of three stages - intentional design, outcome and

⁷ Davies and Dart 2005 p 8 and 10

⁸ DAC 2009a.

⁹ UNDP 2009.

performance monitoring, and evaluation planning. . It offers tools to better understand the processes of change and to improve effectiveness in achieving results. OM tracks changes at the outcome level in **behaviour, relationships, activities, or actions of the people, groups and organizations** with which a program works directly. This is a shift from assessing the products of a program (policy relevance, poverty alleviation) as in most organizations.

- ACBF's *Africa Capacity Building Indicators 2011: Capacity Development in Fragile States*. The point of the index is to measure all the relevant factors that make a successful and thriving society. It provides a common denominator for all countries that serves as a starting point for capacity development and for tracking progress over time. It also covers **historical, political and socio-economic factors** which have contributed to current fragility. The report's premise is that it is not enough to assess the capacity needs of fragile/post conflict countries in terms of traditional quantifiable benchmarks.
- *WBI's Capacity Development and Results Framework* focuses capacity development on bringing about sustainable **institutional changes** that are necessary for achievement of development program goals. It suggests knowledge and learning initiatives that improve skills, know-how and relationships (such as coalitions and networks). These in turn empower domestic agents to bring about change. The emphasis is on participatory and results-oriented institutional diagnostics and development of change strategies by domestic stakeholders.
- *WBI's approach of Connecting Globally, Catalyzing Locally* seeks to empower and connect leaders and coalitions of state and non-state actors. This includes the *Global Leadership Initiative* and *Collaborative Leadership for Development Impact Program* which aim to understand how **leadership** brings about change. The research finds that leadership is more about groups than individuals, given that there are likely to be multiple people exercising leadership at different levels in any successful change event. Leaders are identified because of their functional contribution to change more than **their personal traits or authority**¹⁰. Leadership interventions should focus on creating change space rather than creating leaders as an end. This space is critical for capacity development.
- *The EC's Institutional Assessment and Capacity Development: Why, What, and How*, mainly focuses on capacity development in public sector areas. It recommends that interventions focus not only on technical/operational functions, but also on **political features** – both inside (internal factors) and outside (external factors) the organizations or group of organizations under analysis.
- The *Keystone NGO Partner Survey 2010* recognizes the importance of building and maintaining key relationships both to carry out programs and to ensure organizational

¹⁰ Andrew et al 210. p 3.

survival. **Relationship building** is thus one element of building capacity. The survey of over 1000 Southern partners rated the American and European international NGOs that worked with them on several aspects of relationships, including providing support on time, flexibility of support, discussing the INGOs' strategy and plans, and understanding the partner's strategy and context.

- *NEPAD's Capacity Development Strategic Framework* offers a lens identifying and addressing systemic and individual capacity challenges. It calls for a paradigm shift in capacity development to emphasize the need to capitalize on African **resourcefulness** and solution and impact-based innovation. Six strategic cornerstones are critical: leadership transformation, citizen transformation, utilizing African potentials, skills and resources for development, capacity of capacity builders, integrated approaches and continuous improvement processes and knowledge-based and innovation-driven processes.
- *ECDPM's framework for capacity* uses the following concepts to describe the generally **'soft' abilities and attributes that actors require** to deliver the mandate of an organization:
 - Individual competencies – the skills, abilities and motivations of human beings, especially leaders;
 - Collective capabilities (or the 5capabilities: the 5Cs) – the skills and aptitudes that allow a group or organization to do something and sustain itself; and
 - System capacity – the overall ability of a system to perform and make a contribution. Overall capacity emerges from the interrelationships among competencies, capabilities and the context.
- *UNDP's Defining and Measuring Capacity Development Results* aims to provide an understanding of national institutional capacity that goes beyond performance to include key elements essential to **sustainability**. The framework focuses on two levels of results: 1) outcomes as measured by the change in the institutional ability to perform efficiently and effectively and 2) outputs or the products produced. UNDP concentrates on 4 CD strategies: institutional development, leadership, knowledge and accountability. At the outcome level, soft issues such as **stability and adaptability** combine with performance as indicators of the capacity of the institution.

The third group of approaches focuses on how activities are carried out. The following list provides some examples of innovations in this area.

- *HIVA's¹¹ self-assessment tool called the spider web* recognizes the power of capacity development activities that are fully integrated with ongoing organizational activities and processes and lead to **implicit learning**. These could include asking a Southern organization

¹¹ The Research Institute for Work and Society (HIVA) of the Catholic University of Leuven, Belgium

to document and share their experiences in a certain area or joint working with a Southern organization on a challenging project activity. They compare with ‘add-ons’ such as training, communities of practice, and intranets

- At the heart of the *‘managing for impact’ approach of Wageningen University* are people. This compares with conventional approaches to M&E which often involves a series of steps for accountability purposes. The idea is that all those involved in a development initiative – communities, implementers, managers and donors – must be part of a **learning alliance** that seeks to achieve the greatest possible positive impact. Using a base of complexity theory, it focuses on four interlinked tasks: guiding the strategy, ensuring effective operations, creating a learning environment, and establishing information gathering and management mechanisms
- The *Danish Development Cooperation’s Addressing Capacity Development* sees context as the starting point for considering capacity development interventions. The paper stresses operational concepts such as **change readiness and change management capacity** which are deemed to be as important as capacity assessments and CD plans. At the identification stage, the focus of attention is on three issues: 1) context factors that are enabling or constraining, 2) the wider arena of external and internal stakeholders that would support and resist change, and 3) the capacity to manage change and change processes.
- Keystone Accountability uses a variety of methods to improve **downward accountability** by providing a constituency voice in performance management. *The Keystone NGO Survey 2010* used bottom up participation and **performance management** data to generate actionable data about how well 25 international NGOs have supported over 1000 of their Southern partners. **The feedback upwards** from country partners to international donors was provided in a way that helps create incentives for developing programs to **better match recipients’** priorities. The process helps to empower the Southern partners and build their organizational capacity.
- *SNV*¹²’s whole program process from planning via monitoring through learning is a **participatory** one. Its *Standards for Managing Results* provide for collective planning, monitoring and evaluation (PME) which helps to put them into action. Regular monitoring and reflection by SNV and country partners encourages active learning and provides input for adapting and further developing capacity development interventions. Financial support from an increasing variety of donors and active in over 30 countries ensure that SNV standards are responsive to diverse PME needs and contexts.
- *AusAID* is taking a **process approach** to some programming which implies more attention to the “how” of their activities than the what. Staff help to shape the process, there is more

¹² The Netherlands Development Organization. SNV’s largest donor is the Dutch Ministry of Foreign Affairs.

reliance on social learning and experimentation than prescription and intentionality, and strategy development and operational action, are linked. AusAID tries to consciously adapt to and proactively engage in existing change processes, either internally or externally driven, rather than trying to start new ones.

- Over the past 4 decades, technical assistance has been much criticized. One of the areas of concern has been that advisers have often lacked the qualifications and experience to train and mentor country partners. GTZ (now GIZ) has tried to address this through 2 activities. The first is a **quality management system** for advisors and consultants who are obliged to undergo a training program and be certified before being posted abroad. The second is *Capacity Works* which provides a **framework for the change management projects and programs** in which many advisers are placed. Amongst its five success factors is a focus on learning capacity.
- Starting from the context means turning around the process of identification and planning of activities to build on what is feasible rather than working from normative views of priorities and measurements of the perceived gap between a desired state of affairs and the current capacity. *JICA* has recognized the importance of finding such **openings and opportunities** for making a difference. Identifying the time and space for learning - ‘Ba’ in Japanese¹³ - then become more important than trying to implement a set of activities in a predetermined sequence. Readiness for change on the part of the organization is critical for success.
- Achieving short-term results can sometimes lead to long-term transformational change and achieving short-term results and building capacity for long-term change can be mutually reinforcing. The *rapid results approach*, supported by the World Bank Institute and others, addresses how to stimulate and sustain this ‘**virtuous” cycle of results achievement and capacity development**. It starts with an understanding of where developing countries are in their process of transformational change and helps them to break reform agendas into 100-day blocks. These blocks help stakeholders manage long-term processes and provide positive feedback, though mainstreaming the effort can prove challenging.

A more complete mapping and analysis of promising approaches would need to be part of a future effort to encourage more innovations in the area of capacity development.

¹³ Hosono et al 2010 p 6.

4. Ways forward: Issues to be addressed

Those consulted during the preparation of this paper generally saw progress in capturing and appreciating capacity changes and pointed to the approaches noted above¹⁴. At the same time they identified several important challenges that need to be addressed.

Before getting into these, it is useful to note that defining results is a political process although it is often seen as a technical one. The definition of results involves answering questions such as:

- Are the results sought largely tangible or intangible?
- Are the results largely expected in the short long-term?
- Is the emphasis in M&E to be on accountability or learning for change management? and
- Is the accountability to external sources (upwards or exogenous) or to domestic audiences (downwards or endogenous)?

Many of the various methods described in section 3 had a clear answer to these questions, an answer that reflects political or policy choices of the organizations using them. The technical tools and methodologies are means of implementing the choices made. All choices have their advantages and disadvantages and managers often find it challenging to come up with the balance among them that will satisfy diverse stakeholders. Both the nature of the program and the extent of external involvement affect choices.

Within this context, the consultations have identified the following issues to be addressed to ensure that capacity results are better taken into account in aid programs:

- **Creating more awareness of the importance of the “soft” aspects of capacity and providing evidence that they really do matter to visible development outcomes**

Politicians in both the North and the South need to be able to attribute socio-economic progress to the development activities funded by public funds. As the box below illustrates, attribution is possible only in a few limited conditions where the linear relationship is clear. This is rarely the case for capacity development which is influenced by many factors. The onus is thus on the development community to develop methodologies which show capacity results in a meaningful way and which are suitable for a variety of different audiences. This requires the building of **awareness of the link between the “soft” intermediary or process results to be expected**

¹⁴ One respondent suggested that capacity development should be replaced with ‘cash-on-delivery’ aid, an idea which was endorsed in the United Kingdom Green Paper on Development released prior to the election in the fall of 2010. Cash on delivery aid is paid only when pre-defined results have been achieved – say, 20 dollars for each child who completes primary school. (from ODI blog <https://www.devex.com/en/articles>.) This approach, however, focuses on product delivery rather than the process of developing the capacity needed to produce such results. Both it and CD have their places.

from much CD work such as motivation, cooperation, and leadership and **“hard” development or product delivery outcomes.**

Because the process issues are less tangible, they appear to represent more risk. Yet lack of attention to process issues puts in jeopardy sustainability goals. The choice is thus between activities which may seem risky in the short-term but offer prospects for greater gain in the longer term and those which appear risk free in the short run but with the real potential for wasting large sums of money over the medium to longer term. How can we provide politicians with the grounds to go with the needed uncertainty in the short-term? How can we convince them that it is an issue of value for money¹⁵?

Contribution Analysis and its Limitations

Contribution analysis tries to paint a credible picture about the attribution of a program. It is a useful method only when there is a reasoned theory of change for the program and when the activities foreseen were in fact implemented. Either the chain of expected results must have occurred and other factors shown not to have made a significant contribution or the contribution has to be acknowledged. The resulting association should be sufficiently credible that “a reasonable person, knowing what has occurred in the program and that the intended outcomes actually occurred, agrees that the program contributed to these outcomes”.

Based on Mayne 2008.

More evidence is required to show how solid approaches to capacity development can be effective. One way is to compare ‘hard’ and soft’ approaches to capacity development in a particular sector and the comparative costs involved with each. Such a comparison would need to capture issues such as process, context, and values. The outcomes of such an analysis would help politicians, policy makers and oversight organizations to better understand how the ‘soft’ approach could work.

Story-based approaches may have particular resonance for politicians in many developing country cultures which rely more on oral communication than do Western states.

- **Building agreement among stakeholders at country level on what capacity results are sought in any intervention and how best these can be achieved and actual progress be appreciated,**

While there is significant common ground within the capacity development community on what capacity is, there is little shared agreement in the broader development community. And within any given context, there is often little agreement or common understanding. There is nevertheless a general assumption that the best way to develop capacity is organization by organization.

¹⁵ Value for money is defined by ODI as determination to get the most impact for the money available.

Politicians use the term capacity development loosely and many organizations see it as an instrument towards an end such as training or technical assistance which allows donors to do something to other organizations, to generate capacity. Such use of the term contributes to the perception that the concept lacks operational clarity when in reality there have been significant advances in understanding what capacity is and how it develops.

This more advanced of capacity understanding is still largely at a policy level and needs to be applied to operations to allow a **more coherent and strategic approach**, for example, by agreeing among partners what change in capacity is desired and how they expect that change to unfold. This implies developing a **theory of change** which shows how activities are likely to contribute to capacity results and the assumptions on which those links are based. This would help to give the concept of capacity more precision and to change how organizations think about it. Some of the organizations which have successfully gone through such a process may be willing to help other organizations do so too.

It is important to ensure clarity on the process for coming to agreement on which activities are important and whose voice counts in that process. It seems evident that a common understanding is most critical where the action is, namely among stakeholders on the ground. Questions such as What change do citizens really want? Why do they want it? and How do they want it to happen? can be useful.

- **Exploring the potential of complexity-based approaches for capacity development**

During the consultations, there was considerable interest in **exploring the potential for using complexity-based approaches** to help define, monitor and evaluate capacity interventions of various sorts. Many people suggested that endogenous accountability could be better served by complexity-based approaches than by linear ones. Given that the balance of views was calling for more attention to this kind of accountability, **finding approaches that work** would seem to be a **priority**. Some of the methods noted above could be applied immediately, for example, it was suggested that the 5Cs be used to develop the outcome challenges and progress markers in Outcome Mapping. Showcasing the potential of some of the better developed complexity approaches by using them to review several successful and unsuccessful programs would also be useful. And finally, some piloting of less developed approaches would help to identify whether any of them justify further investment.

It was also suggested that there be some exploration of capacity as a holistic concept without using a pre-determined framework that breaks it down into parts or elements. This would be a reversal of conventional thinking, which tends to reduce everything to parts or to formulae and to treat the framework as more important than the reflection itself. The purpose would be to better understand what can be influence or support the development of holistic capacity.

- **Developing a better understanding of the contexts in which various methods for measuring or assessing capacity are most suitable**

Changing the way organizations think about capacity issues as discussed above is more important than developing a toolbox for defining and “measuring¹⁶” results. Nonetheless, **multiple approaches are needed** so that stakeholders can find the methodology which best suits the context. Acceptability and legitimacy of different methodologies are key. Do these partners trust that the methodology will produce relevant information and that the M&E will lead to a shared perspective on what has to change? How can M&E processes ensure that an assessment of the meaningfulness of results reflects perspectives from more than just a narrow part of an organization?

There is little objective analysis on the conditions under which most of the methodologies described above are appropriate. Respondents suggested that focused work is needed to identify the strengths and weaknesses of each..

- **Distinguishing among different types of capacity**

It is be important to draw out clearly **differences in the type of capacities** that are to be nurtured and identify how they can be monitored and measured. Some organizations are doing this, as the examples in section 3 illustrate (see UNDP, WBI, etc). This requires a more nuanced approach to defining what is required for successful capacity development and for an investment strategy. More precision may provide incentives to invest and it may also help to move the focus of attention from the sometimes narrow development of human competencies to the organizational goals to which individuals should be contributing.

Respondents warned that development programs should not neglect the maintenance and reinforcement of existing capacity which may be underutilized or even marginalized. This can be as important as creating new capacity. The need to build capacity that can continually build capacity for future demand also needs to be recognized and targeted. Here institutions of learning such as universities and other tertiary organizations are critical.

- **Giving accountability for capacity development the same attention as accountability for more tangible kinds of results**

As noted in section 2, accountability for concrete products tends to squeeze out accountability for capacity results. If capacity is to receive more prominence, this will have to change. One way to do this is to use the perspective of the organization rather than that of capacity development

¹⁶ “Measuring “ here refers to any kind of assessment, quantitative or qualitative.

activities. Questions might include: Has the organization achieved anything? Is it more capable? Have values and norms been strengthened? What changes have occurred? For whom?

To effectively support capacity development processes, it is also of critical importance that **internal accountability** for capacity development be stressed so as build local engagement and increase the legitimacy of the state. This issue has been well documented and resurfaces in many international meetings including the recent DAC meeting on donor business practices.

- **Ensure that monitoring and evaluation of capacity development programs gives more attention to their learning potential and to encouraging uptake for decision making,**

Being truly accountable depends on using the learning gleaned from one activity to produce better capacity results in future activities. More emphasis on learning is thus critical, with attention to at least three processes: practical improvements to activities, strategic adjustments and changes, and rethinking the core driving values of activities¹⁷. The challenges related to learning are not only related to **documenting lessons** but to **closing learning loops** in ways relevant to actual decision making and uptake in practice, planning and adjustment processes.

Although the importance of learning is recognized, it is not clear how to address it in the context of capacity and capacity development. How would M&E for learning differ from M&E for accountability? Are learning and accountability compatible in the same M&E process? If so, what kind of methodology would be required? Is this learning for the developing country or learning for the donor partner? Who decides?

- **Using both qualitative and quantitative data**

Both quantitative and qualitative methods are important. All information can be quantified, some more easily than others, but qualitative information helps to understand quantitative data and the context in which it should be interpreted. That said, **quantification of some issues may not be very meaningful** and other methods of capturing their essence and importance may encourage greater understanding. The decline in the legitimacy of an organization or even of a state, for example, would normally need explanation that a numerical value cannot provide.

- **Reducing the burden of exogenous M&E**

The drive to show results through M&E creates significant administrative burdens on country partners and reduces both their willingness and the time available to get involved in M&E specifically focused on capacity results. When M&E is conducted in a top down way, it tends to reduce partner ownership of the findings and hence the capacity to address any problems

¹⁷ Guijt 2010. p 282-3.

identified. The **layers of reporting** required in much exogenous accountability, as described by Andrew Natsios, **need to be reduced and made less time consuming**, partly to free up developing country resources and partly to leave room for more endogenous accountability. This calls in general for approaches that are less complex and more practical for developing country organizations.

- **Improving the capacity of both developing country and donor organizations to address capacity as a key development challenge**

Expertise on capacity issues within donor agencies is often limited. Some development agencies have had difficulty finding practitioners with appropriate skills to follow capacity issues across aid cycles, to generate learning and to guide application. Perhaps more importantly, improving capacity in many donor agencies often requires a corporate **shift in mindsets** and the incentives that influence them – from an emphasis on ‘hard’ outcomes to more attention to ‘soft’ results. This implies bridging the current disconnect between the thinking of headquarters and the field which, if left unchanged, would inhibit implementation.

Capacity development needs to be seen as **an area of specialization** with a strong knowledge base. This will require resources. Few donors have been prepared to put much funding into knowledge creation but this may be changing. The Dutch Government has recently agreed with a recent recommendation by the Dutch scientific council that the aid budget give more attention to knowledge creation in general. Are other development organizations prepared to do the same? What would this mean for capacity development?

Improving CD effectiveness will require some concerted efforts to upgrade skills not only of donor staff but also the many consultants working for them and whole of government partners. The groups do not all have to become 'CD experts' but they do need to become 'CD sensitive' if donor activities are to produce improved capacity results. The upgrading will need to be based on light and iterative processes that field staff feel they can confidently and competently apply. Methods that are too complicated will simply discourage them and field practice will not change.

It would also be helpful to have some quality standards, either donor by donor or international, for capacity-related support and evaluation. These would help to provide guidance to donors and could be discussed, for example, during the course of peer reviews by the Development Assistance Committee.

Developing country governments and civil society organizations also need capacity to address broader capacity challenges. The ACBF publication on African Capacity Building reinforces the already well-known **policy–implementation gap** which exists in many developing countries. Improving logistical and technical skills at field level may be a necessary step to be better able to address capacity development.

5. Conclusions

Improving the record of capacity development support implies changing current practices to engagement and appreciation of what constitutes progress. At the heart of this is being clear about how capacity results are understood, supported, perceived and reported on by all parties concerned. This is in part a technical challenge but it is a political one too. At a time when there is increasing pressure to account for development results, to demonstrate quick wins and concrete outputs, and to upscale spending, politicians need to be convinced that investing in long-term capacity development makes sense.

Since capacity development is arguably the most critical challenge for development, results systems need to seriously and systematically address it. This paper shows that a significant body of experience does exist. A good number of development agencies have tried, for example, to develop new approaches including recognizing the importance of “soft” capacities but also to apply the learning from capacity development practice to managing for results and to reforming operational systems. It is also increasingly recognized that improving approaches to capacity development means taking account of the complexity of their processes and the need to change current practices to engagement and support, for example, by paying more attention to organizational readiness and absorptive capacity¹⁸.

The consultations brought out the interest in a concerted in depth exploration of the issues that this paper has only begun to articulate. A workstream, perhaps in the framework of LenCD, would open an opportunity for further collective analysis and strengthening of the evidence base. The momentum building up for HLF IV in Busan later this year offers an excellent opportunity for a serious, well resourced and sustained learning and advocacy effort that could make a difference for development practice in the years to come.

The consultations have also underlined that the results agenda offers useful entry points to influence mainstream development where the bulk of development resources, domestic and international, are spent. The results agenda can serve as a bridge to engage on capacity development across disciplines and communities that so often work in silos with their own jargon and concepts. This includes line ministries and sector specialists, thematic agendas such as decentralization or HIV, as well as global challenges including climate change and adaptation.

In closing, this paper has tried to articulate how capacity results can be conceived and appreciated. There are numerous efforts to make “soft” and process dimensions of capacity development visible and acknowledged in their fundamental importance for achieving

¹⁸ The presence of non-OECD donors is important here. Already the fact that these donors offer aid with few strings attached make them attractive competitors to traditional donors who see their influence slipping. Does this provide an incentive for OECD donors to change the nature of their relationships with developing countries?

sustainable development results. This is critical to make assessment and M&E more realistic and focus efforts sensibly on capacity and also sustainability of development results. After all, what you measure (or at least assess) is what you get.

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Annex 1

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