Reflection

A balanced approach to monitoring and evaluating capacity and performance

A proposal for a framework

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Study of Capacity, Change and Performance
Notes on the methodology

The lack of capacity in low-income countries is one of the main constraints to achieving the Millennium Development Goals. Even practitioners confess to having only a limited understanding of how capacity actually develops. In 2002, the chair of Govnet, the Network on Governance and Capacity Development of the OECD, asked the European Centre for Development Policy Management (ECDPM) in Maastricht, the Netherlands to undertake a study of how organisations and systems, mainly in developing countries, have succeeded in building their capacity and improving performance. The resulting study focuses on the endogenous process of capacity development - the process of change from the perspective of those undergoing the change. The study examines the factors that encourage it, how it differs from one context to another, and why efforts to develop capacity have been more successful in some contexts than in others.

The study consists of about 20 field cases carried out according to a methodological framework with seven components, as follows:
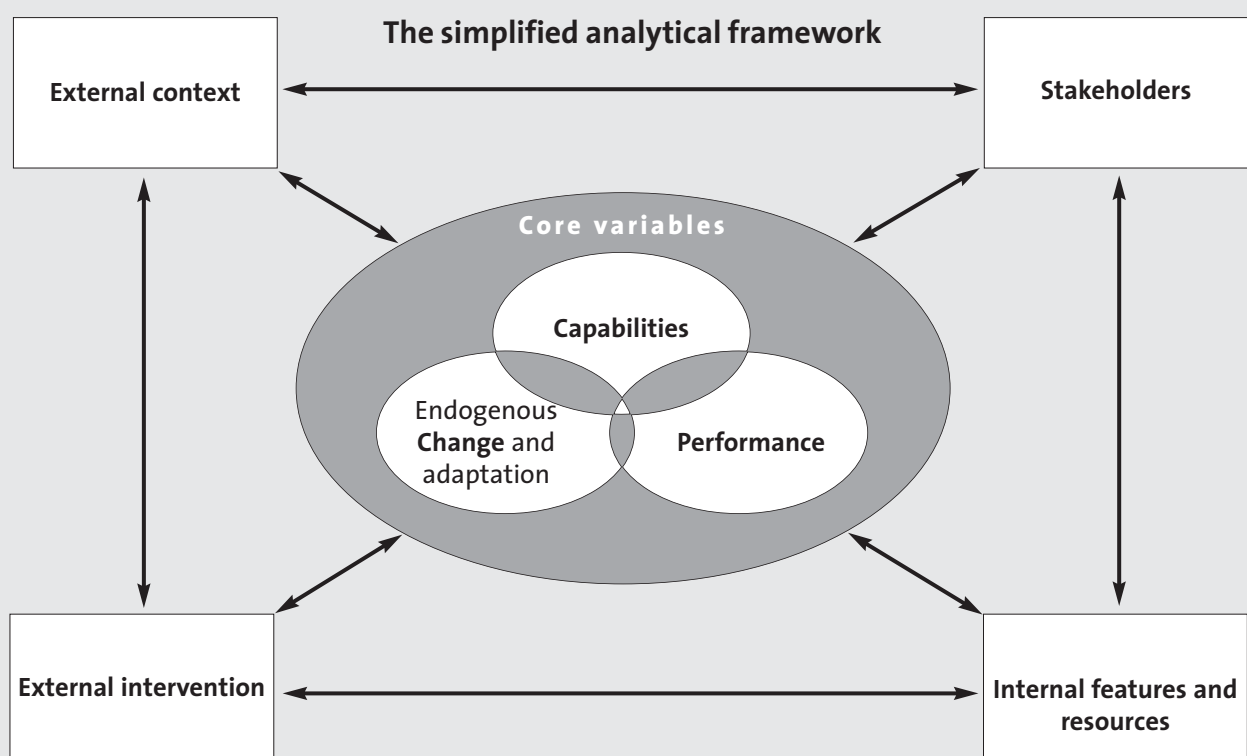- **Capabilities**: *How do the capabilities of a group, organisation or network feed into organisational capacity?*
- **Endogenous change and adaptation**: *How do processes of change take place within an organisation or system?*
- **Performance**: *What has the organisation or system accomplished or is it now able to deliver? The focus here is on assessing the effectiveness of the process of capacity development rather than on impact, which will be apparent only in the long term.*
- **External context**: *How has the external context - the historical, cultural, political and institutional environment, and the constraints and opportunities they create - influenced the capacity and performance of the organisation or system?*
- **Stakeholders**: *What has been the influence of stakeholders such as beneficiaries, suppliers and supporters, and their different interests, expectations, modes of behaviour, resources, interrelationships and intensity of involvement?*
- **External interventions**: *How have outsiders influenced the process of change?*
- **Internal features and key resources**: *What are the patterns of internal features such as formal and informal roles, structures, resources, culture, strategies and values, and what influence have they had at both the organisational and multi-organisational levels?*

The outputs of the study will include about 20 case study reports, an annotated review of the literature, a set of assessment tools, and various thematic papers to stimulate new thinking and practices about capacity development. The synthesis report summarising the results of the case studies will be published in 2007.

The results of the study, interim reports and an elaborated methodology can be consulted at www.capacity.org or www.ecdpm.org. For further information, please contact Ms. Anje Jooya (ahk@ecdpm.org).

The simplified analytical framework

External context — Stakeholders

Core variables

Capabilities

Endogenous **Change** and adaptation

Performance

External intervention — Internal features and resources

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Acknowledgements

1 Introduction

Since 2004, the European Centre for Development Policy Management (ECDPM) has been working on a study on 'Capacity, Change and Performance'. This study, perhaps the largest empirical study on capacity development in the development sector to date, focuses on how capacity develops endogenously within an organisation or system.

Looking at capacity as an endogenous process implies trying to understand the factors that encourage it, how it evolves differently from one context to another, and why efforts to develop capacity are more successful in some situations than in others. The study has two purposes:

1. to enhance understanding of the interrelationships amongst capacity, change and performance across a wide range of development experiences; and
2. to provide general recommendations and tools to support the effectiveness of external interventions aimed at improving capacity and performance.

The study, which was launched at the request of the Network on Governance of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), has received funding from about 12 different organisations.

The final synthesis report will be based on 18 case studies, seven thematic reports, five workshops and extensive bibliographical research. The case studies look at capacity in a variety of sectors and circumstances and cover various forms of social organisations, ranging from small organisations to nationwide informal networks and multinational organisations.

Box 1: Selected evidence from the case studies

Lacor Hospital, Northern-Uganda
The subject here is a change process at a northern Ugandan hospital which continued to function despite the civil war and conflict swirling around it. The study describes how the hospital developed several key capabilities that enabled it to adapt to an ever-changing environment while nurturing a set of core values and maintaining high levels of service delivery. Crucial to the entire process has been the progressive transfer of leadership from the hospital's founders to a new generation of committed health workers, as well as a willingness to engage with the wider healthcare system.

Participatory development in the context of decentralisation: Takalar district, South Sulawesi province, Indonesia
This study highlights the role that an external agency can play in facilitating a change process. The Japan International Cooperation Agency's presence guaranteed a safe space for innovation and learning and for forging collaborative relationships between local stakeholders. The study highlights the challenges of introducing new ideas and practices into politicised environments, and of creating the appropriate incentives for change.

Decentralised education service delivery, Ethiopia
This case study explores the institutional environment and broader governance context within which institutional reform and capacity development of the education sector in Ethiopia has taken place. The study emphasises the influence exerted by contextual factors over the opportunities for sustainable capacity development. General conditions within the public service, especially at a local level, have improved considerably and the decentralisation reform appears to have created stronger incentives to perform. Local accountability systems are strong: these include councils of public representatives at regional and local levels who push for higher standards of education. In addition, communities have contributed in a big way to the education infrastructure, by paying recurrent costs, for example. This has created a strong sense of ownership within these communities.

For more information on the main study, as well as access to individual reports, please visit:
www.ecdpm.org/capacitystudy

The information from the case studies provides an opportunity to enhance our understanding of various capacity-related aspects of development cooperation. One of these is the monitoring and evaluation of capacity and performance. A key finding of the case studies is that the practice of monitoring and evaluating (M&E) has failed to fully recognise the combination of 'hard' and 'soft' characteristics that make up effective capacity.[1] And while 'balanced' approaches that address both the hard and soft sides of performance have been developed in business, such approaches are as yet underused and, perhaps, undervalued among the development cooperation community. This paper proposes just such a balanced approach to assessing capacity, one that integrates both the 'soft' and 'hard' sides of capacity and performance. It could form the basis for a comprehensive framework for monitoring and evaluating capacity and performance in multi-stakeholder settings.

Adopting a balanced approach would also help a capacity-building initiative to go beyond a false dichotomy between accountability and learning by acknowledging the 'soft' sides of capacity and performance as legitimate and essential development results.[2] To illustrate, it may be argued that an organisation's ability to learn from what it does and improve its working practices as a result (i.e. the 'soft' side) is just as crucial as its ability to achieve development results (i.e. the 'hard side').

Peter Morgan wrote a background paper to foster debate at the final workshop for the study, which was held in Maastricht in May 2006. He discusses the literature on capacity, analyses the evidence gathered in the case studies, and makes a number of suggestions as to how we might think about capacity issues. He also suggests definitions for commonly used terms:

1. **Competencies:** the energies, skills and abilities of individuals;
2. **Capabilities:** the collective ability of a group or a system to do something either inside or outside the system. The collective skills involved may be technical, logistical, managerial or generative (i.e. the ability to earn legitimacy, to adapt, to create meaning, etc);
3. **Capacity:** the overall ability of an organisation or system to create value for others.
   The system must somehow balance and integrate the many capabilities it has developed.

On the basis of the information collected in the case studies, the study identified five *core capabilities* which, to the degree that they are developed and integrated successfully, contribute to the overall capacity or ability of an organisation or system to create value for others. All five capabilities are necessary, yet none is sufficient by itself to create capacity. In each case, stakeholders tried – in different ways and with varying degrees of success – to balance all five in their work.[3]

The five core capabilities provide a basis for assessing a situation at a given point and then tracking it over time. The capabilities become *criteria* for monitoring changes in capacity and performance. Changes observed in these five capabilities at relevant points in the system –

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[1] An example of such a combination occurs in the case study on the Rwanda Revenue Authority, which in a period of six years managed to become a well-performing, respected institution that helped to raise domestic revenue generation from 9.5% to 13% of GDP (1997-2004). The case study describes how this performance was achieved thanks to a combination of both 'hard' (e.g. getting structures, systems, procedures and technology right) and 'soft' characteristics (e.g. visionary leadership and committed management that have nurtured a distinct corporate identity and value system). For more information, see Land, A. (2004), Developing capacity for tax administration: The Rwanda Revenue Authority. Maastricht: ECDPM Discussion Paper 57D. www.ecdpm.org/dp57D.
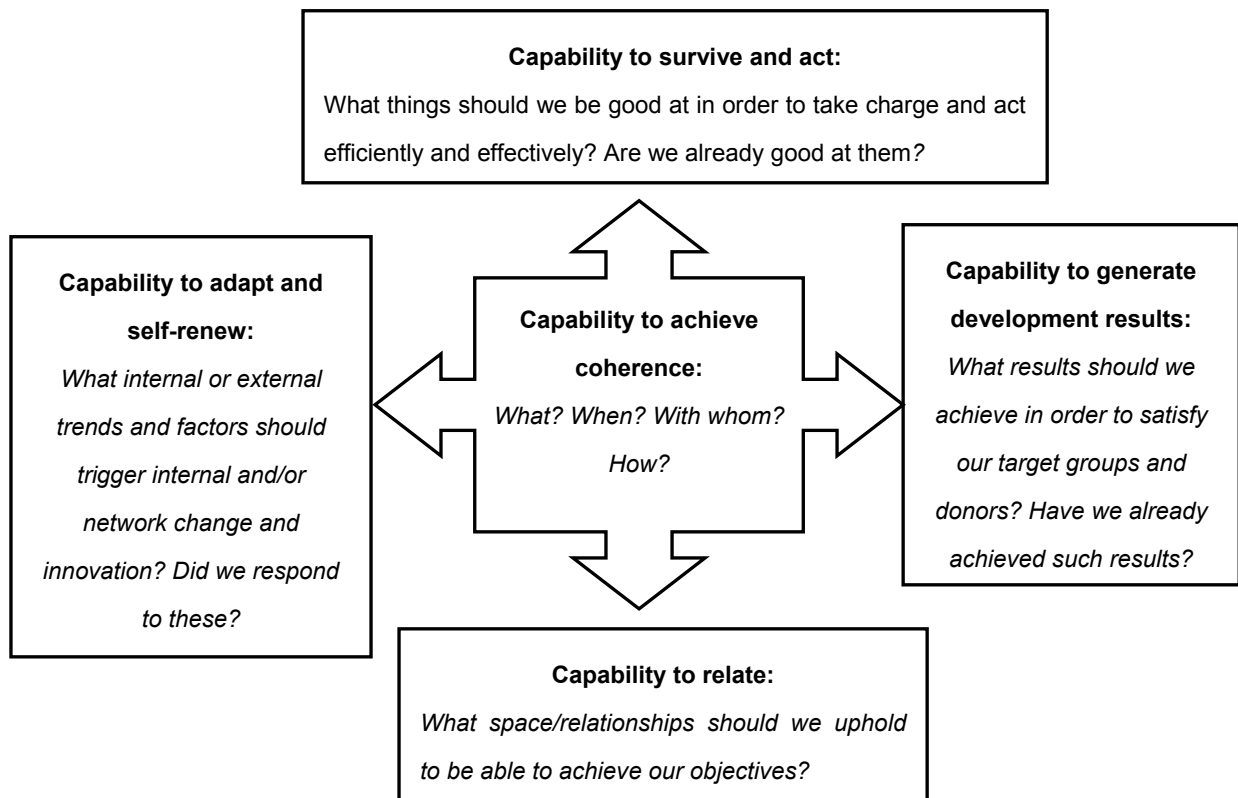[2] For further discussion of the relationship between accountability and learning, see Engel, P., Keijzer, N., Ørnemark, C. (2007), 'Responding to change: learning to adapt in development cooperation' Maastricht: ECDPM Policy Management Brief 19. www.ecdpm.org/pmb19.
[3] Peter Morgan (2006). *The Concept of Capacity*. Draft version, May 2006. p.8. Available at www.ecpdm.org/capacitystudy

individuals, organisations, networks or the system as a whole[4] – feed into broader capacity and performance changes. The capabilities are shown in the following diagram.

Diagram 1

A balanced approach to monitoring and evaluating capacity: assessing change in five core capabilities that affect capacity and performance

Capability to survive and act:

What things should we be good at in order to take charge and act efficiently and effectively? Are we already good at them?

Capability to adapt and self-renew:

What internal or external trends and factors should trigger internal and/or network change and innovation? Did we respond to these?

Capability to achieve coherence:

What? When? With whom? How?

Capability to generate development results:

What results should we achieve in order to satisfy our target groups and donors? Have we already achieved such results?

Capability to relate:

What space/relationships should we uphold to be able to achieve our objectives?

Such an approach allows us to look beyond development results, and include the full range of DAC evaluation criteria: relevance, effectiveness, efficiency, sustainability and impact. If we analyse all these five capabilities in a holistic, inclusive manner, we can avoid incoherences,[5] and keep the focus on the endogenous capacity-change process, rather than on the external factors and interventions that affect capacity.

In our view, any *capacity initiative may be considered successful* only if it can be plausibly demonstrated that its interventions have effectively and efficiently contributed to relevant and sustainable changes in the *core capabilities of developing systems*, in line with *the strategy and objectives the system has set for itself.*

A developing system typically includes many different stakeholders, each of which has its own constantly evolving interpretations of the system's plans for the future, as well as corresponding ideas about the stakeholders who could help achieve these. Our approach therefore needs to

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[4] For instance, a unit of health workers, a local health dispensary, a regional distribution centre supplying drugs and resources to health dispensaries, and the operation of the health sector in a certain country.
[5] There may sometimes be incoherence between efficiency and effectiveness. For example, whilst it may be more efficient in the short run for outsiders to do something in a developing country, this may well undermine long-tem effectiveness and sustainability.

accommodate the fact that different stakeholders have different visions and conceive different strategies for raising capacity and improving performance in a given situation.[6] In practice, donors and implementing agencies frequently hold differing views on capacity and as a result act with different goals in mind. Peter Morgan's paper sheds light on these differences and their origins. Nor do the differences end there. Although partner stakeholders may hold quite different ideas, these differences should not be hidden. Instead, they should be recognised as legitimate and potential drivers of change and innovation.

The most critical issue is how to get all the stakeholders involved in a given activity on the same wavelength in terms of how they think about capacity and what they see as being its core constituents or capabilities. They could then assign values to each, on a scale from 1 to 100. This would force every stakeholder to think about which capabilities are most important to him or her, and why. Assigning values should be seen not as a statistical exercise, but rather as a means of comparing perceptions and moving towards a more consensus-based, multi-stakeholder agreement.

Certain dilemmas that are associated with this approach need to be addressed, though:

1) **The approach requires good links and relations between key stakeholders.** As a participatory approach based on open communication, it is less useful in situations in which relations among stakeholders have broken down.[7] It should be noted, however, that the ability of the organisation or organisations using this approach to successfully identify and involve all key stakeholders in a developing system is an important indication of their capabilities in this context.

2) **The perceived cost may be too high.** Although we believe that evidence based on the views of many stakeholders is more rigorous and valid than the judgement of one or two third parties (e.g. a report prepared by an external consultant), the former process is considerably more resource- and time-consuming than the latter. The fact is that neither the time nor the necessary resources may be available. Nevertheless, as we have already argued, a lack of investment in the monitoring and evaluation of development cooperation has led to a disproportionate emphasis being placed on measures of the 'hard aspects' of capacity. As a result, it has become even more difficult to incorporate monitoring in the development process, and this has limited its developmental function. More and more of those involved in the debate on the Millennium Development Goals are now claiming that a bias towards 'hard' results may have an adverse effect on long-term capacities.

3) **There needs to be a collective interest in developing a system-wide perspective.** Like any approach to M&E, this balanced approach has been designed with clear purposes in mind. These are discussed in the following section. The approach may be less useful in situations where stakeholders do not have an interest in understanding capacity issues in a more holistic fashion, and feel constrained to focus on more limited projects and interventions.

Recognising these limitations, we have designed this approach with the aim of complementing and enriching the data and insights generated by other approaches to M&E, rather than in

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[6] The International Development Research Centre's Outcome Mapping methodology is a useful reference in this context, as it distinguishes between a development programme and 'boundary partners', i.e. *'( ) those individuals, groups, and organisations with whom the programme interacts directly and with whom the programme anticipates opportunities for influence.'* For further information, visit www.outcomemapping.ca.

[7] For alternatives to negotiated action, see Ramirez (2002): http://www.dgroups.org/groups/pelican/docs/IJARGE-Ramirez.pdf

order to challenge and replace these approaches. Provided that it is conducted at regular intervals and that the results are compared over time, a balanced assessment could provide important and complementary multi-actor views on capacity change. Furthermore, as with other monitoring techniques that are participatory in design, the multi-stakeholder process that lies at the heart of this model can also help to strengthen the five capabilities.

2 How can a balanced approach to assessing capacity be used?

An assessment framework with a system for calibration may be used for a variety of purposes:

1) **Tracking and discussing changes in capacity**: keeping track of capacity changes in practice, measuring progress and debating the reasons why progress has or has not been achieved. Thus, the framework can support (multi-stakeholder) organisational learning and help improve capacity initiatives, by assessing the impact of certain interventions as compared with certain predefined objectives.

2) **Strategic planning:** 'capacity' is a relatively elusive attribute in strategic planning. A calibrated assessment framework allows capacity change to be planned much more systematically, by defining indicators for measuring progress in relation to various capabilities.

3) **Joint evaluations:** a calibrated monitoring framework can be used to allow donors and local stakeholders to undertake joint evaluations. While local stakeholders can use it to gather information on a regular basis, draw conclusions and improve their interventions, the same balanced approach allows donors to conduct external evaluations that include aggregating data over various periods, asking long-term strategic questions and debating long-term trends and effects.

The present paper discusses the possible advantages of a balanced approach to monitoring and evaluating capacity and performance. This is not a fully operational technique that is ready for use 'as is'. Further work is needed in order to refine and operationalise it. Annex 2 to this paper presents a plan for testing and refining the model in direct collaboration with organisations that have shown an interest in early versions.

3 Monitoring capacity and performance: what really counts in stakeholders' eyes?

In order to monitor change in capacity and performance, you need to have an idea of where you are heading and what kind of capacity you need in order to reach your destination and stay there. Stakeholders, particularly outsiders and partners, need to share this vision. There are many ways of arriving at any one, shared vision. A systems view would suggest that detailed pre-planning is unlikely to work and may even curtail the opportunities for innovation. An incremental approach based on small experimental steps, with adjustments made to account for experience, is more likely to be effective.

The most appropriate role for outsiders in this process may be to stimulate the 'emergence' of capacity from complex interactions, for example, by helping partner organisations find their own solutions to certain problems. This implies giving them space to experiment, make mistakes and learn by reflecting on these mistakes. In a similar vein, although the main principles and ideas underlying this framework are described in detail in this document, the examples of 'pointers'[8] given in Box 2 serve mainly as 'entry points' for stakeholders. Stakeholders can use the framework with the five core capabilities to collectively reflect on the capabilities and their key constituents and subsequently define each of these pointers more precisely in their specific context.

The pointers thus need to focus on the process, opportunities and key moments rather than on precise types of changes that are not predictable in advance. In other words, what we expect to see (or not) are changes in:

- the capability to survive and act;
- the capability to generate development results;
- the capability to relate;
- the capability to adapt and self-renew;
- the capability to achieve and maintain coherence.

On the basis of the case studies performed for this study, we extracted the issues raised by stakeholders themselves in describing the successes or failures of capacity development in their particular situations. Local stakeholders, for example, underlined the importance of an organisation or network being perceived as *legitimate* by its main stakeholders. Others stressed that improved capacity *needs to be reflected by the achievement of development objectives*. Perceived legitimacy in the eyes of stakeholders and the delivery of development results are two radically different views of capacity. These are just two of many examples that emerged during the case studies. In our approach to monitoring capacity and performance, we propose to use these and other pointers *raised by real stakeholders* in the case studies, rather than theoretically constructed indicators. Box 2 includes some of the pointers identified by stakeholders in the various case studies, which can be used to assess changes in capacity and performance. They are grouped according to the related core capabilities.

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[8] These pointers, examples of which are given in Box 2, are 'lenses' that can help capture relevant information describing the development of certain processes. Pointers are qualitative and are used in the context of a process that is generally open-ended rather than linear. They are not the same as indicators, which tend to be less 'dynamic' and are used mainly for quantitative measurements. The term 'pointer' is also used to underline the complementary nature of this model compared with other, more quantitatively-oriented approaches.

Box 2: Key issues raised in the case studies, classified on the basis of the five core capabilities	
1: The capability to survive and act	• Is planning followed by effective implementation and monitoring? • Are decisions taken and acted upon? • Has operational autonomy been achieved and does it have a beneficial effect on the organisation or system in question? • Are staff managed pro-actively and encouraged to do their best? • Is the system oriented towards effective action? • Is the integrity of the organisation, its leadership and staff widely accepted? • Is the organisation or system capable of mobilising adequate human, institutional and financial resources? • Has the organisation or system developed the necessary core competencies to do its job well? Has the organisation or system invested in the enthusiasm of all stakeholders? Is this enthusiasm sustained over time?
2: The capability to generate development results:	• Has value been generated for partners and beneficiaries? • Does the organisation or system produce substantive outcomes, as applicable to its mandate, i.e. better health and education; gender equality; sustainable natural resource management and/or livelihoods, etc.? • Have public institutions and services been strengthened? • Does it help improve the sustainability of development results? Does the organisation or system offer the best possible service to the largest possible number of people at the lowest possible cost?
3: The capability to relate	• Is the organisation or system seen as legitimate in the eyes of its supporters and stakeholders? • Have coordination and complementarity been achieved with key partners? • Is the organisation or system accountable to beneficiaries, partners and donors? • Have strong working relationships been developed with friends, partners and stakeholders and are these being maintained? • Has adequate operational autonomy been achieved? • Is there a balance between different branches and levels of operation? • Are knowledge and experience networked and shared with partners and stakeholders? • Has the system or organisation been able to mobilise adequate technical and financial resources? Has the organisation or system been able to influence the broader policy frameworks in which it operates?
4: The capability to adapt and self-renew	• Does the management encourage and reward learning and exchange? • Do participants demonstrate the ability and discipline to learn and absorb new ideas? • Is change positively valued? Is a fruitful balance maintained between stability and change? • Is the organisation or system able to continuously adapt and respond to changing opportunities and threats? • Is the organisation or system able to assess trends or changes and anticipate these effectively? • Is the organisation able to self-assess, learn and develop its capacities on a

	permanent basis? Does the organisation or system register, analyse and absorb the 'changing waves of time'?
5: The capability to achieve coherence	• Have a shared vision and strategy been developed? • Are the organisation's or system's operations governed by a well-defined set of simple rules? • Is the leadership intent on and committed to achieving coherence within the system? • Has a clear identity been established, related to the organisation's or system's core mandate and interests, and is it maintained? Have diverse structures inside the organisation or system been sufficiently integrated?

4 A prototype assessment framework

Annex 1 presents a *prototype assessment framework*. This includes a selection of prominent issues from the case studies that are taken as generic pointers directing the assessment process towards those elements of capacity and performance that stakeholders consider to be essential. These pointers have been formulated in such a way that the higher the scores for each of them, the more robust the corresponding capabilities. This prototype assessment framework may serve as a *basis for developing contextualised, calibrated monitoring frameworks with relevant stakeholders for assessing changes in capacity and performance*.

However, the pointers in the prototype assessment framework may not be equally pertinent to all situations, nor is there any certainty that a fixed list of pointers includes all relevant ones for a particular purpose within a certain context at a certain point in time. This means that, before the framework is used in practice, there must be a *testing process* to determine the validity and relevance of the pointers to a particular context.

We have limited ourselves to four pointers for each capability, not because we believe that only these are relevant but because, after reviewing the literature and the various cases considered in our study, we believe these provide a good starting point in many situations. At the same time, the list is neither definitive nor exhaustive. The proposed pointers can be used to inspire stakeholders to define their own criteria. Alternatively, they may be accepted by stakeholders and used as they are. In general, we expect some of the pointers in the prototype framework to be accepted and used, and others to be formulated by stakeholders in adjusting the framework to their own specific situation and purpose. It is important that the *calibration process* gives stakeholders an opportunity to do this and, hence, that they are able to develop a framework that reflects their sense of purpose and the context in which the assessment takes place.

5 A five-step model for assessing capacity and performance

Our proposed model for engaging stakeholders in monitoring and evaluating change in capacity and performance is based on a process consisting of the following five steps:

1) *Situational reconnaissance and stakeholder analysis*: explore the situation and the purpose of the assessment; identify relevant stakeholders and decide how they can be involved in the assessment process.

2) *Calibration of the framework*: together with key stakeholders, decide how different stakeholder perspectives affect the choice, interpretation and use of the proposed pointers; add complementary pointers if needed, and define the relative importance of each of them in assessing capacity and performance in the particular case in hand; in general, agree on the way in which the framework is to be used.

3) *Implementation of the framework*: gather evidence, views and opinions from stakeholders; analyse and debate; stakeholders assess the capacity of the system under scrutiny by scoring its performance on all pointers in the assessment framework. Implementation may include a variety of collective and individual instruments of inquiry.

4) *Distribution of the consolidated draft results to key stakeholders*; initiate a debate leading to stakeholders reaching a judgement on whether the consolidated results paint a fair picture of what they experience in practice. The final draft may include qualifications by stakeholders of (certain aspects of) the assessment report. These may include proposals for changes in the assessment framework and/or methodology.

5) Distribute the final draft of the report among all stakeholders.

This process must be repeated at regular intervals (for example, every six months), so as to enable changes over time to be monitored in collaboration with stakeholders. A series of reports on this process could act as input for an evaluation. This approach to monitoring is supported by – and certainly does not replace – more conventional approaches to monitoring in which information is collected at shorter intervals.

Whilst these five steps constitute a basic framework for the monitoring process, we should stress that the process involves a multiplicity of steps. In other words, this model needs to be further operationalised, tested and refined in collaboration with organisations that have shown an interest in earlier versions, as listed in Annex 2.

Annex 1: Prototype assessment framework: a balanced approach to assessing capacity and performance

(A) Ability to survive and act		(B) Ability to achieve development results
(A) Ability to survive and act *Pointers:* 1. Inspiring leadership/action orientation 2. Ability to plan, decide and act collectively on decisions 3. Effective human, institutional and financial resource mobilisation; low transaction costs 4. Effective monitoring of follow-up 5. Etc.		**(B) Ability to achieve development results** *Pointers:* 1. Substantive outcomes such as better health and education 2. Strengthening public and private institutions and services 3. Improving governance and multi-stakeholder participation 4. Improving sustainability of development results 5. Etc.
	(E) Ability to achieve coherence *Pointers:* 1. A clear mandate, vision and strategy 2. A well-defined set of operating principles 3. Leadership intent on achieving coherence, balancing stability and change 4. Consistency between ambition, vision, strategy and operations 5. Etc.	
C) Ability to relate *Pointers:* 1. Legitimacy in the eyes of relevant stakeholders 2. Integrity of the organisation, its leadership and staff 3. Operational credibility/trustworthiness 4. Adequate alliances with relevant external stakeholders 5. Etc.		**(D) Ability to adapt and self-renew** *Pointers:* 1. Adaptive management culture 2. Opportunities, incentives and discipline to learn 3. Confidence to change: space for diversity, flexibility, creativity 4. Adequate understanding of shifting context and relevant trends 6. Etc.

Annex 2: Plan of action for a comprehensive model for a balanced approach to capacity M&E

Background

In 2002, the chair of the Govnet, the OECD's Network on Governance and Capacity Building, asked the European Centre for Development Policy Management (ECDPM) in Maastricht, the Netherlands, to undertake a study of the capacity of organisations and groups of organisations, the development of capacity over time and its relationship to improved performance. The specific purposes of this study were twofold:

- to enhance understanding of the interrelationships amongst capacity, change and performance across a wide range of development experiences; and
- to provide general recommendations and tools to support the effectiveness of external interventions aimed at improving capacity and performance.

The study, entitled *Capacity, Change and Performance*, is almost complete. The final report will be published by early 2008. This report will be based on 18 case studies, an extensive review of the literature, seven theme papers, and discussions in five workshops.

ECDPM has incorporated these elements in this document, entitled *A balanced approach to monitoring and evaluating capacity and performance*. This approach has been presented on a number of occasions:

- in 2006:
  - to the Learning Network on Capacity Development (LenCD);
  - to the Australian Government's overseas aid programme (AusAid);

- in 2007:
  - during the 2nd Pan-African Capacity Building Forum, organised by the African Capacity Building Foundation (ACBF);
  - during the forum on 'Capacity Development for Education for All' organised by InWEnt, jointly with GTZ and KfW on behalf of the German Ministry for Economic Cooperation and Development;
  - United Nations Development Programme (UNDP) Regional Office, Bangkok.

Several organisations have also shown an interest in the further development of the balanced approach and possibly in doing field tests. These include SNV, Cordaid, NOVIB, ICCO, AusAID, CIP Peru (Papa Andina) and one or two farmers' organisations.

Plan of action

The purpose of this plan of action is to lay out a path for the further development of the balanced approach. The idea is to arrive at a final product that could play a role in monitoring and evaluating capacity, to indicate its strengths and limitations, and to suggest where it could be most appropriately applied. We are planning on taking the following steps:

- Discussions with interested stakeholders:

  - Conduct further discussions with stakeholders to confirm their interests, their objectives in doing M&E of capacity: reporting (to whom?), learning, building capacity, helping to take management decisions, etc., and the circumstances in which they would consider using the balanced approach*;
  - Clarify the interests of stakeholders in doing field testing and how they propose to do this;

- o Formulate a proposal for field testing, defining basic standards for different experiments, but not incorporating so much detail as to stifle creativity; and
- o Organise a small workshop to bring together stakeholders to discuss the proposal for field testing, finalise the methods of field testing, and compile schedules.

- Fieldwork:

  - o Accompany the fieldwork: help with testing and ensure that basic standards are respected;
  - o Help stakeholders organise a debate on the experience; and
  - o Gather the results of all of the experiments and analyse them to identity what changes are required in the approach and how these should best be made.

- Review:

  - o Revise the balanced approach, taking account of the results of fieldwork, including guidelines on how to use the approach;
  - o Distribute the final document to stakeholders for their views;
  - o Revise the document a final time; and
  - o Disseminate the document to the organisations involved in field testing and to other organisations involved in capacity development.

Depending on the results of this process, further support tools may be required, such as case studies, practice notes, etc. These would be the subject of further work.

If you are interested in using this framework for monitoring a development initiative in which you are involved, please contact Niels Keijzer at nk@ecdpm.org.

**The European Centre for Development Policy Management (ECDPM) aims to improve international coopera-
tion between Europe and countries in Africa, the Caribbean, and the Pacific.**

Created in 1986 as an independent foundation, the **Centre's objectives** are:

- to enhance the capacity of public and private actors in ACP and other low-income
  countries; and
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The Centre focuses on **three** interconnected thematic programmes:

- Development Policy and International Relations
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The Centre collaborates with other organisations and has a network of contributors in the European and the
ACP countries. Knowledge, insight and experience gained from process facilitation, dialogue, networking,
infield research and consultations are widely shared with targeted ACP and EU audiences through
international conferences, focussed briefing sessions, electronic media and key publications.

This paper was written by ECDPM in the context of the OECD/DAC study on *Capacity, Change and Performance.*

**The results of the study, interim reports and an elaborated methodology can be consulted at www.capacity.org
or www.ecdpm.org. For further information, please contact Ms Anje Jooya (ahk@ecdpm.org).**