



Study on Capacity, Change and Performance

ECDPM Study on Capacity, Change and Performance - Final Workshop

Workshop report

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Table of contents

1	Introduction	1
1.1	Background to the workshop	1
1.2	Interests in the workshop.....	1
2	What is capacity?	2
2.1	The study on Capacity, Change and Performance.....	2
2.2	The concept of capacity.....	4
3	Monitoring and evaluating capacity and capacity development	7
3.1	The M&E of capacity and capacity development in the literature and in the ECDPM case studies	7
3.2	A balanced approach to the M&E of capacity.....	9
4	The context of capacity development.....	13
4.1	Context in the case studies	13
4.2	Insights and implications	16
4.2.1	The importance of operating space and interpreting and using context.....	16
4.2.2	Assessing context	17
4.2.3	Further comments on context.....	17
5	Managing capacity development as a change process.....	18
5.1	Capacity development as a change process in the case studies	18
5.2	Insights and implications	21
5.2.1	Insights from the study and the cases.....	21
5.2.2	What is missing?	21
5.2.3	Implications	22
6	The role of external interveners	24
6.1	The role of external intervention in the ECDPM cases.....	24
6.2	Insights and questions.....	27
6.3	Implications for effectively supporting capacity development.....	27
6.3.1	What do country partners need to do to make effective use of external assistance in support of capacity development?	27
6.3.2	How can external partners effectively contribute to local capacity development processes?.....	28
	Bibliography	30
	Annex 1: Agenda.....	33
	Annex 2: List of workshop participants.....	38

Table of boxes

Box 1:	The analytical framework.	2
Box 2:	Terminology: Capacity, capabilities and competencies	5
Box 3:	The M&E of civil service reform in Tanzania (i).....	8
Box 4:	A balanced framework for assessing capacity change	10
Box 5:	The Rwanda Revenue Authority	11
Box 6:	COEP, a social solidarity network in Brazil	11
Box 7:	The context for Public Sector Reform in Tanzania (ii)	14
Box 8:	The influence of context on trade-related capacity development in Russia.....	15
Box 9:	Health sector reform in Papua New Guinea - Finding opportunities in a complex context (i).....	15
Box 10:	Managing capacity development as a change process - IUCN Asia	18

Box 11: Managing public service reform as a change process - Tanzania (iii)	19
Box 12: Managing change in Jamaica - the ENACT experience	20
Box 13: The Ministry of Capacity Building in Ethiopia.....	23
Box 14: The role of external intervention - Lacor Hospital, Uganda.....	25
Box 15: The role of external partners - The Brazilian Observatório on Human Resources in Health.....	26
Box 16: The Capacity Building Service Centre in Papua New Guinea (ii)	26

1 Introduction

1.1 Background to the workshop

This report discusses the final workshop on the study on *Capacity, Change and Performance*, which took place in Maastricht in May 2006.

The study on Capacity, Change and Performance is an extensive research project which the chair of the Governance Network of the OECD's Development Assistance Committee asked ECDPM to undertake in 2002. It aims to develop a better understanding of how capacity develops endogenously in organisations and systems, and includes 18 case studies and a number of theme papers. The study is nearing completion, and ECDPM organised this workshop to allow participants from a variety of different backgrounds to discuss and refine some of its key findings.

The objectives of the workshop were to:

1. Develop a deeper understanding of capacity, how it develops and what can be done to strengthen it
2. Explore and identify the role of external interveners and the types of interventions that can support capacity development
3. Generate insights for the final report
4. Identify steps for disseminating and leveraging the findings of the ECDPM study

The workshop brought together participants from different backgrounds:

- Actors from developing countries who have been involved in or know well the case studies which are a part of the ECDPM Study
- Representatives of international development organisations that are actively engaged in policy development or programme design and implementation and that have a substantial interest in capacity development
- Researchers and consultants with extensive experience and interest in capacity development.

A number of background documents were provided, which can be accessed via www.ecdpm.org/capacitystudy. Key among them were a *Background Paper* on the *ECDPM Study on Capacity, Change and Performance*, a paper on *The concept of capacity* and a paper on *Ways of thinking about capacity issues*.¹ Readers of this report are advised to consult these documents for a more detailed discussion of the concepts raised.

1.2 Interests in the workshop

Apart from hearing about the findings of the study and sharing experiences, participants were particularly interested in the following issues:

- Linking theory and practice – Do the study findings make sense? What are the implications for practice?
- Bringing the insights of the study into participants' own practice and sharing them with clients – applying the insights to technical cooperation and capacity building activities.
- Can the study help to counter the negative perception of capacity development as 'an endless series of workshops' among practitioners in partner countries?

¹ See: Morgan, P. 2006. *Background Paper on the ECDPM Study on Capacity, Change and Performance*. Mimeo; Morgan, P. 2006. *The concept of capacity*. Draft. Mimeo; and Morgan, P. 2006. *Ways of thinking about capacity issues*. Draft. Mimeo.

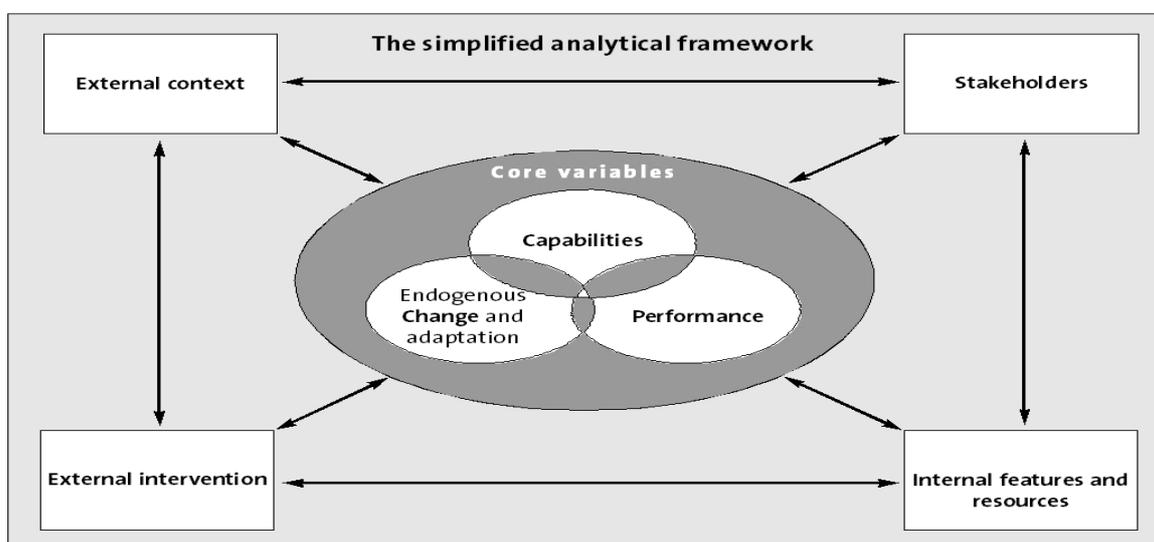
2 What is capacity?

2.1 The study on Capacity, Change and Performance

What is the study about? - The study on Capacity, Change and Performance consists of 18 field studies and a number of theme papers. It focuses on **how capacity develops endogenously**, on the strategies and actions of national and local actors, rather than the actions of external funding agencies. It looks at **capacity in a wide variety of circumstances**, including the public sector and civil society, and at the local, national and international level.

Analytical framework - The study used the analytical framework depicted in Box 1 below to try to understand the relationship between the three core issues – capacity, change and performance – and four sets of outside factors which influence them – external context, stakeholders, internal features and resources and external intervention.

Box 1: The analytical framework.



However, in the course of the research it became evident that this reductionist framework does not help to explain everything which happened in the cases. As a result, the study began to incorporate **systems thinking** and **complexity theory** in its analysis, in order to better understand why capacity emerges and is sustained.²

Case selection - Most of the cases included in the study were selected on the basis of their reputation as **examples of effective capacity development**, and the availability and **willingness of the people involved to discuss them**.

The **cases are very diverse**, covering single organisations, networks and multi-organisational systems both in the public sector and in civil society. Roughly speaking, the cases can be categorised as follows: 3 are national public sector, 3 are state or provincial, 3 are municipal or district and 7 are in civil society. The majority are organisations, networks or groups of organisations trying to build their own capacity for performance and service delivery, while 6 can be classified as capacity support organisations.

² For more information on the new analytical framework used, readers are advised to consult: Morgan, P. 2006. *Ways of thinking about capacity issues – draft*. Mimeo; and Morgan, P. 2005. *The idea and practice of systems thinking and their relevance for capacity development*. Mimeo. More information on the previous analytical framework can be found in the Interim Report. See: Morgan, P., T. Land, H. Baser. 2005. *Study on Capacity, Change and Performance - Interim report* (Discussion Papers, 59A). Maastricht: ECDPM.

All the cases are in developing or transition countries. It would have been very interesting to also look at examples of effective capacity development from high income contexts, but this was not possible in the scope of the study.

Analytical challenges - The study faced a number of analytical challenges. These included:

- **Finding the right balance between comprehensiveness and focus**, as there is virtually no area of human life which is not related to capacity.
- **Balancing conceptual and operational issues**. The concepts used in the study try to address the question of 'why?' capacity developed or not. This is much more difficult to answer than the questions of 'what happened?' and 'how?'
- **Analysing the right mixture of 'what?', 'how?' and 'why?'**
- **Balancing reductionism and systems thinking and complexity theory**. More reductionist ways of thinking cannot deal with the high level of change and uncertainty which was present in many of the cases. Systems thinking and complexity theory are not the answer to everything, but have substantial explanatory power. Much of the IUCN³ and ENACT⁴ cases, for instance, can be better understood by thinking about how big systems change and evolve.
- **Finding common themes**. We shy away from 'best practice', but there are common themes which come up, in different applications, in many or all of the cases, such as the question of human motivation and the issue of organisational space.
- **The legitimacy of deriving a general theory from a relatively small number of cases**. The cases allow us to derive some useful insights, but these will need more empirical testing over the years.

Major themes - The study deals with a number of major themes. These include the following:

- **Developing a rationale for a major commitment to capacity** – What kind of commitment can be made to capacity issues, which are process-based, complex etc.? How can donors deal with this in the context of the pressure to demonstrate results? How can countries equip themselves with the things they need to survive?
- **Understanding the nature of capacity**
- **Analysing the complex relationship of capacity and performance** – The relationship between capacity and performance is not necessarily straightforward (more capacity does not always equal better performance, for instance, and an undue focus on performance can undermine capacity). The organisations which did best in the case studies developed a virtuous cycle of capacity and performance which resolved this dilemma. They did so in part by thinking independently about capacity and performance.
- **Dealing with complexity and uncertainty**
- **Understanding and inducing change** – The organisations in many of the cases had to deal with dramatic changes (e.g. in South Africa, in Russia and in Ethiopia). There is a need to understand what induces change and how change can be managed.
- **Intervening without disempowering** – This is an issue particularly for funding agencies. However, it is not exclusively an issue for donors as there are also organisations and systems in partner countries which intervene in the capacity of others (as well as country systems which intervene in the capacity of other countries).
- **Clarifying the relationship between motivation and capacity** – We do not believe that incentives are the explanation, although they can contribute to motivation. In the case

³ Rademacher, A. 2005. *The growth of capacity in IUCN in Asia*. (Discussion Paper, 57M). Maastricht: ECDPM.

⁴ Morgan, P. 2005. *Organising for large-scale system change – The Environmental Action (ENACT) programme, Jamaica*. (Discussion Paper, 57J). Maastricht: ECDPM.

studies human commitment was at the heart of motivation, people's wish to better themselves,

Comments on the study - A number of other points emerge from the study, including the following:

- **Capacity development strategies are contingent:** there is no universal theory for capacity development, and activities must depend on the context.
- **Many of the findings are counterintuitive.** It was not always true, as conventional wisdom would suggest, that the 'enabling environment' needed to be positive. Organisations in seemingly adverse conditions went from strength to strength, while those in overtly much more favourable circumstances did less well.
- **Balancing the universal and the particular** is important.
- Conventional wisdom works sometimes but not always. **Every globalised solution needs to be customised.**

2.2 The concept of capacity⁵

- *Should practitioners have a shared understanding of the concept of capacity and, if so, why?*
- *Is the one in the ECDPM study useful?*
- *What are the operational implications of different perspectives on capacity?*

The concept of 'capacity' is understood very differently by different people. There is no broadly accepted definition of it - different disciplines such as organisational development, institutional economics or political economy approach it quite different ways - and different actors all see it from their own perspective. Yet, the **lack of a shared understanding of the concept of capacity** is not simply an academic question, but has **operational implications** for those coming together to support the development of capacity, be they donors pooling their resources in a sector wide approach to support capacity development, or country actors deciding on their capacity development strategy. They need to be able to agree what it is that they are supporting or trying to develop, which activities should follow from this and what needs to be monitored.

Based on the research carried out, the study defines capacity as follows:

Capacity is that emergent combination of attributes that enables a human system to create developmental value.

This is one, but not the only, exclusive way of looking at capacity. It is a definition which, in conjunction with our understanding of the central characteristics and the five core capabilities explained below, reflects the patterns of what people did in the cases (though interestingly few people actually had a detailed idea of what they were doing, but rather did a range of complex things). Many of the cases are in fact extraordinary examples of capacity development, which seems to indicate that with ingenuity, determination, imagination and persistence and given space and resources, **the ability to build capacity is a universal characteristic.**

The study suggests that there are **five central characteristics** which give the concept of capacity some operational shape:

- Capacity is about **empowerment and identity**, properties which allow organisations or systems to survive, grow, diversify and become more complex. To do this, they need power, control and space.

⁵ This section draws on: Morgan, P. 2006. *The Concept of Capacity – draft*. Mimeo.

- Capacity has to do with **collective ability**, the combination of individual and organisational abilities which produces an outcome that is greater than the sum of its parts.
- Capacity can be understood as a **systems phenomenon**. In systems thinking terminology, capacity is an ‘emergent property’ which emerges out of the interaction of many factors, and as such is only partially open to engineering.
- Capacity is a **potential state**. It is a condition which can vary dramatically at different times, and has a latent quality.
- Capacity as understood in this report is about the **creation of public value**. It is thus not about the many examples of effective capacity which subvert the public interest, such as organised corruption.

Box 2: Terminology: Capacity, capabilities and competencies

The study uses the following terminology to refer to the ability of individuals, organisations and systems to do something.⁶

- **Competencies** - the skills and abilities of individuals.
- **Capabilities** - a broad range of collective skills of organisations or systems which can be both ‘hard’ (e.g. policy analysis, marine resource assessment, financial resources management) and ‘soft’ (e.g. the ability to earn legitimacy, to adapt, to create meaning and identity). Capabilities can be understood as the building blocks of an organisation’s overall capacity to perform.
- **Capacity** - the overall ability of a system to perform and sustain itself: the coherent combination of competencies and capabilities.

Capacity is about the ability to do something. Yet, this aggregated meaning tells us little about what this ability might be. To address this, the study distinguishes **five core capabilities** which combine to form overall capacity and which can be found, to a greater or lesser extent, in all organisations or systems. They are:

1. **The capability to act** – To act deliberately and to self-organise, systems such as organisations need to have volition, choose, exert influence and develop with some sort of strategic intent. This capability comes from a complex blend of motivation, commitment, space, confidence, security, meaning and values and identity.
2. **The capability to generate development results** – This is the most widely used way of thinking about capacity issues, often more or less equated with effective performance. It is about service delivery, and includes a vast range of activities. We can distinguish two types of development results – improved capacity itself and programmatic outputs and outcomes.
3. **The capability to relate** – Organisations and other systems need to relate to their context. They frequently compete with other systems for power, space, support and resources, and need to gain legitimacy, support and protection to protect and position themselves.
4. **The capability to adapt and self-renew** – Organisations and systems are constantly being pushed and pulled in different directions. They therefore need the ability to master change and adopt new ideas. As indicated above, many of the organisations in the field studies operated in situations which were changing rapidly.
5. **The capability to achieve coherence** – All organisations and systems must deal with the tension between specialisation/differentiation and coherence. Most actors in the cases struggled with this dilemma.

These **five capabilities are separate but interdependent**, and none by themselves are sufficient to ensure overall capacity. Without necessarily being conscious of it, the actors in the cases tried to balance them all as they did their work.

⁶ Source: Morgan, Land, Baser. 2005. *Study on Capacity, Change and Performance - Interim report*.

Finally, the study looks at capacity as **both a means and a developmental end** in itself. This is not a question of semantics, but has important operational implications, given the complex interrelationship between investing in capacity and improving results. The latter was an issue faced by the actors in most of the cases, and is one that donors and other supporters of capacity development frequently struggle with.

Questions/issues from the group discussion

The discussion of the concept of capacity presented raised a number of points:

- It is useful to have a **common definition** of the concept of capacity. However, the definition presented seems very complex and perhaps too static, not representing the dynamic nature of capacity sufficiently.
- The distinction between **five core capabilities** or dimensions of capacity is useful, though some of these may require further explanation (e.g. the capability to act). The distinction also raises the question of how to operationalise such as holistic, multi-dimensional definition of capacity, and of how the five core capabilities apply at different levels.
- Encouraging a **systems view** of capacity is helpful, but aid agencies seem to lack the tools to translate this into operational reality.
- The issue of **capacity being a means and an end** in itself is an important point. Most aid agencies seem to regard it as merely a means for development performance.
- Regarding the focus of many development partners on **results** it is important to ensure that the results contribute to capacity, and that capacity is understood as the 'sustainability aspect' of development results.

3 Monitoring and evaluating capacity and capacity development

- *What are we monitoring (what kinds of changes, capacity, processes & outcomes)?*
- *Why: what is our purpose, who wants it, what is it used for?*
- *How: key characteristics of our approach?*
- *What has worked, what remains problematic?*

3.1 The M&E of capacity and capacity development in the literature and in the ECDPM case studies⁷

The literature on M&E is broad, and mainly draws on the approaches of multilateral and bilateral donors on the one hand and the experience of NGOs on the other. Much of it stems from the concerns of donors, which often but not exclusively focus on public sector capacity development in developing countries. There is however also a growing body of literature emerging from NGOs and studies of independent organisations which looks at organisational capacity development as an internally driven process.

At the risk of oversimplification, the M&E approaches reviewed in the literature can be roughly divided into two broad schools, one based on **results based management** and the other based on **participatory approaches**. The first is prevalent in the donor community, while the second tends to be used more by NGOs than by donors, although there are also cases where development agencies use them. These categorisations are not mutually exclusive. Some approaches drawing on **systems thinking** are also being developed, but these are still in a preliminary phase.

The review of the literature on the M&E of capacity and capacity development and the analysis of M&E aspects in the ECDPM cases highlights a number of points:

- The literature generally paints a depressing picture of **donors ill-equipped and ill-positioned to undertake M&E**, an **inability to learn** from review and assessment and little capacity development occurring as a result. The case studies, in contrast, depict a more hopeful vision of **creative and innovative approaches** which can be related to systems thinking.
- There are very few examples in the literature of monitoring capacity itself. **Monitoring of performance** is often adopted as a proxy from which conclusions are drawn on whether and what type of capacity is being developed. Other dimensions of capacity are not assessed.
- **Formalised approaches** to the M&E of capacity development seem to be feasible and **productive only in certain circumstances**, when a number of conditions are in place.
 - where it is possible to define the required capacities clearly, and defining indicators is therefore relatively straightforward.
 - where the actors involved reflect on the existing capacity gaps and ‘sign up’ to the intervention
 - Where incentives and demands to improve the performance of a system are in place.
 - Where there is strong leadership on the part of the organisation or network involved.
 Among the ECDPM cases, the Philippines⁸ and the Tanzanian⁹ cases are examples of this.

⁷ For further details on the M&E of capacity and capacity development, readers are advised to also consult the theme paper on this topic by David Watson and the report on the workshop held on the issue in March 2006. See: Watson, D. 2006. *Monitoring and Evaluation of Capacity and Capacity Development* (Discussion Paper, 58B). Maastricht: ECDPM; and Zinke, J. 2006. *Monitoring and Evaluation of Capacity and Capacity Development*. - *Workshop Report*, Maastricht, 1-3 March 2006.

⁸ Agriteam Canada Consulting. 2006. *The Philippines-Canada Local Government Support Programme – A case study of local government capacity development in the Philippines*. (Discussion Paper, 57N). Maastricht: ECDPM.

In the literature, **public financial management** (PFM) is an example of public sector capacity development where clearly specified performance indicators allow to define capacity needs and design appropriate support strategies and output indicators, which in turn helped M&E.

- Accountability matters. Accountability is the underlying reason why donors are interested in M&E – they have to prove to their tax payers that their investment is producing a return. The study labels this type of accountability ‘**exogenous accountability**’.

In contrast, ‘**endogenous accountability**’ is the accountability of service providers to citizens as users and stakeholders.

While ‘**endogenous accountability**’ can serve capacity development purposes, ‘**exogenous accountability**’ in contrast can potentially have negative effects on capacity development, as the often complex monitoring systems used can divert resources from the main purpose of an organisation or system.

- Generally, the more **participation** there is in an M&E process, the more developmental it is.
- **Learning**, and **space, time and trust to learn**, are important for capacity development. Many M&E approaches are not conducive to this. Indeed, one of the reasons for the widespread use of approaches such as RBM is the lack of trust between donors and public sector clients.

Box 3: The M&E of civil service reform in Tanzania (i)¹⁰

The *Public Sector Reform Programme (PSRP)* is a long-term reform effort aiming to build capacity within the Tanzanian Central Government to provide better services. It continues from a *Civil Service Reform Programme* in the early 1990s which focused on structural and institutional reforms, and is financed through a basket fund (approximately US\$ 100 million for 3 years). Phase I started in 2003/04, and is focused on Performance Managements Systems. Since 2003, the PSRP is implemented by PO-PSM (President’s Office Public Service Management), which is integrated in the Ministry and uses Government procedures for procurement, accounting, planning etc.

The approach used for monitoring the PSRP in Tanzania can be summarised as follows:

- **Monitoring** is done **strategically**, for an explicit purpose: (1) for the purpose of **learning** -making internal adjustments and changing direction - rather than to measure performance, and (2) to **manage the stakeholders**, build trust and prevent intrusions.
- Most M&E is **internal and informal**, based on talking to people and trying to **tell a story** which is consistent and easy to understand. It involves convincing management and writing reports that people will read. Reviews are done jointly and agreed upon to avoid conflict.
- The **focus is on the big picture** and on reinforcing the plan, understood not as a straightjacket but as a point of reference. Great importance is also attached to **getting to outcomes quickly**. This is reflected, for instance, in the *State of the Public Service Report*, which presents snapshots of the state of the public service at a given point in time based, inter alia, on service delivery surveys of the stakeholders. The report is aimed at the government and the public (it is discussed in Cabinet), and not written for the donors (who nevertheless were surprised by its candidness).
- The role of **management** in this M&E approach is to hold meetings and to **strategically control the flow of information**. This is used to shape discussions within the political system and with the donors.

⁹ Morgan, P. *Civil Service Reform: Tanzania*. (forthcoming)

¹⁰ Source: Presentation by Dan Kobb, M&E Advisor to the Public Service Reform Programme in Tanzania.

The PO-PSM also plays a role in building the M&E capacity of other institutions. In this, it is important that organisations have a **reason and willingness to undertake M&E**, and that they have the **tools** to do so. Reasons to undertake M&E include:

- External stakeholders who **demand performance and accountability**
- **Incentives and legal processes** to support M&E (e.g. reporting requirements)
- A genuine **desire to learn** on the part of management and organisation.

There are a number of factors which facilitate M&E and which made it easier in Tanzania than it perhaps would be in other contexts. These include:

- A **culture of honesty and transparency** and of decision-making based on information
- **Structures** which support the practice of M&E (e.g. independent M&E units)
- A **competent workforce**
- **Qualified external**, private sector **evaluations**
- **Systems and computerisation.**

3.2 A balanced approach to the M&E of capacity

This section is based on the presentation of a balanced approach to the M&E of capacity by Paul Engel and some of the subsequent discussions on it. The approach is still ‘work in process’. More information on it will be made available online in due course (see www.ecdpm.org/capacitystudy)

Looking at capacity is like looking at the tip of an iceberg – people see only a part of the whole and only what they want to see (some see performance, others see legitimacy, etc.). For the monitoring of capacity (or any other developmental objective, for that matter), it is therefore important to **determine first what it is that we want to know**, and agree on a **shared vision** of this between the development partners.

Monitoring for accountability and learning is about **story-telling**. It raises questions such as *What is it? What went well/ wrong? Why? What do we need to do about it?* To answer these questions, donors and recipients of assistance also need **evidence**. They need to define what sort of evidence is required and how to make this into a convincing story.

If our perspective is that there are five core capabilities that combine to form overall capacity, then the starting point for monitoring capacity should be to look at these **five core capabilities and their interaction**, define indicators for them and collect the relevant evidence.

The diagram below (Box 4) sets out what a balanced approach to the M&E of capacity could look like. It is based on a first review of the ECDPM cases, and the sets of indicators defined are by no means exhaustive or definite, but still open for discussion.

Box 4: A balanced framework for assessing capacity change

<p style="text-align: center;">Capability to relate</p> <p><u>Indicators:</u> e.g. legitimacy, integrity, credibility, alliances</p> <p><u>Evidence:</u></p>	<p style="text-align: center;">Interactions between capacity changes</p> <p><u>Indicators:</u> ...</p> <p><u>Evidence:</u> ...</p>	<p style="text-align: center;">Capability to achieve results</p> <p><u>Indicators:</u> e.g. substantive outcomes, institutions/services, governance, sustainability</p> <p><u>Evidence:</u></p>
<p style="text-align: center;">Interactions between capacity changes</p> <p><u>Indicators:</u> ...</p> <p><u>Evidence:</u> ...</p>	<p style="text-align: center;">Capability to achieve coherence</p> <p><u>Indicators:</u> e.g. vision and strategy, operating principles, attention to coherence, actual consistency</p> <p><u>Evidence:</u></p>	<p style="text-align: center;">Interactions between capacity changes</p> <p><u>Indicators:</u> ...</p> <p><u>Evidence:</u> ...</p>
<p style="text-align: center;">Capability to adapt</p> <p><u>Indicators:</u> E.g. Adaptive culture, learning opportunities, confidence to change, context assessment</p> <p><u>Evidence:</u></p>	<p style="text-align: center;">Interactions between capacity changes</p> <p><u>Indicators:</u> ...</p> <p><u>Evidence:</u> ...</p>	<p style="text-align: center;">Capability to self-organise</p> <p><u>Indicators:</u> e.g. inspiring leadership, joined planning & action, effective resource mobilisation, effective monitoring</p> <p><u>Evidence:</u></p>

The key to the model presented is that it looks at capacity as **multidimensional** and understands **stakeholder views** to be a vital ingredient.

It is envisaged that this approach can be used as a prism for understanding capacity at **different levels**, and can be applied for different uses: (1) **capacity assessment**, (2) **intervention planning** and (3) **M&E**.

Two examples of how this framework can be used to look at the ECDPM cases are available on the website¹¹. A short summary of each of the cases is given below.

¹¹ See: Land, A. 2006. *COEP - A balanced approach to monitoring capacity change*. Maastricht: ECDPM; and Land, A. 2006. *Rwanda Revenue Authority - A balanced approach to monitoring capacity change*. Maastricht: ECDPM; both available at http://www.ecdpm.org/capacitystudy/final_workshop.

Box 5: The Rwanda Revenue Authority¹²

The *Rwanda Revenue Authority* (RRA) was established as a semi-autonomous executive agency in 1997 with substantial financial and technical support from the British Department for International Development (DfID) and driven by high level political commitment from Rwanda's leadership. Over a short number of years (six) it transformed itself from a moribund government department into a respected organisation which performed very well in terms of revenue collection. What accounts for this effective performance?

The mapping of capacity in all its different dimensions presented in Box 4 above helps us to understand that the performance of the RRA required the existence of other capacity dimensions, of overall organisational capacity. While at the tip of the RRA's 'capacity iceberg' training or the establishment of a revenue collection system are visible signs of capacity, other less visible issues on the underside of the 'capacity iceberg' are also critical to the capacity and ultimately performance of the organisation. These less visible dimensions of the RRA's capacity include issues such as leadership, management, the development of core values, how the organisation positions itself towards other organisations or the alliances it forms with government and stakeholders in the community.

The example of the RRA therefore shows that there is much more than performance which is critical to the capacity development process of an organisation, and therefore needs to be monitored in any attempt to assess capacity development.

Box 6: COEP, a social solidarity network in Brazil¹³

COEP, the *Committee of Entities in the Struggle against Hunger and for a Full Life* (*o Comitê de Entidades no Combate à Fome e pela Vida*), is a network of government agencies, parastatals, and organisations from the private sector and civil society committed to building a just and inclusive society for all Brazilians, one without hunger and poverty. The strategies of this 'network of networks' include encouraging its members to support and participate in development projects to combat poverty, organising campaigns to mobilise public and institutional resources to end poverty, and promoting cooperation among its affiliates in their development work and campaigns.

COEP's performance has been remarkable. Since 30 national enterprises declared their affiliation in August 1993, the network has grown and diversified and now counts more than 800 member organisations. The drivers of COEP's success which have allowed it to effectively carry out its core functions of lobbying and networking have much to do with the soft dimensions of capacity, with issues such as the volition of individuals in the member organisations or the formal and informal relations developed.

Questions/issues from the group discussion

1. *Is this a useful approach to monitoring and evaluating capacity?*

- The framework challenges mindsets and **exposes the need to look at capacity from different dimensions** which are neglected in approaches focused on results.
- It helps to define capacity and break it down, and thereby to create a shared **agreement on what is meant by capacity**.
- However, to be usable in practice, assessment frameworks benefit from being simple and memorable. The framework presented appears very **complex** and technocratic.
- The split into **five dimensions** is attractive potentially, but needs some more clarification. For instance, the **indicators of the different dimensions overlap** or could fit into different boxes. They are also somewhat vague and difficult to measure.

¹² Source: Presentation by Tony Land and paper on the case: Land, A. 2004. *Developing capacity for tax administration – The Rwanda Revenue Authority*. (Discussion Paper, 57D). Maastricht: ECDPM.

¹³ Source: Presentation by Tony Land and paper on the case: Saxby, J. 2004. *COEP-Comitê de Entidades no Combate à Fome e pela Vida – Mobilising against hunger and for life: An analysis of capacity and change in a Brazilian network*. (Discussion Paper, 57C). Maastricht: ECDPM.

- Is 'indicator' the right terminology (it is often associated with quantitative measurement), or would a term such as '**pointer**' express the qualitative aspect of assessing the different dimensions of capacity better? The 'indicators' could be understood as 'pointers' for encouraging a **debate** on the relevant issues, which is vital if monitoring is to be participatory.
- The indicators could be politicised (e.g. 'legitimacy')

2. What would be needed to make this approach workable?

- There is a **need to be 'economical' about what needs monitoring** - a large number of indicators risks being confusing and too complex in practice.
- The framework needs an **entry point** - There needs to be clarity on where to start, and a more defined 'flow of information'. There is also a question as to what the right **balance** of the different dimensions and indicators should be?
- There need to be suggestions for **how to assess each of the indicators** (e.g. legitimacy).
- It needs to be clear **who is doing the monitoring**. Is the framework for self-assessment or for external assessment? Who is monitoring whom? It is critical that monitoring of partner-donor activities in support of capacity development **should be a collective effort**.
- What are the **incentives for participating** in that sort of monitoring? People may not be willing to expose themselves and there may be vested interests.
- There needs to be clarity about the **unit of analysis** (an organisation?). Would this approach be applicable to a bigger system, e.g. for assessing a public sector reform process?
- The approach **would need to be tested**, and good examples would need to be given to demonstrate how it works.

4 The context of capacity development

- *What contextual factors seem to have influenced capacity development and why?*
- *How have capacity interventions been shaped to take them into account?*
- *What are the implications?*

The question of 'what factors shape the development or the emergence of capacity' is one of the key issues running through the ECDPM research.¹⁴ Clearly contextual factors are important, but how important are they relative to other factors? Which contextual factors influence capacity development and why? Does it matter whether the context is favourable or not? Can context be managed?

4.1 Context in the case studies

In the ECDPM case studies, a **myriad of contextual factors** influenced the capacity of the organisations concerned, but often in inexplicable ways which challenge common assumptions.

Using a broad definition of context ranging from the macro- to the micro-level, from the global to the organisational context, the contextual factors which seemed to impact on capacity in the cases included the following:

- The challenges and opportunities of **globalisation**, such as global economic pressures or the advantages of modern communication technology
- **Large-scale political, institutional and social transformations**, such as the collapse of the Soviet Union, the Rwanda genocide, the collapse of the Old Order in Indonesia and of Apartheid in South Africa
- Significant **governance challenges**, as in Papua New Guinea¹⁵
- **Tensions among institutional actors**
- **Resource constraints**
- **Legislative constraints**
- **The inclination of the public sector to serve the public**
- **Social cohesion**
- **Organisational density** in a given country (greater where history, culture and institutional conditions lend themselves to collective action)
- The impact of **informal relations**, as in the Brazil cases¹⁶

However, while there seemed to be a link between these factors and the development or emergence of capacity (or lack thereof), **no clear, linear cause and effect relationship** between context and capacity development can be discerned. Thus, seemingly conducive contextual environments did not necessarily correlate with effective capacity development, while "[s]ome of the actors that made most progress did so in extremely dysfunctional circumstances."¹⁷ Relatively chaotic conditions seemed to provide opportunities for nimble managers, as in the case of the IUCN Asia.

What appeared to matter were the **dynamics of the complex relationship** between an actor such as an organisation and, in particular, the 'capacity eco-system' within which it

¹⁴ Morgan. 2006. *Background document for workshop on Study on Capacity, Change and Performance*: page 4.

¹⁵ Hauck, V., A. Mandie Filer, J. Bolger. 2005. *Ringling the church bell – The role of churches in governance and public performance in Papua New Guinea*. (Discussion Paper, 57E). Maastricht: ECDPM; and Bolger, J., A. Mandie-Filer, V. Hauck. 2005. *Papua New Guinea's Health Sector – A review of Capacity, Change and Performance issues*. (Discussion Paper, 57F). Maastricht: ECDPM.

¹⁶ Campos, F.E., V. Hauck. 2005. *Networking collaboratively – The Brazilian Observatório on Human Resources in Health*. (Discussion Paper, 57L). Maastricht: ECDPM; and Saxby. 2004. *COEP*.

¹⁷ Morgan. 2006. *Background document for workshop on Study on Capacity, Change and Performance*: page 5

functioned”¹⁸. In some cases, context seemed to be less important than other factors such as the demands of citizens, the ability of organisational leaders to create and maintain operating space, legitimacy or the shielding of organisations from intrusion through powerful protectors and stakeholders, both foreign and domestic.

The ECDPM cases also seem to suggest that there are real differences in the ability of local actors to see their contextual environment, which may not be obvious to actors within it.

Box 7: The context for Public Sector Reform in Tanzania (ii)¹⁹

As explained in Box 3, the *Public Sector Reform Programme* (PSRP) in Tanzania can be seen as an effort to build capacity within Central Government to provide better services. The programme focuses on **two types of capacity**, namely (i) the **internal capacity** of the President’s Office Public Service Management (PO-PSM) group, and (ii) the **capacity of the clients**, other ministries and departments, to improve services.

The managers of this programme are keenly aware that ‘context matters’, that what has worked elsewhere may not work in Tanzania and vice versa. They see **context** as a **mix of factors working together simultaneously**, a mix which is **dynamic and changes over time**. In this, it is difficult to determine causality or which contextual factors are most important, as the programme’s managers react to the context and try to influence it at the same time.

Some of the most relevant contextual factors at work in this case were the following:

- **Political commitment** - There is strong political ownership of the programme, which fits in with the Government’s 2025 vision and strategy for development. The position of the programme in the Government gives it a number of advantages, including the ability to bring together Permanent Secretaries from all the Ministries at high level presidential retreats, to harmonise national and institutional planning, to work together with the Local Government Reform Programme and other reforms, to coordinate policy making within the Cabinet Secretariat, and to participate in the discussions of the Presidential Commission on Pay.
- **Culture of change/ patience** - Tanzania has a culture and history of gradual peaceful change, harmony and stability. Examples of this are the gradual increase of Public Service Pay, the systematic fight against corruption, the gradual institutionalisation of the Public Service Act and the emphasis on building consensus and fostering participation by working in ‘task force mode’.
- **Economic growth and openness** - There is a demand in the business community for better services and a spirit of openness and freedom of the press. This is reflected in the focus on service delivery, the creation of information and communication units in ministries and departments, the efforts to create an e-government and the signs of a reverse brain drain (the Government being able to attract Tanzanian expatriates to return). The willingness of the Government to survey the success of its reforms, gather stakeholders’ views and empower the demand side of accountability, as reflected in the ‘State of the public service’ report, clearly is an important context which does not exist in all countries.
- **The positive relationship with development partners** - There is a positive national dialogue and relationship between the Government of Tanzania (GoT) and its development partners (DPs). This is reflected in the Tanzania Assistance Strategy (2002-2005), the Joint Assistance Strategy (2006-2011) and the development of a GoT/DPs Capacity Concept Paper and the creation of a working group on this.
- **Programme history and individuals** - Much of the context is very specific to the programme. This includes (i) the programme’s success, which gives it leeway to invest in capacity rather than having to show immediate results, (ii) the culture of open discussion and learning from mistakes, (iii) strong leadership which has not changed for 10 years, and (iv) the support and commitment of individuals in the funding agencies.

The fact that despite the existence of over 130 languages in Tanzania there is at least **one language** which is spoken nationally across government (Swahili) has also helped to give public service reform a support base broader than the demands of the middle class.

¹⁸ Morgan. 2006. *Background document for workshop on Study on Capacity, Change and Performance*: page 5

¹⁹ Source: Presentation by George Yambesi, Public Service Management, President’s office, Government of Tanzania.

Box 8: The influence of context on trade-related capacity development in Russia²⁰

This case explores the influence of context in the evolution and transformation of a trade-related capacity development initiative aimed at supporting Russia's accession to the WTO, which has been supported by the Canadian *Centre for Trade Policy and Law (CTPL)* and funded by the Canadian government for the past 12 years

In the context of the early 1990s and Russia in transition after the demise of the Soviet Union, there were enormous **external and internal pressures to integrate Russia into the global economy**, especially through accession to the WTO. Canada was one of the donors who responded to Russia's request for assistance, and the Canadian Agency for International Development (CIDA) tasked the CTPL to provide support. This began in 1994, with a programme focused on training provision and short-term technical assistance working mainly with government authorities. Although considered a success at first, within two years the limits of this programme became evident as programme design had not taken into account the differences between the Canadian and **Russian government structures**. These included a low rate of staff retention related to pay in the context of rapid privatisation, the lack of inter-departmental coordination, the lack of human resources policies and the lack of financial resources for departments to fulfil their mandates. As a result, the Russian institutions involved could not absorb the technical assistance they were receiving, and donors began questioning their involvement.

In this context, two former Russian trade officials proposed to form a new policy institute - the *Centre for Trade Policy and Law Russia* - located outside government. This was to provide advice from outside government and develop and deliver training, using its knowledge of the local context and the links with and trust of Russian government officials, but lacked resources to fund its activities. CIDA accepted to re-orient its assistance for trade-related capacity development, and in 1997 the Canadian and the Russian CTPL began to work together through a partnership arrangement.

Box 9: Health sector reform in Papua New Guinea - Finding opportunities in a complex context (i)²¹

The *Health Sector Improvement Programme (HSIP)* in Papua New Guinea (PNG) is a sector-wide approach in support of the Government's fifth National Health Plan - *Health Vision 2010* - agreed by the Government and the donor community.

The context in which the programme operates is difficult, yet has also provided opportunities for its managers:

- Decisions are made by the **central** government, but the **provincial** governments are mandated to implement them.
- Among the country's 5 million citizens **over 700 languages** are spoken. English only ranks third among these.
- The **poor performance of the health service delivery system** proved a challenge, yet has also created opportunities: Given the shared concern about the poor performance and efficiency of the health system and its poor resource utilisation, it provided a **chance to 'talk straight' with the major development partner**, AusAID (the Australian International development Agency), and to do things differently. This shared concern resulted in the agreement of the Sector Wide Approach (SWAp).
- The managers of the health service were also able to jump on the **public sector reform** bandwagon to push some of the institutional changes required in the health sector. Again one of the development partners, the Asian Development Bank, was very supportive.
- The **decentralisation of funding for health services implementation** meant that the national level (the National Department of Health, NDoH) had little influence over provincial resource allocation.
 - The SWAp gave the NDoH **control over the resources provided by the development partners**, which allowed it to make access to SWAp funds conditional on the level and 'direction' of health spending (spending on priorities) in the provinces.
 - At the same time, the NDoH formed a **strategic partnership** with the National Economic and Fiscal Commission which, in contrast to the NDoH itself, had the authority in law to introduce a

²⁰ Source: Presentation by Sarah Geddes, Associate at the Centre for Trade Policy and Law in Ottawa, Canada.

²¹ Source: Presentation by Pascoe Kase, Policy and Planning, Health Department, Government of Papua New Guinea

legal requirement obliging the provinces to spend health and education funding in these sectors.

- The constitutional changes in 1995 which mandated **decentralisation did not detail the administrative arrangements**. As a result, many health workers reported to provincial managers who have no technical knowledge of the issues involved. As in this case legal changes would have been very lengthy and difficult, the NDoH negotiated with other central agencies (including human resources and planning) to find arrangements for the delegation of authority to provincial health authorities.
- The programme benefited from the fact that there was a **small, but critical mass of civil servants** which had not changed.
- **Monitoring** of the programme takes place at several levels:
 - The NDoH uses internal performance benchmarks based on Annual Activity Plans.
 - The provincial health authorities also have assessment benchmarks and indicators based on Annual Activity Plans.
 - There is also a *Performance Monitoring Framework* for the sector as a whole, negotiated jointly by the Government of Papua New Guinea and the SWAp partners. It consists of some 20+ indicators, and informs the bi-annual national reviews at which funding needs and resource allocation are determined.
 - There is an *Independent Monitoring and Review Group* which uses external consultants to monitor progress of the programme annually, and also aims to monitor the donors' code of conduct. The costs of this are shared among the development partners.

4.2 Insights and implications

4.2.1 The importance of operating space and interpreting and using context

The issue of **operating space** is very important. In the Tanzanian case, the political context - the structure in which the PSRP operates and the **political mandate** which it has - provided space for the reform to achieve what it did. In the absence of such a political mandate, societal breakdown and **chaos can serve to provide space** to create an alternative to the failing state, as in the case of IUCN Pakistan²² which, in a very difficult environment, has become one of the organisation's largest and most successful programmes.

However, the same broad country context had a negative impact on capacity development for the education sector in the Punjab.²³ Here, a rigid political system and lack of interest in change on the part of the elites constrained the programme, while other educational institutions thrived and became institutions of excellence (e.g. the University of Management and Sciences).

These examples of capacity development success and failure in the same country context highlight the **importance of organisational leaders being able to interpret, influence and use the context** they find themselves in. This can be seen in the IUCN case where the organisation's leadership created a 'capacity bubble' with its own sub-culture, values incentives and goals which provides an alternative paradigm and has gathered a critical mass of individuals. Similarly, in Tanzania the PSR programme managers influenced the context in a number of ways, e.g. through organising high-level retreats to galvanise support for the reform programme, organising national fora to present the PSR and elicit stakeholders view, and using the positive relations with the development partners to secure resources for the implementation of the programme (negotiating SWAps).

In the context of globalisation, which results in the increased mobility of the capacity embodied in people (e.g. of health professionals), the **creation of space is important not only to allow organisations to do things, but also to induce individuals to stay**, as in the case of IUCN Asia. An important implication of this discussion is that:

²² See : Rademacher. 2005. *The growth of Capacity in IUCN in Asia*.

²³ See : Watson, D., A.Q. Khan. 2005. *Capacity building for decentralised education service delivery in Pakistan*. (Discussion Paper, 57G). Maastricht: ECDPM.

- In a context such as Pakistan donors should consider supporting alternative institutions such as IUCN, as models for the future and in the interest of the country's long-term development.

4.2.2 Assessing context

The number of contextual factors at the global, regional, national and local level considered to influence capacity is expanding. The question is **which contextual factors need to be considered in an intervention and which do not**.

For **practitioners**, this raises the question of the extent to which they should try to understand the context around them. As all successful organisations in the cases had the ability to mediate their context, an appreciation of the external context seems to be important for both the public and the private sector. Yet, most capacity development efforts focus heavily on technical skills and underestimate and fail to address the skills needed to assess context. An implication of this is that:

- The ability of practitioners to assess the contextual landscape is crucial and needs to be given more attention.

A related question is to what extent **donors** need to be knowledgeable about the context. Clearly, complete donor ignorance of contextual factors is not desirable, yet there are advantages to a level of donor ignorance. These include the benefits of approaching an intervention without preconceptions and intellectual baggage from a different context, and the fact that knowledge of the context can empower donors in unhelpful ways and distort relations. These both are important considerations in a context of donor mobility. It also needs to be borne in mind that some donors are better positioned to deal with contextual issues, and that **how donors react to a given context in itself becomes an important part of the context** affecting an intervention. This discussion has the following implications:

- External interveners should be sensitive to the local context, avoid assumptions and templates and be open to innovation.
- Given the complexity of contextual factors at play, starting with small projects, experimenting and searching out pockets of energy is more prudent than commencing with large-scale interventions such as sector wide approaches.

4.2.3 Further comments on context

- **Looking at where capacity exists** in a given context, even if this is in another sector, can provide practitioners and external interveners with useful information on the context.
- As a lot of development is about overturning a given context, not just reacting to it, it is important to know **which contextual factors to accept** as a local way of behaving **and which to deliberately set out to change**.
- It is important to bear in mind that **contexts and enabling environments are dynamic and do change**. This can include regression and becoming disabling.

5 Managing capacity development as a change process

- *How did organisations/networks see change in the context of their work?*
- *What was their strategy of change?*
- *How and why did they choose that strategy of change?*

5.1 Capacity development as a change process in the case studies

A number of points emerge from the cases concerning capacity development as a change process. They concern the following issues:

- The **intentionality** of change process - Who are the change agents or champions of change?
- What are the **strategic choices** made once an organisation tries to change? Are they evident beforehand or do they emerge over time?
- How do **external factors** contribute to change? What constraints do they create and how can change actors deal with this?
- **Imperfect knowledge** can shield a change process and the willingness and drive to go ahead ('The principle of the hiding hand' - Albert Hirschmann). Yet, not knowing beforehand is a benefit only if there is learning along the way.

Box 10: Managing capacity development as a change process - IUCN Asia²⁴

IUCN Asia is one of the regional offices of *IUCN*²⁵, the *World Conservation Union* founded in 1948 and headquartered in Switzerland. The Union brings together 82 states, 111 government agencies and 1000 non-governmental organisations (NGOs) as members, as well as some 10,000 volunteer scientists and experts networked in 6 Commissions from 181 countries. Its mission is "to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable." IUCN carries out its mission through developing cutting-edge science, implementing research in field projects and linking it to policy and convening dialogue between governments, civil society and the private sector.

The context in which the IUCN Asia Regional Programme developed its own capacity and that of others is complex. The organisation covers a large, extremely diverse, rapidly changing and volatile region stretching from Pakistan to Japan and from Indonesia to Mongolia, and has 147 institutional members. It is present in 11 countries and runs nine pan-regional thematic programmes, but serves all 23 member countries. The organisation employs 516 staff representing 23 different nationalities.

IUCN Asia's tasks include:

- Building the capacity of governments, IUCN members and partners for the implementation of environmental conventions
- Supporting policy development,
- Implementing field programmes and projects with partners, and
- Working in post disaster rehabilitation of ecosystems and livelihood.

The development of IUCN Asia, which is located in Bangkok (Thailand), began when in 1995 IUCN decided to regionalise and decentralise its activities. The programme was anchored in the IUCN Pakistan (IUCN-P) Office, a well-established, mature office whose country representative would eventually become the IUCN Asia Regional Director. IUCN-Pakistan acted as a springboard for the development of the regional programme because it was able to provide substantial financial support (including from external funding), had experienced human resources and, and, as a programme with several offices in Pakistan, could act as a model for the larger IUCN Asia Programme.

The managers of IUCN Asia, and particularly the Regional Director whose leadership was central in the rapid and effective development of the capacity of the programme, view **capacity development as a non-linear, complex change process** in which **constant adaptation to internal and external contextual**

²⁴ Source: Presentation by Aban Marker Kabraji, the Regional Director of the IUCN Asia Region.

²⁵ IUCN stands for: International Union for the Conservation of Nature and Natural Resources.

changes is of key importance. To manage this process, they employ a number of strategies:

- **Crafting enabling structures**
 - Balancing decentralisation and coordination
 - Creating conditions which encourage new mindsets, behaviours and practices
 - Flexible utilisation of (financial) resources
 - Flexible management, collective strategic thinking
 - Common policies and procedures
- **Leadership style**
 - Setting and shifting goals ('raising the bar') while steering a steady course
 - Shaking up complacency
 - Building and nurturing a team of leaders
 - Spotting trends before they happen ('staying ahead of the wave')
 - Identifying gaps and finding ways (often unconventional) to fill them
 - Building strategic partnerships
- **Commitment to learning**
 - Learning from mistakes
 - Focus on informal, on-the-job training
 - Use of a number of key learning mechanisms, including regular management and programme reviews, retreats and group meetings, information networks, staff transfers and short-term assignments

Box 11: Managing public service reform as a change process - Tanzania (iii)²⁶

The Permanent Secretary responsible for public sector reform in Tanzania also saw and managed the reform as a change process. He was appointed to ensure that government operations were in accordance with public sector rules and regulations. However, having 'inherited' a situation in which the economy was doing poorly, regulations were not being observed, public sector pay was at its lowest level and discipline and accountability were poor, acting as an enforcer made little sense. He therefore re-invented his role to become an architect of organisational change, functioning as a teacher, policy analyst, management consultant, politician, preacher and citizen at different times.

To promote change, the Permanent Secretary adopted three main strategies:

- **Responding to the demands for improved service delivery** - He inspired his colleagues to generate a vision of transforming the public service into an institution of excellence. Gaining long term support for the reform would require responding to the demands for improved service delivery, and redesigning the reform programme.
- **Local ownership** - The Permanent Secretary also recognised that for the reform to succeed it would have to be seen as 'home-grown' and led and driven by Tanzania's political and administrative leadership. He therefore fought the perception of the reform effort coming from the donors, and placed great emphasis on ownership of the reform by the ministerial departments involved. This included doing away with the existing public sector reform secretariat (a project implementation unit), and building internal capacity.
- **Consistency and zeal** - Recognising that all change inevitably runs into resistance and people tend to be afraid of taking risks, the Permanent Secretary furthermore saw his role as a leader to guide people through the change process, and use 'best persuasion tactics' to ensure the reform stayed on course.

To build the internal capacity of his department (the President's Office Public Service Management) to promote the reform effort, the Permanent Secretary relied on a number of strategies:

- Creating and maintaining a **challenging work environment**.
- **Exposure** a wide range of experiences (including study visits to observe the public sector in other countries) and encouraging continuous **individual learning**.
- Using **retreats** and symposiums to facilitate **organisational learning**.
- Close **monitoring**.
- Promoting **openness** - encouraging people to not fear risks, admit mistakes and learn from them.

²⁶ Source: Presentation by Joseph Rugumyamheto, former Permanent Secretary, President's Office Public Service Management.

Box 12: Managing change in Jamaica - the ENACT experience²⁷

The *Environmental Action (ENACT) Programme* in Jamaica is funded jointly by the Canadian International Development Agency (CIDA) and the Government of Jamaica. Its mandate is *to promote sustainable development in Jamaica by developing the capacity of key institutions in the public sector, private sector, education sector and in communities to manage resources and the environment in a sustainable way*. The programme is run by a Secretariat, consisting of 12 staff (9 Jamaican and 3 Canadian nationals) and set up as a project implementation unit at the National Environment and Planning Agency (NEPA).

The programme has five core tasks: (1) 'Greening government', (2) Local sustainable development planning, (3) Environmental management in the private sector, (4) Strengthening NEPA and (5) Environmental education for sustainable development.

ENACT's managers consider **capacity development** as a **complex process to change the behaviours of organisations and individuals** through the transfer of knowledge, the introduction of new tools and participatory processes and change in governance structures and mechanisms.

Key features of ENACT's approach are:

- **Working with existing processes** - Building on existing programmes and structures, reinforcing high-level policy and reform processes, responding to explicit and not constructed needs, flexible, iterative planning, scanning the environment and adapting, building 'transmission belts' among organisations.
- **Ownership of stakeholders** - Taking a participatory approach, sharing decisions/ building consensus, concluding partnership agreements, building trust, creating space for dialogue, partners commit resources.
- **Working with champions** - Seeking out 'pockets of energy', including political champions, fostering networking, supporting less engaged organisations.
- **Growth capital investment** - Providing core funding (growth capital) to new governance mechanisms, risk management, investing in social innovation (venture capital), using a brokerage model to raise additional funds (seed capital)
- **Set up as a Secretariat** - A number of features in the programme structure contributed to the success of ENACT: management by a team of facilitators with a strong set of common values and principles, use of an entrepreneurial approach, accountable and transparent management systems, knowledge management, on-the-job coaching, high level political support and a focus on results but through strong process management.

A number of insights can be derived from this case:

- The programme's **core values**, including the focus on partnership, a participatory approach and on working with champions were critical success factors.
- **High level approval** and the delegation of implementation to the Secretariat and stakeholders were also important.
- **Early institutionalisation** can serve to ensure sustainability
- **Capacity development is needed** everywhere
- It can take **time** for a programme such as ENACT to become successful: programme design started in 1990, but activities only got under way in 1994 and it took until 1999 for the programme to become a high performing support unit of NEPA.
- The **donor** (CIDA) played a critical facilitating role, provided long-term support and generally took a hands-off approach, allowing the ENACT team to organise itself.
- ENACT's experience confirmed many of the **DAC principles for capacity development in environment** (1995).

The main challenge faced by the programme now is that its activities are spread very widely.

²⁷ Source: Presentation by Jean-Joseph Bellamy, who was the ENACT Project Manager from 1998 to 2004.

5.2 *Insights and implications*

5.2.1 Insights from the study and the cases

The three cases discussed above have a number of commonalities:

- All had **buffering from political intrusion**, in different ways, which gave them the operating space they needed to work. The function of the project manager of ENACT as a heat shield and manager of information, for example, was very important in providing this space.
- All three cases **represented or made use of deeper forces in society and tapped into the energy already existing in countries**. In all three it was the commitment of those involved which drove the capacity development process.
- In all the cases the organisations involved also had the **capability to learn**, albeit in different ways. This capability was used and nurtured actively by the organisations' leadership.
- In many of the ECDPM cases, key figures in the organisations concerned said they had **no capacity development or change strategy**. This was also true for the three cases discussed above, whose organisational leaders/change managers did not have (or use) a strategy defined a priori. Rather, they had a set of **principles and goals**, and used **strategic thinking and intuition** to shape their actions. This underlines the understanding of capacity development as an emergent process. It also raises the question of whether it is possible to have a long-term capacity development strategy, and if so, what it would look like?
- Competent leadership was also important. In all three cases, the **leadership style** was crucial in unlocking the potential of individuals and **empowering** people, and in creating a **shared organisational vision**.

The cases also raise a number of other issues.

- The **flexibility and longevity of donor commitment** in both the ENACT and the Tanzanian case is noteworthy. Reflecting mutual understanding, the donors in both cases supported the paths defined by the actors in the change processes without undue interference.
- The ENACT case also raises an interesting point about **PIUs**, namely the potential value of running a programme from an external unit. Thus, in contrast to the Tanzanian case where the Permanent Secretary responsible for the reform programme did away with the existing PIU to promote greater ownership of the reform in government, even at the cost of slower progress, the ENACT programme used its structure as a PIU to promote ownership in the Jamaican government as a unit that could not be captured by one ministry, but was free to 'circulate' among ministries.

5.2.2 What is missing?

A number of issues were raised which would further enrich the study of capacity development as a change strategy. They include the following:

- An important issue is **how to scale up positive experiences** such as that of ENACT. Organic growth is difficult or does not work in all contexts, such as the IUCN Asia context where the distances between countries are long.
- It would be useful to **make the link between organisational capacity and the capacity of a whole system** (e.g. a country). Donors want to multiply successful organisational approaches such as ENACT at the country level.

- Capacity development is about much more than training. It would be useful to **elaborate the utility and limitations of training** as a capacity development strategy.
- How can **capacity development for politicians** be managed? What approaches could be used to broaden the ways in which they carry out their jobs (influencing mindsets rather than technocratic skills, helping cabinet members to recognise which issues they need to deal with and what should be delegated)? How should the balance be struck between individual and institutional gaps?

5.2.3 Implications

The discussion in this chapter has a number of implications for practice.

- **More attention needs to be paid to the skills needed for leading a change process.** A focus on technical skills neglects 'soft' skills such as leadership, negotiation and management skills.
- **Change processes require flexibility and responsiveness.** Approaches need to be **pragmatic and tactical** rather than constricting and destructive.
- Risk-taking plays an important role in successful change processes. **Individuals leading change processes must have the possibility to take risks.** In the ENACT case, the status of the Project Manager as a 'private' consultant rather than an employee of the donor organisation allowed him to use an entrepreneurial approach and take risks. In Tanzania, the Permanent Secretary responsible for the reform programme was able to take risks despite being part of the public sector (which often is very risk-averse) because he had been able to generate support for the reform and create confidence in him, and because of his political position as a Permanent Secretary.
- To develop capacity it is also important to **create an environment that enables organisations to learn from mistakes.** Examples of this are the learning agreement concluded between the external advisers and country practitioners in the health sector in PNG, or the appointment of learning coordinators.
- The focus on learning and adaptation also has implications for the monitoring and evaluation of capacity development. If capacity development is understood as a change process which requires being strategic without having a plan, there are no predetermined outputs to monitor. Rather than being a means of checking compliance, **monitoring needs to become a learning tool.** Management tools such as RBM (results-based management) are too restrictive for this purpose.
- Understanding capacity development as a change process is not easy. To avoid the temptation for donors and others to rely on performance indicators for measuring changes in capacity, it would therefore be useful to **develop indicators which can be used for monitoring capacity as a change process.**

Box 13: The Ministry of Capacity Building in Ethiopia²⁸

The *Ministry of Capacity Building* in Ethiopia was established in 2000 to improve the capacity of the civil service. It is to implement the *Strategy for Capacity Building* announced by the Prime Minister, and took over responsibility for the *Civil Service Reform Programme* started in 1992, focusing on top management, anti-corruption and ethics, service delivery and human resources.

Its tasks include soliciting support from government and donors for a number of reforms, organising capacity building and *coordinating* the *Public Sector Capacity Building Programme*. When it was set up the ministry looked as if it was to become a 'super-ministry' with the legal power to enforce the reforms in other ministries and government departments. However, this was revised to a coordination role, for which the ministry's capacity is limited. The ministry has a number of directorates responsible for, inter alia, planning and programming, justice sector reform, ICT, urban management and civil service reform, responsibility for which is shared among three state ministers.

As a result of internal capacity limitations and a number of contextual factors (including complicated donor procedures), many of the major programmes led by the ministry have not taken off. However, reflecting an attitude of change present in Ethiopia, a major improvement in service delivery, especially at regional level, has taken place.

²⁸ Source: Presentation by Lissane Yohannes, Manager, AHE Consultants, Addis Ababa, Ethiopia.

6 The role of external interveners

- *How was external assistance provided, and what was the relative importance of that assistance to the local change process?*
- *What comparative advantage did it provide?*
- *Why did it work?*
- *What local conditions were key to ensuring effective use of external assistance?*
- *General conclusions about the role of external assistance in addressing capacity development.*

6.1 The role of external intervention in the ECDPM cases

In many of the ECDPM cases external assistance played an important role in supporting the capacity development of the organisations involved, though the degree of involvement varied from completely absent in the case of the COEP network in Brazil to heavily involved in the cases in Tanzania and Indonesia.²⁹

While it is difficult to draw general conclusions on the role of external intervention in capacity development from this very varied sample, and given the focus of the study on endogenous capacity development, some patterns and issues stand out from the cases:

- The cases showed a shift away from classic, more intrusive forms of technical cooperation towards more facilitative approaches by external interveners. The support provided by the Pan American Health Organization (PAHO) in Brazil (Observatorio case), by CIDA in Russia or by DfID in Rwanda are examples of this.
- Smaller donors were able to support smaller, more niche interventions which can help to generate innovation and experimentation.
- Non-traditional international agencies such the Catholic Church, IUCN or PAHO could use their regional and international networks to provide legitimacy and trust and access support.
- International agencies need to have the right capabilities (such as properly resourced and competent country offices) to make a contribution to the capacity development of development partners.

It is also important to bear in mind that “In a number of the cases, such as ESDU³⁰, the Asia region of the IUCN³¹ and the NACWC in South Africa³², the national participants shaped and controlled the external objectives, degree [...] and style of the external intervention. The effectiveness of the external contributions [therefore] tells us more about country capability for managing external interventions than it does about the workings of international funding agencies.”³³

²⁹ Cases with significant contributions of external partners include ENACT in Jamaica (CIDA), Takalar district in Indonesia (JICA), the Rwanda Revenue Authority (DfID), health reform in Papua New Guinea (Ausaid), decentralisation in the Philippines (CIDA) and support for trade-related capacity development in Russia (CIDA). See: Morgan. 2005. *Organising for large-scale system change - The Environmental Action (ENACT) programme, Jamaica*; Land, A. 2004. *Developing capacity for participatory development in the context of decentralisation – Takalar district, South Sulawesi Province, Indonesia* (Discussion Paper, 57B). Maastricht: ECDPM; Land. 2004. *Developing capacity for tax administration - The Rwanda Revenue Authority*; Bolger, Mandie Filer, Hauck. 2005. *Papua New Guinea's Health Sector - A review of Capacity, Change and Performance issues*; Agriteam Canada Consulting. 2006. *The Philippines-Canada Local Government Support Programme - A case study of local government capacity development in the Philippines*; and Rourke, P. 2006. *Strategic Positioning and trade-related capacity development - The case of CTPL and Russia*. (ECDPM Discussion Paper, 57O). Maastricht: ECDPM.

³⁰ Morgan, P. 2005. *Building capabilities for performance – The Environment and Sustainable Development Unit (ESDU) of the Organisation of Eastern Caribbean States (OECS)*. (Discussion Paper, 57K). Maastricht: ECDPM

³¹ Rademacher. 2005. *The growth of Capacity in IUCN in Asia*.

³² Morgan, P. *National Action Committee of the Western Cape*. Forthcoming.

³³ Morgan. 2006. *Background paper*, pages 8-9.

It also should be remembered that “many of the ‘recipients’ of external capacity development support [...] were also themselves providers of such support to others”.³⁴ ENACT, IUCN and ESDU are examples of this.

Box 14: The role of external intervention - Lacor Hospital, Uganda³⁵

The history of Lacor Hospital in Gulu District, Northern Uganda, spans about 45 years. The hospital, which was set up as a missionary hospital but is now integrated into the health system in Uganda, operates in a very complex environment, shaped by 20 years of civil war and the activities of the Lords Resistance Army. **Despite this difficult context, the hospital has grown into a centre of excellence,** and become an extraordinary example of successful capacity development, adaptation and performance.

The hospital so far has received external support mainly in the form of project-based funding, though last year three donors moved into general budget support. The support provided facilitated the development of Lacor’s human resources (up to 11% of external funding was used for training of medical personnel), and forced the hospital to improve its infrastructure: its administration to meet donor reporting and accountability requirements and its clinical practice to meet the quality standards and targets required to receive funding. The achievement of good results in turn paved the way for additional assistance in the same area and for new activities. Over 60% of the hospital’s funding is raised from external sources, with 14-15% being raised from user charges and the contribution of the central government amounting to about 16% of the hospital’s budget.

A number of reasons account for the successful capacity development of Lacor Hospital: (1) Exemplary and selfless leadership, (2) awareness that external support cannot be taken for granted, (3) a focus on providing benefits to the end users, (4) an entrepreneurial approach, and (5) the fact that the hospital did not seek the patronage of donors but promoted projects exclusively on technical merit.

The experience of Lacor Hospital highlights a number of issues regarding the contribution of external support to capacity development:

- **External assistance was crucial** in the development of Lacor’s capacity, **but did not undermine the hospital’s independence.** The hospital also did not become financially dependent on one or only a few donors, and was able to establish genuine partnerships with the donors in most cases.
- A number of **local conditions were key** to ensuring Lacor’s effective use of the external assistance provided, including its ownership (Catholic Archdiocese of Gulu) which granted the hospital full autonomy under the stewardship of an independent board, freedom from political patronage and a clear frame of reference established by the Government for the hospital’s position in the Ugandan health system.
- **Close (rather than distant) donor support is an advantage only if the donor is technically strong and not ideologically biased, and if the recipient organisation is able to establish and protect its own agenda** (‘providing the best quality service at affordable cost to the largest number of people possible’).

³⁴ Ibid, page 9.

³⁵ Presentation by V. Opio-Lukone, Member of the Board of Directors at Lacor Hospital and Permanent Secretary/ Deputy Secretary to Cabinet in the Office of the President of Uganda.

Box 15: The role of external partners - The Brazilian Observatório on Human Resources in Health³⁶

The Observatório is a network of university institutes, research centres and a federal health office which carries out and facilitates policy research on human resources questions (human resources planning, development and management) in the health sector in Brazil. It consists of 13 'network stations' and is closely linked to health reform in Brazil, which started in 1998 and was designed to create a more equitable and comprehensive health system from the old fragmented social and health systems. The Observatório is seen as a unique and successful case of state–non-state interaction on health issues.

The network has received assistance from a number of external partners, key among which is the Pan-American Health Organisation (PAHO) which has supported the network for 30 years and has acted as a stabilising factor through many destabilising (funding) changes in Brazil.³⁷ The Observatório also closely cooperates with peers, namely the Latin American Observatorio on Human Resources in Health, the Brazilian health institutes and NGOs and the Brazilian Ministry of Health, which was an outside partner in the beginning but now is integrated in the network.

A number of factors account for the success of the external assistance provided to the Observatório:

- the strategic partnership with PAHO (Brasilia), which provided long-term assistance, support and guidance,
- the merging of the international and the national domain through rotation of personnel, sharing of ideas across borders and accepting the provision of national technical assistance (a Brazilian who with the exception of 6 years has worked in the post for 30 years),
- the focus on innovation and modern technology,
- the successful relationship established with the Ministry of Health, and
- the existence of solid internal capabilities.

While given the very specific societal, political and historical background the experience of the Brazilian Observatório is not likely to be replicable as such, a number of aspects in the commitment and attitude of PAHO stand out:

- Long-term presence
- Working from the background/ modesty
- Guiding, but providing space
- Flexibility/ no dogmas
- Neutrality and buffering
- Promoting openness and exchange
- Facilitating learning and knowledge networking

Box 16: The Capacity Building Service Centre in Papua New Guinea (ii)³⁸

The *Capacity Building Service Centre* in Papua New Guinea was set up in August 2003 as a partnership between AusAID (the Australian Agency for International Development), the Government of Papua New Guinea (the Department of National Planning which handles aid coordination) and a managing contractor (Jane Thompson Associates International, JTAI). It is managed by a board which is responsible for resource allocation (AUS \$ 14 million), and is assisted by the JTAI office in Brisbane.

The Centre reflects an innovative approach to assisting in building the capacity of the health sector in Papua New Guinea. It **offers a range of options**, including **technical advisors, formal in-service training and scholarships, twinning, coaching and mentoring and job-sharing**, and has a panel of experts which provide access to international knowledge. Its focus is on building capacity at individual and organisational level.

³⁶ Presentation by Volker Hauck (ECDPM).

³⁷ Other partners include the World Health Organization, USAID (on particular programmes) and the World Bank (whose conditions make it a difficult partner for the Observatorio).

³⁸ Source: Presentation by Miriam Midire, Human Resource Manager, Capacity Building Service Centre, Papua New Guinea.

6.2 Insights and questions

- The Lacor case shows the role that **external assistance** can play in **raising the standards of service** provided. It also highlights the importance of **local ownership** for external assistance to be effective, and the positive influence of a number of **contextual factors**.
- The case also provides interesting insights into the **motivation** of individuals for contributing to the work of an institution such as Lacor in a very difficult and dangerous environment. Rather than economic incentives (pay used to be slightly higher than in government hospitals but no longer is), it is the **attractive learning environment** and the strong **internal ethos** and commitment to values and standards which attract medical doctors to work at the hospital.
- The Observatório case is an example of very **long-term commitment** by an external organisation generating sustainability. The question is whether donors can justify such long-term commitment in the context of the pressure to achieve sustainable results in a short space of time.
- Both cases highlight some aspects which make external intervention useful. These are closely related to the question of what local needs are (and who decides what they are).

External assistance can be useful to provide:

- **Access to external resources:** funding and specialist technical inputs
- **Long-term partnership and support**
- **Facilitation of learning and networking**
- **Space and motivation** (acting as a cheerleader, e.g. in the case of the capacity building facility in PNG)
- **A stimulus to launch a process** (e.g. ENACT, Jamaica)

At the same time, keeping an **adequate distance** between the partner organisation and the external intervener, and respecting the organisation's **independence**, matters greatly for **local ownership**.

6.3 Implications for effectively supporting capacity development

The sections below are based on brainstorming sessions held on the last day of the workshop. They are not meant to be comprehensive lists of what is required for effective capacity development, but reflect some of the implications of the discussions held during the workshop on capacity issues.

6.3.1 What do country partners need to do to make effective use of external assistance in support of capacity development?

What can/should country partners do to effectively use external assistance in support of capacity development?

- Develop a strategy for how to use the external support provided (technical, financial, etc.). This requires a deliberate effort.
- Know and define what they want from the beginning.
- Make space for innovation - this can mean creating new space or adapting and reinventing existing space.
- Be clear on whether external assistance has to mean assistance from outside the country or whether assistance external to the organisation but from within the country can be called upon.

- Ensure that donors use the systems available – avoid parallel systems, for example for procurement.
- Create an environment for learning and motivation and be receptive and eager to learn.
- Put in place tools to measure achievements.
- Ensure the right positioning of the organisation receiving the support or coordinating the process of capacity development with respect to:
 - the driving forces for change in the country
 - gaining buy-in
 - taking into account history, culture and relationships
- Prepare organisations which will absorb assistance for capacity development by clarifying expectations of what changes are needed and why (and how) they should happen (rather than providing ad-hoc capacity development assistance)

How should they do it?

- Have a clear and common understanding of capacity development and its dynamics in the context so as to meet needs and avoid manipulation by external partners.
- Have and demonstrate a willingness to act and work together
- Be prudent in using funding from external sources.
- Understand how much can be absorbed so that not too much is taken on. Be strategic about what can be achieved

6.3.2 How can external partners effectively contribute to local capacity development processes?

What can/should external partners do to support local capacity development?

- Provide timely and relevant support
- Understand the context - carry out serious analysis of what partners want to do.
- Take seriously the responsibility for providing buffering, space and protection.
- Learn and adapt during the partnership. See it as an incremental engagement, an adaptive process.
- Commit to stay engaged when times are difficult.
- Do no harm.
- Accept that they have an obligation and a responsibility for ensuring donor coordination and coherence with other support provided and for not fragmenting relations with the country partners.
- Reduce conditionalities.
- Balance results-driven and process-driven approaches.
- Ensure a common understanding of what is meant by capacity among the development partners in the North and the South.
- Fund joint learning initiatives on capacity.
- Do not throw out more traditional approaches to capacity development which have had benefits.

How should external partners provide support?

- Trust local partners and exhibit that trust – through the will and commitment to support capacity development, long term cooperation, realistic expectations, etc.
- Be flexible.
- Bear in mind that external partners are there to assist and support, not to direct.
- Be transparent and aim to enlarge the space for domestic agendas.
- Be willing to be scrutinised by stakeholders.
- Accept capacity development as a country-driven process (have a country-level focus)
- Partnership, a focus on behavioural aspects and a long-term approach are critical distinguishing aspects of supporting capacity development.

Internal implications for donors and other external interveners:

- Review own systems and expectations for development cooperation and align them with those of the partners.
- Be aware that supporting capacity development can cause internal tensions within donor agencies because of the pressures for disbursement and scaling-up (There are often contradictions between quick disbursement and supporting learning processes).
- Think internally about how to provide incentives and how to organise for supporting capacity development (as opposed to other, more straightforward, goals)
- Be aware of the risks in supporting capacity and capacity development and ensure that common safeguards are built into the engagement.
- Capacity has fallen off donor agendas. There needs to be a strong message that capacity needs to remain high on the agenda.
- There may be a need to create *space for donors* to support capacity development.

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All the documents mentioned in this report are available online through the capacity study website - www.ecdpm.org/capacitystudy. The materials specifically related to this workshop can be accessed through www.ecdpm.org/capacitystudy/final_workshop.

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- Opio-Lukone, V. *Role of external intervention - The case of Lacor Hospital, Gulu, Uganda*. Presentation at final workshop on capacity, change and performance, Maastricht, 15-17 May 2006. (Office of the President, Kampala)
- Rugumyamheto, J. *Managing public service reform as a process of change*. Presentation at final workshop on capacity, change and performance, Maastricht, 15-17 May 2006. (Chairman, Joe&Wil Development Management Services)
- Yambesi, G. *The Context of Capacity Building and Reform: the case of the Tanzania PSRP*. Presentation at final workshop on capacity, change and performance, Maastricht, 15-17 May 2006. (Deputy Permanent Secretary)

Annex 1: Agenda

Background

In 2002, the Govnet, the Network on Governance and Capacity Development of the OECD, asked ECDPM to undertake a study on how organisations and systems build their capacity for performance. The study is almost finished and ECDPM is sponsoring a workshop to allow participants from a variety of different backgrounds including developing countries, NGOs and international development organisations to discuss and refine some of its key findings.

Objectives

By the end of the workshop, participants will have:

1. A deeper understanding of capacity, how it develops and what can be done to strengthen it
2. Explored and identified the role of external interveners and the types of interventions that can support capacity development
3. Generated insights for the final report
4. Identified steps for disseminating and leveraging the findings of the ECDPM study

The workshop has been designed to foster networking and exchange of ideas among participants. Participants will come from the following backgrounds:

- Actors from developing countries who have been involved in or know well the case studies which are a part of the ECDPM studies
- Representatives of international development organisations that are actively engaged in policy development or programme design and implementation and that have a substantial interest in capacity development
- Researchers and consultants with extensive experience and interest in capacity development.

Programme

Sunday, 14 May 2006

18.00 - 20:00	Reception at NH Hotel - Bar "The Garden"
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Monday, 15 May 2006

What is capacity?	
9:00-9:45	Welcome and introductions <ul style="list-style-type: none"> • Context of the study • Objectives for the workshop • Introductions
9:45-10:30	The ECDPM study: Overview of the study
	Presentation by <i>Peter Morgan and Heather Baser</i> (30 min) Followed by Q & A (15 min)
10.30-11.00	Coffee break

11.00-12.30	What is capacity?
11:00 -11:10	Introduction on <i>What is capacity</i> by <i>Peter Morgan</i> (10 min)
11:10-11:50	Small group discussion Tentative questions session: <ul style="list-style-type: none"> • <i>Should practitioners have a shared understanding of the concept of capacity and, if so, why?</i> • <i>Is the one in the ECDPM study useful?</i> • <i>What are the operational implications of different perspectives on capacity?</i>
11.50-12.30	Groups are asked to be prepared to give a 5 minute presentation of their discussion at 11:50 Plenary reporting and facilitated discussion at 11:50 (30-40 min)
12.30-14.00	Lunch
Monitoring and evaluating capacity and capacity development	
14.00-14.45	Monitoring and evaluating capacity and capacity development
	Chair: Suzanne Taschereau: Introduction of panellist and of issues <i>David Watson</i> : Key findings from the paper and results of the March workshop (15 min) <i>Dan Kobb</i> : Civil Service Reform in Tanzania: (15 min) Focus of the presentation: <ul style="list-style-type: none"> • <i>What are we monitoring (what kinds of changes, capacity, processes & outcomes)?</i> • <i>Why: what is our purpose, who wants it, what used for?</i> • <i>How: key characteristics of our approach?</i> • <i>What has worked, what remains problematic?</i> Q & A (10 min)
14.45-15.10	Break
15.10-15.40	A balanced approach to M and E of capacity
	Presentation by <i>Paul Engel</i> Presentation of two short but illustrative case studies by <i>Tony Land</i>
15.40-16.30	Small group discussion
	Tentative questions: <ul style="list-style-type: none"> • <i>What are the most important pointers to determine whether or not capacity is improving? How can we prioritize among them?</i> • <i>What sort of evidence can we mobilise to assess the pointers?</i>
16.30-17.30	Plenary presentation and discussion
	Presentation of key points from each group (5 min max each).

17.30	Adjourn
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Tuesday, 16 May 2006

The context of capacity development	
9.00-10.10	The context of capacity development
	<p>Chair: Suzanne Taschereau – Introduction of panellists</p> <p>Overview of issues by <i>Peter Morgan</i></p> <p>Two case presentations:</p> <ul style="list-style-type: none"> • <i>George Yambesi</i>: Tanzania – Civil Service Refrom (15 min) • <i>Sarah Geddes</i>: Strategic Positioning and Trade-Related Capacity Development: The case of the Centre for Trade Policy and Law Russia (15 min) <p>Focus of presentations:</p> <ul style="list-style-type: none"> • <i>What contextual factors seem to have influenced capacity development and why?</i> • <i>How have capacity interventions been shaped to take them into account?</i> <p>Q & A (20 min)</p>
10.10-11.10	Small Group Discussions
	<ul style="list-style-type: none"> • <i>What context do you see as most important - community, regional, national or global? How do you or your organisation determine boundaries or parameters?</i> • <i>How can you analyze context in advance?</i> • <i>What are some of the issues to consider in analysing context in different situations such as instability or crises, in centralised versus decentralised situations, or where there is opportunity and political space?</i>
11.10-11.30	Coffee break
11.30-12.30	Plenary discussion
12.30-14.00	Lunch
Managing capacity development as a change process	
14.00-15.30	Managing capacity development as a change process
	<p>Chair: Dr. Derick Brinkerhoff – Introduction of the panellists and of issues (10 min)</p> <p>Each panellist provides initial thoughts to stimulate discussion.</p> <ul style="list-style-type: none"> • <i>Aban Marker Kabraji</i>: The Growth of Capacity in IUCN in Asia (20 min) • <i>Joseph Rugumyamheto</i>: Building the Capacity for Managing Public Sector Reform: The Tanzanian Experience (20 min) • <i>J.J Bellamy</i>: Organising for large-scale system change: The

	<p>Environmental Action (ENACT) programme, Jamaica (20 min)</p> <p>Focus of presentations:</p> <ul style="list-style-type: none"> • <i>How did organisations/networks see change in the context they are working?</i> • <i>What was their strategy of change?</i> • <i>How and why did they choose that strategy of change?</i> <p>Q & A (20 min)</p>
15.30-16:00	Break
16.00-17:05	Exchange in small groups followed by discussion in plenary
	Small groups – 20 min, plenary 45 min
	<ul style="list-style-type: none"> • <i>What other strategies of change work for capacity or capacity development?</i> • <i>How were these strategies formed?</i> • <i>Are they consciously managed? And by whom?</i> • <i>Are the dynamics of change likely to change in the next few years? How will external interveners have to change in response to this? What does this mean in terms of their own capacity?</i>
17.05-17.15	Chair summarizes key points
17.30	Adjourn

Wednesday, 17 May 2006

9.00-9.30	Taking stock
	Discussion in groups of 3 (10 min) and sharing in larger group (20 min)
The role of external interveners	
9.30-10:30	The role of external interveners
	<p>Chair: Dr. Tony Land: Introduction of panellists and of issues (10 min)</p> <p>Each panellist speaks for up to 20 minutes. Drawing on their experience, they provide initial thoughts to stimulate discussion.</p> <ul style="list-style-type: none"> • <i>Opio Lukone: Resilience and high performance amidst conflict, epidemics and extreme poverty: The Lacor Hospital, Northern Uganda</i> • <i>Volker Hauck: Networking Collaboratively: The Brazilian Observatório on Human Resources in Health</i> <p>Focus of presentations:</p> <ul style="list-style-type: none"> • <i>How was external assistance provided, and what was the relative importance of that assistance to the local change process.</i> • <i>What comparative advantage did it provide?</i> • <i>Why did it work?</i> • <i>What local conditions were key to ensuring effective use of external assistance?</i> • <i>General conclusions about the role of external assistance in addressing capacity development.</i> <p>Q and A (10 min)</p>

10:30-11.00	Break
11.00-11.45	Small group discussion
	<ul style="list-style-type: none"> • <i>What other examples can participants cite of effective external interventions in capacity and capacity development?</i> • <i>What made them effective?</i> • <i>Are external interveners in general changing their approaches to better address capacity and capacity development and if so, in what ways?</i>
11.45-12.15	Plenary discussion
12.15-12.30	Summary of key points by the chair
Next steps	
12.30-13.00	Next steps
	<i>What steps could be taken to disseminate and leverage the findings of the ECDPM study?</i>
13.00	Adjourn for lunch
14.00	End of workshop

Annex 2: List of workshop participants

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

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

- to enhance the capacity of public and private actors in ACP and other low-income countries; and
- to improve cooperation between development partners in Europe and the ACP Region.

The Centre focuses on **four interconnected themes**:

- Actors of Partnerships
- ACP-EU Trade Relations
- Political Dimensions of Partnerships
- Internal Donor Reform

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

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