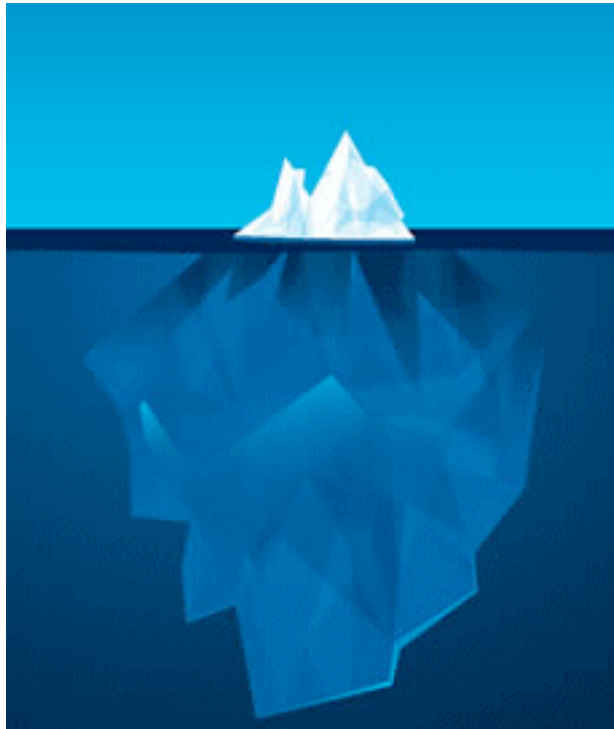# Bringing the invisible into perspective

## Reference document for using the 5Cs framework to plan, monitor and evaluate capacity and results of capacity development processes

**Caution! Living document**

Many organisations are currently experimenting with the 5 capabilities framework as a basis for their approach to capacity. As a result, its translation into a practical methodology is still emerging, and the same applies to this reference document. The authors therefore invite practitioners to share their experiences and own materials through 5Cs@ecdpm.org, which the authors would use to make periodical updates. They will be available for download from www.ecdpm.org/5Cs.

# About this document

# Table of contents

# List of acronyms

| | |
|---|---|
| 5Cs | Five capabilities |
| CADEP | Capacity Assessment and Development Programme |
| CD | Capacity development |
| CDRA | Community Resource Development Association |
| CSO | Civil society organisation |
| DAC | Development Assistance Committee |
| DHMT | District Health Management Team |
| EA | Environmental Assessment |
| ECDPM | European Centre for Development Policy Management |
| EIA | Environmental impact assessment |
| FEKRITAMA | Madagascar Farmers' Confederation |
| FPPP | Permanent Forum of Political Parties, Guatemala (Spanish acronym) |
| HR | Human Resources |
| HRD | Human resource development |
| ID | Institutional development |
| IOB | Policy and Operations Evaluation Department of the Netherlands Ministry of Foreign Affairs |
| IUCN | World Conservation Union |
| LFA | Logical Framework Approach |
| M&E | Monitoring and evaluation |
| MKC–RDA | Meserete Kristos Church Relief and Development Association |
| MoH | Ministry of Health |
| MoU | Memorandum of Understanding |
| MVIWATA | Network of Farmers' Groups in Tanzania |
| NCEA | Netherlands Commission for Environmental Assessment |
| NIMD | Netherlands Institute for Multiparty Democracy |
| NGO | Non-governmental organisation |
| OCA | Organizational capacity assessment |
| OD | Organisational Development |
| OECD | Organisation for Economic Co-operation and Development |
| OECD/DAC | Organisation for Economic Co-operation and Development/Development Assistance Committee |
| PM&E | Planning, monitoring and evaluation |
| PST | Programme Support Team |
| VU-CIS | Free University Amsterdam, Centre for International Cooperation |

# 1. Introduction

## 1.1. Purpose of this reference note

This reference document describes a **framework for planning, monitoring and evaluation of capacity and the results of capacity development processes**. It aims to guide organisations in developing countries that operate individually or as collaborative associations[1] on how to use a framework based on 5 capabilities ('5Cs'). The content comes from reflection, analysis and key lessons learned from recent evaluations of support to capacity development. It gives examples and tools. It also provides suggestions on how the 5Cs framework can be adapted and used in planning, monitoring and evaluation processes. (See 'about this document' on page 2 for clarification of symbols used). Finally it proposes changes to the practical evaluation of capacities and interventions aiming to support their further development.

The 5Cs framework can be applied to any type of organisation anywhere in the world. However, this reference note is tailored to support the use of the 5Cs framework by **Southern organisations**, particularly those that have to deal with the international aid system**.** Therefore, the targeted audiences of the reference document are practitioners in Southern development organisations and the professionals with whom they collaborate. For readability purposes, we will use the term 'organisation' to refer to all the kinds of Southern organisations applying the 5Cs framework, including the wider systems of which they are part.[2]

This publication covers the use of the 5Cs framework for planning, monitoring and evaluation (PM&E). But please remember that the use of this framework can only **complement and in no case replace** existing approaches to PM&E. Monitoring and evaluation practices generally improve gradually and inclusively, and are shaped by management decisions about what information is needed for what purposes. A common consideration is the information desires of external partners. Chapter 7 therefore looks specifically at the potential role of international development donors in facilitating the use of the 5Cs framework by organisations in the South.

This publication is geared towards helping people who do development work improve their practices in PM&E and their understanding of how capacity develops. To keep the explanation straightforward, the document does not deal extensively with conceptual and policy discussions on capacity development. Instead it will draw from key references while focusing mostly on sharing specific tips, ways of applying the framework, examples and methodological suggestions.

Finally, although this document specifically aims to support Southern organisations in using the 5Cs, the practical ideas and stories presented in this document are predominantly derived from experiences and processes led by development (funding) partners based in the Netherlands (see section 1.2 for further information). The role of

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1 For sake of convenience, organisations in developing countries and associations thereof are henceforth referred to as 'Southern organisations'.
2 To apply the 5Cs framework, an analysis needs to be made of the system in which the organisation operates (see chapter 2).

donors in using the 5Cs is specifically covered in chapter 7. Readers are encouraged to share their experiences in using the 5Cs and provide comments that can help to periodically update and gradually improve the usefulness of this document.

## 1.2.    Background to the reference note

In 2009, the Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs launched a major learning-oriented evaluation of Dutch support for capacity development in 17 countries. An objective was to respond to the demand of the Ministry, Dutch NGOs and their partners in developing countries for knowledge and insight that could contribute to capacity development policy. One - but certainly not the only - key element in the methodology used for this evaluation was to rely on the results of a study on capacity described below. The framework divides the broad concept of capacity into five so-called 'core capabilities'. These five capabilities are possessed by every organisation and social system. None of them can by itself create capacity. They are strongly interrelated. They can provide a context-specific basis for assessing a situation at a particular moment, after which the capacity of the system can be monitored and tracked over time in order to judge how it has developed.

Before, during and after the IOB's evaluation, a wide group of capacity development and evaluation practitioners have gained experience in applying the 5Cs framework. The IOB's synthesis report of the evaluation highlights that the application of the 5Cs framework has stringent criteria in terms of first measuring how an organisation's capacity had developed endogenously, i.e. seen from the perspective of the organisation in its context. From this starting point the task over time is to systematically track the extent to which external support to the organisation/system is making a difference to any of the core capabilities. This approach is empirically demanding and often costly.

The evaluation also confirmed that that the 5Cs framework cannot be used as a 'universal' checklist or questionnaire. To be relevant end reliable, the 5Cs must be adapted to the circumstances in which it is used. The evaluation concluded that, when Southern organisations and the Dutch donors shared an interest in learning about capacity development, the 5Cs framework can provide:
•    A grounded basis for discussion;
•    A way of identifying system content and relationships; and
•    A structured and scalable approach to monitoring and evaluation capacity change, particularly suited to complex, multi-stakeholder arrangements.

This reference document starts from the findings of the IOB's synthesis report and suggests how some key recommendations of the evaluation can be translated into practice.[3]

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3 The IOB synthesis report (IOB 2011) concludes the 5Cs framework requires improvements to make it suitable for broader application. These improvements have still to be developed. Especially in situations that allow for less control than in the IOB evaluation, the framework needs to be developed using a more robust methodology, and the five core capabilities need to be described in less academic and abstract terms.

## 1.3.   Relevance of capacity development and some theoretical background

One defining characteristic of development cooperation is the lack of common agreement on many terms which form the basis of its core business. Examples are poverty, growth and indeed development. Capacity development is no exception. A medium-sized library can be filled with studies looking into the concept of capacity and how it develops over time (see the bibliography for a modest selection). Given the significant investment made in capacity development, the lack of an agreed concept and adequate policy discussion is worrying. Nevertheless, available theoretical and empirical studies - as well as policy statements - indicate a growing consensus on a few basic assumptions. Box 1 presents some commonalities found by Fowler and Ubels (2010) in the past work of the Community Resource Development Association (CDRA) and the European Centre for Development Policy Management.

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**Box 1: Points of convergence in studies on capacity development (Fowler and Ubels 2010)**

- **Capacity is a multi-faceted phenomenon**. It is based on different competencies or capabilities that combine and interact to shape the overall capacity of a purposeful human system. Ways in which elements are present and combine can vary enormously within and between types of organisation. Generalisations should be made only with great care, placing more trust in those that derive from experience with the type of entity or entities one is working with.
- Single organisation, a group of organisations, social institutions or a sector should be seen as **'living and dynamic systems'**. This perspective stresses the need to understand not only concrete observable features of organisations, but also the more intangible dimensions and connections. Working on capacity development requires making both visible.
- The **uncertain, 'emergent' nature of capacity** also implies that its development is unlikely to be a linear, well-planned, predictable process. Consequently, active observation of changes and responsiveness are important.
- A practitioner needs to be **conscious about the framework and specific dimensions that one uses and the assumptions** one relies on. Such self-understanding positions the practitioner in relation to the frames used by others, which may be very different.
- The lens employed to see and read an organisation in its history and context makes a big difference: in diagnosis, in negotiation and selection of remedies, in accountability for and commitment to change, and so on. Identifying adequate action requires a **robust and inclusive understanding of a situation**.
- Given that capacity is a highly relational concept, a sub-theme is that **power matters**. Practitioners need to be aware of what types of power are in play, where they are located and how they are applied.

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In the past few decades, capacity development is gaining greater prominence in international discussions on the performance and future of development cooperation. In September 2008, the Accra Agenda for Action was adopted in which ministers from developed and donor countries acknowledged that capacity was essential for development: *"Without robust capacity — strong institutions, systems, and local expertise — developing countries cannot fully own and manage their development processes."*

Approximately a quarter of all donor aid (more than US$15 billion a year) is spent on technical cooperation, the bulk of which is ostensibly aimed at capacity development.

Capacity development can be defined in different ways. One frequently referred to set of definitions is used by the OECD/DAC (2006), which distinguishes between capacity, capacity development and support provided to capacity development:
- "Capacity" is the ability of people, organisations and society as a whole to manage their affairs successfully.
- "Capacity development" is understood as the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time.
- "Promotion of capacity development" refers to what outside partners – domestic or foreign – can do to support, facilitate or catalyse capacity development and related change processes.

While other definitions exist, the three above capture many of the assumptions listed above and in this document.

## 1.4.   Structure of the note

The next chapter outlines the 5Cs framework. The explanation includes information about the preconditions that should be met before the 5Cs framework can be applied. Examples are: (1) an inherent need to have at least some level of capacity within the Southern organisation; and (2) the use of participatory monitoring and evaluation methodologies.

Chapter 3 discusses the preconditions in more detail. Chapters 4 - 6 discuss tools and lessons learned, while chapter 7 focuses on the role of a donor.

The bibliography includes all references referred to as well as additional recommended readings that are relevant to the aims of this document.

# 2. Introducing the 5Cs framework

**See capacity as more than a means to an end. Capacity is a legitimate end in itself. This recognition is fundamental to any serious effort to improve the understanding and practice of capacity development.**

## 2.1. Origin and purpose of the 5Cs framework

In 2002, Govnet, the Network on Governance and Capacity Development of the OECD, asked the European Centre for Development Policy Management (ECDPM) to study how organisations and systems, mainly in developing countries, have succeeded in building their capacity and improving performance. The resulting work focused on endogenous processes of capacity development – that is, the process of change from the perspective of those undergoing the change.[4] Box 2 gives further information about the study, which provided the basis for the development of the 5Cs framework.

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**Box 2: Background information on the ECDPM study on capacity, change and 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 five-year research programme on capacity, change and performance included an extensive review of the literature and sixteen case studies. The cases embrace a wide spectrum of capacity situations, covering different sectors, objectives, geographic locations and organisational histories, such as churches in Papua New Guinea, tax office in Rwanda and a nation-wide network in Brazil. The work included seven thematic papers and five workshop reports. The sixteen case studies looked at how organisations and systems have succeeded in building their capacity and improving performance. In this sense, the study adopted an appreciative perspective, focussing on what worked well and why.

The final report highlights the many ways that organisations and systems go about developing capacity. It concludes that there are no blueprints for capacity development and that the process tends to be more complex, nuanced and unpredictable than is often assumed.

The ECDPM study proposes a complementary lens for exploring organisational or system capacity. It encourages stakeholders to look beyond the formal capacities to deliver development results - such as technical and managerial competencies - and to identify other factors that drive organisational and system behaviour. Exploring capacity through this lens can help stakeholders diagnose capacity strengths and weaknesses, monitor capacity change over time and contribute to organisational learning. It can also be used to gauge the contribution of external support.

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4 The results of the study, interim reports and an elaborated methodology can be consulted at www.capacity.org or www.ecdpm.org.

Based on the cases examined, the ECDPM study identified generic characteristics of capacity development processes. These findings carry implications for the way external agencies go about supporting capacity development. The results of the study are understood in five core *capabilities* which enable an organisation or system to perform and survive. All five capabilities are necessary. None is sufficient by itself. A key challenge therefore is for an organisation to be conscious of how it develops itself – inside out - in relation to these five core capabilities. Section 2.3 further describes and discusses the five capabilities as elements in a system, which needs to be explained.

## 2.2. Systems perspective and multi-stakeholder approach

Before the 5Cs framework can be put to use, stakeholders would need to agree on an essential concept of capacity as an **outcome** of an open **system** made up of resources, relationship, purposes and yardsticks for performance. An organisation can be seen as a system interacting with wider society. In other words, it is part of a bigger system. The most critical practical issue is, from the start of PM&E, to get relevant stakeholders on the same wavelength in terms this way of thinking about capacity and what they see as being its core constituents or capabilities. There are two principal 'conceptual' foundations behind the 5Cs framework, namely:
• A systems perspective on capacity, and
• A multi-stakeholder approach.
Some conceptual background on the two foundational elements is summarised in box 3.

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**Box 3: Understanding capacity: the need for a systems perspective and multi-stakeholder approach**

The 5Cs framework starts from a **systems perspective**. This means organisations and collaborative associations, i.e. when several parties work together to achieve common goals are seen as social systems in their own right (see 3.5). This perspective opens the way for a comprehensive understanding of the true nature of and the 'boundaries' to development problems. Importantly, it gives a view of the inter-connectedness of 'units', such as departments, and their functioning within organisational systems. Organisations are social entities, not machines. They are part of other systems. To stay 'fit' they must adapt themselves to complex situations and ever-changing circumstances (IOB 2011: 121). The influence of history, culture, foreign relations and politics of a country often makes the development of organisations very unpredictable.[5]

System thinking means capacity development is understood as an endogenous, nonlinear process that is strongly influenced by a range of internal and external factors. Donor support is only one consideration (NIMD 2010: 23; PSO 2010: 29). Decisive for a Southern organisation's

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5 The IOB evaluation (IOB 2011) applied a variation of systems thinking that is called the complex adaptive systems (CAS) approach. Its particular features are that it focuses on processes more than on structures or outcomes as a way of managing; systems are seen as functioning on the basis of interrelationships between people, groups, structures and ideas; and emergence is a key concept in terms of the way human systems change. According to the CAS approach, systems evolve on the basis of countless interactions between huge numbers of elements. Human systems – indeed, all complex systems – have an in-built tendency towards self-organisation. It is this process that drives the emergence of order, direction and capacity from within a system itself. The CAS approach thus challenges traditional log frame (logical framework) thinking that is based on predictability and on assumptions that results arise from one cause only.

capacity is the context in which it operates. This means that understanding country conditions is crucial. By its very natures, capacity development is a challenging process.

The use of the 5Cs framework requires a **multi-stakeholder approach** because shared values and result orientation are important to facilitate the capacity development process. A developing system includes different stakeholders. Each one has its own constantly evolving interpretation of the system's plans for the future, as well as corresponding ideas about other stakeholders who could help achieve these. The 5Cs framework therefore needs to accommodate the different visions of stakeholders and conceive different strategies for raising capacity and improving performance in a given situation (Engel et al. 2007). This makes the approach rigorous and valid. Stakeholders need to have a collective interest in applying the framework, with regular consultation to compare results over time. This investment improves the monitoring of the development process and the long-term capacities. This multi-stakeholder process can also help to strengthen the five capabilities.

The application of the principles of systems thinking and multi-stakeholder approaches to PM&E means acknowledging the difficulty to attribute impact to discrete interventions. It also places emphasis on learning from practical experience. This can be done by both measuring progress in achieving predetermined objectives and by paying attention to vital, though unanticipated features, insights or variables. Doing so can empower stakeholders involved in implementation. This way of working can help overcome the discrepancy between the context and complexity in which the Southern organisation operates every day, but which is often not well articulated/communicated towards its donors (IOB 2011: 131).

Small organisations to (inter)national arrangements, such as social networks, can be defined as systems generating particular outcomes. The 5Cs frame can cope with location in the North or South and scale from single entity to multi-level value chains. In fact, all kinds of purposeful social arrangements can use the 5Cs framework. Drawing a system's boundaries determines what is considered relevant or irrelevant, who is 'in' or 'out' and, thus who benefits and who is at a disadvantage. Key elements that need to be looked at when examining systems are shown in box 4.

**Box 4: Key elements to take into account when interpreting system content and relationships**

**Preconditions for successfully using systems thinking and multi-stakeholder approaches:**
- The overall goals of the organisation, and its values to achieve them need to be identified and recognised throughout the organisation.
- Leadership in the organisation encourages experimentation, which enhances the motivation and capacity to learn from experience.
- An organisation has regular opportunities for learning from experience, self-assessment – such as the identification of 'stories' involving positive examples or experiences, significant changes or errors.
- An organisation needs flexibility in structures, team formation, partnerships and approach in the light of new needs or past experience.

- Leadership should encourage the development of individual and group skills in response to identified demands or new priorities; which can be developed on-the-job, through participatory face-to-face practical, 'hands-on' approaches.
- The organisation needs M&E systems that are responsive and relevant to the requirements of members or clients.

**Understanding capacity from a system-perspective:**
- Put emphasis on understanding country context and conditions, location-specific circumstances and internal and external factors.
- Analyse the impact of these on the organisation.
- Consider the wider system in which an organisation is operating.
- Identify appropriate partners and build relationships and complementarity with other actors in the system.

**Ensuring a multi-stakeholder approach:**
- Requires an investment in terms of time and resources.
- Requires open communication, i.e. good relations between the key stakeholders to ensure stakeholders have a collective interest in applying the framework.
- Is facilitated by setting criteria for identifying stakeholders.
- Is facilitated by planning how and at which steps stakeholders participate in the capacity development process, in planning, monitoring and evaluation.

**How to set adequate system boundaries?**
- Start by clearly defining the outcome, or value, that the organisation should generate for society.
- Treat southern organisations as open systems operating in complex situations. This means identifying the contextual factors at the international, national and local levels that influence the desired outcome.
- Where the system boundaries are set depends on pragmatic reasons such as the resources available to include the main actors. Ask: what can the organisation control, what can it influence and what can it only appreciate but do nothing about?

These principles appear rather abstract but become more concrete when applied to real-life situations, such as described in box 5 for evaluating the capacity of environmental assessment systems.

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**Box 5: Example identifying the unit of analysis in the case of environmental assessments**

A full chain of environmental assessments involves a large number of stakeholders. Consequently, the Netherlands Commission for Environmental Assessment (NCEA) evaluation (2011) faced a complex system for which boundaries must be set. Determining the best unit of analysis for the system was a main limitation. There is always the risk that the scope becomes too wide. The alternative – restricting the focus to the relevant environment ministry alone – would be too limiting. This choice would not reflect NCEA's comprehensive approach to capacity development for environmental management. The open boundary approach made it possible to deal with the issue of analysing the Environmental Assessment (EA) system. The evaluation chose to make the national environmental assessment system the unit of analysis (see figure below).

This choice included all institutions directly involved but also the regulatory framework that links them together. As a hypothesis, the evaluators considered a number of organisations collaborating with clear but distinct tasks and obligations in the EA system to be a 'collaborative association' (see also section 6.4). The collaboration can be characterised as not permanent, nor linear (following procedural guidelines). Instead, the arrangement was designed to be complementary, correcting and strengthening on the basis of the competencies and skills of each of the contributing party. The association involves diverse stakeholders from government, civil society and private business. But, since there is little integration of activities, programmes and planning, it is clear that one cannot speak of collaborating 'partners'. For each country involved, the object of study was delineated more precisely according to the specific role played by each stakeholder in the national EA system.
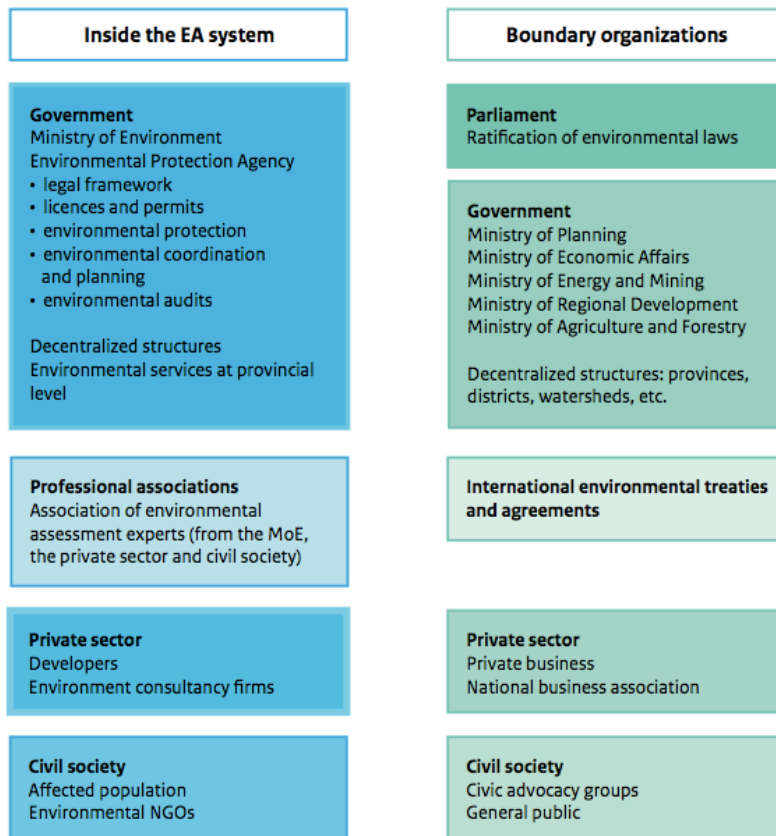
| Inside the EA system | Boundary organizations |
|---|---|
| **Government**<br>Ministry of Environment<br>Environmental Protection Agency<br>• legal framework<br>• licences and permits<br>• environmental protection<br>• environmental coordination and planning<br>• environmental audits<br><br>Decentralized structures<br>Environmental services at provincial level | **Parliament**<br>Ratification of environmental laws<br><br>**Government**<br>Ministry of Planning<br>Ministry of Economic Affairs<br>Ministry of Energy and Mining<br>Ministry of Regional Development<br>Ministry of Agriculture and Forestry<br><br>Decentralized structures: provinces, districts, watersheds, etc. |
| **Professional associations**<br>Association of environmental assessment experts (from the MoE, the private sector and civil society) | **International environmental treaties and agreements** |
| **Private sector**<br>Developers<br>Environment consultancy firms | **Private sector**<br>Private business<br>National business association |
| **Civil society**<br>Affected population<br>Environmental NGOs | **Civil society**<br>Civic advocacy groups<br>General public |

The categories of stakeholders involved in an assessment may appear to be similar. An association of mining companies may be registered as an NGO. But its interests may not be the same as environmental activists also registered as an NGO. The environmental issue, i.e., the outcome of concern – issuing mining permits, preventing air or river pollution, dumping of waste, protection of endangered species – determines the specific combination of interested parties that make up the system that has to be taken into account.

## 2.3.  Capacity and the five core capabilities

The 5Cs framework distinguishes capacity defined as a 'producing social value' and five core capabilities which, by themselves, do not necessarily contribute to social change.
•    In the framework, **Capacity** is referred to as the overall ability of an organisation or system to create value for others.
•    **Capabilities** are 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).

- **Competencies** are the energies, skills and abilities of individuals. Fundamental to all are inputs, like human, material and financial resources, technology, information and so on.

To the degree that they are developed and successfully integrated, capabilities contribute to the overall capacity or ability of an organisation or system (see section 2.2) to create value for others. A single capability is not sufficient to create capacity. All are needed and are strongly interrelated. Thus, to achieve its development goals, the 5Cs capacity framework says that every organisation/system must have five basic capabilities. These are:

- The capability to act and commit
- The capability to deliver on development objectives
- The capability to adapt and self-renew
- The capability to relate to external stakeholders
- The capability to achieve coherence

Figure 1 is a visual representation of the 5Cs framework; which can be used for strategic planning, tracking and discussing changes in capacity and as a framework for evaluations. In this figure, the Southern organisation has the central position, to take an endogenous view of capacity. The figure shows the five core capabilities are closely related and overlie each other. Together, they contribute to an organisation's capacity to achieve its objectives in bringing about social change.[6]

In the diagram, the arrow from 'Output' pointing back to the organisation stops at the system boundary. In other words, this feedback is not directly connected to the core capability to deliver on development objectives. The outputs are the Southern organisation's outputs. Outcomes, change in the Southern society, are also the result of the outputs of others. This situation makes attribution difficult but not impossible.

The five capabilities need to be contextualised, and related to the perspectives of the Southern partners with regard to capacity development.[7] Once this is done, key 'pointers'[8] or indicators can be developed which allow people to plan, monitor and evaluate changes in relation to the different capabilities. This process is discussed in detail in section 3.3.

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6 At a more theoretical level, different people who have been involved in the IOB evaluation (IOB 2011) have questioned the figure's central positioning of the 'capability to deliver on development objectives', instead preferring the 'capability to achieve coherence' in that position. In view of the interrelated nature of the Capabilities and each capability's necessity for capacity, this discussion would not have major theoretical implications and would instead be about visual preference or a need to particularly prioritise one of them (which is a priori not advisable given that each situation is different).

7 The annex presents a summary of key components from the 5Cs, as published in the IOB synthesis report.

8 The term 'pointers' was suggested by Engel et al. (2007) who described it as follows: "'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."

**Figure 1: Analytical framework for capacity development**
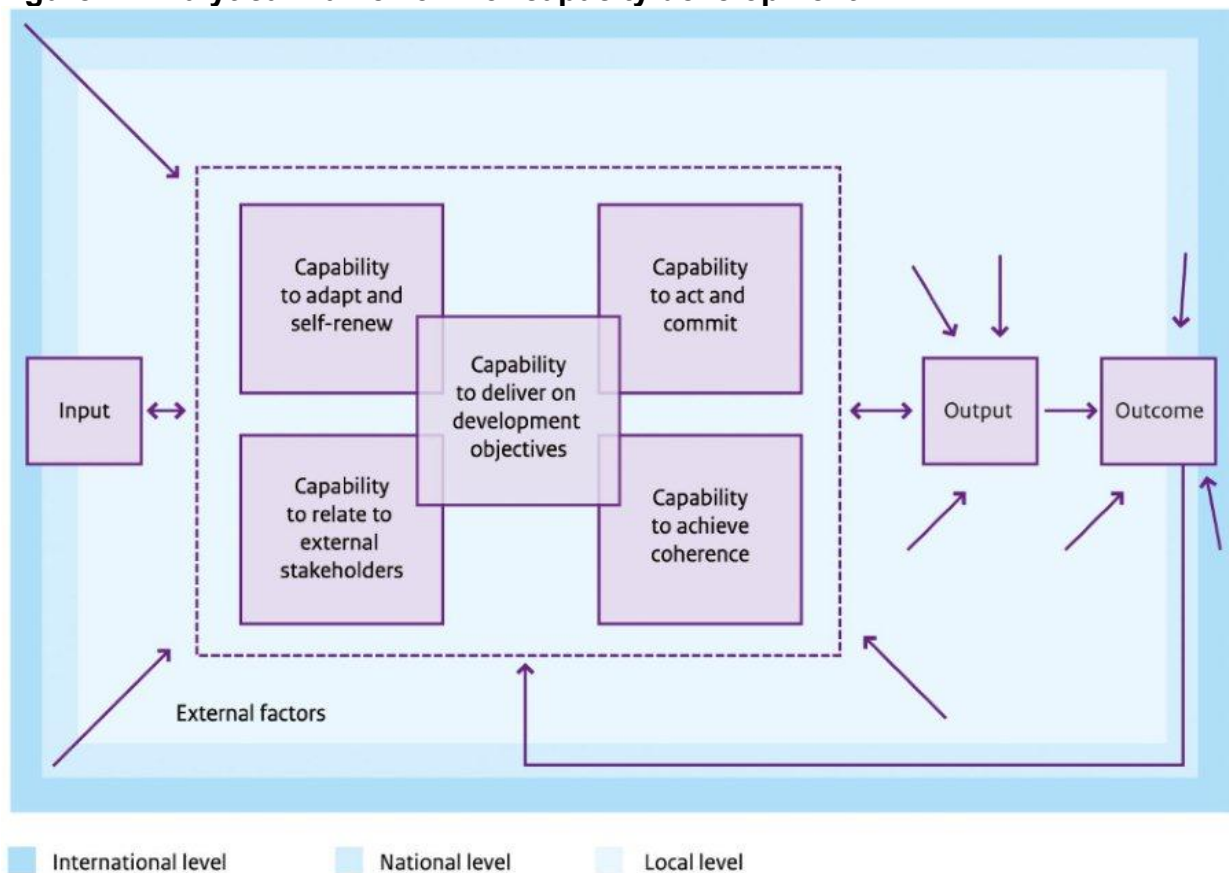


Adapted from: De Lange 2009.

The 5Cs framework adds to a rich family of approaches presented to monitoring and evaluating organisational and/or societal changes.[9] Before describing the different capabilities in more detail, the following box 6 gives a short description of what some users consider as the main differences and advantages of the 5Cs framework compared to existing tools.

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**Box 6: Added value of the 5Cs framework compared to existing approaches?**

Evaluating capacity is often been done through applying organisational capacity assessment (OCA) tools, based on a predefined set of indicators (usually formulated by donors). The 5Cs framework has some advantages compared to existing OCA tools as confirmed by several organisations that applied both instruments:
- The 5Cs framework enables a broader look at capacity development in an organisation.
- The 5Cs framework enables an in-depth discussion on identified pointers.
- Most OCA tools focus mainly on the harder dimensions of capacity, such as infrastructure, staffing, organisational procedures, accounting and project management skills and not that

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9 For example, see: UNDP, 2010, A Guide to Civil Society Assessments, Oslo Governance Centre, Oslo.

much on the softer dimensions such as legitimacy, resilience, trust, learning culture, etc.
- The 5Cs framework offers the opportunity to focus on what is going well and what can be enhanced rather than focussing on identifying gaps.
- Instrumental use of OCA tools often leading to imposed and superficial processes of organisational change, unrealistic timeframes.
- OCA tools are often driven by accountability concerns of aid agencies rather than being supportive for learning processes.

## Capability to act and commit

This capacity is about the ability to work properly: to plan, take decisions and act on these decisions collectively. For this, an organisation needs for example:
- Structures that can function efficiently with available resources;
- Ability to properly mobilise financial, institutional and human resources;
- Committed and stable, inspiring and action oriented leadership and the acceptance of leadership's integrity by staff;
- Executive structures with a legal basis to make binding commitments;
- Effective monitoring of the work plan.

**Box 7: The Capability to Commit and Act, some examples**

The environmental impact assessment (EIA) system in Georgia suffered greatly from the deterioration in institutional and legal frameworks as a result of the Rose Revolution in 2003. This made the EIA system less able to act and commit according to its mandate (NCEA 2011). This ability is clearly weakened if Southern organisations have to cope with acute leadership problems. For example, in the case of the rural membership organisation MVIWATA in Tanzania (IOB 2011: 149) leadership remained concentrated on one person, while the organisation's outreach expanded. The staff developed itself, but is at risk of becoming overstretched. A centralised leadership style also influences other capabilities, such as that to adapt.

## Capability to deliver on development objectives

This core capability concerns the organisations' skill to ensure that it is producing what it is established to do. To deliver on development objectives it is important, among others, to have access to:
- Current and future financial resource base and the ability to generate own financial resources (members, services/ products, or subsidies);
- (External) knowledge and information sources;
- Human resources;
- Adequate facilities, equipment and premises;
- Agreed standards and performance measures = results.

The availability of sustained external funding (and thus the ability to attract funds), both depend on and influence the core capability to deliver on development objectives. Simply

put, performance impacts on attractiveness for funders. This capability is often weak, since it often depends on adapting to changes in donor priorities. Many Southern organisations rely heavily on external funding, and are vulnerable to lack of continuity and the risks of withdrawal.

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**Box 8: The Capability to Deliver on Development Objectives, some examples**

In three studies carried out on districts in Ghana's health sector, funding constraints were considered to be a major factor inhibiting the achievement of development objectives. It was shown that strong and motivating leadership that worked closely with communities and networked at national level reduced this inhibiting factor. For many organisations it is hard, or not even an option, to generate own financial resources through membership contributions or payments for services or products (Ghana 2010). In other cases, funding depends on political decisions and on governmental budgets, for instance in the case of the environment ministries (see NCEA 2011).

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## Capability to adapt and self-renew

The ability of an organisation to learn internally and to adjust to shifting contexts and relevant trends is mostly influenced by the following factors:
- Internal openness to learning (including acknowledgment of mistakes);
- Active pursuit of internal (organisational) learning on performance and strategy;
- Confidence to change: leaving room for diversity, flexibility and creativity;
- Ability to analyse current political trends, awareness of external market development, and understand the consequences for the organisation;
- Use of opportunities and incentives.

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**Box 9: The Capability to Adapt and Self-Renew, some examples**

In the cases where positive changes were detected, leadership can put clear emphasis on internal learning and awareness of external market developments. In the case of the Kwahu South District Health Management Team (DHMT) in Ghana (IOB 2011: 162), a culture of reflection and of addressing mistakes exists within the District Health System. The DHMT initiated changes by engaging communities in churches and by creative use of funding for vertical programmes for integrated health training.

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## Capability to relate to external stakeholders

This capability is about building and maintaining networks with external actors. These actors include governmental structures, private sector parties, civil society organisations (CSOs) and in the end their constituencies. Depending on the kind of organisation placed at the centre of a system - private sector, government institution, civil society - a focus on

service delivery makes different kinds of local actors more or less relevant. However, relationships with international organisations are almost always considered important, especially with regard to the acquisition of funding.

Relevant factors in this capability concern for instance:
- Relational competencies to build and maintain networks with domestic actors relevant to realization of societal outcomes;
- The ability to build and maintain relationships within its own setup/ structures, where communication plays a key role;
- The ability to build and maintain relationships with international organisations for the acquisition of funding;
- Political legitimacy, social credibility and reputation;
- Integer leadership and staff;
- Operational credibility /reliability;
- Participation in coalitions;
- Adequate alliances with external stakeholders.

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**Box 10: The Capability to Relate to External Stakeholders, some examples**

The rural membership organisation FEKRITAMA in Madagascar interacts with a large range of different actors/networks (NGOs, private/ governmental sectors and international organisations). FEKRITAMA has an extensive membership base (about 46,000 persons in 2009 and 2,015 associations); it is a trusted partner for its members and donors (IOB 2011: 148). On the other hand, the NIMD Guatemala office (IOB 2011: 163) is not strong on this capability. The principal socio-economic groups and parties do not trust each other, nor are they in touch. Politicians have poor professional ethics and no shared vision on national problems. The Permanent Forum of Political Parties (FPPP for the Spanish acronym) working groups take the initiative to train party officers, youngsters and female party militants; FPPP is also involved in preparing laws, sometimes in cooperation with parliamentarians and civil society.

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## Capability to achieve coherence
A main factor here is the strength of an organisations' identity, self-awareness and discipline which includes:
- Clear and coherent mandate, vision and strategy, which is known by staff and used by its management to guide its decision-making process;
- Well-defined internal organisational principles on mandates, operations and human resources management;
- A PM&E system geared to monitoring fulfilment of the operational principles;
- A leadership committed to achieving coherence between values, principles and operations;
- An ability to balance stability and change;
- A consistent quality, style and reliability of management.

## 2.4. Capacity as generating social value

The purpose of this publication does not allow for a detailed discussion on elements highlighted in 2.3. Nevertheless, it is important to emphasise that the conceptual basis of the 5Cs is that an organisation's capacity is not an end in itself; it is also a means to bring about social change. The issue then is: capacity for what? The answer to this question is embedded in the organisation's objectives and the way these are specified in its outcome statements and corresponding outcome indicators (IOB 2011). This factor is so important that it is revisited in chapter 4.

As shown in figure 2, the analytical framework draws a distinction between capacity defined as a social value and the core capabilities which, by themselves, do not necessarily contribute to social change. Given that each system will have a particular core business in mind (for example 'poverty reduction', 'disaster control' or 'financial profits'), the theoretical conclusion that capacity is both a means and an end to development does not mean that the two are of equal standing. Although core businesses may evolve over time, it is ultimately the social value created that legitimises the organisation, and not the other way around. Figure 2 gives a visual representation of how the 5Cs may be situated in relation to available fundamentals and resources of an organisation, and how the 5Cs in turn contribute to an organisation's capacity and social value.

But bear in mind, that for the sake of clarity the figure is a bit misleading. There is no clear 'ladder' to capacity. Each 'level' feeds back, making the system dynamic and constantly changing. Which is why monitoring and learning should be in 'real time'.

**Figure 2: The 5Cs in an organisation, contributing to capacity and social value**
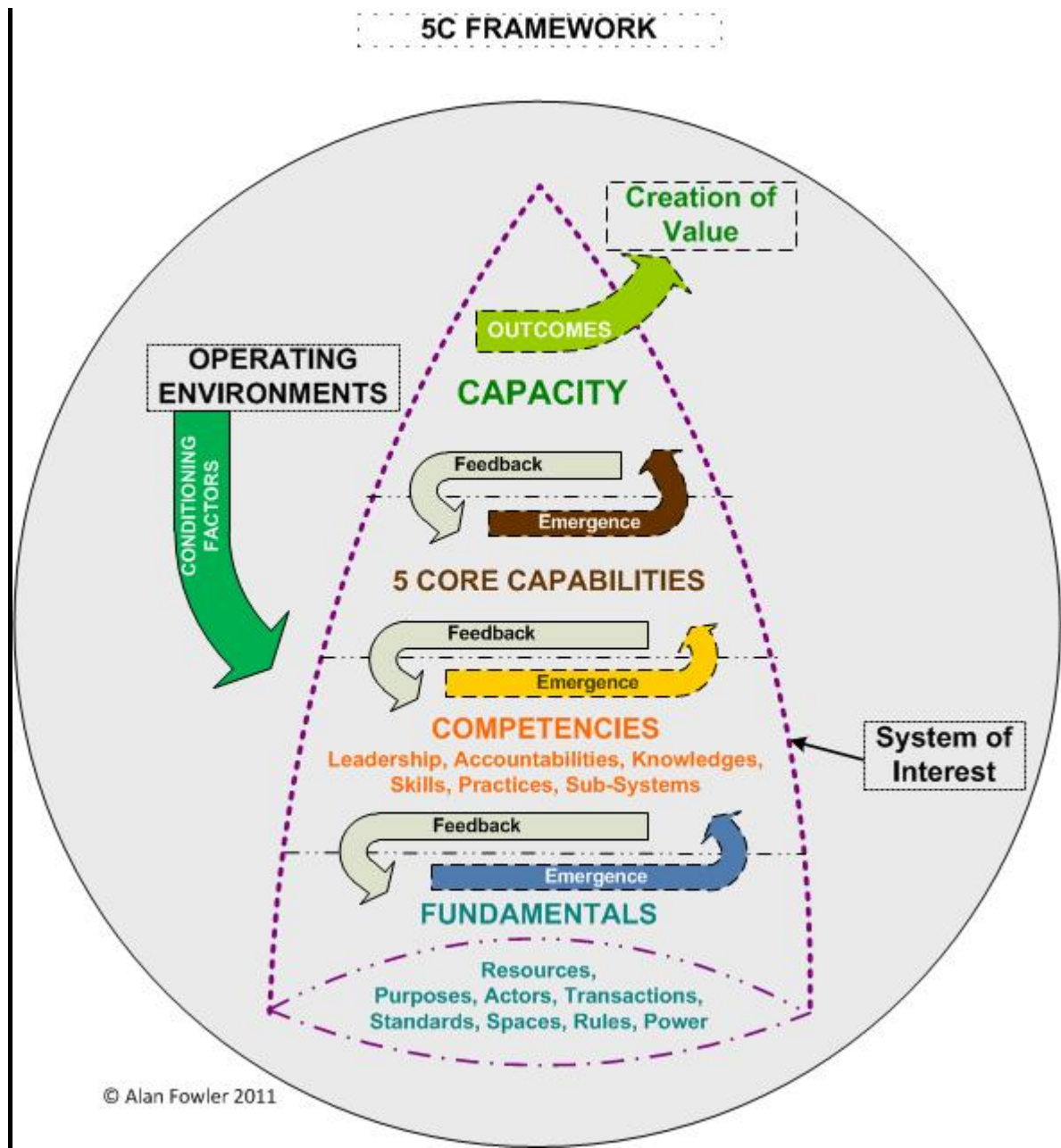
# 3. How to use the 5Cs framework: preconditions

**The 5Cs framework can provide an important and complementary multi-actor view on capacity change across very diverse conditions. The methods applied appear to be the most important factors in determining the extent to which the production of meaningful information is possible.**

## 3.1. The central role of the Southern organisation

Ownership is key to building and sustaining capacity. This requires that, as capacities are developed, ownership resides with the Southern organisation. Capacity Development comes from within; no one capacitates another without their permission, willingness or corporation. Ownership means the subject of development should in principle take the initiative. The stakeholders of the organisation need to analyse their capacity problem as '[c]apacity development can be self-sustained only if it is anchored in endogenous processes' (IOB 2011: 129).

This type of 'endogenously-led' participatory process requires an investment in terms of resources like time and money. It takes time to listen, negotiate, and take action when different parties are involved. Yet, it is the only way to ensure the crucial element: ownership among stakeholders of the their capacity development process. Stakeholders within an organisation will be open to capacity development only if they have experienced and/or are convinced that certain capacities need to be built in order to achieve results or bring about social change. The required participatory process facilitates an accurate analysis of the capacity problem and creates the collective energy, motivation and commitment of stakeholders to engage in a process of change. The right quality of participatory approach has thus important gains: it increases benefits and effectiveness of interventions.

This means that at the core of effective capacity development is endogenous energy, motivation, commitment and persistence. It concerns the willingness and ability of stakeholders to engage in and lead change. This requires a process of encouraging and stimulating individuals to act. Voluntary collective action - thus ownerships of the capacity development process - arises from leadership as well as the ability of groups to be motivated and driven by leaders. The type of leadership applied influences the collective action. Ownership can be elusive, and can change over time, or not be shared in different levels of an organisation. Moreover, the interests of (some) stakeholders can change and initial supporters may lose interest.

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**Box 12: Key organisational ingredients for addressing capacity issues**

- Be aware of and prepared for the fact that capacity development can create anxiety as well as enthusiasm.
- Aid relationships involve differences in power. External 'encouragement' of change can be perceived as a requirement for support that can undermine ownership and trust. Honest discussion about power can promote relational mutuality.
- Addressing capacity development requires increased investments. It will need to be seen as a speciality requiring dedicated resources.
- Time must be invested to explain and explore the 5Cs framework with stakeholders and to make it context-specific.
- Building and sustaining good relations among stakeholders is a prerequisite to apply the 5Cs framework.
- Capacity development requires incremental planning processes.
- It requires organisational incentives to encourage staff to take part in the process, including encouraging, effective leadership to help groups to work together
- Engaging stakeholders in building the common plan, defining their positions, in dialogues with other parties to ultimately develop a shared analysis and shared action.
- Be aware of the formal and informal processes that can shape and modify patterns of ownership over time. This implies having a good understanding of the context and of stakeholder interests and influence, and staying engaged.

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## 3.2.  Key challenges, or 'how not to use the 5Cs framework'

Partly based on the authors own considerations as well as the recent experiences in the IOB evaluation, a couple of key challenges have to be faced if one is to successfully use the 5Cs framework (Engel et al. 2007):

- **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. However, the ability of an organisation or organisations to successfully identify and involve all key stakeholders in a developing system is an important indication of their capabilities. Given this minimum relational requirement, would not be wise for donors to 'enforce' the use of the framework by its partners.
- **Actors need basic process understanding and commitment**. There is an inherent danger that the 5Cs framework could become just another OCA tool, with no proper introduction or thorough understanding.[10]
- **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.

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10 Evidence of this has already been seen during the IOB evaluation (for example IOB 2011 in the MKC-RDA case). In the case of the CADEP programme, it was integrated into the programme proposal as a monitoring tool, but was never actually used as such by the successive programme advisors (PSO 2010: 177).

A common 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 functional value. 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.

- **There needs to be a collective interest in developing a system-wide perspective.** Like any way of tackling M&E, the 5Cs have been designed as a balanced and comprehensive approach with clear purposes in mind. What the 5Cs offers may be less useful in situations where stakeholders feel constrained to focus on more limited projects and interventions with little incentive in understanding capacity in a more holistic fashion.

That said, different settings will show different priorities for understanding and planning capacity development. Consequently, it is reasonable to expect differing levels of available time and resources to invest in the use of the 5Cs. In addition to the IOB work, experience in monitoring show various possibilities with different parameters for using the 5Cs and associated costs.

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**Box 13: Different options for using the 5Cs**

Like all 'participatory approaches' to monitoring and evaluation, the use of the 5Cs framework for the different purposes described in this document will require financial and social capital. The costs however can differ through the ways in which it is used, for instance:
- Whether the 5Cs framework is used for 'internal' monitoring and evaluation processes, i.e. in which only the staff of the donor and partner take part. Or if use is made of external consultants, and whether these are local or international.
- Whether a choice is made for (1) a comprehensive approach, using different methods and techniques or (2) making a 'quick scan' (see chapter 6 for details).

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## 3.3.  Calibrate the capacity assessment framework

As the IOB notes: '[t]o maintain a Southern perspective, local calibration and transposition of the indicators for assessing capacity was considered critical' (IOB 2011: 122). It includes, for each of the 5Cs, the prominent pointers of capacity that stakeholders consider to be essential.

The aim of calibration is to adjust the 5Cs framework to a specific situation and purpose/outcome. The calibration exercise started with prototype pointers for each capability. This opens the opportunity for stakeholders the opportunity to both formulate their own pointers and to select those mentioned. The identification of indicators and

operational criteria in the local context should be done in close consultation with the various stakeholders. In general, some of the pointers in the framework will be accepted and used, and stakeholders will formulate additional ones (Engel et al. 2007). The transposition of organisation-specific indicators '… to the 5Cs framework strongly determines any bias' (IOB 2011: 122).

To define the core capabilities in more detail, while reflecting local understanding, stakeholders need to identify organisation specific indicators to express '…what Southern organisations regard as critical aspects of their capacity' (IOB 2011: 121). The annex presents a prototype indicator list, based on the case studies of the capacity study and the IOB capacity evaluation.[11] This prototype needs to be tested during a calibration exercise by the stakeholders to determine the validity and relevance of the pointers to a particular context. The indicators subsequently form the basis for a discussion about the different capabilities and how these together contribute to the organisations' capacity.

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**Box 14: Formulating and 'calibrating' indicators, some suggestions**

- More relevant indicators might be realized with focused research methods that examine the relationship between the organisation's objectives and external intervening factors, and the capacity it needs. Research methods have to be selected and adapted for that purpose. (IOB 2011: 123 and 127).
- After the indicators of the five core capabilities are customized to suit the specific context, pre-test them. It could turn out that certain key indicators become very prominent and have to be included.

The role of 'indicators' is a mere tool or means to gather, structure and discuss perceptions and information. Therefore, indicators should not be treated as a strict and complete operationalisation of the capabilities. Overemphasising the importance of indicators could lead to conclusions that an organisation is doing well if it scores positively on a majority formulated in relation to one capability. This conclusion which would go against the central assumption that it is the interaction between the different capabilities that shapes overall capacity.

Calibration is also influenced by the degree of experience stakeholders have with participatory indicator development. Also linguistic barriers can play a role in a calibration exercise. The language used in the 5Cs framework does not always adapt itself very well to the situations on the ground. For example, respondents interpreting political legitimacy in terms of political party membership (Ghana 2010: 74), or the difficulty of translating concepts such as 'output' and 'outcome'. The use of the interviewees' language to the largest extent possible is best that can be done (Agriterra 2010: 7).

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Formulating and using indicators in a participatory way requires investment in improving understanding of what capacity means and how it can be measured. This does not require a theoretical approach using those exact words, explanations of systems thinking,

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11 'Possibly, each core capability can be supported by indicators that are distinct to that core capability and uncontested by stakeholders from both the North and the South' (IOB 2011: 123).

etc. But it does call for discussion about what matters to an organisation including and beyond that which meets the eye. This also means engaging with preconceived understandings or even 'stereotypes' around capacity development, illustrated below.

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**Box 15: Formulating indicators for tangible and intangible things**

- Getting to grips with the concept of capacity proved to be challenging. Actors tend to define capacity development in terms of training and human resources, with little attention to motivation or relationships, for instance (SNV 2010: 60, 62, 63).
- There is often a narrow perception of capacity development, limited to individual training in most cases (Ghana 2010: 74).
- Intangibles such as identity and confidence turn out to be of major importance. Examples can be found in the case of ESDU, ENACT, IUCN in Asia, the Rwanda Revenue Authority, the COEP and Observatório networks in Brazil, the PSRP in Tanzania and CTPL Moscow (see IOB 2011). Here, participants worked both directly and indirectly to foster a collective identity that could be recognised both internally and externally. Coupled with this sense of identity was the growth in confidence and mastery, which led participants to develop a belief in their ability to make a special contribution to those with whom they worked. This belief, in turn, generated feelings of loyalty and pride that deepened the emotional and psychological relationships underlying the capacity, and expanded the range of activities that people thought they could attempt.

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## 3.4.  Attention to both hard and soft sides of capacity: power and gender

To assess capacity, integrate both the 'soft' and 'hard' sides of capability and performance. Capacity development is very much about relationships, between stakeholders within the system and with the context around the system. Because capacity development has to take politics and power relations into account, the process is also about negotiation and accommodation, just as much as it is about the supply of resources and tangible assets. 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'.

Softer issues, like power and gender, but also culture, values, ownership, legitimacy, identity and personality, play a major role in the capacity development process. The extent to which these softer issues are consciously and systematically integrated in the analysis of capacity development depends on the user applying the instrument. If so applied, the 5Cs framework can be gender or power sensitive. This requires care from the user of the instrument. It is not necessarily important to 'add' gender specific indicators in the 5Cs framework.

## 3.5. Using the 5Cs framework with collaborative associations

In the context of the IOB evaluation, specific attention was given to how the 5Cs could be used to evaluate what was termed 'collaborative associations': an association in which several parties work together to achieve common goals.

**Figure 3: Distinguishing between different kinds of collaborative associations**
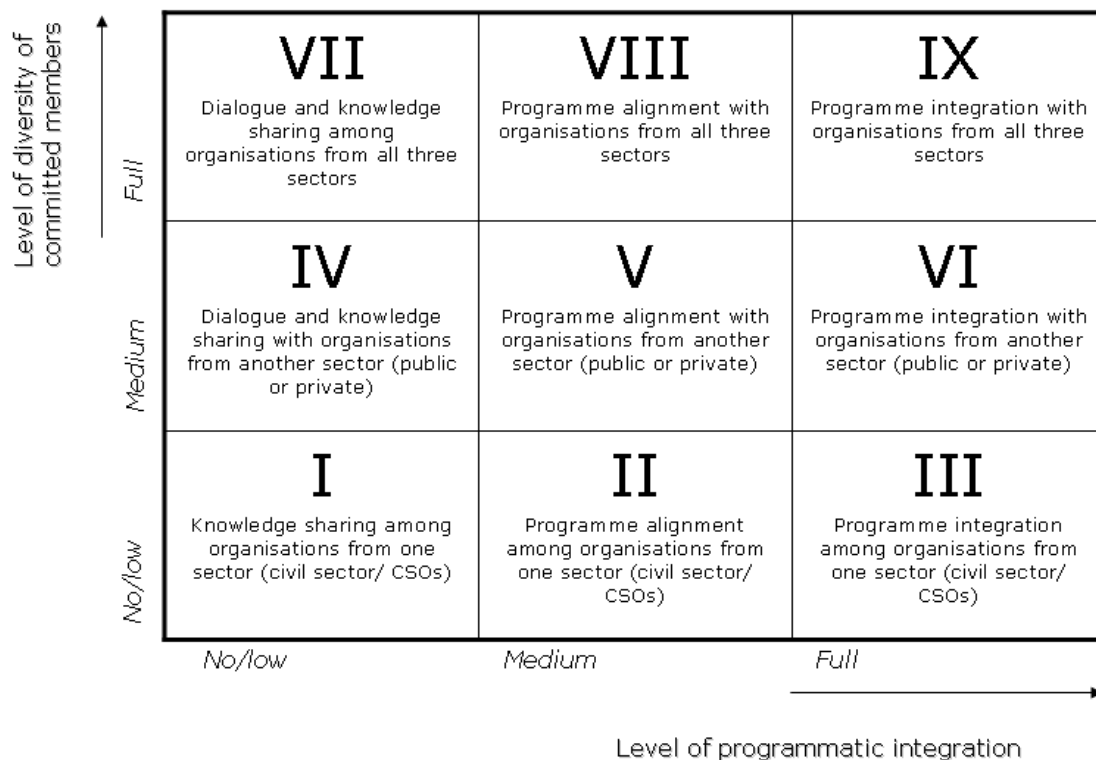


From: IOB 2011

Stakeholders can have different reasons for wanting to be part of a collaborative association. Usually they participate because they realise that operating within an association is likely to be more effective than acting on their own. Some organisations choose to participate in a loose network, whereas others take responsibility for the design

and implementation of a joint programme. There are many possible parameters and their combinations that could be used to typify collaborative associations. The IOB evaluation uses the following diagram to distinguish different types of collaborative associations based on (a) the level of diversity of committed members and (b) the level of programmatic integration.

In the process of the evaluation, some specific indicators were suggested and explored in the different case studies, as shown in box 17.

| | **Box 17: Suggested indicators for collaborative associations (IOB 2011)** |
|---|---|
| To commit and act | • Leadership is shared rather than positional<br>• Members act to satisfy the interests of all members |
| To deliver on development objectives | • There is sufficient transparency, data freely shared and explained |
| To relate | • Development and joint recognition of shared values and interests among association members |
| To adapt and self-renew | • Members effectively deal with their diversity and power asymmetries |
| To achieve coherence | • There is a results driven structure and process<br>• Attitudes of respect and trust are present, avoiding stereotyping or reactive behaviour (culture)<br>• Credit and responsibility for the collaboration is shared among members<br>• Members ensure that views of less powerful stakeholders are given a voice |

# 4. Strategic planning of capacity development

**An organisation's capacity is not an end in itself but is rather a means by which an organisation may achieve its objectives in bringing about social change. The issue then is: capacity for what? The answer to this question is embedded in the organisation's objectives and the way these are specified in its outcome statements and corresponding outcome indicators.**

## 4.1. The use of the 5Cs framework in the planning of capacity development programmes

To date, the 5Cs framework has mostly been used in ex-post evaluations. But it can also strengthen the capacity development planning - or what some refer to as 'ex-ante' or 'formative evaluations'.[12] Application of the 5Cs framework at an early stage facilitates a more strategic planning of the type of capacity development results to be aimed for. In addition, using the 5Cs framework directly improves the ownership of the capacity development process and the feasibility of monitoring and gauging its outcomes. This will also help avoid what is partly perceived as a 'language barrier', but what often turns out to be a symptom of different actors never having been involved in monitoring and evaluation of capacity development and suddenly having to do so.

Capacity emerges out of multiple interdependencies and causal connections operating within the system. Planning capacity development can be done with different strategies, but when applying the 5Cs framework, an incremental approach is most appropriate. Detailed predetermined strategies (with associated indicators) for capacity development - especially if they are rigidly based on 'gap' analysis - may be at best irrelevant and at worst counter-productive. More experimental and incremental approaches are required for a participatory process, which is part of the system thinking behind the 5Cs framework.

Engaging stakeholder groups throughout the planning process is critical for ownership of the capacity development process, as discussed in section 3.1. Also, planning of capacity development based on reflection on practical experience provides the best frame of reference. System thinking acknowledges the difficulties in predicting probable effects of any action. The 5Cs framework therefore emphasizes learning and adjustment to predict capacity and performance needs. Using adjustments and small interventions,

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12 Although some would argue that formative evaluations go beyond planning, which of course not only depends on how one defines formative evaluation but also on what one considers as part of planning. A more specific definition is found here: "Formative evaluation seeks to strengthen or improve a programme or intervention by examining, amongst other things, the delivery of the programme, the quality of its implementation and the organisational context, personnel, structures and procedures. As a change oriented evaluation approach, it is especially attuned to assessing in an ongoing way, any discrepancies between the expected direction and outputs of the programme and what is happening in reality, to analysing strengths and weaknesses, to uncovering obstacles, barriers or unexpected opportunities, and to generating understandings about how the programme could be implemented better. Formative evaluation is responsive to the dynamic context of a programme, and attempts to ameliorate the messiness that is an inevitable part of complex, multi-faceted programmes in a fluid policy environment." http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/downloads/sb2_formative_evaluation.doc

stakeholders are able to seek out opportunities, try different changes, move as the context allows and try to learn what might work under different conditions. This involvement of stakeholders at the same time promotes capacity development in itself.

A strategy can include objectives and milestones, but they function more as guidelines than as fixed targets. Capacity is usually a relatively elusive attribute in strategic planning. Nevertheless, if the right level of framing can be found, the 5Cs framework does enable capacity to be described in relations to strategy. But, as with outcomes, doing so depends on the specificity of the strategy in the first place. Even though empowerment has multiple indicators, a strategic goal of 'empowering X number of women in 5 countries over 5 years offers an outcome against which strategic capacity can be assessed. Similarly, a strategic goal to be recognised as a leader in development field Y, can be translated into a capacity that a 5Cs framework can help to track.

Strategically or otherwise, the five capabilities need to be contextualised, and related to the perspectives of the Southern partners with regard to capacity development.[13] Once this is done, key 'pointers'[14] or indicators can be developed which allow people to plan, monitor and evaluate changes in relation to the different capabilities. This process is discussed in detail in section 3.3.

Planning of capacity development starts with visioning, assessment and diagnosis. Typically, this stage is followed by the programme and result design as well as the planning of implementation. But, monitoring and evaluation are also part of the planning process. The existing capacities within the organisation, and what these capacities say about 'what works' or 'the way things work' in that context should be taken as the starting point. Such insights provide a basis upon which an intervention strategy can be conceived including identification of appropriate entry points. Next, what stakeholders see as the problems (and their solution) is the main way to define the capacity problem.

Working with different kind of stakeholders with differing responsibilities, backgrounds and sometimes levels of education also means that one should ideally invest in different ways of presenting and/or communicating the 5Cs framework. Looking back to the main figure with the five overlapping capabilities in the previous chapter, one Colombian partner organisation to the Netherlands NGO *Woord en Daad* used a visual representation of what each capability does and stands for. This diagram is reproduced in the following box.

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13 The annex presents a summary of key components from the 5Cs, as published in the IOB synthesis report (IOB 2011).

14 The term 'pointers' was suggested by Engel et al. (2007) who described it as follows: "'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 18: Visualising the 5Cs – one example from Colombia**

Assessing capacity through some kind of diagnostic process can help participants arrive at a shared understanding of their capacity challenge, agree on aspects of capacity that need attention and take account of factors that may promote or inhibit change. The 5Cs framework allows planning the capacity change more systematically. The capacity development plan can make use of the 5Cs framework to include all facets of capacity necessary for the organisation. The framework can help broaden perspectives on the relationship between capacity and performance, by highlighting some of the informal and intangible aspects of capacity that can influence behaviour and motivation.

The 'pointers' or indicators serve mainly as 'entry points' for stakeholders. The pointers should 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 five capabilities. By applying the 5Cs framework, the users can on the one hand define the capacity problem, the structural weaknesses and shortcomings in capacity as well as the different competences and capabilities the organisation has, and on the other hand analyse the capacity it needs, to perform the interventions to realise the organisation's objectives.

Too often capacity development design focuses on the outputs and planning of activities – simply filling in pre-identified gaps for missing functions and skills based on imported or historic solutions. By applying the 5Cs framework the strategy can focus on designing capacity development that drives local solutions for priority goals. This approach uses capacity development as a strategic instrument, which leads to transformative, sustainable capacity.

**Key considerations:**
- It is critical to create space and opportunities for the stakeholders to express their priorities. This is facilitated by planning how and at which steps stakeholders participate in the capacity development process design by the facilitating team.
- An incremental approach based on small experimental steps, with adjustments made to account for experience, is most likely to be effective.
- Capacity development is comprehensive - 'you cannot do parts only' - and requires activities/interventions at different levels. Ensure the wider system in which an organisation is operating is included, for example by seeking complementarity with capacity development of other actors.
- Inspiring leadership is crucial in the context of transitional and transformational change. Leadership in the Southern organisation should ensure the conceptualisation and design of the capacity development. Also, leadership should ensure that the roles and responsibilities of partners throughout implementation are made explicit.
- The parties involved have, or develop, a common vision of the desired nature of the change. Focus on the potential for capacity development, by stimulating stakeholders to concentrate on finding, inducing, igniting, and unleashing endogenous human energy and commitment. This means paying less attention to gaps by placing more emphasis on strengths. Ultimately, a capacity development process should contribute to the achievement of development goals that are owned by, and meaningful to the stakeholders.
- The team facilitating the capacity development design may engage stakeholders through flexible strategies consultations, workshops, and meetings at different points in the process.
- In some cases the prospect of funding may have distortive effects.

**The 5Cs framework can help to unpack the term capacity into sub questions, like:**
- The main question for the organisation to answer is: capacity for what?
- What competences are available in the system, which ones need to be improved? How?
- What capabilities are essential to develop in light of the system's objectives? What is the interrelationship between the competences and capabilities available and the organisation's objectives?
- What is the ultimate capacity the capacity development programme is aiming for?

## 4.2.   Baselines to plan capacity development processes

Establishing baselines of the 5Cs is important for the monitoring and evaluation of capacity development. A baseline makes it possible to assess changes in each core capability and performance and tracking it over time, while systematically comparing changes at given points in time. Against the baseline information, the organisation or external evaluators would be able to measure changes that took place since the time of the baseline and the extent to which these changes are likely to be sustainable.

**Box 20: What are baselines?**

The baseline is a diagnosis of the organisation at a certain point in time. The five capabilities offer a lens to explore organisational and system capacity and to present a picture of the capacity of an organisation. It offers an insight into the existing capacities within the organisation. 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.

Note that some organisations do not use the term 'baseline' in a planning context, but instead use the term 'situation analysis'. Some more general tips on how to do such an analysis, which is beyond the scope of this reference document, can be found in chapter 3 of: Woodhill and Guijt 2002. Managing for Impact in Rural Development. A Guide for Project M&E. International Fund for Agricultural Development (IFAD), Rome. http://www.ifad.org/evaluation/guide/index.htm

The methods used to do a baseline are similar to those for evaluating. The organisation can perform an inventory among the stakeholders of the five core capabilities, capacities and competencies that the organisation has. In fact, this is the first exercise of assessing the locally calibrated indicators for each capability.

**Box 21: basic methodologies to identify the existing capabilities within an organisation are (PSO 2010: 178)**

- Self-assessment exercises, interviews (with an emphasis on data triangulation), focus group discussions, general observation, and the study of documents.
- Timeline exercises: The timeline exercise was used in conjunction with stories of change and this was found to be a very useful technique that delivered a lot of information in a short time: draw a chronology of the organisation and collect stories of the different milestones in its life to a complete history of the organisation. Subsequently a self-assessment exercise can provide a scoring system to the indicators identified in the calibration workshop in relation to the different phases of the organisational evolution as identified in the timeline exercise.

The IOB evaluation experiences point to other useful practical suggestions:
- Some indicators used to measure the 5Cs were easier to define than others. Many indicators need to be assessed based on second-hand sources or on self-assessment exercises. Examples of such indicators are those that measure the skill levels of staff in various areas including financial management skills, reporting skills, leadership skills, etc. For some indicators, it would have been more appropriate to use different methodologies.
- Indicators need to be accepted and understood by all stakeholders concerned, so that the process of analysis and conclusions reached are fully owned and can feed into learning and action processes.

# 5. Tracking and discussing changes in capacity

**The 5Cs framework can be used for monitoring capacity development, but can only complement and not replace existing monitoring practices of an organisation. Crucial is to keep the overall picture central, in which capacity development outcomes are analysed through the 5Cs framework.**

## 5.1. Monitoring capacity development

Monitoring can be defined as the regular collection and analysis of information to assist timely decision-making, ensure accountability and provide the basis for evaluation and learning. It is a continuing function that uses methodical collection of data to provide management and the main stakeholders of an ongoing project or programme with early indications of progress and achievement of objectives (adapted from Woodhill and Guijt 2002).

Before considering what should be done in monitoring, it is important to briefly consider why it is at all necessary. The ECDPM study identified a number of purposes to which monitoring can respond, which is adapted in the following box.

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**Box 22: Purposes for investing in monitoring (adapted from Baser and Morgan 2008)**

- **For accountability to donors**. This is the most practised type of M&E. Technique and rigour matter and the emphasis is on quantitative indicators and impact assessments. External evaluators are often used in order to ensure rigour and impartiality.
- **For learning and improvement**. This type of M&E is internally managed (self-) monitoring and emphasises participatory, constructivist, qualitative approaches. Capacity development is viewed as a continuous, developmental process and legitimacy is gained through building consensus.
- **For local accountability**. This approach to M&E may be the most important, but is little practised by International Development Agencies. It builds on the experiences of NGOs/mutual accountability processes and views capacity development as local empowerment or increased legitimacy. Participatory, qualitative analysis has primacy and local assessors/facilitators are the norm.
- **For adaptive management**. This is a newer type of monitoring, emerging out of everyday problems. It is concerned with improving management techniques and performance by providing managers with real-time information for decision-making.
- **For developmental purposes**, including encouraging country M&E skills. The purpose of this type is to build country systems and encourage people to think strategically about their organisations. Its effectiveness depends on giving space to partners and empowering them. Participation and quantitative analysis thus have primacy.
- **For symbolic protection**. Much M&E, regardless of its official purpose, often serves the purpose of defending an organisation's operational space by satisfying outside stakeholders that its activities meet certain preset standards – that they are seen to be legitimate and credible. In such cases, the content of the evaluation may not contribute much to country planning.

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From the above definition, monitoring mainly addresses whether 'process steps' have been made and whether inputs are leading to outputs, and mainly focuses on things that can be 'counted' or 'scaled'. This should remain the core focus of monitoring, and not the results that should be examined through evaluations.

Earlier chapters in this document have emphasised the importance of monitoring both the 'hard' and 'soft' sides of capacity, which means that one should not use too literal definitions of 'counting' and 'scaling'. Instead, monitoring will only partly be a quantifiable exercise, and partly a matter of systematically collecting and appreciating different stakeholder perceptions of what goes on. This also means that although the focus is not on assessing and locating results, monitoring does include a considerable degree of analysis and 'valuing'. The combination of qualitative and quantitative data collection that characterises monitoring of capacity development also necessitates the use of a mix of methods, ranging from surveys to storytelling.

Although fragmentation of systems is generally not helpful, it should be noted that the multiplicity of methods and purposes means that in practice several monitoring processes can co-exist and complement each other, as for instance shown in the experience of the World Conservation Union (IUCN) Asia.

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**Box 23: Formulating indicators for tangible and intangible things (Rademacher 2005)**

IUCN in Asia has two capacity monitoring systems. A monitoring and learning officer manages the official system, which reports to donors. It is seen as the cost of doing business with the international community but provides little of interest or value to the management of the organisation or to its planning for the future. The unofficial system, on the other hand, is managed by the executive director, who follows it closely. It is mainly informal, personal and collective, with a focus on what is going right and what needs fixing. It also includes informal spaces for learning: regular management and programme reviews, retreats to examine and self-evaluate programmes and financial achievements, and regional programme coordinators meetings. All of these subsystems feed into collective strategic thinking and into the real decision-making processes of the organisation. The various mechanisms in the unofficial system help both to build the capabilities of managers to address issues and to encourage their 'buy-in' to decisions made. They create capacity through an upwardly rising spiral that benefits from interplay among activities.

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## 5.2. Using the 5Cs framework in capacity development monitoring

Using the 5Cs for monitoring should be done in a way that is consistent with the main assumptions and principles behind the framework, summarised in section 2.3. The 'softer' dimensions of capacity captured by the 5Cs framework could be considered for inclusion in existing monitoring systems or as a complement to them.

More concretely, monitoring organisations in relation to the 5Cs should not result in an overly reductionist approach whereby one only assesses progress towards indicators as defined in relation to individual Cs. Such a mechanical process could lead to wrong conclusions in relation to capacity achievements, e.g. the organisation has adopted a human resources strategy, hence the quality of its management systems has improved. Instead, it is better to frequently reflect on and consider what changes in an indicator might mean for the development of capabilities, and how these in turn together contribute to the organisation's capacity. For example, taking on the conditions of a new funder may increase the capability to deliver but, depending on what is negotiated, this could be at the cost of capabilities for coherence and/ or adaptability. It also means that monitoring capacity development using the 5Cs framework only makes sense at the level of the overall organisation/system, with their active participation.

**Bear in mind that the 5Cs framework does not assume that a capacity development intervention always produces a positive outcome.** For example, staff benefiting from a scholarship for further studies may be frustrated on returning to an organisation that cannot apply what they have gained in knowledge. This may lead to internal upset and challenges to the leadership. Providing capital goods without adequate recurrent finance for maintenance contracts can increase conflicts about their use for greater delivery on the one hand and non-sustainability on the other. In this sense, the 5Cs have no in-built bias towards the information it provides. Any bias comes from the users.

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**Box 24: Facilitating adaptation – the experience of Agri Pro-Focus' PM&E system (Agri Pro-Focus 2011)**

In early 2011 Agri Pro-Focus, a development NGO based in the Netherlands, developed guidelines for PM&E in relation to the networks in the South that it supports through its work. These guidelines built on the PM&E system developed for the organisation by the Centre for Development Issues of Wageningen University in 2010. The system's objective is to support the process of planning, monitoring and evaluation of both the country focus processes and the thematic focus areas under the Agri Pro-Focus network.

Based on its theory of change, Agri Pro-Focus formulated the following five topics which are to be addressed, and which were developed on the basis of the 5Cs:
1. Coordination and harmonization (*are we relevant and coherent?*)
2. External Linkages (*are we connected?*)
3. Joint Action (*are we efficient?*)
4. Learning and Innovation (*are we sustainably improving?*)
5. Development Results (*are we effective?*)

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In relation to these five topics, the guidelines suggested evaluation questions and encouraged networks to adapt its own 'markers' to track the extent to which progress was being made. These markers were formulated at three levels:

- Expect: This is what should at least be achieved
- Like: This would be considered a good result
- Love: This would be considered an excellent performance

Whereas this is an example of a donor-led monitoring approach, it may nevertheless serve as inspiration for organisations in developing countries to operationalize the 5Cs for monitoring their capacity.

The capabilities provide a basis for the assessment of a particular situation at a given moment. Once a calibrated capacity assessment framework and a first baseline are in place, it is possible to keep track of capacity changes in practice. Progress can be measured to correct things in good time and inform debate about reasons why change has or has not been achieved. For this to work, existing capabilities must be described within a measurable a time frame. The capabilities become *criteria* for monitoring changes in capacity and performance. The selected indicators make it practical for respondents to reflect on concrete changes in capabilities that were achieved (SNV 2010: 62).

The organisation has to decide how to gauge whether progress is made. From the observation made above, any capacity initiative may be considered successful only if it can be plausibly demonstrated that interventions have contributed to relevant, sustainable and positive changes in the core capabilities of developing systems, which are in line with the strategy and objectives the system has set for itself (Engel et al. 2007). In that way, 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.

# 6.  Evaluation of capacity development

**Note: this chapter does not aim to provide comprehensive guidance on evaluation of capacity development in general, for which several publications are noted in the bibliography. Instead, this chapter will look closer at what approaches to data collection, systematisation and analysis can be applied when the 5Cs is part of an evaluation methodology.**

When evaluating capacity development, reflection is called for on whether or not a realised output has contributed to increased capacity. To that end the 5Cs framework can be applied. This chapter describes possible methodologies and approaches. To do so, it follows a working definition of evaluation (adapted from Woodhill and Guijt 2002): a systematic examination of a planned, ongoing or completed project, programme or strategy.

An evaluation exercise aims to answer specific management questions and to judge the overall value of an endeavour. It should supply a quality of information to improve future actions, planning and decision-making. Evaluations commonly seek to determine the efficiency, effectiveness, impact, sustainability and the relevance of the project or organisation's objectives. An evaluation should provide information that is credible and useful, offering concrete lessons learned to help partners and funding agencies to make decisions. From the point of view of ownership, evaluations can best be carried out by the stakeholders directly responsible for, or involved in, what is to be evaluated. From the point of view of accountability, involvement of 'objective' third parties is an advantage. With clear rule of the game, a combination is often chosen, brining both insider depth and outsider comparative experience into the work.

This chapter presents some specific ideas for evaluating capacity development, and presents specific methodological tools and suggestions both from the IOB evaluation and a recent joint-evaluation of Belgian NGOs (Huyse et al. 2011) to inform new approaches.

## 6.1.  Evaluating capacity development

Evaluating capacity development, seen as an iterative, non-linear development process, is confronted with methodological problems when measuring against pre-defined output and quantitative indicators. The following issues need to be explicitly considered:
*   An open system perspective needs to be adopted, taking into account the endogenous nature of capacity development that is strongly influenced by a range of internal and external factors.
*   Though the importance of capacity development of organisations is usually clearly underlined, organisations in the South often lack explicit policies and strategies on capacity development. In many cases capacity does not develop based on concrete plans of action for capacity development. Often capacity development takes place implicitly without setting clear targets or milestones.

Conventional evaluation approaches have been identified as taking a closed systems view of organisational and institutional change. In so doing, they generally under estimate the influence of a range of internal and external factors on the nature of capacity development and how it emerges. This closed systems view is critiqued on the basis of the intangible and unpredictable nature of many capacity development processes (Baser et al. 2008; Taylor et al. 2008). Sudden changes in the organisational and institutional environment result in fluctuations in capacity. Values and power issues typically play out in unforeseen ways.

The challenge is to use appropriate frameworks, methodologies and approaches that build on complexity thinking to evaluate the extent to which alterations in capabilities have taken place and the degree to which they increase capacity as change in social value brought about by the organisation/system.

To acknowledge the endogenous nature of capacity development it is better to start the analysis at the level of the organisation/system. Following individual interventions / activities and examining how these affected the capacity of an organisation relies on being certain about cause and effect relationships, which may not be correct. This way of beginning makes it possible to document how capacity evolves in a partner organisation over time. From here it should be possible to examine which factors contributed to capacity changes. Obviously, this would include external support to capacity development as provided by any partnering organisations. The 5Cs framework appears to be a helpful instrument to that end.

The use of the 5Cs framework by an organisation or a group of actors to evaluate capacity change can be done through a series of steps described below. They emerge out of the existing evaluations as possible good practices. All steps may not be required. Some may be made in parallel.

**1) Introduction of the 5Cs framework.** Different methodologies can be used to introduce the 5Cs framework in an organisation or collaborative associations (see further). When properly done, this results in a shared understanding of capacity and how it can be measured. The most relevant (and maybe most specific) pointers have been identified in those cases where they were closely linked to the outcome statement of the organisation. The necessary calibration and localization of indicators is described in chapter 4. A comprehensive evaluation involving different kind of organisations in different settings brings particular challenges of engagement. One is balancing between flexibility and standardization of the pointers. Another is between ownership of the framework and the independence values of an evaluation.

**2) Use of the historical perspective**. Capacity development often takes place implicitly and without clear targets. Accordingly, it is helpful to put capacity development in a historical perspective to learn how capacity has evolved over time. A task is to identify what internal and external factors have had an influence on the capacity of an organisation/system. There is currently no consensus on the added value of putting capacity development in an historical perspective and for evaluations to invest substantial time in this. Nevertheless, organisations have lives and do not exist in a vacuum. Their capacity is influenced by a variety of (inter)national factors and players. Gaining further

insights on the historical and contextual settings is a useful element to help understand why things changed or not.

**3) Link the 5Cs framework to the objectives/outcome statement of the organisation.** Although some general and reliable pointers have been identified (see box 25) the 5Cs framework becomes more relevant when they are formulated in relation to the outcome statement starting from the question "Capacity for what?" Since an organisation's capacity development is driven by what it tries to achieve in terms of social value, and not the other way around, an evaluation should correspond to the same logic.

**4) Process of data collection.** Self-assessment workshops can be combined with interviews and focus group discussions. Depending on the objectives of the evaluation exercise, and the time available, a more comprehensive evaluation process can be developed. Here, information resulting from self assessment workshops need to be validated through additional interviews and when necessary focus group discussions (triangulation). The 5Cs framework, with its identified pointers, can be used as a basis for drawing up interview guides. It might be required or relevant to use additional tools to analyse specific competences like leadership style, learning, culture, etc.

**5) Self-assessment workshops.** A self-assessment workshop is based on a subjective feeling of the participants. Quantitative and qualitative methods can be used to evaluate the current capacity. Applying quantitative methods, using a score between 1 and 5 participants can be asked to rate each of the pointers listed. Scoring often depends on the maturity of an organisation with regard to managing their own capacity development process. An interesting observation is that organisations with a clear policy on capacity development and a capacity development plan tend to be more severe in their scoring compared to those that do not. An additional factor in scoring is the extent to which the assessment is used for accountability.

Scoring 'in public' might also bring uneasiness in more hierarchical organisations were staff or certain stakeholders are uncomfortable with expressing themselves freely. Practice has therefore shown that scoring is highly subjective and can thus only be indicative. Scoring is mainly relevant in order to foster a genuine dialogue on capacity development (see box 25). More qualitative methods need to complement the quantitative approach focussing on experiential statements, judgements and examples.

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**Box 25: Experiences by PSO in 'scoring' (Huyse et al. 2010)**

PSO developed pointers for the five core capabilities that bring about capacity of member organisations to support processes of capacity development of their partner organisations. The pointers refer to competences needed to support capacity development processes. For each of the pointers sub-questions were formulated to facilitate understanding of the pointer. The role of pointers is to structure and discuss perceptions and information related to the five core capabilities. An example below is given on pointers developed for the capability to commit and act.

**Capability to Commit and Act**

| Pointers | Questions | Sources and methods |
|---|---|---|
| Clear Policy and strategy on capacity development that enables staff to support capacity development processes | • Is there a policy document on capacity development, including a theory of change, known by all staff?<br>• Are there operational guidelines that support and enable staff to implement the policy? | Policy document<br>Operational guidelines<br>Interviews/ questionnaire with staff (examples of practice) |
| Staff motivated to implement the capacity development policy | • Is staff motivated to implement the policy and why? (For example: feeling comfortable and experienced to address these issues with partner organisations/ ownership for capacity development, etc)<br>• When and how is capacity development addressed in the partner relation (only during an assessment, regularly, etc)? | Interviews to give examples of their practice. |
| Management and leadership for capacity development | • Is capacity development addressed by managers?<br>• Does management (medium – senior level) show interest and or support staff in dealing with c.d. issues? | Interviews |
| Allocation of funds for capacity development | • Do you have separate budget-lines for capacity development or is there a budget foreseen for capacity development in programmes.<br>• Is there sufficient budget available to realize your capacity development ambitions? | Organisational and programme budgets |
| Other pointers… | | |

For each of these pointers a 4–point scoring scale was developed in order to facilitate the discussions and to standardize the scoring of pointers.

| Pointers | Scores |
|---|---|
| Clear Policy and strategy on capacity development that enables staff to support capacity development processes | • No information or not known |
| | • There is written nor explicit policy on capacity development |
| | • Policy document on capacity development in development |
| | • There is a written policy document including operational guidelines, but not known by all programme staff |
| | • There is a written policy document including operational guidelines, known and internalized by all programme staff |
| Staff motivated to implement the capacity development policy | • Programme staff is not much motivated to address capacity development with partners, capacity development is hardly included in the partner dialogue |
| | • Programme staff know supporting capacity development processes is part of their job, but only apply organisational assessment tools as an administrative tool to asses partners |
| | • Programme staff is motivated to support capacity development processes, but lack the experience or ability or to address capacity development in the partner dialogue or doesn't give capacity development priority. |

| | |
|---|---|
| Management and leadership for capacity development | • Programme staff consider capacity development as an important part of the partner relation, feel comfortable to address it regularly in the partner dialogue. |
| | • There is no or little interest with managers, managers do not include the way staff is dealing with capacity development issues in their work. |
| | • There is some interest with managers, but capacity development issues are rather informally addressed. |
| | • Managers show interest and capacity development issues are addressed during HR cycles, but not on a result based perspective and limit guidance is given to support programme staff |
| | • Managers show interest by addressing capacity development issues during HR cycles on a result based perspective and give feedback and know how to support staff in increasing their competences to deal with capacity development issues. |
| Allocation of funds for capacity development | • No separate budget lines or no budget foreseen in programme budget |
| | • No separate budget lines, but capacity development is included in the project/ programme, but without earmarked capacity development budget. |
| | • Separate budget lines or budget foreseen for capacity development in programme budget, but insufficiently to realize the objectives. |
| | • Separate budget lines or budget foreseen for capacity development in programme budget, sufficiently to realize the objectives. |

**Box 26: A word of warning, scoring alone is not self-explanatory**

As described in chapter 3, overemphasising the importance of indicators could lead to the conclusion that an organisation is doing well if it is considered to score positively on a majority of indicators formulated in relation to one capability while it is the interaction of the different capabilities that shapes overall capacity. This interaction could be built in during the process of formulating indicators. During the IOB evaluations often similar indicators had been identified for more than one core capability. A common example is leadership. One of the team leaders suggests explicitly linking every core capability to another core capability when formulating an indicator, for example to combine the capability to relate with the capability to commit and act.

**6) Linking evaluation of capacity to programme evaluations.** Several evaluation exercises (IOB study, Belgian evaluation of partnership and capacity development) have shown the importance of linking capacity to the outcome of an organisation. As it appeared difficult for organisations to clearly formulate their expected outcome and as often outcome data were missing, it is a challenge to effectively assess whether the right capacity is available. To that end it might be interesting to couple the evaluation of capacity to the results of a programme evaluation. The results at outcome level can be used as a starting point for discussing the capacity that is needed to perform.

## 6.2. Linking capacity changes and outcomes

The IOB study illustrates clearly that the development of the core capabilities and how they permeates outputs and outcome is a dynamic process that is influenced by many internal and external factors. However, it may take considerable time for that to occur. Mono causal relationships on which many PM&E systems are founded, do not match complex realities. PM&E systems therefore need to incorporate those relational dynamics.

Evaluating the link between capacity change and alterations in output is challenging. It has mostly been done through interviews with a variety of stakeholders and/or by systematically analyzing annual reports of the organisation - describing planned and realized outputs.

Assessing the relationship between capacity changes and outcome is even harder. A reason is the difficulty to distinguish between outputs and outcome or to formulate outcome in such a way that progress can be tracked over time. As discussed in 5.1, apart from the definition issue, organisations usually have no PM&E system for tracing the realization of their objectives. While this may be the common case, evaluating capacity development should be done in line with the strategy and objectives the evaluation has set for itself (see box 27). As information on outcomes is often lacking, by preference evaluating capacity should be linked to an evaluation of the organisation's output and outcomes.

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**Box 27: How to respond to lack of knowledge on outcomes in evaluations**

From the cases it was learned that evidence based knowledge on the extent to which outcomes are being realized is often lacking. This seriously hampers the organisation to understand whether it as a whole is creating social value, beyond information on success and challenges of specific activities and projects. This demonstrates the risk of carrying out isolated and irrelevant assessments of the organisation's capacity needs when not linked to sound outcome data. Following examples illustrate the problem of absence of outcome data.

- It is possible that some weaknesses in the organisation's strategy will not become clear throughout the assessment of the organisation's capacity. For example, everybody interviewed at an organisation agreed that good a monitoring and evaluation system existed that enhanced the capability to adapt and self renew. The study of the documents and interviews with several stakeholders (involved in strategic and operational reflection moments) confirmed this. However, it appeared that the quality of the programme indicators and by consequence the whole PM&E system was weak, not bringing problems to the forefront.
  **Possible response:** an assessment of the organisation's capacity always need to be based on evidence. Often additional evaluation activities are needed, such as in this case, the review of the M&E system and indicators.

- Some competences or difficult to assess. For example, skills of staff or openness for learning. In one case, all people interviewed (internal and external stakeholders) confirmed that staff

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had acquired appropriated skills. However, it might be possible that for some programme components relevant skills were missing but nobody was aware of that.
**Possible response:** appropriate methodologies need to be looked for to manage these kind of challenges. Several instruments exist to analyze the so-called soft skills. Ambition of the evaluation, time and resources available will draw the boundaries of what is feasible or not.

- In one case stakeholders mentioned that as the assessment had involved mainly external stakeholders, management and higher-level staff the analysis of the organisation's capacity might be different when lower level staff had been involved.
**Possible response:** one needs to take into consideration who will be involved in the evaluation and how.

To the extent possible, the evaluation of capacity should be linked to a reflection on the extent that outcomes have been realized. Factors explaining the level of effectiveness (the extent outcome has been realized) might refer to capacity challenges such as, for example, lack of sufficient or appropriate networks, weak collaboration with local authorities (capability to relate).

## 6.3. Methodologies and limitations

In the IOB evaluation, using external consultants, two main approaches were used to evaluate the capacity development of organisations.
- Interviews were organized with all relevant stakeholders in order to discuss capacity of the organisation and how it had evolved. No pre-defined set of indicators was used to conduct these interviews. It is through these interviews that a set of indicators could be reconstructed. The evaluator used the 5Cs framework mainly as an analytical tool, interpreting all the data collected.
- The 5Cs framework was firstly introduced and discussed (see boxes), pointers identified and consensus looked for on how the evaluator would look at/evaluate capacity. In all cases the list of indicators identified was for 80% coherent with the generic indicators formulated in the IOB's ToR (IOB 2011). This phase was followed by a process of data collection.

Consultants who introduced the 5Cs framework at the start of the evaluation process experienced the challenge to build understanding of the 5Cs framework and to gain ownership of the analytical framework. In most of the cases an understanding of the five core capabilities was easily gained and indicators identified (see boxes). Where possible, the 5Cs framework was grounded in the concepts and terms used by the organisations, for example when there was already experience with other assessment tools. In all cases the 5Cs framework was experienced to give a broader perspective on capacity.

Discussion always took place on the relationship between the different capabilities. In particular, whether one particular capability should be put in the centre of the framework or not (see figure 2) or should be mentioned first of all. This discussion enhanced the understanding of the five core capabilities. There is no fixed presentation of the 5Cs framework. Flexibility is fine, and the boxes below describe three possible ways in which it can be done.

As is the case with many diagnostic frameworks, there appears to be a danger of 'ticking 5Cs boxes'. To avoid this, in several cases the method of storytelling proved to be helpful in linking the assessment and analysis on what really happened on the ground.

In the IOB process, no baseline data were available, making it difficult to assess the evolution of capacity. In many cases a timeline was reconstructed giving insight in the major events, milestones and factors which influenced organisational evolution.

In a system where actors and factors are so many, it was not always easy to identify which has affected which result and which result is obtained because of whose contribution. Often capacity development was seen as building individual skills and competences without applying a system approach. The application of the 5Cs framework enhanced system thinking of all stakeholders involved.

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**Box 28: Introducing the 5Cs framework – some examples**

**A: In Uganda and Kenya** the national consultant applied four steps in introducing the 5Cs framework with civil society organisations.

(1) Timeline of major events and development – The starting point in the evaluation process is to reconstruct a timeline of major events and achievements that have taken place in the organisation over an agreed timeframe. This process establishes a list of important milestones related to the main achievements made by the organisation over time. Attention is also given to internal and external factors that have had an influence on these milestones and achievements.

(2) Identification of competences – In a second step participants of the workshop are asked to list different competencies that the organisation has engaged to reach the achievements scored in the timeline. The drawing of the timeline and the identification of the achievements appeared to be useful in the process of identifying the competencies that the organisation has had or requires in order to operate effectively. However, since not all core objectives will be listed as achievements on the timeline, it had been necessary to broaden the focus to cover even the competencies that the organisation would require to achieve results missed (but that are crucial to its mission's objectives).

(3) Organize the different competences in the 5Cs framework – the evaluator/facilitator introduced the 5Cs framework on the base of all competences listed in the previous phases. Using the own formulated competencies and their own wording it was easy to explain the 5Cs framework. Sometimes a metaphor was used to further enhance full comprehension of the framework (see above?). In some cases not all the five core capabilities would be visible in the list of competences outlined. In that case the missing capabilities were introduced by the evaluator/facilitator. Oftentimes participants were very quick in appreciating the missing capabilities and were able to give examples how these capabilities are applicable in their organisation.

(4) Develop indicators – After clarifying the 5Cs framework, participants were invited to formulate indicators to measure each of the core capabilities. Competences listed in the previous phases were further concretized. Consensus was sought whether all participants agree that the evaluation of the organisation's capacity should be based on the 5Cs framework and the indicators formulated.

**B: the Belgian evaluation** on partnership and capacity development
The team of consultants that carried out the Belgian evaluation on partnership and capacity development introduced the 5Cs framework by asking participants at a workshop to list characteristics of an organisation, not linking it to a specific outcome or mission statement. Characteristics were written on small papers and put on the wall to visualize the 5Cs framework. Characteristics were organized according to each of the five core capabilities.
The evaluator/facilitator explained each of the five core capabilities using the characteristics as formulated by the participants. The evaluator/facilitator explained each of the core capabilities and could add additional characteristics in case some issues were not formulated. As such, participants gained quickly a good understanding of the five core capabilities.
In a second step participants were asked to develop indicators for each of the five capabilities, starting from the characteristics put forward. The advantage of this approach is that no link is made to the own achievements or organisation and as such sensitive indicators easily can be formulated, like for example leadership. The disadvantage of the approach is that the link that is missed to the outcome of an organisation and as such more specific and relevant indicators are lacking or all indicators receive more or less the same weight (Huyse et al. 2011).

**C: the Dutch NGO Woord en Daad**
Woord en Daad introduced the 5Cs framework by using pictograms for each of the five core capabilities. This proved to be an efficient way to enhance understanding of each of the core capabilities. In a second step, each of these core capabilities was discussed with the partner organisation asking participants to give examples of how each core capability was shown in the organisation, how it was important in contributing to the organisation's outcome and what were the main challenges. A clear connection was made with the organisation's outcome.
Advantage of this approach was the quality of the dialogue. Participants felt that a genuine discussion was held resulting immediately in relevant strategies to improve the organisations capacity. No historical perspective was needed and experienced to be irrelevant. Disadvantage of this approach is the lack of a systematic development of indicators that can be measured overtime.

In section 3.2, general challenges for successfully using the 5Cs have been identified. Based on experiences in the recent evaluations, more specific points of attention are presented in the following box 29 that could be taken into account for improving the usefulness and use of evaluations.

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**Box 29: Improving the use(fullness) of capacity development evaluations – some specific tips**

- It is difficult to discuss sensitive issues such as leadership when an organisation is experiencing a (latent) leadership crisis;
- Soft elements of capacity, such as culture, interpersonal relations, power, openness for giving and receiving feedback, etc. require more attention;
- When the evaluator or the organisation itself is not gender sensitive most likely the 5Cs framework will not address gender issues;
- Often data collection was focusing on a limited number of indicators, as it is impossible to collect data on all indicators formulated. The risk exist that capabilities are only partially discussed and no reflection takes place on the interaction of the five core capabilities.

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- External factors are usually described/identified but their impact on the organisation often remains unclear.
- Sufficient time is needed to validate quantitative and qualitative data.

## 6.4.  Applying the 5Cs framework in types of evaluations, including with collaborative associations

Evaluations are not conducted in a perfect world. Instead evaluations have to respond to imperfect realities in terms of available budget, time, baselines etc. For any evaluation methodology - including use of the 5Cs framework - this means that adjustments have to be made in view of these and other realities. One key issue in methodology design is the scale and complexity of the organisation or system that is to be evaluated, e.g. the number of actors, spatial dimensions, time span, etc. This section will present some past lessons learned on how design can be adopted to use the 5Cs in evaluating 'collaborative associations', introduced in chapter 2 of this document.

The cases studied in the IOB evaluation represented a wide range of systems. They varied from small single organisations to national systems such as a value chain or an environmental assessment system. A decision had to be made about which organisation formed the core of the system. From there, a motivated choice could be made to broaden the circle. For pragmatic reason, dictated by the resources available for the work, the system scope was restricted so that only the main actors were included (IOB 2011: 125). All evaluations started by setting the boundaries of the system/organisation or collaborative association namely to decide who is "in" and who is "out". The cases evaluating value chains needed to decide what organisations are part of a value chain. This task was complicated by the fact that the location of organisations in the value chain was often implicit and not directly observable. For example, a Ministry of Agriculture sets general export policies and rules for many products not just for the one of interest. The role is implicit.

The definition of the system influenced the way the core capabilities were further developed through indicators. For example, for value chains the capability to relate was defined as" the capability to relate within the value chain" as well as "the capability to relate with the outside world".

Evaluating capacity can be part of a comprehensive evaluation assessment, a quick scan or through an internal or 'horizontal' evaluation process.[15] While lessons learned from the recent joint evaluation exercises have been presented elsewhere in this document, the following two boxes give information of the recent Belgian partnership evaluation and the steps involved in making a 'quick scan' of the 5Cs.

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15 Some explanation of horizontal evaluations can be found here: http://www.cgiar-ilac.org/content/horizontal-evaluation-stimulating-social-learning-among-peers

| | **Box 30: Giving shape to a joint evaluation process – the case of the Belgian evaluation (Huyse et al. 2010)** | |
|---|---|---|
| **Phases** | **Evaluation activities** | **Data collection** |
| Phase 1: *Methodological note* | • Exploratory interviews with DGD and the NGO Federations<br>• Analysis of DGDC's database for sample determination<br>• Editing methodological note<br>• Discussion methodological note in steering committee and with NGOs | • Interviews<br>• Document study |
| Phase 2: *Documentary phase* | • Short literature study of concepts of capacity development and partnerships<br>• Actualisation of and consultation on the sample and the relevant NGOs<br>• Data collection on policies and approaches in terms of partnership and capacity development of 21 NGOs<br>• Data analysis of the material on the policies and approaches, and analysis of documents regarding the 40 partnerships in the sample | • Study of documents<br>• Individual and group interviews, supplemented with a focus group discussion on the concepts of partnership and capacity development for each NGO<br>• Web survey: one on the policy making of the NGOs and one to obtain information on the selected partnerships |
| Phase 3: *Field visits* | • Preparation phase:<br>• Data collection in Belgium on partnerships in the sample<br>• Start data collection in the field on outcomes and impacts<br>• Field visits for 31 partnerships in 6 countries<br>• Data collection on capacity changes in the partner, outcome and impact, perceptions of the partnership<br>• Debriefing for each country visited in, the South and in Belgium | • Interviews with the NGOs and first data collection by partner organisations (MSC and/or web survey)<br>• Interviews with staff of the relevant partner<br>• Workshop: self-evaluation<br>• Data collection via MSC, focus groups and/or web survey<br>• Individual and group interviews with beneficiaries and stakeholders<br>• Document study |
| Phase 4: *Analysis and reporting* | • Writing reports for each country<br>• Data analysis of the different phases<br>• 2-day workshop with all international consultants to review cross-case analysis<br>• Editing synthesis report<br>• Discussion of synthesis report with steering committee and NGOs | |
| Phase 5: Jun 2011 *Seminar* | • Distribution of findings and recommendations on the basis of a seminary | |

In the IOB study the specific evaluation of PSO the Netherlands included the use of 'quick scans', which allowed evaluators to get an informed appreciation of the development of an organisation in a three-day period. Key steps in this 'quick scan' which for instance can be adapted for internal evaluations are described in the next box.

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**Box 31: Key steps for conducting a 'quick scan' of the 5Cs**

Day 1
(1) Interviews with directors and staff;
(2) A workshop with staff to identify indicators for the five core capabilities.

Day 2
A whole day workshop with staff – The history and evolution of the organisation will be reconstructed (including identification of factors that had an influence on the evolution of the organisation), using the technique of the wall of wonder. Some of the indicators, identified during the first day, will be assessed and scored for the different phases of the organisation's evolution.

Day 3
Interviews with external stakeholders and focus group discussion with beneficiaries - to gain information on the (evolutions in) output and outcome and to validate information of existing annual reports and evaluation reports.

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# 7. The Role of the donor in using the 5Cs framework

**Note: the target audience for this document are organisations in the South who want to look in to the relevance of the 5Cs for planning, monitoring and evaluating their capacities. However, given their significance in this field, this additional chapter explicitly addresses the roles of donors in using the 5Cs and the competencies they need to do so. Like other specialist areas and sectors – such as agriculture, health care, micro-enterprise and so on – promoting capacity development is a distinct professional undertaking. In this context, donors are defined at any actor who provides support – financial or otherwise – to Southern organisations.**

**Given the specific role of this chapter, it has been written in a way that would allow for standalone reading by those who have a basic understanding of the 5Cs framework (which is set out in chapter 2). As a result, some information elements overlap with other chapters of this document, but are addressed from a donor perspective.**

## 7.1. The role of the donor in planning capacity development

The most appropriate role for outsiders may be to stimulate the partner organisation to find their own solutions to problems. This implies giving them space to experiment, make mistakes and learn by reflecting on these mistakes. Still, despite the observation that capacity development is 'mainly a process that emerges from within and that outsiders can in principle not deliver capacity', external agents can play an important facilitative role; 'the role of outsiders should be nurturing, not top down'. External facilitation may include reflection through dialogue, agenda setting, technical contributions in combination with local demands and initiatives and local expertise and existing local knowledge. The 5Cs framework can be introduced to stimulate systematic and coherent reflection on the organisation's capacity.

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**Box 32: Application of the 5Cs framework for a good discussion (adapted from IOB 2011)**

At the invitation of the Free University Amsterdam, Centre for International Cooperation (VU-CIS), the organizer of the IOB workshop introduced the 5Cs framework as a possible approach to the planning, monitoring and evaluation of university collaboration programmes. A particular inter-university project formed the basis of a case study used to trial the 5Cs framework approach in this context.

The case concerned an actual project between the VU and a university in Tanzania that had ended some years earlier. The Tanzanian university, one of the country's post- secondary school training institutions, was involved in the promotion of business in a number of ways including through human resources development, applied research and the provision of consultancy services to business practitioners.

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The overall objective of the project was to build the business skills of Tanzania's entrepreneurs so that they would meet the human resource requirements of the business sector. The specific objective was to develop the capacity to offer business education and to conduct business-related research at the university. The project was expected to deliver a revised Master of Business Administration curriculum, three MSc programmes, business blueprints and research projects. It also aimed to promote higher levels of qualification to staff by offering MSc and PhD programmes, and to ensure that an adequate infrastructure was put in place at the faculty of Commerce.

This inter-university project was regarded as successful. In Nantes, the VU-CIS coordinator finished his outline of the case by asking whether (and to what extent) real capacity had been developed, just because the project had delivered all outputs.

After an introduction to the 5Cs framework, the 20 (mostly European) participants at the EIAE conference were asked to make a new analysis of the capacity problem, to formulate desired results, specify what external support would be required and to make suggestions for monitoring and evaluation. Within less than two hours, the participants produced a project that differed considerably from the original.

The ability of the business department at the Tanzanian university to relate in business circles was identified as very weak. This weakness was seen as an obstacle to the department's capability to act and commit and its capability to deliver on development objectives. It was proposed that the Commerce faculty should first develop contacts with local business. It could then make an inventory of their expectations, involve business representatives in curriculum development and market the faculty in business circles. It was felt that improved links with local business would fuel the capability to act and commit, which is characterized by structured decision-making, planning and the ability to mobilize and use resources. Leadership was considered essential for the successful accomplishment of the tasks ahead.

Implicitly, the participants at the conference drew new system boundaries. These included the university and the business sector as well as the business department. They came up with a set of indicators that would monitor and evaluate progress across the five core capabilities and oversee the performance of the faculty and its effective- ness. Monitoring, self-evaluation and external evaluation were proposed to serve both the learning and the accountability function.

Establishing a baseline of the 5Cs can be part of the planning process and will be important for the monitoring and evaluation of capacity development (see 4.3.). The five capabilities offer a lens to explore organisational and system capacity. It offers an insight into the existing capacity. In every situation this picture will show a mix of capabilities that are stronger developed and present and capabilities that are weaker. It offers the opportunity to reflect in a strategic way how the strengths can be used to enhance the weaker capabilities. The 5Cs framework offers a positive approach rather than focussing on gaps.

Below, we list the possibilities on how to conduct a baseline to plan capacity development support, using the 5Cs framework, in which the steps as described in box 33 are crucial.

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**Box 33: Steps to conduct a baseline for identifying capacity development support**

- Explain the 5Cs framework and formulate context specific indicators.
- Assessment of the capacity is done through a self-reflection exercise or other methods
- Link capacity to the outcome statement of the organisation: what capacity is for what?
- Link capacity to the different phases of organisational growth. This gives an understanding why an organisation finds itself at what stage and why certain competences are well developed and yet others are not; and what is needed for the current phase of the organisation (can be an option because it requires more time and reflection).
- What are the priorities that need to be addressed? Based on these priorities a capacity development plan can be developed.
- List the success factors/risks/preconditions that will have an influence on successful capacity development. These are related to internal and external factors that have an influence on an organisation's capacity.
- Attention is paid to ownership, motivational factors for capacity development and a conducive environment, which means having a clear picture of where to go and what change to achieve.
- Requests for capacity development support are based on own plans.

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The most important issue for donors to take on board is a way of thinking about capacity change – not as an assured linear process but as a learning-by-doing exercise. Funding instruments must often be revised to make this quality of process possible, but against clear outcomes. Applying the 5Cs does not mean performance takes second place. Rather, the way to get there is more open ended and flexible. In fact, by focussing on outcomes, the 5Cs approach introduces more stringent demands on capacity development than, say, responsibility for timely inputs and accountability for better cost-effectiveness in producing outputs. These measures are actually embedded in what the 5Cs framework says.


## 7.2. Monitoring support to capacity development with the 5Cs framework

Monitoring is commonly described as the systematic and continuous assessment of the progress of a piece of work over time. Monitoring should be seen as a reflective practice that assists learning to take place, enabling improvement in practice, including possible rethinking and re-planning. It can also be an important affirming practice of what is going well (Barefoot Collective 2009: 154). Monitoring is an integral part of management systems and is typically carried out by those who are involved in the work on a day-to-day basis. It usually involves gathering data in a number of ways including examining work records, holding meetings, interviewing those involved, using participatory techniques, gathering secondary information and observing activities. A monitoring system is needed to know who generates the monitoring data, how these data are used for analysis and reflection, how feedback is given and who takes decisions to adjust the strategy when there is a discrepancy between what was supposed to happen in the 'plan' and what actually happened in practice. "If monitoring is separated from learning it risks becoming a policing function" (Ibid.).

Monitoring capacity development programmes focuses on the regular follow up of concrete interventions (output): example, people trained and the knowledge gained put into practice; mission and vision developed; organogram developed; increased networking, etc. Focus is on human resources development, organisational development and/or institutional development. Most probably one or two capabilities are at stake here. Most often monitoring is limited to what is measurable in a capacity development process. This means that the purpose and invisible dimensions of the interventions become lost. This can also mean that monitoring is blind to unintended effects - both positive and negative - of the capacity development initiative because there are no indicators to measure them. Reflection should be done on whether increased competences have really strengthened capability and whether the strengthened capabilities produce better capacity.

In most existing PM&E systems the input-output-outcome logic resembles the terminology used in the Logical Framework Approach (LFA). LFA conceptualises outputs as short-term deliverables and outcomes as the use of deliverables by intended beneficiaries. An obvious attraction for donors is to try to fit the 5Cs into the LFA. In other words, to equate capacity development services (inputs) as inputs, altered capabilities are outputs, which produce capacity seen by results in outcomes. This way of applying the 5Cs is both challenging and misleading (SNV 2010: 63). For example, the feedback from one to the other can create unintended negative effects shown in the PSO evaluation. The focus was very much on products such as manuals developed, staff trained, vision constructed, etc…and not on the learning and change processes. Assessment of the contribution of these outputs to enhanced capacity was weak.

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**Box 34: Setting up a sound monitoring system for monitoring support to capacity development**

- A good monitoring system starts with the establishment of clear and realistic targets/milestones. The way to achieving them can be variable. It is helpful to identify some (process) pointers related to the targets/milestones.
- A good monitoring system is embedded / or strengthening in existing monitoring systems. When an organisation is using alternative approaches to monitoring (ex. outcome mapping) donors should respect this approach and not impose their own PM&E system.
- Roles and responsibilities (of donors and southern organisations) with regard to monitoring and evaluation need to be and respected.
- A sound risk and opportunity management system is useful for managing the change processes.
- Monitoring of support to capacity development should not be limited to the follow up of tangible deliveries. Attention should be paid to soft elements, the change process and the factors that are hampering or facilitating the change process. At several occasions reflection should take place whether the capacity development interventions are effectively influencing one or more core capabilities and on the extent changes in one or more capabilities effect the other core capabilities.

The quality of monitoring and evaluation of capacity development is influenced by the quantity and quality of information available from Southern organisations about changes in capacity, outputs and outcomes. But, the PM&E practices of an organisation can also support capacity development in itself. For this, the PM&E system should not consist of huge administrative demands to comply with donor requirements for information, since that only undermines existing capacity. Instead, the PM&E system should stimulate the organisation to pursue its own priorities, by reinforcing the learning of the organisation. A PM&E system that allows for learning systematically collects outcome data and includes regular evaluations of the work. A learning culture is an important driver of endogenous capacity development (See IOB 2011: 129-132).

## 7.3. Evaluating support to capacity development with the 5Cs framework

Evaluation involves the systematic assessment of the effectiveness, efficiency, relevance and sustainability of interventions with respect to their objectives. Usually, but not always, evaluation involves one or more people from outside the organisation working as an independent evaluator or, together with staff from the organisation, forming part of an evaluation team. Much depends on how the evaluation is conducted. A generally agreed basic principle is that monitoring and evaluation of capacity development initiative should itself contribute to developing capacity. The learning that occurs as a result of the evaluation process is twofold: (1) the evaluation can yield specific insights and findings that can change practices and be used to build capacity and (2) those who participate in the evaluation learn to think more systematically about their capacity for future learning and improvement (Horton et al. 2003).

A major challenge in evaluating support to capacity development is the factor of delayed causality. Many effects of capacity development activities only play out over longer periods of time, often beyond the time frame of the actual interventions. The move towards programmes which build on multi-stakeholder processes make it even more difficult to trace effects of capacity development as they are stretched out over many parties. Even defining what success is at the organisational level, can be challenging, for example when a temporary crisis situation turns out to be catalyst for structural change (Reeler 2007). Finally, in many instances, no difference is made between ongoing processes of capacity development in organisation and the outside interventions to support these processes (Horton 2011). This makes it more difficult for donors to distinguish the difference between results achieved by the supported organisation and the development of its capacity. In turn, this complicates understanding of whether, on balance, the organisation's capacity development in fact is supported or hampered by donor support.

Several approaches to evaluating the capacity development of an organisation/system, are described in chapter 6. Support to this type of effort needs to be considered as one of the external factors that contribute to capacity changes. When starting an evaluation from an assessment of the organisation's capacity, instead of tracking individual interventions, all factors that have an influence on the organisation's capacity will be identified. In this way, external support to capacity development is put into perspective. When drawing a time line or using storytelling the relative importance of the external support to capacity

development can easily become clear. A 'most plausible' perspective of attribution can be built up. Specific attention can then be addressed in analysing the effectiveness of the support to capacity development.

In case a Southern organisation already uses the 5Cs for its own organisational monitoring and evaluation, it would be advisable for programme evaluations commissioned by a donor, i.e. of specific programmes or interventions, to use the information gained through the 5Cs. Although it can feed this data into the evaluation, an external programme evaluation should not itself use the 5Cs and/or do its own evaluation. Instead it would better to evaluate the programme or specific intervention with the help of the five DAC evaluation criteria.

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**Box 35: Setting up a sound monitoring system for monitoring support to capacity development**

- A good monitoring system starts with the establishment of clear and realistic targets/milestones. The way to achieving them can be variable. It is helpful to identify some (process) pointers related to the targets/milestones
- A good monitoring system is embedded / or strengthening in existing monitoring systems. When an organisation is using alternative approaches to monitoring (ex. outcome mapping) donors should respect this approach and not impose their own PM&E system.
- Roles and responsibilities (of donors and southern organisations) with regard to monitoring and evaluation need to be and respected.
- A sound risk and opportunity management system is useful for managing the change processes.
- Monitoring of support to capacity development should not be limited to the follow up of tangible deliveries. Attention should be paid to soft elements, the change process and the factors that are hampering or facilitating the change process. At several occasions reflection should take place whether the capacity development interventions are effectively influencing one or more core capabilities and on the extent changes in one or more capabilities affect the other core capabilities.

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To assess the external support to capacity development, the traditional OESO/DAC criteria can be used. Some guiding evaluation questions are presented in the following box 36.

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**Box 36: assessing external support to capacity development, using the OEDO/DAC evaluation criteria**

Effectiveness
- To what extent capacity development interventions have contributed to changes in the five core capabilities?
- Have assessment criteria been formulated?
- What factors have contributed to success?

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- Support to capacity building has taken into account internal and external factors that have an influence on the performance of an organisation (and if necessary the support to capacity development has been adapted)

Efficiency
- To what extent cost effectiveness of capacity development inputs has been taken into consideration (ex. collaboration with local capacity builders, …)?
- To what extent an appropriate mix of instruments has been used (training, advising, coaching, facilitating, organizing exchange visits, or, in a limited way, supporting implementation and management, internships, embedded capacity development, the financing of long-term placements, the financing of short expert missions and the financing of local capacity development activities).
- To what extent services and funding have been made available in an effective manner.

Relevance
- To what extent support to capacity development of the organisation is based on an appropriate capacity assessment, identification of capacity challenges and priorities?
- To what extent has the choice for capacity development inputs been discussed and agreed upon with the organisation?
- The policy with regard to capacity development is bases on a theory of change that is shared by both partners (the partner and organisation in the South).
- Support to capacity development is aligned with support the organisation is receiving from other donors.

Sustainability
- To what extent conducive factors for success have been identified and managed?
- To what extent change processes have been embedded within the organisation?

Different frameworks / concepts can be used to describe capacity development interventions and to assess whether the most efficient and effective approach has been chosen (Huyse et al. 2010). The following box explains these concepts that can help to gain understanding in the donor's approach towards capacity development support.

**Box 37: assessing external support to capacity development, using the OECD/DAC evaluation criteria**

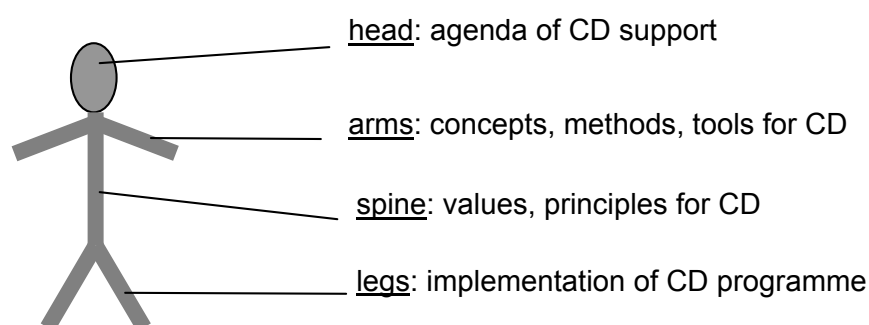Identification of 6 routes of capacity development interventions:
- Route 1: Capacity development support provided directly by the donor concerned
- Route 2: Capacity development support provided by local/Southern Capacity development providers
- Route 3: Support for capacity development through the participation in thematic or sectoral networks, alliances, platforms, conferences.
- Route 4: Support for capacity development through peer-to-peer interaction with other partner organisations of the donor or other organisations in the South
- Route 5: Support for capacity development through interaction with similar organisations in the North or training in the North.
- Route 6: Partner organises its own processes of capacity development through internal reflection, M&E (without external expertise)

Identification of approach to capacity development:
- Explicit versus implicit capacity development strategies and activities - The NGOs' approach distinguishes itself in the extent to which they organise their activities either explicitly or more implicitly. Explicit activities are activities where the partner's capacity development is the main objective. Examples are training, partner meetings, organisational development activities, coaching and mentoring, conferences, etc. Implicit activities are activities performed as part of the collaboration between the NGO and the partner, in which capacity development may be regarded as a by-product. Examples include interaction during visits from NGO staff, an NGO and its partner engaging in teamwork during a project/action, an activity in which the partner is used to support other partners, or actions where partners are included in a network/coalition.
- Hands-on approach versus hands-off approach - The involvement of donors in processes of capacity development differs greatly. In a hands-on approach the NGO plays a stronger role. This could be in the planning phase where they ask the partner to undergo a capacity screening, or in the execution phase where they offer certain training modules, provide TA support, etc.
- Downstream versus upstream orientation of support - Another useful way to classify the support in the partnerships is according to the orientation of the capacity development approach. On the one hand there are interventions that are focused downstream on the partner organisation and mainly strengthen the technical, operational and implementation capacity. On the other hand there are interventions that are focused on upstream processes in the partner organisation, in other words the policy, strategy, vision and mission, the institutional framework, etc.
- Focus on HRD/OD or ID: Another parameter to map the capacity development approach is via the distinction between capacity development activities that target the development (1) of individual staff competencies (HRD), or (2) the organisation as a whole, or parts thereof (OD), or (3) the position of the organisation in its environment (other organisations, structures, legal and institutional framework) (ID).

An interesting metaphor to describe the various components of a capacity development approach is that of the 'human body' (Lipson and Hunt 2007), shown in the next figure. The head of the person represents the agenda of the capacity development approach. In other words, why are the NGOs involved in capacity development? The spine comprises the underlying values and principles of the capacity development approach. The arms represent the concepts and methods and the methods and tools of the capacity development approach. Finally, the legs describe the practical organisation and implementation of the capacity development programmes.

**Figure 4: The human body a metaphor to describe types of capacity development support**



head: agenda of CD support

arms: concepts, methods, tools for CD

spine: values, principles for CD

legs: implementation of CD programme

This figure is included to allow a visualisation of the central components of the current capacity development approach of different NGO groups and indicate what the strong and weak points are. An underlying assumption of the figure is that a balanced capacity development approach should focus on the four components to strengthen the partner organisation or organisations in a way that is both relevant and sustainable (Huyse et al. 2011).

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# Annex Indicator examples

| Core capability | Components |
| --- | --- |
| **1 Capability to relate.** | • Political and social legitimacy.<br>• Integer leadership and staff (upright, incorruptible or undiscussed).<br>• Operational credibility /reliability.<br>• Participation in coalitions.<br>• Adequate alliances with external stakeholders.<br>• ........................... |
| **2 Capability to commit and act.** | • Presence of a work plan, decision taking and acting on these decisions collectively.<br>• Effective resource mobilisation (human, institutional and financial).<br>• Effective monitoring of the work plan.<br>• Inspiring /action oriented leadership.<br>• Acceptance of leadership's integrity by staff.<br>• ..................... |
| **3 Capability to deliver on development objectives** | • Financial resources.<br>• Facilities, equipment and premises.<br>• Human resources.<br>• Access to knowledge resources.<br>• ............................. |
| **4 Capability to adapt and self-renew.** | • Understanding of shifting contexts and relevant trends (external factors).<br>• Confidence to change: leaving room for diversity, flexibility and creativity.<br>• Use of opportunities and incentives, acknowledgment of mistakes that have been made and stimulation of the discipline to learn.<br>• Systematically planned and evaluated learning, including in management.<br>• .............................. |
| **5 Capability to maintain coherence.** | • Clear mandate, vision and strategy, which is known by staff and used by its management to guide its decision-making process.<br>• A well-defined set of operating principles.<br>• Leadership is committed to achieving coherence, balancing stability and change.<br>• Coherence between ambition, vision, strategy and operations.<br>• .............................. |

Based on the case studies of the capacity study and the IOB capacity evaluation, IOB 2011.