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Manual Capacity Development

*Guidelines for Implementing
Strategic Approaches and
Methods in ADC*



Imprint

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List of abbreviations

| | |
|--------|--|
| AAA | Accra Agenda for Action |
| ADA | Austrian Development Agency |
| ADC | Austrian Development Cooperation |
| CIDA | Canadian International Development Agency |
| CSO | Civil Society Organisation |
| DAC | Development Assistance Committee of OECD |
| Danida | Danish International Development Agency |
| DfID | Department for International Development |
| EC | European Commission |
| ECDPM | European Centre for Development Policy Management |
| FMEIA | Federal Ministry for European and International Affairs |
| LenCD | Learning Network on Capacity Development |
| MDG | Millennium Development Goal |
| NORAD | Norwegian Agency for Development Cooperation |
| OECD | Organisation for Economic Co-operation and Development |
| ÖFSE | Austrian Research Foundation for International Development |
| ROACH | Results-Oriented Approach to Capacity Change |
| SWAp | Sector-Wide Approach |
| UNDP | United Nations Development Programme |

Summary

Capacity development is **one of the greatest challenges** in development cooperation. **Adequate capacities are indispensable** for country-owned and participatory policy and strategy development, systematic planning and results-oriented execution of development interventions as well as the provision of efficient and effective services and thus achievement of the Millennium Development Goals.

Despite long-standing support for capacity development altogether little success has been achieved when it comes to sustainability. The main reason for this has been the long-lasting dominance of predominantly technical knowledge and know-how transfer by external experts as well as by the simple propagation of models and systems from the North. Also, too little attention has often been paid to structural challenges at organisational level respectively the social, political and institutional environment. From the early nineties, the role of technical cooperation has increasingly been questioned: more emphasis has been given towards an adapted and demand-oriented support as well as sustainability. Thus, gradually a shift of strategic approaches from institution and capacity building towards **sustainable and country-owned capacity development** has been taken place.

Capacity development must be understood as a **long-term, complex change process** that is **strongly depending on the specific context**. Capacity development measures should therefore always take all three levels – individual, organisational and enabling environment – as well as their interdependencies systematically into account. Ultimately, capacity development does not only refer to the acquisition of new knowledge and skills but above all also to changing values and behavioural patterns.

Measures should generally respond to the fundamental question ‘Capacity for what?’ and being based on **the articulated demands of the beneficiaries** and the **direct applicability of the contents**. Therefore, not only material resources are decisive; but first of all strategic capabilities, competencies and abilities allowing to manage upcoming tasks but also to learn from experiences and to cope with changes. Altogether, the emphasis should be **less on ‘teaching’ and more on ‘learning’**.

One of the most important elements of this new consensus is the commitment that capacity development is primarily the responsibility of partner countries, with donors playing only an accompanying and supportive role. A comprehensive pursue of these principles and the facilitation of sustainable and systemic change processes, however, requires also intensified joint efforts at all levels in future.

Austrian Development Cooperation (ADC) seeks to promote both capacity development of the various actors and organisations at all levels as well as the improvement of institutions and policies at the same time. In accordance with the principles of the Paris Declaration, it will also support the development and utilization of **existing strategies and programmes** for capacity development as well as of independent **competency and expertise in partner countries**.



1. Introduction

Capacity for development – Capacity is development!

- Capacity development is a crucial determinant of all development measures and thus an essential element of a holistic programme approach.
- Capacity development is an endogenous change process that must be initiated and owned by the actors in partner countries themselves (individuals, organisations and society as a whole).
- Donors and other external actors only have a supportive role in this process.

What does this mean for ADC?

ADC is committed to realize these basic principles and seeks to support its partner countries in their capacity development attempts in a systematic manner, especially at local level.

Efforts in capacity development should therefore be adapted to the specific demand of the various actors, support available competencies and expertise as well as existing national and local strategies and implementation plans for capacity development respectively their development.

What is the aim of this manual?

The present manual provides a reference framework for the strategic and operational work of ADC in the field of capacity development. It is addressed to all staff of ADC in Austria as well as in the coordination offices, to non-governmental and implementing organisations, to stakeholders in partner countries, other donors and members of the public interested in development policy.

The guidelines of this manual also provide the basis for all other ADC guidelines, all ADC country and regional strategies as well as all ADC thematic-strategic documents. These define the respective sectoral or thematic interpretations and options for applying these principles in the framework of operationalisation.

Moreover, ADC will continue to actively participate in the discussions, the compilation of experiences and the preparation of practical relevant documents within the network of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC). It will also pursue the international discourse amongst other donor organisations and research institutions.

In this context, also the adoption of flexible procedures adapted to the partner organisation(s), the facilitation of testing of approaches and methods by partner countries and organisations, the promotion of learning and mutual exchange as well as the documentation of findings are foreseen.

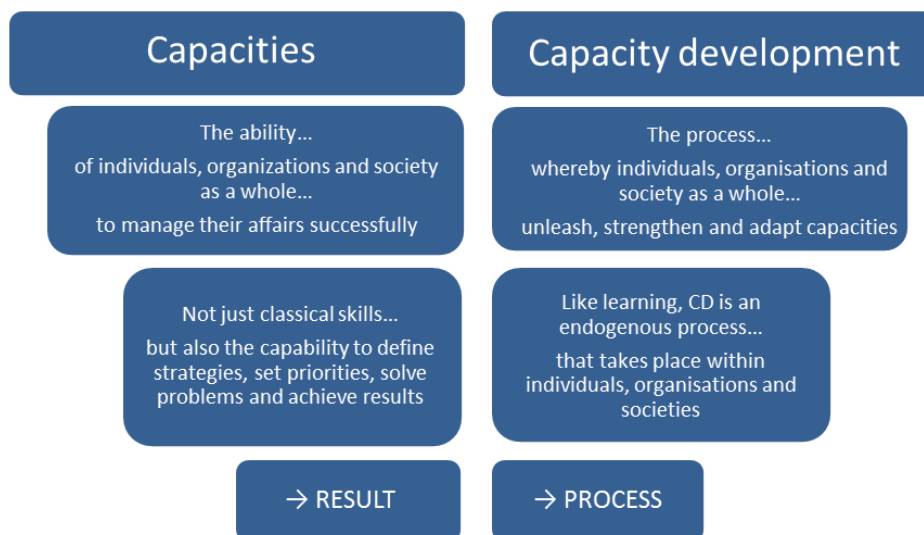
2. Definitions and interpretations of capacity development

Capacities and capacity development

Capacity development is a crucial determinant of all development measures, because without adequate capacities development is impossible. Thus, capacity development is an essential element of a holistic programme approach.

In a general manner, ‘capacity’ is understood as “the ability of people, organisations and society as a whole to manage their affairs successfully.” Capacity development thus is a change process “whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time”.¹

Figure 1: Capacities and capacity development



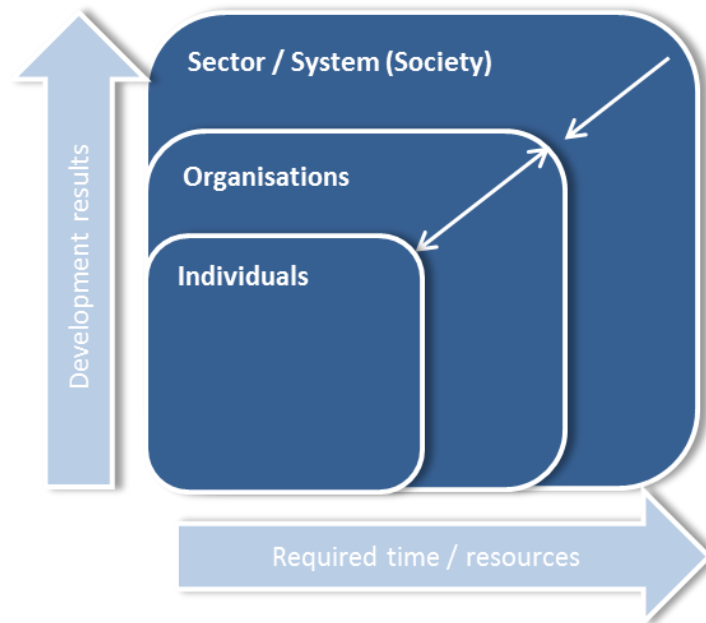
Source: Own diagram based on OECD (2006)

Capacity development is never an isolated process

Individuals and organisations are always embedded in a certain social and institutional context and interact within this framework through formal and informal mechanisms. Adequate measures for capacity development must therefore always take into account all three levels – the individual, the organisational and the enabling environment – and systematically analyse the interactions amongst them.

¹ OECD (2006) The challenge of capacity development – Working towards good practice. DAC guidelines and reference series, Paris.

Figure 2: Relevant levels for capacity development



Source: Own diagram based on OECD (2006)

What capacities need to be developed?

In the broadest sense, capacity development is about strengthening the abilities needed for successfully performing tasks, achieving results, identifying problems, finding solutions and taking sound decisions in the respective professional and living environments.

Capacities for planning, management, implementation and accountability in policies and programmes are essential in order to achieve specific development goals and results. Of special importance though is the ability for systematic analysis, constructive dialogue and continuous documentation of results and experiences.

Besides material resources or hard capacities (e.g. infrastructure, technologies, information systems, financial resources and personnel) also soft capacities are required. These include, for example, strategic management capabilities, process steering- or interaction- and cooperation competences. It is particularly important in this connection to strengthen **operational capacities** (values, competencies and abilities to cope with upcoming tasks and solve problems, define goals and to regulate relations) on the one side and **adaptive capacities** (competencies and abilities required to learn from experiences made and to adjust to changes) on the other.

Capacity development by and for whom?

“Capacity building” was long time understood as a process, being initiated by external institutions also taking the responsibility for it. It was assumed that technology and knowledge transfer in the framework of technical assistance starts from a plain surface and involves a step-by-step erection of a new structure based on a preconceived external model. Experience suggests that these approaches do not improve and enhance capacities in partner countries in a sustainable manner.



The main finding after years of experience however is that successful capacity development is an **endogenous change process** that must be initiated by the actors concerned, i.e. individuals, organisations and society as a whole in the partner countries, and that they also must take over the responsibility for it. In this comprehension, external partner organisations still play a major but only supportive role by accompanying and promoting the internal process of change.

Paris Declaration and Accra Agenda of Action (AAA)

A respective division of roles between the partner countries and donors is delineated in the Paris Declaration.

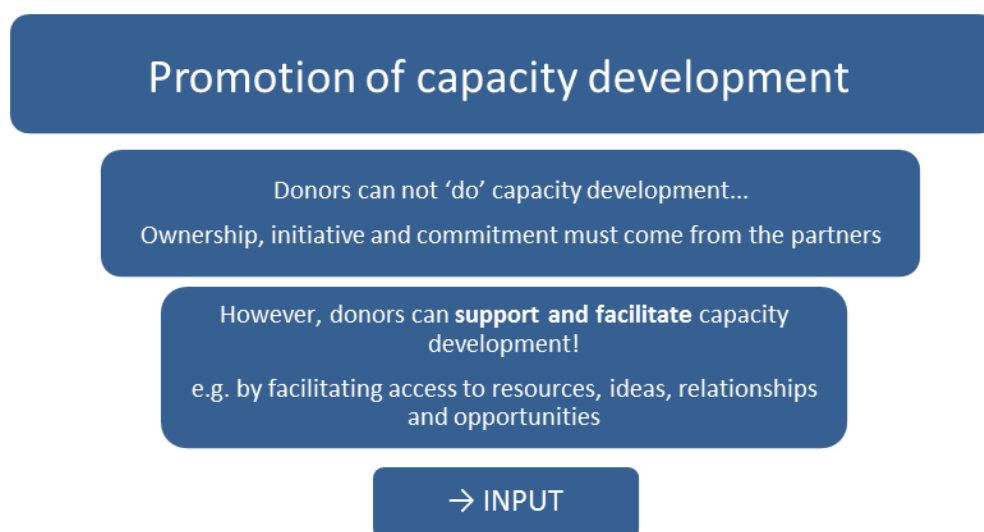
Partner countries commit to

- Integrate specific objectives for capacity development in their national development strategies and
- pursue their implementation through specific programmes.

Donors commit to

- align their respective financial and technical support with partner countries objectives and strategies,
- make efficient use of existing capacities and human resources and
- harmonise their support and contributions accordingly.

Figure 3: Role of donors in capacity development



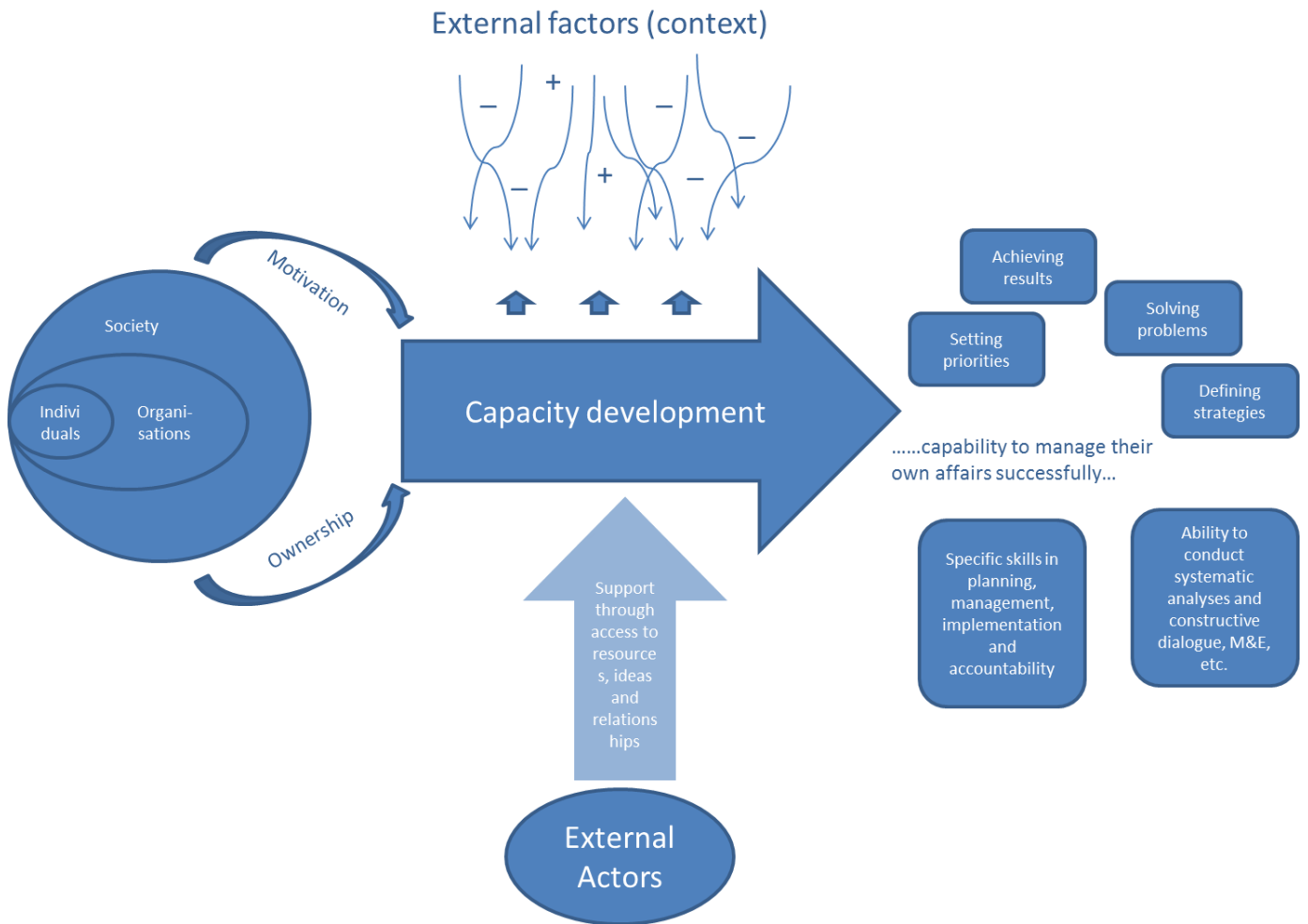
Source: Own diagram based on OECD (2006)

These principles of cooperation between donor and partner countries in the framework of capacity development have been re-emphasised within the **Accra Agenda for Action 2008** and expanded by the following aspects:

- Assessment of existing national systems as well as their strengthening and utilisation
- Integration of capacity development in national, decentralised, sectoral and thematic strategies
- Empowerment of local civil society and the private sector as well as ensuring their participation in capacity development measures
- Implementation of demand-oriented measures in capacity development, promo-

- tion and utilization of local and regional resources, including South-South cooperation
- Implementation of tailor-made, sequenced and coordinated capacity development measures in fragile situations and post-conflict states
- Tackling systemic obstacles to local (endogenous) capacity development

Figure 4: Capacity development as an endogenous process of change²



Source: Own diagram

² This diagram compiles the most important findings from experience to date with capacity development.

3. Programmatic approaches and methods

3.1 Capacity development in development cooperation

More than being an aim itself, **capacity development is an essential instrument** of development cooperation (a set of strategies, approaches and methods in the framework of interventions) that contributes to achieving other development goals by the respective partner organisations as well as partner countries. In this respect, then, capacity development must also **be understood as a process** in the sense of long-term and complex changes in behaviour patterns, knowledge, motivation, etc.

Until now, donors have applied very different approaches in capacity development with conventional instruments and methods (such as technical assistance, training, scholarships and research) still predominating, despite their often modest long-term effects. It is also problematic that approaches and measures for capacity development from the side of donors are frequently very fragmented and are being implemented in isolation from other initiatives and experiences.

Joint learning within organisations and **exchange of information and experiences** with other donors **is indispensable**. This process also requires a close involvement from the side of the partner countries and can thus be a source of successful local empowerment.

Capacity development is also an inherently **political instrument**, which in situations of unbalanced power relations can have quite adverse repercussions³. For example, the so far dominant focus of capacity development measures at the central level has often distracted from the existing demands at the sub-national and local level. Thus, capacity deficits have been institutionalized and national decentralisation efforts have been hampered.

3.2 Implementation areas and levels

Capacity development measures are supposed to stimulate and support **endogenous change processes** (change management). These change processes, however, take place in complex and in each case unique situations in partner countries. They are also heavily shaped by the behaviour and actions of individuals, groups, organisations and institutions.

Capacity development must therefore **pursue a holistically approach** that besides the (further) development of human resources also provides for the development of efficient and effective organisations and institutions as well as enabling social and institutional framework conditions. Figure 5 summarises major areas of measures at these three levels.

This **systematic comprehension of the three relevant levels** is important, because their close interdependency influences capacity development processes. Successful capacity development measures for individual staff, for example, crucially depends on how personal capacities can be deployed at organisational level or how institutional support is provided for learning, for instance through incentive systems.

³ Critical issues such as asymmetrical distribution of power therefore should not be ignored in capacity development measures.



Individual measures alone fall too short and are unsustainable⁴, if the organisation as a whole is not taken into account. Of key importance for the functioning of organisations respectively the degree of achieving their objectives, though, is also their interaction with their respective environment and with other external institutions and stakeholders.⁵

Figure 5: Fields and levels of application of capacity development

| Advancing/Developing human resources by ... | Shaping and developing efficient organisations and institutions by... | Expanding and developing enabling social and institutional framework conditions by... |
|--|--|--|
| ...imparting knowledge, experience and skills ...changing behaviour and values ...building cooperation and communication relationships for the successful performance of a task or work ...strengthening abilities and increasing opportunities for each individual to participate in political, economic and social life and take self-determined and responsible action | ...educating and training of individual staff ...extending management and incentives systems ...fostering organisational and leadership culture ...improving operational procedures and performance and ...building assignment-based organisational networks | ...providing targeted support and advice to public, private-sector and civic society institutions in <ul style="list-style-type: none"> • organisational development • strengthening the ability to articulate <ul style="list-style-type: none"> • the preparation and improvement of the political, legal, cultural and administrative framework for the actions of people and organisations ...as well as promoting cooperation amongst public sector, private sector and civil society |

Source: Own diagram

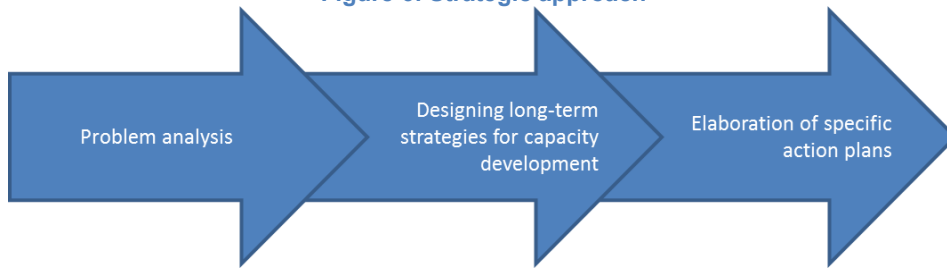
3.3 Systematic approach

To achieve sustainable development results, it is essential to pursue a systematic approach in planning capacity development measures. At first, existing needs and demand for capacity development must be determined by carrying out an analysis, before designing long-term capacity development strategies and translating these finally into tangible action plans. This singular steps must be conducted in cooperation with partner countries and organisations and as far as possible under their responsibility and leadership.

⁴ Traditionally, measures at this level have placed a heavy emphasis on training activities for individuals, that is, a kind of gap filling for bridging short-term bottlenecks. They have also primarily been designed for elites.

⁵ Organisations, therefore, are not closed, autarkic systems, but have to be understood as open systems embedded in a certain context.

Figure 6: Strategic approach



Problem analysis: needs and demand for capacity development⁶

To be effective, capacity building measures must be based on the **articulated demand** of the end-users and meet their needs, priorities and interests. Their specific **expectations and requirements** must be taken into account just as the **direct practical application** of knowledge and skills learnt within their respective professional and everyday life. Thus, the expertise and training concepts offered by particular donors must be adapted accordingly. On no account models and systems from the North should simply be copied.

A problem analysis should therefore enable a **differentiated survey and assessment** of strengths and weaknesses along the three levels: individual, organisational and enabling environment/political framework conditions.

- **Needs/demands inquiry:** What are the individual and institutional needs/demands for capacity development?
- **Analysis of environment:** How do the different levels interact and which disabling and enabling factors are they resulting?

In this respect, it is important to take due account at all levels (individual, organisational and society) for

- various problems and challenges,
- multiple potentials and interests,
- the readiness and motivation to learn,
- the political will as well as
- the current power relations and incentive systems.

The **prevailing power relations** are of crucial importance for the success or failure of capacity development measures. Failing to bear in mind social constraints and their underlying causes within the framework of capacity development measures can result in the inefficient use and waste of potential and resources.

Capacity needs assessments should generally be carried out in collaboration with the partner countries and organisations respectively independently by themselves. **Participatory self-assessments** not only contribute to capacity development by their own but also **bring forward the taking over of ownership** for the required change process. Ideally, external experts should just facilitate or moderate this process.

⁶ For further information on procedures and methods for capacity needs assessments, see Annex 1.



Designing long-term capacity development strategies

Based on the systematic capacity needs assessment (strengths and weaknesses of stakeholders), the identification of capacity gaps and their, often hidden, causes, a long-term strategy for capacity development can be elaborated. In this respect, especially the following questions should be addressed:

- With which precise measures should existing capacities further strengthened, unavailable knowledge and competencies transferred as well as new skills and understanding actually applied?
- Which roles, functions and responsibilities will be taken over by the individual actors?
- Which internal and external inputs are necessary?
- What incentive systems⁷ are required?

Elaboration of specific action plans

On the basis of a long-term capacity development strategy, precise action plans can then be prepared. These specify

- the actual activities,
- the required inputs,
- the time planning and
- the respective responsibilities and stakeholders.

Besides technical and functional aspects, also the actual planning must take due account of political dimensions, such as power and loyalty relationships, conflicts, sanctions and incentives. This is also enabled by close involvement of the partner countries and organisations in the design of the specific measures.

It is essential that donors align their interventions with existing capacity development strategies and plans of the partner countries and organisations. This strengthens ownership and also harnesses synergies by **using existing national standards, formats and models** as well as **involving national/local competencies and expertise**. Even if these framework conditions are lacking, it is important not to initiate competing strategies and programmes for capacity development that further fragment national efforts and reallocate critical resources from their duties and functions. Instead, rather joint efforts are needed to create and institutionalise enabling pre-conditions and processes that derive from the partner countries and organisations and are owned by them.

3.4 Target group oriented approaches and processes

Target groups and hence end-users of capacity development measures are very heterogeneous: representatives of the public sector at national, sub-national and local level, members of the private sector or the population respectively their legitimate representatives (such as CSOs) in rural regions and urban areas with different levels of education, interests, perceptions as well as motivation and behaviour. **Capacity development is indispensable for all actors and at all levels in partner countries** in order to ensure broad and inclusive economic growth, ecological sustainability and social equity.

For a long time, measures for capacity development were mainly targeted towards the public sector, especially at central level. The various capacity development

⁷ Incentives can be material or immaterial. They include, for example, salaries or salary rises, monetary bonuses, various non-monetary bonuses, titles or professional advancement, long-term/secure employment, participation in events (also further training), but also praise and appreciation.

measures should, however, aim **to improve working methods and procedures at all levels of public administration and government**, depending on their own political and legal guidelines and ultimately also reduce bureaucracy and corruption. Ultimate goals of capacity development of the public sector are more efficient and effective structures, a demand-driven provision of public services, transparent communication and information, compliance with accountability as well as inclusive participation of the diverse actors in the various decision-making processes.

Particularly at local level it is necessary to **take advantage of integrated planning and realization of capacity development measures**. The joint training of local authorities' staff, civil society representatives and private entrepreneurs in project management and budget planning, administration, procurement, etc. facilitates improved effectiveness, efficiency and sustainability. It is also often necessary to disseminate information on national policy and legal regulations affecting the local level.

At the same time, however, the local population as users of public services should also be empowered to **participate in decision-making processes** (planning, implementation, monitoring and evaluation).

This includes

- inclusive access to information in local languages,
- the use of simple communication media being accessible for all and
- the promotion of exchange and communication between representatives of the public sector and the local community (for example concerning the quality of and satisfaction with public goods provision) as well as
- the strengthening of organisational capacities in order to increase the ability to solve problems and to articulate needs and to enable participation in decision-making processes and to hold elected representatives accountable.

Above all, poor, marginalized and vulnerable as well as traditionally often discriminated population groups, such as women, girls and children, must be involved in these processes. For these groups, capacity development efforts have a **great potential for levelling out inequitable power relations**. However, not all actors are interested in this kind of emancipation (such as local elites) and may therefore attempt to inhibit or prohibit such processes. Understanding the underlying behaviour patterns, norms, sanctions, values and social interactions and networks (social capital) at the lowest level is therefore extremely important. It is also necessary to develop joint solutions in dialogue with the local actors to enable social integration and equitable participation.

3.5 Instruments and methods for capacity development

The central focus must be on the endeavours of people, organisations and society as a whole **to solve problems and achieve objectives on their own**.

There is a broad range of possible instruments and methods. Due to diverse levels of education, demands, interests and perceptions as well as motivation and behaviour patterns of the respective target groups, capacity development measures must be **adapted and tailor-made for the respective target group**. The selection of the respective instruments and methods as well as the complexity of measures also depends on the specific intervention level and local context.

Capacity development measures by donors traditionally concentrate(d) very heavily on training at individual and organisational level and the provision of technical and supply-side assistance and advice. Informal education, training as well as information and knowledge dissemination, however, play a major role, especially in rural areas. In most cases, the direct (end)users of the instruments provided have been and still are the respective partners (partner organisations) at the various levels.



For a long time, the respective measures have been concentrated on strengthening those capacities (in planning and financial management, for example) being in direct interest of the donor and being intended to ensure the most efficient implementation of donor funds in compliance with the respective, specific requirements and achievement of the respective project objectives.

Transferring functional/technical know-how and strengthening knowledge for planning and programming, budgeting and financial management as well as monitoring and evaluation will continue to play a major role. This is, however, increasingly less corresponding to the respective intervention but rather with the **more comprehensive agendas of the partner country and the partner organisation**. Also other actors (such as representatives of the civil society and the private sector) are progressively more involved within these processes. Nowadays, capacity development is also being increasingly pursued at sectoral level. Such approaches are much more complex, as they must account for the diverging interests and priorities of various actors at different levels. Yet overall they have a **greater potential for contributing to sustainable capacity development and structural change** in the partner countries and organisations.

Teaching and learning

Principally it is necessary to avoid placing too much explicit emphasis on the aspect of knowledge transfer – ‘teaching’ – and to neglect the ‘learning’ aspect. Although the stakeholders themselves must be ready and motivated to learn, this can be promoted, if the **teaching methods** are adapted to the respective livelihood situation, expectations and previous experiences of the various population groups and if the teaching **contents** are of direct practical relevance as well as if **incentive systems** are in place.

In this respect, there is a wide range of possible methods, such as

- on-the-job training by advisers, consultants, experts, etc. in the respective work or living environment,
- learning by doing in the respective work and living environment, accompanied by specific training measures and advice,
- ready-made or tailor-made training programmes for the dissemination of specific know-how and abilities,
- linking local learners by networking of local actors and
- participation in workshops for the exchange of information and experiences.

The various instruments and methods though should not be mainly oriented towards the dissemination of key competencies – mostly on functional and technical aspects – but also aim to strengthen **social competencies** (such as capacity for teamwork, leadership and communication), to communicate other **values and attitudes**, to enhance **motivation** and to develop **action strategies**.

Figure 7: Learning practice approaches, tools and techniques⁸

| | |
|------------------------------|---|
| Blended Learning | Combination of different training/learning technologies and activities (e.g. mix of e-learning and face-to-face interaction). |
| Coaching and Mentoring | Specific tailor-made approaches for the target group, which can include temporary support in coping with workplace challenges (coaching) or long-term support of individual and professional development (mentoring). |
| Communication | Processes that bring groups together for networking of their collective knowledge and experiences, and thus promote learning and change within those groups. This can be seen as a cross-cutting activity with all other learning approaches respectively as a component of knowledge management. |
| Customised training | Tailor-made training for the needs of a specific target group, e.g. for learning specific technical skills. |
| Degree level study overseas | Mostly scholarships for studying at overseas universities. |
| Distance learning | Academic study programmes offered by overseas universities which allow for graduation of participants at their home-place. |
| E-learning | Any technology-supported or web-based learning system (across borders or within organisations). |
| Experiential learning | Various approaches assisting individuals to learn from their workplace experiences (e.g. as a follow-up activity after completion of training). |
| Exposure | Learning by visiting other people or organisations engaged in similar work situations. Also participation in conferences or similar events to learn about new technologies or ideas in a sector. |
| External training courses | Pre-designed courses and modules by suppliers (e.g. a training institute), primarily to acquire general technical or language competencies. |
| Knowledge Management | Processes by which organisations document the knowledge and experiences of their staff and stakeholders in relevant thematic areas and to provide access for all staff in order to enhance job performance; a major cross-cutting issue in capacity development in general. |
| Leadership Development | Processes designed to enhance leadership qualifications of current and potential leaders (e.g. women), mostly in combination with training modules and complementary activities such as exposure visits, coaching or mentoring. |
| Organisational strengthening | Comprehensive approach that coordinates various learning and change approaches in order to enhance the capacities of organisations as a whole enabling them to effectively fulfil their mandates. In this respect, one can draw on approaches of organisational development, change management and organisational learning. |
| Partnerships and Networks | Mechanisms for networking of various actors with common interests/goals, e.g. twinning of organisations or institutions with similar mandates. |

Source: Pearson, slightly shortened (2010)

The training should also be designed to ensure that the **knowledge acquired is put to the best possible applied** and above all is also **disseminated** within the organisation (e.g. through training of trainers). In this respect, the participants must also be prepared for their role as multipliers and should be trained in different teaching methods.

The development and application of individual knowledge, abilities and behaviour patterns are important but not sufficient for organisational development and endogenous change processes. Capacity development measures must therefore also include efforts in **team building and advancement of the organisational system** in order to increase the efficiency of an organisation to achieve its goals, and to fulfil its mandate as well as to enhance its flexibility for adaptation to changing conditions. Capacity development therefore also requires changes in management style.

⁸ For further information on strengths and weaknesses of the approaches and instruments cited and the design and application fields, see Pearson (2010).



Finally, capacity development measures can also **directly address the external framework conditions** in order to create an enabling environment for organisational development, for example, through targeted advice to relevant institutions, constructive dialogue and the promotion of collaboration among various actors (see also Figure 7).

Capacity development of organisations⁹

Capacity-development measures are generally targeted at organisations and institutions, e.g. public sector institutions, ministries or authorities at national, regional or local level.

Like individuals, organisations also operate in a broader social environment and are affected by various factors which can enable or disable development and change processes.

- **Internal factors** that are conducive or obstructive to capacity development are, for example, the strategic orientation of the organisation, the technologies and resources used as well as the prevailing structural arrangements and procedures. Moreover, the respective relations and interactions among the staff, their motivation and incentives and also the quality of staff leadership and management can also have a beneficial or adverse influence on capacity development. Capacity obstacles are frequently not due merely to a lack of resources or staff, but often to the poor use of available inputs respectively the uncertainty about their availability as well as rigid financial planning.
- **External factors** that can be crucial for effective capacity development are related both to formal institutional regulation systems (such as legislation, constitution, etc.) as well as to informal standards and value systems which affect the actions of the individual, the organisations as well as the society as a whole.

Two dimensions for change processes in organisations also play a role:

- On the one side, organisations can be understood as systems with clear, formal goals to be reached through cooperative, harmonious mechanisms (functional-rational aspect).
- On the other side, a variety of often competing, informal factors are existing inside and outside organisations, such as power, loyalties and self-interests, which can undermine the pursuit of formal objectives (political dimension). Political factors, such as commitment and leadership style, or also pressure from stakeholders, are frequently more decisive in practice for effective capacity development than functional-rational factors.

All in all, there are four areas resulting, where capacity development measures for organisations can be applied:

⁹ These remarks are based on the results-oriented approach to capacity change (ROACH) developed by Danida (see Boesen, Niels/Ole Therkildsen (2005): A results-oriented approach to capacity change. Ministry of Foreign Affairs, Danida).

Figure 8: Starting points for capacity development for organisations

| | Functional-rational dimension | Political dimension |
|---------------------------------------|--|--|
| Internal dimensions (Push-strategies) | <p>Focus: Procedures <i>inside</i> organisations</p> <p>Starting points: Training, Reorganisation, technical assistance, quality management etc.</p> | <p>Focus: <i>internal</i> power and authority structures, conflict, pursuit of diverging interests</p> <p>Starting points: changes the field of sanctions/rewards, output-based and performance-based recruitment and promotion practices as well as remuneration, fostering internal reform coalitions, measures against rent-seeking, etc.</p> |
| External dimensions (Pull-strategies) | <p>Focus: <i>external</i> factors and incentives that affect the internal procedures of the organisation</p> <p>Starting points: budget reform for more reliable financing of the organisation, changes of its legal mandate, administrative reforms, strengthening of supervisory authorities, etc.</p> | <p>Focus: <i>external</i> factors affecting power and authority distribution, conflicts and the pursuit of divergent interests in the organisation</p> <p>Starting points: strengthening of civil-society organisations or political accountability, fostering external reform coalitions, strengthening the role of the media in their control function, etc.</p> |

Source: Boesen/Therkildsen (2005), slightly shortened

Most interventions by donors mainly aim(ed) at **technical aspects** (e.g. professional/technical training of staff) and the functional dimension of cooperation within an organisation, such as tasks, division of labour, etc. (top left in the figure).

Largely ignored until now has been the **political dimension**, such as power and loyalty systems, sanctions and rewards, incentives, divergent interests and possible conflicts (top right in the figure). Although this political dimension is more delicate, as it affects internal and sensitive areas of the organisation, it should not be neglected, because every intervention results in **changes of the internal power balance** of an organisation (and/or also in the partner country).

Also neglected so far has been the requirement to (further) develop **enabling social and institutional framework conditions** for capacity development (the two bottom segments). If addressed at all, these are mostly confined to certain aspects, depending on the respective intervention logic. As capacity development is, however, a comprehensive process initiated by the partner country, this decisive level should definitely be taken into account at least in capacity assessments and **analysed re-garded possible enabling or disabling effects**.

A **comprehensive approach to capacity development** should therefore avoid a narrow focus on “technical troubleshooting” and include the underlying constraints for capacity development (e.g. power relations and incentives structures, gender issues). Often harmonised interventions in all four areas can be useful. A central factor for the success of capacity development measures though is always the **clear commitment and leadership** of influential actors, so-called drivers of change, within the partner country.



3.6 Realizing capacity development measures

Selection of the support instrument

The basic trend should be towards promoting existing strategies and programmes for capacity development in partner countries, e.g. through direct contributions for respective measures in the framework of public sector reform or sectoral programmes. Nevertheless, complementary interventions will still be needed for the different actors and organisations at the various levels.

Contributions to general budget support should be supplemented with **accompanying, complementary measures** in capacity development. Instead of individual measures, this can best be carried out through contributions to a national capacity development programme or public sector reform.

Sector financing or broader sectoral/thematic programmes, such as SWAps, generally include measures for **capacity development as an integral component**. As they are nationally owned sustainable, systematic and structural change processes in the participating actors and institutions should be possible. These frameworks also facilitate the conduction of joint – and hence more comprehensive – capacity assessments, the development of long-term strategies and long-term engagements. However, some **problematic and also rather negative trends** are still prevalent in practice. In particular, the persistent strong dependence of partner countries on technical assistance and its application as an exclusive instrument for capacity development needs to be reduced.

Capacity development will also continue to play a major role in projects, which should however focus on the **organisation as a whole**. Isolated training measures targeted to individuals – such as courses, scholarships or study tours – should not be promoted at all. It is also important to harmonise these interventions with partner countries and other donors and to harness synergies in advance in order to contribute to sustainability.

Another instrument that can be deployed at all levels are **twinning**s, which have proved particularly effective in the European context, primarily because the administrations of the EU member states provide good reference models for the new member and/or accession countries. Similarly, **South-South cooperation** is seen as an important instrument in the partner countries in order to learn from experiences made but also from mistakes.

The instrument of **technical assistance** will also continue to play a major role. Yet, attention must be paid to the fact that with this instrument only some specific components of capacity development, – such as facilitating access to information, eliminating barriers and bottlenecks through constructive policy dialogue and the provision of resources or introducing possibilities for learning by doing – can be supported.

Harmonisation

Despite various efforts to intensify cooperation between donors and to harmonise approaches and methods, it is evident that this happens on a rather limited scale in reality.¹⁰ Nevertheless, it is necessary to apply measures, such as:

- Joint capacity development measures at national/decentralized level (for example, through participation in training)
- Exchange of information concerning approaches, instruments and measures for capacity development at national/decentralized level, including the respective lessons learnt
- Jointly conducted capacity assessments
- Participation in national programmes for capacity development respectively in national sector programmes/sector financing

Challenges in implementation

Adherence to the principles pledged in the Paris Declaration and the Accra Agenda for Action (AAA) as well as current international experiences and recommended proceedings **calls for rethinking** on the side of partner and donor countries. This also entails donor commitment to meet these requirements and **adapt internal approaches, procedures and methods** as well as **to enable continuous learning of all stakeholders**. In this regard a political commitment concerning

- long-term continuity in process supervision in order to achieve sustainable, systemic and structural changes,
- flexible procedures adapted to partner organisations/the partner country and complementary phasing,
- facilitation of pilot testing of approaches and methods,
- explicit results-orientation of measures and ensuring control in implementation and measurement of results (reality check),
- systematic documentation of results,
- the promotion of joint learning from good practices but also from mistakes
- and in this regard also the willingness to provide sufficient resources in staff and time, competencies and expertise as well as financial means

is required.

3.7 Measuring and documenting results of capacity development¹¹

Existing experiences

In the framework of results-based management, the continuous measurement and documentation of concrete changes in available capacities at individual, organisational and network level plays an important role. **Regular reflection and analysis** helps to ascertain whether the former measures have been effective, efficient and conducive and what needs to be learnt from successes and setbacks.¹² Ultimately, this also helps to assess to which extent incentives and enabling frameworks have

¹⁰ This reflects the findings of a relatively recent survey: Inventory of donor approaches to capacity development: What we are learning, OECD/DAC Capacity Team, March 2009.

¹¹ For further information on procedures and methods for the monitoring and evaluation of capacity development measures see Annex 2.

¹² In this regard, it is necessary to define the objective(s), expected results and indicators of capacity development measures in a comprehensive and concrete manner. This also facilitates more efficient and constructive monitoring of results or failures and their causes as well their documentation and joint learning through exchange of experiences.



been created in order to maintain results and impacts of former capacity development measures. In this respect it is also important to facilitate mutual processes for learning and sharing of experiences by all stakeholders and to provide the required time and financial resources. As in the assessment, planning and implementation of capacity development measures, partner countries and organisations also play a decisive role in carrying out monitoring and evaluation as well as in the documentation of results, because they are responsible for these processes and should only be supported by the donors.

In practice, capacity development measures are often planned and implemented in isolation. This hampers the identification of inter-sectoral challenges and possibilities as well as joint learning from experiences.

This narrow focus is also reflected in the measurement and documentation of results, which frequently remain restricted to individual instruments (e.g. training measures) and thus mostly to quantitative aspects (e.g. the number of courses or participants).

Too little attention is frequently paid to the **measurement and assessment of qualitative aspects**, such as if the teaching contents and methods offered have been adapted to the context and target group and if the abilities acquired can be applied in practice. Some aspects, such as the satisfaction and acceptance from the side of the participants, can however be assessed with relatively simple methods and directly after a training course or also technical assistance by means of an evaluation questionnaire, for instance.

Challenges

More difficult to determine than participation is what the participants have actually learned (development of knowledge, skills and attitudes) and to what extent they can actually apply what they have learned in their daily work- and living environment. This is not just based on individual learning ability or motivation but is also **influenced by various variables inside the organisation itself and/or in the environment**.

The evaluation of these extensive results and impacts of capacity development measures is challenging, as it requires relatively time-consuming and resource-intensive tracking. This is why these change processes have usually hardly been taken into account in monitoring and evaluation.

An extensive difficulty in **defining and specifying meaningful and sound indicators** for capacity development is also that performance measurement cannot adequately determine the complex and process-oriented aspects. Despite this problem, the choice of suitable indicators that go beyond simple input and output indicators and should ideally be applied at all levels plays a decisive role for the support of sustainable capacity development.

Recommendations

A ready-made list of indicators for measuring capacity development is not advisable for the above-mentioned reasons.¹³ In order to ensure that indicators are also actually relevant for assessing the process of capacity development and are not just

¹³ Further suggestions on designing capacity development indicators are provided in the paper by Morgan, Peter (1997) The design and use of capacity development indicators. UNDP has also dealt with indicators for capacity development and drew up a resource catalogue in 2005 entitled, Measuring capacities: An illustrative catalogue to benchmarks and indicators.

seen as part of the accountability requirements imposed by the donor, they should be selected by the stakeholders themselves as much as possible. Important is that all stakeholders arrive at a common consensus on the meaning and purpose of the indicators for capacity development. Considerations should always be based on the question, capacity for what?, i.e. what tasks must individuals and organisations perform and what capacities do they require for these? This discussion and identification process, which should be designed in the most participative manner as possible, already contributes to developing capacity.

Decisive for the monitoring and evaluation of capacity development measures is also an **exact specification of what to measure**. Mostly, this is restricted to ascertaining developments in the capacities of individuals or organisations and/or of developments in performance and efficiency. Questions of changes in attitudes respectively interactions between individuals and organisations, the adequacy of the methods and approaches applied as well as changes in the framework conditions respectively external/internal influences are generally ignored.

4. Disabling factors

In practice, significant challenges can arise that may interfere with or even impede successful capacity development measures.

By-passing of existing structures

Special challenges arise, for example, from the **discrepancy between the requirement of a long-term and self-determined change process** of the partner (country) on the one side and the **short-time framework of interventions, pre-set sectoral or thematic priorities and the need to deliver outputs** on the donor side. As a consequence, time-consuming and complex processes are frequently not taken into adequate account, existing structures are by-passed and existing capacities undermined. This has taken place on the one side through un-reflected transfers of strategies, methods and approaches (blueprints) that were not adapted to the local situation and requirements or also through the still prevalent assignment of external consultants and experts on the other, who are actually supposed to strengthen the capacities of the partner organisation(s) but in practice all too often take over their work.

A typical example of this is the **creation of implementation structures** (project implementation units) that are partly needed due to lack of public institutions or insufficient capacities and resources, but also hold the serious **risk of undermining available capacities**. Where these structures are necessary and requested by the partner country, it is by all means necessary to ensure that they only remain in place for a short time and contribute to the capacity development of all stakeholders concerned in the public, but also private sector and civil society.

Insufficient attention of complex processes

Too little consideration is also often been given to complexity of capacity development and the long-term duration of endogenous change processes. **Overambitious objectives** contribute to frustration among stakeholders, insufficient pursuance and thus leading to unsatisfactory success. It is therefore important to distinguish between long-term objectives and results to be achieved in the short term. This therefore calls for exact time management (sequencing) of the required measures, the provision of required resources and inputs as well as large flexibility and scope for adjustment to changed conditions and of course a phasing-out strategy. Ongoing exchange of experiences and joint learning plays a major role in this respect.

Another challenge are **inadequate capacity assessments**. Frequently, they include no assessment of existing power relations, incentive systems of and other obstacles (for example, the lack of – political – will and readiness to take over responsibility), which has an effect on the design of the intervention and above all on the likelihood of achieving the objectives.

Systemic challenges and external factors

Systemic problems in partner countries amongst others include **inadequate or missing incentive systems**. Salaries in the public sector are often very low, which is why there is little incentive and motivation to work efficiently. Trainings, study visits or workshops that are actually supposed to contribute to motivation and the improvement of performance, for example, are primarily used by some participants to gain financial benefits (such as allowances). When identifying and selecting participants, adequate – albeit often only symbolic – own contributions could be considered, for example, as a means to enhance accuracy of selection.¹⁴

A widespread risk in capacity development measures is posed by factors such as **movement of trained personnel** to better-paid jobs in the private sector (or donor organisations) due to low salaries or lack of career incentives, **replacements** in the public sector, often motivated by party political interests or also **migration** to more prosperous developing or industrialised countries (brain drain). These factors can only be dealt with through structural reforms and the realization of suitable strategies to improve the working and living conditions in partner countries. In this respect reaching a consensus at policy level, which can be initiated and supported by results-oriented discussions, is very important.

Sustainable capacity development is also heavily constrained above all by external factors, such as wars or chronic instability. In **fragile states or regions**, support should therefore be given primarily for **demand-oriented, adapted and coordinated measures** in capacity development in order to ensure that the core tasks of government and local institutions and actors can be carried out.

5. Conclusions and position of ADC

Capacity development as a long-term and complex change

Capacity development must be understood as an **endogenous change process** that takes place in the partner countries, is initiated from and owned by them. Therefore, it cannot be kicked off and designed from outside but must be adapted to endogenous processes and conditions, efficiently use available resources and contribute to the harmonisation of approaches, instruments and methods.

- In accordance with the principles of the Paris Declaration ADC supports existing strategies and programmes for capacity development in its partner countries. Depending on the respective engagement, a direct contribution can be foreseen or a complementary approach can be taken.
- In its support for capacity development measures, ADC always takes all three levels – the individual, the organisation and the social environment – as well as their interdependencies systematically into account.

¹⁴ Own contributions are generally a means to improve accuracy of selection, but they can impede major target groups from participating. A coordinated approach with the partner country and other donors is also therefore needed.

Need to include the context

Capacity development measures should not just be focused on strengthening the performance ability of people and organisations but must also take **disenabling or enabling frameworks conditions and social and political relations** into due account. Conversely, the one-sided improvement of the institutional and political framework conditions is not enough to decisively improve the capacities of people, organisations and the society as a whole, if it is not complemented with concrete capacity development measures.

- ADC pursues a systemic approach in capacity development measures. Equal importance is attached to strengthening the abilities of the various actors (public and private sector as well as civil society) at all levels as to improving institutions and policies.
- ADC does not only take account of the actors and partner organisations directly engaged in the planning, efficient implementation, financial management, monitoring and evaluation of interventions, but also anticipates a systematic observation of possible cause-effect chains.

The decisive contribution of systematic capacity assessments

Capacity assessments are often restricted to descriptions of which capacities are lacking and how these gaps can be filled, without looking at the reasons for lacking capacities. This can lead to over-simplified responses so that objectives are not achieved despite the best of intentions. The exclusive focus on deficits and weaknesses cannot only result in de-motivation but also **obscure the causes and possible capacity traps** – usually due to unbalanced power relations, unequal access to resources and inputs and divergent interests and perceptions of stakeholders.

- ADC seeks to take due account of the complexity of capacity development in every assessment: In this respect, the behaviour, motivation, abilities, knowledge, etc. of every single individual and every group must be considered at organisational and institutional level from both a short-term and long-term perspective.
- ADC seeks to support participatory self-assessments by the partner country respectively partner organisation with involvement of all relevant actors as well as the preparation of strategies and relevant action plans.

Selection of target groups

So far, capacity development measures and their related application have been concentrated predominantly on the central government and administrative level, which has resulted altogether in **a large accumulated and improvement need for improvement at sub-national and local level**. Although the public sector plays a major role in the achievement of development goals of a country, these can only be accomplished in collaboration with representatives of the private sector and the civil society – also at sub-national and local level.

- ADC is aware of the requirement for a comprehensive participation of representatives of the private sector and civil society in the development process. Capacity development measures are therefore aimed at empowerment and problem solving capacities in the respective living and working context and inclusive participation in decision-making processes.
- In line with its profile, ADC primarily supports actors and institutions at local level and seeks also to take due account of their interests in programmes at national and regional level. In this respect, consideration must be given above all to lacking incentives and knowledge about good practices, the generally rather poor political-legal and socio-economic framework conditions and the specific socio-cultural setting (including the language and communication requirements).

- ADC seeks above all to involve poor, marginalised and vulnerable population groups in capacity development processes in order to level out unequal power relations and to devise joint solutions in dialogue with local actors.

Adapted approaches and methods

Capacity development can entail changes in knowledge, skills, abilities, the sequence of work processes, the application of instruments as well as in systems, patterns of authority, management style, etc. Like learning, capacity development however is a process that takes place within individuals, organisations and in the society as a whole. The starting point for this can therefore not be the respective offer of specific donor instruments or methods for capacity development (such as training) but rather the answers to the specific questions, **For what are capacities needed? For whom? To achieve what objectives?**

- ADC seeks to meet current demand and to apply methods and instruments adapted to the respective context. In this respect, more attention needs to be paid to innovative forms of (collective, local) learning and knowledge development (i.e. by linking local learners).
- ADC seeks to make use of existing national/local expertise and support these as much as possible in their own efforts for capacity development and systemic changes. It therefore sees the development and strengthening of existing national/regional institutions and universities in partner countries as a priority task.

Monitoring and evaluation

Capacity development is a **complex and long-term process**. Sustainable change processes, but also the application of what has actually been learned in the daily working and living environment, are difficult to ascertain, as numerous internal and external factors that can have a disenabling or enabling effects must be taken into account. This is why the measurement and assessment of successes respectively impediments mostly remains restricted to the allocation of resources and inputs and their direct outputs – mostly only measured in quantitative terms – and questions of quality, adequacy and acceptance of knowledge transfer are not taken into due account.

- ADC is aware of the requirement for long-term commitment and flexible, adapted solutions. More should be done in this respect in order to facilitate processes of mutual learning and sharing of experiences.
- ADC is aware of the difficulty of specifying appropriate indicators, measuring medium-term to long-term results and impacts as well as their documentation. It seeks to track the development of efficient and effective methods and to support the partner countries in improving these processes.

Prerequisites of sustainable capacity development

Capacity development requires a long-term and continuous approach. Abilities and expertise can only advance slowly and acquired knowledge is quickly lost again if it is not regularly used and further developed. Development efforts should therefore avoid short-term measures and the quick signalling of impacts. Neither the transfer of pre-fabricated models (blueprints) nor the practice of plain knowledge transfer from North to South has proved to be sustainable. The **local context, actual demand and acceptance** of interventions have often been ignored. The provision of training respectively technical assistance has also fostered dependence on external support.

- ADC supports the development of independent professional competency and expertise in partner countries for systematic analyses, strategic advices and supervision, policy dialogue as well as results-oriented approaches and procedures. These institutions are also important cooperation partners in the documentation of experiences and good practices for joint learning with the involvement of all actors in partner countries.
- ADC seeks to step up efforts for developing capacities and strengthening institutions in the public sector, the private sector as well as the civil society. This should, however, never be carried out through isolated interventions but as part of national policies and strategies for public sector reform and/or the respective sectoral strategies.
- ADC is aware of the challenges posed by a systematic approach and the related demand for the required personnel resources and improved coordination and collaboration. It therefore foresees above all to engage in more in-depth cooperation with the partner countries as well as with other donors, in joint capacity assessments, for example.



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Useful links

Capacity.Org

Collection of resources on capacity development for development cooperation practitioners (e.g. the latest documents on analytical frameworks, policy discussions or practical experiences and toolkits) as well as access to the Capacity.org journal.
www.capacity.org

EuropeAid

Interactive online platform on capacity development of EuropeAid targeted at development cooperation practitioners of the commission, partner countries, donors, researchers and civil society actors. The website contains knowledge exchange and discussion segments as well as a magazine on current developments in capacity development.

<http://capacity4dev.ec.europa.eu/>

ECDPM

The website of the European Centre for Development Policy Management aims to support effective and equal partnerships between North and South. The section “Knowledge and Innovation” contains numerous reports and papers on various aspects of capacity development.

www.ecdpm.org/

LenCD

LenCD is an informal network of researchers and practitioners connecting different initiatives in capacity development aiming at the exchange of knowledge and experiences, the promotion of dialogue and cooperation and mainstreaming capacity development as part of the OECD/DAC agenda. The website contains an extensive collection of documents on thematic aspects, country studies and information on current policy discussions in capacity development.

<http://LenCD.org>

OECD

The website of OECD/DAC on capacity development includes links to all central OECD/DAC publications and major external resources.

www.oecd.org/dac/capacitydevelopment

UNDP

The website of UNDP on capacity development provides information on various focus areas and practical directions.

www.undp.org/capacity/index.shtml

World Bank

The website of the Capacity Development Resource Centre of the World Bank offers links to current initiatives and partnerships, toolkits, indicators and data as well as an extensive collection of relevant literature. The aim is to promote results-oriented capacity development through connecting actors and the exchange of knowledge and experiences.

<http://go.worldbank.org/TFIPT5BOR0>

Annex 1

Approaches/Methods for capacity assessments

Capacity assessments aim to obtain meaningful findings on available and missing capacities in a specific organisation, institution or in a sector in order to be able to make strategically relevant decisions for the planning, design and implementation of capacity development measures. The questions in capacity assessments usually also provide the basis for developing and specifying indicators and benchmarks, whose achievement or non-achievement are verified in monitoring and evaluation.

Various tools and checklists for carrying out capacity assessments have been developed by donors in recent years. They aim at systematising the analytical process, i.e. to encompass as many relevant aspects as possible and to compile the results in the best-arranged format. The following summary describes some of these approaches. For the sake of practicability and clarity and also with a view to harmonisation, a limited selection has been made.

The capacity assessment framework developed by **UNDP** is conceived as an approach to capacity assessments aimed at ensuring as far as possible that due account is taken of central and potentially important aspects. This framework is, however, only intended as a guide that must be adjusted to the respective local context.

According to this approach, capacity assessment should always include the following three aspects:

- Depending on the requirement, the assessment takes its starting point at the social environment level, the organisation or the individual him-/herself. The other levels are then also taken into account when analysing their interdependencies.
- The relevant core aspects of the analysis concern the institutional design, leadership style/behaviour, knowledge/competencies and accountability.
- Then, the focus is narrowed to specific functional and technical capacities. In this respect it is necessary to determine central functional capacities needed to develop and realize policies, legal regulations and strategies (abilities to involve stakeholders, appraise situations, develop visions, etc. are especially relevant in this context). Different technical capacities are needed depending on the respective context.

In a practice note¹⁵ and a user guide¹⁶, UNDP provides detailed instructions on how to prepare, design and conduct these capacity assessments. It also gives suggestions for assessing the existing and desired level of capacities, which can in turn provide the basis for defining indicators and benchmarks (also based on a sample questionnaire). Practical examples are provided for all steps in realization.

¹⁵ UNDP (2008), Capacity assessment – practice note

¹⁶ UNDP (2008), Capacity assessment methodology user's guide

A slightly more open approach is adopted by **EuropeAid** with its toolkit.¹⁷ Instead of a pre-defined framework for capacity assessments, it introduces available instruments and provides references on their scope of application. These tools complement each other in many areas, but should not be applied in strictly linear order. Rather, it is advisable to select and combine the respectively relevant tools for a certain intervention. Eight tools are listed altogether.

1. The **quick scanning matrix** is an entry point to reach a consensus on the requirement of adequate capacities and capacity development. This matrix is complemented with a **process checklist** to ensure that major analytical instruments are applied at the right time.
2. With the **assessing organisational capacity** tool, the scope of the analysis can be determined by ascertaining which major areas are to be taken into due account.
3. Applying the tool **partners' roles in capacity development processes** can ensure ownership during all analytical phases by enabling all the partners involved to self-assess their roles as part of the whole capacity development process and change these if necessary.
4. **Setting the stage: mapping sector and governance actors** seeks to ensure the adequate – not too narrow or too broad – consideration and inclusion of institutions and organisations.
5. The **political economy and stakeholder analysis** delivers findings on important contextual factors that can enable or disable capacity development. These in turn delivers important inputs for decision-making at strategic level.
6. The **change management** tool was developed above all for operational planning and helps to identify and assess responsibilities, tasks and capacities of diverse actors in the change process.
7. **Sequencing and scoping of capacity development and reform** details factors that must be taken into account and combines them with information from the other tools.
8. **Logical design of capacity development processes and support to capacity development** adapts the logical framework approach to the requirements of output-oriented capacity development to help avoid the frequent narrow focus on inputs in capacity development measures.

In this toolkit, the purpose, range of application and use of each of these eight tools is explained in more detail. Additional links are provided for every tool and tables for conducting surveys. The annex also contains practical instructions on drafting Terms of Reference.

¹⁷ EuropeAid (2005), Institutional assessment and capacity development – Why, what and how? Tools and methods series reference document, No. 1 and EuropeAid (2009) Toolkit for capacity development. Tools and methods series reference document, No. 6.



Annex 2

Approaches/methods for monitoring and evaluation

Difficulties in connection with indicators for measuring and assessing capacities and capacity development have already been mentioned in Section 3.6. Additional information is provided here.

An important point is that no ready-made set of indicators can be applied for capacity development measures, as these must be adapted to the respective thematic and sectoral context and conditions of the respective local environment. All stakeholders need to agree on the meaning and purpose of the selected and determined indicators. A key central question for the selection of indicators is always, **Capacity for what?**, that is, what capacities the actors need to execute certain functions and to overcome current constraints.

Indicators for measuring capacity development should not be restricted to quantitative aspects (such as participants in training, trained personnel) but complemented as much as possible with qualitative indicators (such as the ability and readiness to apply new methods or teaching contents in practice). The latter can be ensured, for example, through self-assessments by the participants respectively by questioning them. Generally, long and complex lists of indicators should be avoided and rather only a few, but sound indicators should be used.

There are different systematic approaches for measurement procedures and the selection of indicators, which will be outlined below.

The Capacity Measurement Framework¹⁸ developed by **UNDP** is based on the input-output-outcome-impact logic of results-based management and concentrates on measuring capacities on the three levels impact, outcome and output. As relatively well-developed quantitative indicators are already available for long-term impacts, despite some gaps, the instructions are largely confined to outcome and output indicators.

Outcomes are measured based on **changes in the abilities of organisations** to operate efficiently and effectively and to produce adequate outputs, products or services as a result of investments in measures for capacity development (performance); to maintain this performance, find solutions to problems and remove barriers (stability); and to adapt to changed framework conditions and demands (adaptability). UNDP identifies four core areas that contribute most efficiently to capacity development, that is, institutional arrangements, leadership, knowledge and accountability. The presentation remains at a rather abstract level when it comes to measurement methods, as it only assumes that the indicators are to be included in a monitoring and evaluation plan that can then be used to conduct systematic measurement and reporting of results as part of the implementation and thus make a contribution to better performance management, accountability and learning.

Altogether, UNDP provides very practical instructions with many concrete examples (including specific examples for indicators). It does not, however, engage in a more critical discussion and examination of indicators and possible difficulties.

¹⁸ See UNDP (2010) Measuring capacity and UNDP (2005) Measuring capacities: An illustrative catalogue to benchmarks and indicators.

Another approach that deals more with critical and process-oriented questions of capacity development and related indicators is taken in an older but very informative contribution by Peter Morgan for **CIDA**.¹⁹ Instead of the conventional output-outcome-impact perspective, he proposes selecting indicators for three relevant aspects of capacity development.

- **Product:** indicators for measuring capacities that are developed as part of an intervention (e.g. indicators for measuring original capacities, desired and/or realistically attainable capacities as well as the actually developed capacities)
- **Performance:** indicators for measuring substantive programme outcomes
- **Permanence:** indicators for measuring the sustainability of the developed capacities

Danida²⁰ and, in a slightly altered form, EuropeAid deal with a results-oriented approach to capacity change (ROACH) to evaluate the contribution to capacity development of the public sector as part of sectoral programmes.

The analysis starts with the outputs to be delivered by the organisations in a certain sector. These include policymaking and legislation, provision of services and recognition of its control function. Based on these desired outputs, the relevant organisations whose tasks are/should be to deliver these outputs are then identified.

Measures for capacity development should ultimately contribute to significant quantitative or qualitative changes in the outputs of these organisations. The focus is therefore placed less on inputs (such as technical assistance or training) and more on the specific outputs that can be delivered through improved organisational capacities. Changes in the outputs of organisations serve as proxy indicators for changes in their capacities. The definition of 'appropriate' outputs, i.e. which outputs the public sector should provide and how these are to be delivered, is of course open to debate.

Also worth mentioning is the results framework²¹ developed by the **World Bank**, which attempts to find an answer to the long-standing criticism of capacity development (such as lack of clear definitions, coherent conceptual framework and efficient monitoring of results). It thus also seeks a common systematic approach for capacity development measures and their measurement. This framework is intended to contribute to setting objectives, determining prevailing capacity factors, identifying adequate change agents and planning for effective learning.

Altogether, this document provides a very complex and comprehensive framework for capacity development measures, describing in sequence the individual phases of the programme cycle and the necessary analytical steps etc. The focus is also placed on change management by attaching priority to the respective necessary learning and change processes of the participating actors and organisations.

¹⁹ Morgan, Peter (1997), The design and use of capacity development indicators. Paper prepared for the policy branch of CIDA

²⁰ Ministry of Foreign Affairs, Danida. (2005), A results-oriented approach to capacity change, by Boesen, Niels and Ole Therkildsen

²¹ World Bank (2009), The capacity development results framework – A strategic and results-oriented approach to learning for capacity development, by Samuel Otoo, Natalia Agapitovy and Joy Behrens



Annex 3

Questionnaire for assessing capacity development measures

As an exploratory approach that includes the challenges of operational work, a questionnaire was developed in 2010 to assess capacity development measures in ADC projects carried out by the Austrian Development Agency (ADA). Six ongoing and planned projects were then selected as case studies, where the questionnaire was used in a detailed response by various ADA staff members.

First, the problem analysis carried out and the design of the measures as part of the project were dealt with and then their practical implementation examined for the anticipated impacts on capacity development.

The aim was on the one side to arrive at a joint understanding of capacity development and its implementation in practice amongst all participants. On the other side, a kind of checklist should be designed for assessing the quality of capacity development measures in specific projects for regular application in practice (ideally in the planning phase of projects).

On the following pages, the questionnaire, the projects cited for the case studies and their main conclusions are presented.

| Questionnaire on capacity development |
|---|
| 1. Brief project description (max. 15 lines) |
| 2. Problem analysis/Design (max. 40 lines) |
| <ul style="list-style-type: none"> ■ Did the available and missing capacities form part of the context-specific problem analysis? ■ Were national action plans/possible capacity development strategies taken into account? and/or: Were the partner organisation(s) involved in the design of the capacity-development measures of the project/programme? Do the partner organisation(s) consider the capacity development strategy to be sound, necessary and feasible? ■ Was the analysis not just restricted to technical aspects? Were capacity traps, such as unbalanced power relations, unequal access and divergent interests, taken into due account? ■ Are the measures and the anticipated benefit of capacity development concentrated exclusively on the central level or were the local level and challenges for civil society also included? ■ Is there a risk assessment (related e.g. to the political, socio-cultural, and institutional framework conditions)? |

| |
|--|
| 3. Implementation (max. 30 lines) |
| <ul style="list-style-type: none"> ■ Is there an explicit strategy for remedying the identified capacity deficiencies? ■ Are the proposed measures not just restricted to technical assistance and training, for example? Is the political and social environment taken into due account in the measures? ■ Are there indicators for capacity development? Are these the right ones? What should the indicators be? In connection with this: Does the monitoring plan also include the capacity-development measures? ■ Is the implementation primarily the responsibility of the partner organisations or (foreign) experts/consultants/agencies? |
| 4. Summary assessment (max. 25 lines) |
| <ul style="list-style-type: none"> ■ Strengths ■ Weaknesses ■ Forecast on the sustainability of the measures taken. Will the beneficiaries themselves be able in future to solve the problems addressed by the capacity development measures? ■ Recommendations for capacity-development measures (maximum 3) ■ Assessment of capacity development measures on a scale of 1-5 (school marks) |

| Case studies | | |
|----------------|--|------------------------------|
| Project number | Project title | Term |
| 8116-00/2005 | Implementation of an institutionalised partnership between Austria and Kosovo in higher education, research and innovation | 1 Dec. 2006 – 31 Dec. 2009 |
| 2599-00/2009 | Establishment of a regional ECOWAS energy centre for renewable energies and energy efficiency in West Africa | 1 Nov. 2009 – 30 April 2013 |
| 8199-00/2010 | Rehabilitation of the water supply system in Nisporeni District, Republic of Moldova | 1 March 2010 – 30 Sept. 2014 |
| 2635-00/2009 | Building up media capacity to promote good governance, justice and reconciliation in rural, Uganda | 1 Jan. 2010 - 31 Oct. 2010 |
| 2610-00/2009 | Applied technical training and research in rural water supply and sanitation, Sofala, Mozambique | 1 Nov. 2009 – 31 Oct. 2012 |
| 2296-diverse | Capacity development for the Bhutanese Department of Energy – Support for Dagachhu Hydro Power Project | 1 Jan. 2009 – 31 Dec. 2012 |



Conclusions and recommendations from case studies

1. Problem analysis and design

- Capacity assessments should go beyond the individual and institutional level and also include the enabling and disabling factors resulting from the social environment conditions.
 - For sustainable capacity development, especially political aspects are important, such as power and loyalty, sanctions and rewards, incentives, conflicts etc.
- Capacity assessments should not just list shortcomings and lack of capacities but
 - also examine the systemic causes for these and
 - highlight available capacities to build upon.
- The design of measures should draw more on national strategies and action plans to avoid duplications and contradictions in approaches.
- The participation of the partner organisation(s) and other actors in preparing capacity assessments and also designing measures should be ensured so that
 - the partner organisation is responsible and committed and all actors appreciate the importance and complexity of capacity development,
 - the stakeholders' perspective is included to plan measures in line with their needs and demand and to ensure that the contents are actually accepted and applied.
 - In this respect, increased involvement of the civil society and the private sector needs to be ensured.
- Finally, capacity assessments should also help to clarify the following questions:
 - Who will benefit from the planned measures, how and to what extent?
 - How are the stakeholders selected and by whom?
 - To what extent are different training and demands, but also divergent interests and expectations, taken into account?
- Risk assessments should take more account of the specific challenges of capacity development and also appraise the specific impacts of the political/legal/institutional framework conditions.
- Major risk factors, such as trained personnel moving to the private sector or other countries, lack of systems of incentives, etc., should also be taken into account in this respect.

2. Implementation

- When implementing measures, explicit strategies should be devised for capacity development and aligned with already existing strategies (in terms of strategy, contents, scheduling etc.).
- The choice of methods and instruments in capacity development should not be confined exclusively to technical assistance and training measures but be carried out based on a systematic assessment of the various needs and demands (which capacities, whose, what for), interests and motivations as well as the context.
- The commitment of the partner organisation(s) must also be assured during the implementation phase.
- In the implementation of capacity development measures, greater efforts should also be taken in order to involve national and local expertise respectively their strengthening.
- Indicators for capacity development should not consider quantitative but also qualitative aspects. In planning, monitoring and evaluation, internal/external factors (such as systems of incentives, leadership, commitment, motivation, etc.) that can disable or enable capacity development must be taken into due account.