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Danida**

Capacity Development Evaluation

Step 2: Desk Study of Danish Sector Programme Support and Mifresta Interventions

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ABBREVIATIONS

CD	Capacity development
CDIE	Capacity development impact evaluation
CEM	Country Economic Memorandum
CFAA	Country Financial Accountability Assessment
CPAR	Country Procurement Assessment Report
CSO	Civil society organisation
CSR	Civil service reforms
IMF	International Monetary Fund
NGO	Non-governmental organisation
PER	Public Expenditure Review
PRSP	Poverty reduction strategy paper
SPS	Sector programme support
SWAP	Sector Wide Approaches
TA	Technical assistance

EXECUTIVE SUMMARY

This report is the *second step* in a process leading to a tested methodology for Capacity Development Impact Evaluation (CDIE). The overall objective of the exercise is to improve Danida's support to capacity development in partner countries. The exercise has almost exclusively a learning objective, and it is expected that the insight gained through the process of preparing an evaluation methodology will make it possible to develop a set of guidelines for Danida's support to capacity development. *The specific objectives* of step 2 is to establish an overview of the existing Danish support to capacity building and to test the relevance of the CDIE approach suggested in step 1. The desk study comprised a screening of 15 Sector Programme Support (SPS) documents, three interventions funded under the Environment, Peace and Stability Mechanism (Mifresta), and screening of other Danish support addressing capacity issues outside SPS. In the SPS and Mifresta programmes, one component of each programme was selected for close scrutiny, adding to a total of 18 components. It was the component of the programme assessed to be the most CD-intensive which was selected for analysis.

The analytical framework developed in step 1 – which was based on an extensive literature review - has four key propositions: i) organisations are seen as *open systems* with an “inside” and an “outside”; ii) organisational analysis should include both *formal and informal aspects*; iii) capacity development support can be classified as either internal (“push-strategies”) or external (“pull-strategies”), and either predominantly functional or predominantly political; and iv) recipient commitment and capacity to change is essential for success of CD support.

Based on this framework a questionnaire has been developed and used to collect information about the selected cases extracted from SPS/Mifresta-, component, project and programme documents. This method implies that no specific theory or approach to CD is used as a yardstick. The questionnaire simply provides a systematic basis for asking relevant questions: what is the scope and depth of CD analyses? Are proposed CD interventions based on these analyses? How are changes in CD actually monitored? Consequently, the findings presented in this report do not imply any evaluative opinions about the quality and impact of the subsequent implementation of CD support. The purpose of the analyses is *not* to evaluate CD interventions but to provide inputs to the design of an evaluation methodology for Danish CD support.

Analytical Underpinnings

What was analysed? The basis of the screening

The main screening was based on a random sample of 15 SPSs and three non-randomly chosen Mifresta interventions. The screening had two levels: First at the *overall level* at which general information on e.g. coverage, importance of CD, stakeholder involvement, modalities etc. was collected. Key documentation included programme documents and appraisals. Secondly, a detailed CD screening was conducted at the *component level*. In each of the 18 SPS and Mifresta interventions one component - judged to be the most relevant - was selected for this detailed screening. The key document here was the component description.

In addition, 60 Danish bilaterally supported ongoing activities outside SPS/Mifresta were also screened (albeit less thoroughly). NGO support was not included in this sample.

Which internal factors are analysed, and how thoroughly?

The screening found in general very incomplete coverage and depth of analysis of capacity constraints in the organisations targeted for capacity development support. One third of both SPS and Mifresta component documents had *no organisation specific analysis*.

Only one SPS component document analysed *any* factor of internal capacity comprehensively. Generally the analyses focused most strongly on inputs (or lack of the same); structures and procedures; and strategies, goals and mandate. “Lack of..” –type of problem analysis was frequent. Analysis of issues relating to leadership, incentives and internal cost-efficiency received little attention. The possible influence of informal goals and power struggles was even less analysed.

Half of all SPS components studied had some analysis of the outputs of the targeted organisation(s) at the time of the design of CD interventions. One SPS was judged to have a comprehensive analysis.

Analysis of context factors affecting capacity and capacity development support

The screening found weak and incomplete analysis of the external factors of importance for CD support. Less than one third of the components referred to some degree to other analyses, and only in one case comprehensively. Corruption was mentioned superficially in four of the 15 cases.

Analysis of external factors was relatively strongest in relation to the policy framework, government wide resource mobilisation and financial management. Aid dependency was mentioned as a factor potentially undermining CD efforts, but the issue was not comprehensively analysed in any of the cases studied.

Analysis of Process Aspects: Conditions for and Limits to Change

There was limited and mixed evidence of the involvement and ownership of local stakeholders in the design of CD interventions. 27% of the SPS components, and none of the Mifresta components, had made some analysis of the commitment to change, but none of these were comprehensive.

Overall Assessment of Analytical Underpinnings for CD Support

Nine interventions had a partial analysis of internal and external capacity constraints. Six interventions had very limited analysis, three interventions had no analysis. A comprehensive analysis was not found in any of the components studied.

The conclusions of the screened documents regarding capacity constraints focus predominantly on formal or functional aspects of the organisations. The specific constraints identified concentrate on resources, structures/procedures, and strategies/goals, which are mentioned 51 times in the SPS components. The count of all other internal problems mentioned (incentives, leadership, cost-efficiency etc.) reaches 10.

Another notable weakness is that current outputs of the organisations are only vaguely described and analysed. Cost-efficiency aspects are generally not analysed either.

The interviews conducted to validate the screenings revealed that the analysis available in the core component documents were either not reflecting all available knowledge, or that supplementary analytical work and detailing of interventions took place later.

This raises issues relevant for the decision making processes in Danida, and about the optimal balance between pre-implementation analysis and design compared to more process-oriented approaches.

Capacity Development: Objectives, Modalities, Inputs and Processes

Aims and Objectives

The screening shows that CD is an important objective in both SPS and Mifresta. CD goals were specified in objectives at the overall intervention level in all but one SPS intervention, and in all Mifresta interventions screened. 50% of the components screened had service delivery as the dominant objective of the capacity development interventions, whereas policy making and legislation was the second most important area. Enforcement and supervision was the third most important area.

Assessment of Capacity Development Approach

Danish CD support focuses overwhelmingly on a *functional approach directed at internal CD*. In 86% of the SPS and all Mifresta components this approach was judged to be the dominant. Within the functional-internal approach, training was the most dominant, but development of structures and procedures was also important. Provision of technology and information access also has some significance

Within the *political approach directed at internal stakeholders*, the most used modality was in-house management development often with elements of training. Less dominant but still significant was increasing management autonomy and increasing the use of internal monitoring/supervision. Sanctions against rent-seeking, support to reformers, and merit based promotion/firing played a negligible role.

The *functional approach aimed at external stakeholders* was only slightly more utilised than the political-internal approach. Greater use of outsourcing was the most frequent, closely followed by change in the resource envelope. Introduction of performance based budgeting was only used in few cases.

The least used intervention modality was the *political-external approach*. Support to media, advocacy groups and politicians was marginal. Support to enhance donor collaboration and building client pressure for accountability was included in some cases, but not prominently.

The second most frequent approach was *network oriented interventions*, mainly in the form of support to decentralisation and strengthening of co-ordination capacity (often centred on donor coordination).

Danish Funded Inputs to Capacity Development

Long term international TA featured as the most common input to CD in both Mifresta and SPS interventions. Payment of training courses and workshops also figures prominently among the inputs to capacity development, as does the provision of transport and office equipment. Twinning

or institutional linking is only used in one SPS intervention, but figures in all three Mifresta-interventions.

Monitoring Approaches and Indicators for CD Support

Most interventions opted for establishing a unique Danida monitoring system. Two-thirds of the SPS and all Mifresta components had indicators for CD; but in the majority of cases the indicators were general statements with little specificity. Of the 79 CD indicators screened, 75 falls equally distributed on CD activities, capacity of the involved organisation, and outputs, while three covers outcomes. None seeks to gauge ultimate impact.

Combined with the finding that the analysis of pre-support performance levels (outputs and outcome) was weak, the screening of indicators thus strengthens the impression of a relatively weak result-orientation in the preparatory analytical underpinnings of Danish CD support.

Process Aspects of Implementation of CD Support, Risk Analysis

Most SPS and all Mifresta components allowed for some or, in fewer cases, considerable flexibility in the implementation process. CD support is seldom planned in detail for longer periods, and has considerable room for adaptation of support activities, but less so of support inputs.

Only in very few cases was implementation process aspects analysed (such as resistance to change, how to build support for the change, and how to ensure national leadership).

Risks and assumptions listed in the documents do in most cases consider CD and sustainability related aspects, but only in two cases is there a comprehensive risk analysis related to these aspects.

Possible Negative Effects of Danish CD Support Modalities

Around half of the components consider potential negative aspects of external CD support, but no comprehensive analysis is offered. The negative effects concentrated on supply-driven and/or excessive TA, parallel structures, and that support may be driven by donors rather than national institutions.

Negative effects of donor support could be classified according to the potential *distorting incentives* it creates in individual organisations and/or networks of organisations, and by the part of the “organisational chain” it is distorting, from resource/input mobilisation, over organisational capacity, to outputs, outcomes, and ultimately impact. In addition, the effects of having multiple donors should be assessed, as well as distortions in the environment.

The relation between analysis and intervention design

The analytical framework for the screening emphasizes that actions on *external* factors – functional or political – may sometimes be the adequate answer to *internal* capacity constraints, as a changed environment may force organisations and staff to perform differently.

In the sample screened there is – contrary to the propositions of the framework - an overly simple correspondence between an analytical focus on internal, functional capacity constraints, and intervention modalities focusing on training, changes in structures and procedures, etc..

This simplistic approach is the main weakness of the analytical work presented in the screened documents. The analysis is far too narrow in its scope especially concerning contextual and informal factors impacting on the incentive regime facing public sector organisations. And the choice of intervention modalities is correspondingly narrowly conceived.

If this is true, then subsequent evaluations should expect to find that the impact of Danish CD support on the capacity of organisations and their outputs is more limited and less sustainable than envisaged.

Considering the prominence of capacity development both in Danish policy documents and in the interventions, the screening indicates *a mismatch between the alleged importance of capacity development and the analytical efforts devoted to underpin and design appropriate capacity development support.*

Other Danish CD interventions outside SPS

Danish bilateral support in programme countries does, in addition to Sector Programme Support, include other projects and programmes seeking to address broader capacity development constraints, e.g. support to public sector reforms, decentralisation or strengthening of the judiciary. A preliminary screening of such support has therefore been included, based on Danida's annual report 2002. Support through Danish NGOs or the Private Sector programme was not included in the screening.

Ongoing Danish-funded activities in the 14 SPS-countries which potentially complement CD efforts in SPS cover 60 interventions with average annual spending in the order of DKK 200-300 millions.

The distribution of the support on the four powers of the state shows strong focus on the executive (62%) and the judiciary (22%). The legislative only gets 5%, while media/civil society take 11%.

Most money is spent on decentralisation. However, looking at the number of countries, the judiciary is most frequently supported, followed by human rights and democracy. Little direct support is given to public expenditure management development, which may appear surprising. Less surprising, but maybe noteworthy, is the relatively limited support in only four countries to the legislative branch of government.

The screening shows firstly that other Danish assistance does complement CD efforts in SPS and Mifresta by working on establishing a more conducive general institutional environment.

Secondly, Danish supported interventions in the macro-context are only a small subset of all the interventions which influence sector-specific Danish CD support. It is the larger universe of all interventions that frames the setting for sector-specific CD efforts. If later field evaluations demonstrate that the intensity of such broader efforts conditions the success of sector- or institution-specific efforts, then the linkages and balances between the global and the sector level may require more analytical and strategic attention in the future.

Relevance of Framework and Implications for evaluation of CD Impact

The framework used in the screenings is – with some qualifications – relevant. In none of the screened components were CD analyses and actual support activities based on concepts or factors that are not – or cannot be - included in the analytical framework established in step 1.

The screening indicates that Danish CD support through SPS and Mifresta is not based on appropriate analysis. This is *not* demonstrating that Danish CD support through SPS/Mifresta is inappropriate, but it raises the issue of the adequacy of the analytical basis for and design of CD support. The analytical framework helps to identify these problems and is therefore relevant in this sense. The final test of relevance of the framework will be its ability to categorize and give explanatory meaning to factors which, according to field evaluations, have had importance for Danish CD support and its outcome/impact.

On a more specific level, the concentration of analysis and interventions in the “functional-internal” quadrant of the typology raises the issue whether it may be worthwhile to consider opening the categories in this area somewhat more.

In addition to the four-field matrix, the analytical framework also identified “network oriented interventions”. This category is to a certain extent overlapping with others, and most of the interventions in this area can be reassigned to the four boxes of the basic framework. It is therefore suggested that the pertinence of this category be reconsidered.

The screening did only indirectly address the issue of the degree to which the context allows for utilisation of skills developed through training support. Future evaluators may wish to study conditions for training effectiveness closer, but CD evaluations should not end up focusing excessively on this element.

Technical assistance feature in all SPSs as *the* key input to CD. However the screening could not identify if TA was primarily demand-driven; or whether it was supply-driven primarily for purposes unrelated to CD. The importance granted to TA warrants closer analysis, but care should be taken to avoid that a CD evaluation ends up evaluating advisors and TA rather than CD.

The CD impact evaluation approach developed in step 1 included the establishment of a baseline of the pre-support outputs levels of organisations targeted for CD. The screening indicates that such a baseline may not be readily available. It may also be difficult to clarify the exact intervention logic in CD support, both because of the limited analysis in documents, and the unspecific goals and indicators for CD support.

These difficulties point to the need to prepare a methodology that allows evaluation of a “moving target”. The limited pre-implementation analysis and specification found in documents does not imply that such analysis and specification were not made gradually later. For learning purposes, it will be important to analyse how later analysis and specification occurred, and to assess when and how such analysis and design processes proved important for achievements of results.

The finding that Danish CD support has been designed from a rather narrow perspective on organisational development might be expected to result in limited effectiveness of Danish CD support, if the hypothesis behind the framework is correct. Too many important factors go unattended, and opportunities for alternative intervention strategies may have been overlooked.

Therefore, *if* effects of Danish CD support appear limited, evaluators should be prepared to investigate the contextual factors causing this, and hypothesize if and how these contextual factors could have been taken into account. If effects are none the less significant and sustainable, evaluators should carefully identify the positive and negative contextual factors influencing this outcome.

Finally, the screening results show that it may be very difficult to establish the wider impact of *Danish* support to CD, both because the SPS preparations are sketchy, and because it may be difficult to attribute changes in outputs/outcomes to specific Danish supported activities, given the likely influence of other factors and actions. The screening thus illustrates the need to take the sector support concept seriously – also in the evaluation of the effectiveness and efficiency of Danish support.

1. INTRODUCTION

This report is the *second step* in a process with four subsequent phases leading to a tested methodology for Capacity Development Impact Evaluation (CDIE):

- Step 1: Development of an analytical framework for evaluation of capacity development. This step was concluded in autumn 2002.¹
- Step 2: Desk study of Danish support to capacity development, notably in the context of Sector Programme Support (SPS).
- Step 3: Development of a draft methodology to evaluate the impact of Danish assistance to capacity development and institutional change.
- Step 4: Refinement of the CDIE methodology by field testing in one to three countries.

The objective of the entire exercise is to prepare a methodology to evaluate the impact of Danish assistance to capacity development and institutional change, notably within the framework of sector programme support in partner countries. Step 1, which looked for inspiration in literature and with other donors, found that there apparently is little methodological development in the field of CDIE. This is one reason why other donors have expressed interest in sharing the results of the consultancy. The overall objective of the exercise is to improve Danida's support to capacity development in partner countries. The exercise has almost exclusively a learning objective, and it is expected that the insight gained through the process of preparing an evaluation methodology will make it possible to develop a set of guidelines for Danida's support to capacity development.

The specific objective of step 2 (this desk study) is twofold: 1) to establish an overview of the existing Danish support to capacity building and institutional change and 2) to test the relevance of the CDIE approach suggested in step 1. The study will map out the various capacity developing activities supported in relation to on-going Danida-funded SPSs and other Danish-supported activities, and analyse the quality of the preparation of CD interventions and the policies underlying the priorities, as they are reflected by the pattern of support. Terms of reference are included as annex 1.

The desk study comprised: i) screening of 15 Sector Programme Support (SPS) documents, and three interventions funded under the Environment, Peace and Stability Mechanism (Mifresta by the Danish acronym); ii) interviews with staff in the Ministry of Foreign Affairs to validate screening results for three SPS; iii) screening of other Danish support addressing capacity issues outside SPS.

Based on the screenings and interviews, this report presents the findings and discusses the implications for the evaluation methodology to be developed as the next step 3. It is important to stress that the findings presented relate to the apparent quality and comprehensiveness of analytical underpinnings and design of CD support as judged by SPS-, component and project documents, but it does not imply any evaluative opinions of the quality and impact of the subsequent

¹ Nils Boesen, Peter F. Christensen and Ole Therkildsen: *Evaluation of Capacity Development in a Sector Programme Support Context: Contributions to an Analytical Framework*. Draft, September 2002.

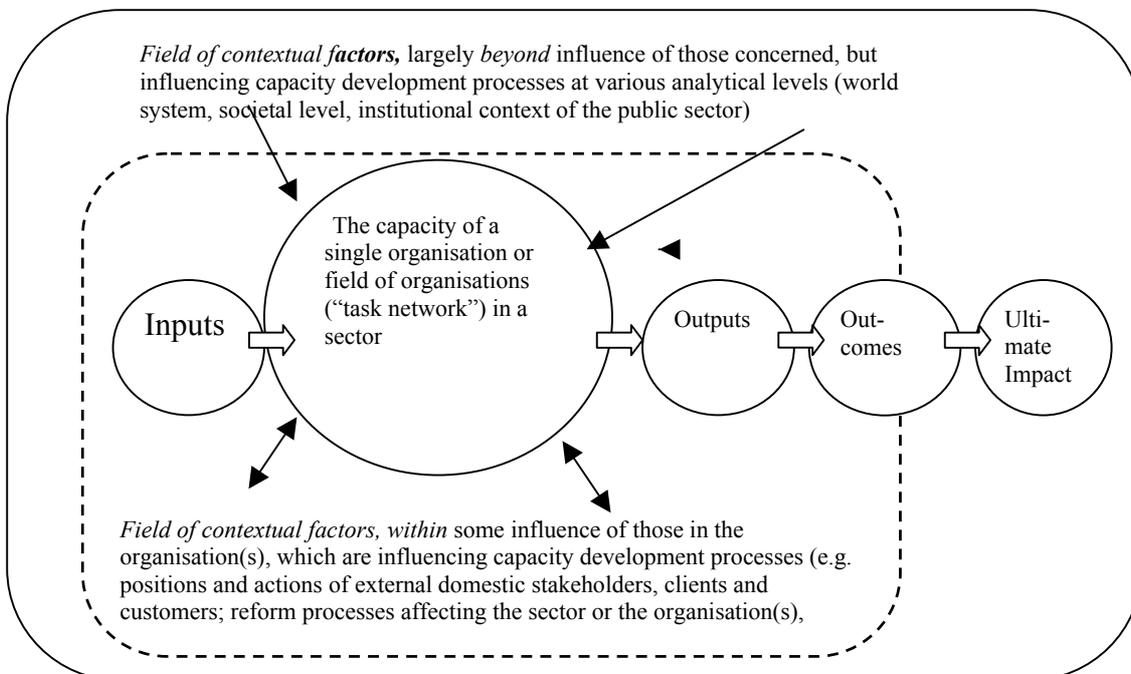
implementation of CD support. While the findings of the desk study may enrich later field evaluations, the key purpose of the present analysis is to test the framework from step 1 and to provide an overview of existing modalities, analyses and approaches within Danish supported CD interventions. Consequently this analysis is *not* an evaluation of CD interventions but rather a mapping and testing analysis, providing inputs to the design of an evaluation methodology.

The report is structured as follows: Chapter 2 gives a brief summary of the analytical framework to be tested. Chapter 3 reports the results of the screenings regarding the analytical underpinnings for Danish CD support, while Chapter 4 looks at the design of the CD interventions. Chapter 5 summarizes the screening results, and look at the relation between problem analysis and intervention design. In Chapter 6, the results of the screening of other CD-relevant Danish support are reported. Finally, chapter 7 discuss the relevance of the analytical framework considering the screening results, and discuss possible implications for the evaluation methodology to be developed.

2. THE FRAMEWORK TO BE TESTED - SUMMARY

The key elements of the analytical framework developed in step 1 are summarized below. The analytical framework has four key elements: i) an understanding of organisations as *open systems* where an “inside” and an “outside” are separated, but in exchange, as illustrated in figure 1; ii) an approach to organisational analysis encompassing both *formal and informal aspects*; iii) a typology of capacity development support with four elements, as shown in table 1, and finally, iv) identification of a number of *key factors* for successful capacity development, as listed in table 2.

Figure 1: Basic analytical framework: Organisation(s) as open system(s)



Combining the distinction in the open system approach between system internal and system external factors with the possibility of focusing change support on formal capacity aspects or informal power aspects, respectively, a typology of CD interventions is suggested including four key “modes”:

Table 1: Typology of CD interventions

	Predominantly functional approach	Predominantly political approach
Interventions targeted at internal systems elements (push-strategies)	Seeking to increase capacity, strengthening cooperative aspects and the formal organisation working inside the system: Change of systems, structures, procedures, technology; skills training; general management training, technical assistance in these areas	Seeking to change the internal power constellations, changing internal competitive pressures and diminishing un-productive effects of the informal organisation, working inside the system: Promotions, firing, targeted support to “groups of reformers”, support to sanctions against rent seeking, in-house management development, performance-based benefits to key staff
Interventions targeted at external stakeholders and factors (pull-strategies)	Seeking to increase capacity, strengthening cooperative aspects and the formal organisation from outside, working on “functional” external factors: Output- or performance-based budget allocations, change of resource envelope, change in education system, change in formal/legal mandate, introduction of supervisory agencies etc.	Seeking to change the internal power constellations, changing internal competitive pressures and diminishing un-productive effects of the informal organisation, working on “political” external factors: Building and maintaining coalitions of external stakeholders strong enough to impose change. Building up client/user pressure for accountability, support to advocacy and lobby groups, training of politicians, journalist

Based on evidence presented in literature, Step 1 listed a number of key factors especially influencing success or failure of CD support, as listed in table 2.

Table 2: Some key factors determining capacity development support outcomes

<ul style="list-style-type: none"> • The competitive pressure and performance demands on the (field of) organisation(s), and the options for changing this • The possible gap between the formal and the informal organisation • The actual incentive structures functioning in the organisation(s), and the options for modifying these • The scope of required change: incremental or strategic change • The commitment of key external and internal stakeholders to the change process • The availability of sufficient recipient capacity to manage and lead capacity development (or, differently put, requisite ambition levels for CD)

- The balance between push and pull elements in the support for CD
- The options for producing some quick, visible results to deepen commitment.
- The timing and process of interventions and support

3. ANALYTICAL UNDERPINNINGS FOR CD SUPPORT IN SPS AND MIFRESTA SAMPLE

3.1 Data Sources and Screening Methodology

The screening focused on capacity development in a random sample of 15 SPSs and three non-randomly chosen Mifresta interventions. The interventions selected for screening appear in Table 3.

The 15 SPSs were selected by drawing a random sample from all 44 sector programme support schemes in 14 programme countries listed as being approved by appropriate Danish authorities. This list was verified with relevant Regional Departments in the Danish Ministry of Foreign Affairs ultimo March/primo April 2003. From the random sample four pilot SPSs were chosen to test the draft screening questionnaire. After modifying the questionnaire, the remaining 11 SPSs were screened and the screening of the four pilot SPSs completed.

The selection of the three Mifresta projects was based on the 'PDB' database, which listed more than 600 interventions. The selection was *not* random as many of the interventions listed were only a minor input into a larger intervention (e.g. one study tour). Instead the key criteria applied were that the interventions should form a coherent project/programme and that they were not in the same country. Thus the Mifresta sample is not representative, and the limited size of the sample also means that conclusions cannot be generalised to the whole Mifresta portfolio.

The team subsequently had in-depth interviews with relevant Danida staff on three SPSs with the aim of validating the findings and providing a better understanding of the underlying processes guiding CD intervention choices, especially concerning aspects that were not explicitly stated in the screened documentation. The ambition was initially to conduct five such interviews, but limited availability of relevant staff made this infeasible. Interviews were conducted regarding Bolivia Agriculture SPS, Mozambique Agriculture SPS and Nepal Basic and Primary Education. While the number of in-depth interviews could have been higher, they nevertheless largely confirmed the accuracy of the screening, and added relevant information about issues which could not be read out of the documents (see section 3.5).

The screening had two levels: First, at *the overall SPS/Mifresta level*, general information has been collected, including coverage, implementation modalities and relative importance of capacity development in the overall intervention. In addition, key aspects relating to stakeholder involvement, number of development partners in the sector, and the sector policy framework were also recorded when possible. The basis for this screening has primarily been the programme documents, appraisals and appropriation notes for the Danida board.

Secondly, the detailed screening of capacity development interventions has been conducted at *component level*. In each intervention one component was selected for this in-depth screening, based on an assessment of which component was most relevant in relation to capacity development of public sector organisations. This sample of components is thus not randomly chosen, and a full screening of all CD activities in all components of the SPS and Mifresta interventions included in the study might in principle give a different result than the one reported below.

The analytical framework from step 1 and which is summarised above formed the basis of the screening of the analysis included in the documents, and of the intervention design. In addition the screening also made attempts to identify the context of CD support delivery, coverage, inputs and monitoring arrangements. The key source of information was the 18 component descriptions, but appraisal reports, appropriation notes for the Danida board and the general programme document were also used when available.

Table 3: Random Sample of SPS and Mifresta Interventions Included in Screening

Country	Sector	Component title	Year of approval	Amount per year (mill. DKK)
SPS				
Bangladesh	Transport	Inland water transport	2000	218
Bangladesh	Water	Institutional development	1999	98
Bangladesh	Agriculture	Policy and Planning Support unit. Ministry of Fisheries and Livestock	2000	111
Benin	Water	Institutional Support Component	2001	45
Bolivia	Environment	Environmental Management in Potosi and Chuquisaca	1999	40
Bolivia*	Agriculture	Agricultural Programme for Potosí – Bolivia	1999	43
Bolivia	Indigenous Peoples/ Decentralisation	Support to the Decentralisation and Popular Participation Process	1998	26
Burkina Faso	Agriculture	Institutional strengthening of the Ministry of Agriculture	2000	72
Egypt	Water	National Sector Reform and Capacity Development	2002	92
Ghana	Health	Health Fund (Budget support)	2003	68
Mozambique	Education	Planning and Management	2002	100
Mozambique	Energy	Support to national energy sector institutions	2002	93
Mozambique*	Agriculture	PROAGRI (both national and provincial)	1999	66

Nepal*	Education	Budget support components which includes all 14 components	1998	64
Zambia	Transport	Environmental Mgmt in the Road Sector& TA for District level roads	2002	74
Mifresta				
Mozambique	Environment	Support to Urban Environmental Management in 5 Municipalities	2001	75
Tanzania	Environment	Community based natural resource protection and utilisation project, Phase II (Whole project, no components)	2002	3
Vietnam	Environment	Can Tho University -University of Aarhus Link in Environmental Sciences (CAULES) Project (Whole project, no components)	2001	3

* *selected for verification interview*

The information about each intervention was collected through a questionnaire based on the analytical framework developed in step 1. The questionnaire consisted of the following main parts:

- Basic facts about the whole SPS or Mifresta intervention (i.e. incl. all components)
- Target, objectives and scope of the CD support in the selected component
- Analysis of major internal capacity problems/gaps in organisation(s) identified for support
- Analysis of the context for CD
- Capacity Development approach
- Inputs to CD
- Process aspects related to CD support
- CD monitoring, outputs, indicators
- Summary assessment of the depth of CD analysis
- Sources of information used for the questionnaire

To ensure that the information collected through the questionnaire was reasonably reliable and valid, the team has had extensive discussions about the design of the questionnaire so as to develop a common approach to answering the questions. This is especially important because most questions had to be answered categorically. On the one hand, this method requires an amount of judgement. On the other hand, it allows generalising on the basis of quantitative information. Comparing and discussing how each author scored her/his cases indicated a satisfactory degree of consistency in answering the specific questions in the questionnaire. Concerning validity, the support for the proposition stems from the interviews with sector specialists in Danida regarding three SPS components. These interviews largely confirmed the validity of the screenings

performed. However, details were added explaining why the analytical depth in the documents were limited (as will be shown below), and how this was later compensated for (see section 3.5).

The summarised results of the screenings are included in Annex 2 (SPS) and Annex 3 (Mifresta). Both annexes display the questionnaire used, but for easy presentation only aggregate numbers and averages are presented in Annex 2 (SPS), whereas Annex 3 (Mifresta) contains intervention specific data.

3.2 SPS and Mifresta Level Information about the Sample

3.2.1 Geographical and sector-wise coverage of the analysis

Most of the screened interventions are implemented in Africa (60% of SPSs and two-thirds of the Mifresta interventions), but funding-wise the picture changes as only 50% of the SPS funds in the sample are allocated to Africa, not entirely consistent with the general trend in Danish bilateral development assistance which allocates around 60% of its funds to Africa. Asia and Latin America are numerically equally represented in the SPS sample, but Asia receives 41% of the sample's total funding leaving Latin America with the remaining 9% which is slightly unrepresentative as Asia received only 28% and Latin America 13% of total Danish bilateral development assistance.

Sector-wise the sample is quite representative with social sector accounting for 40% of the funding in the SPS sample against a total average of Danish bilateral development assistance of 44% in 2002. Primary Production (mainly agriculture/rural development) accounts for 24% of the funding in the SPS sample against 15% in total bilateral development assistance. 32% of the SPS sample funding is allocated to the infrastructure sector, somewhat higher than the total average of 17% in total development assistance.² All of the Mifresta interventions are environment related.

The sample of SPS is thus largely, if not fully representative, on sectors and countries. The Mifresta sample is obviously too small to be representative and is merely illustrative.

3.2.2 Length, coverage and size of interventions

All but one intervention had duration of five years. Nevertheless almost all SPS interventions state that the overall SPS time perspective goes well beyond the five years, typically envisaging continued Danish support for 10 to 15 years. All but two of the SPSs screened were new, in the sense that it was not a second (or third) phase to previous SPS. Several of the SPSs nevertheless continued and built on previously supported projects. Some of these projects were subsequently labelled components in the SPS. Sixty percent of the SPS sample was approved in 2000 or later (40% of the sample in 2002 or later), indicating that the sample is evenly distributed between earlier and recent SPS schemes. The two "second generation" SPS both include considerable elements of pooled funding, but the sample is too small to assess whether this would be a general trend in "second generation" SPS.³

² All above data on total Danish bilateral assistance from Danida Annual Report 2002

³ The team has not made a comprehensive comparative analysis of trends in analytical underpinnings and intervention modalities in earlier versus recently approved SPS, as the purpose of this exercise is to develop an evaluation methodology and not to evaluate Danish CD support. However, see Chapter 5 for some comparisons.

Each SPS had on average six components. Two of the three Mifresta sample interventions were new projects with on average only two components/projects. 46% of the SPS components (25% Mifresta) had country-wide coverage, the remainder being regionally (or sub-regionally) focussed.

Funding-wise the average budget of a Danish supported SPS intervention per year amounted to DKK 81 million (DKK 27 million for Mifresta) while indicative average annual recipient government budget to each sector was DKK 825 million⁴. However, some SPS include substantial support to civil society or the private sector (e.g. agriculture), and comparing SPS funding with government budget may thus not reveal the relative importance of Danida's contribution. Combining the significant Danish support compared to government budgets with the fact that on average nine donors support each sector, the sample indicates a rather significant reliance on donor funding in the sectors, and that aid dependency seems to be a very real risk in many SPS sectors.

The increasing use of budget and basket funding in SPSs may be seen as a measure to counter aid dependency risks by agreeing with other key development partners on issues such as procedures, reporting format and support for common strategic objectives. In slightly less than half of all SPS, part of the assistance was channelled through such arrangements. However, only in two SPSs was the majority of the assistance channelled through these budget/basket modalities, indicating that joint donor funding is still in an incipient phase. The SPSs also had substantial reliance on international - usually Danish - technical assistance (TA). A SPS intervention had on average 104 person months per year of international TA (both short term and long term, and both Danida-recruited and company-recruited TA).

3.3 Screening of Components - Analysis of Constraints and CD Opportunities

Below, all text refers to the results of the screening of one selected *component* for each SPS and Mifresta intervention, unless otherwise stated. It should be recalled that while the SPS programmes were chosen by random sampling, the components were selected because they were considered to focus on public sector capacity development support. The focus in the remaining part of this chapter is on the analysis of the organisations targeted for Danish support in the selected components and on the analysis of the context of the support as evidenced in the sample documents.

The SPS components selected for analysis had an average annual budget of DKK 20 million, or roughly 25% of the total interventions. However, excluding the three most costly components in the sample, the annual average falls to less than DKK 10 million. There is thus considerable variation in size. Information on the cost of the selected Mifresta components was only available for one component with a budget of DKK 11 million.

3.3.1 Organisations targeted for Danish CD support

At component level the sector ministry is the organisation of choice for most of the screened capacity development support (87%). Local government organisations and local branches of the sector ministry received support in approximately half of the cases. Mifresta interventions targeted primarily semi-autonomous public organisations (e.g. Wildlife Division), as well as local government and civil society organisations.

⁴ The information is taken from the SPS documents, and it should be noted that information about government sector budget size in SPS documents is not systematic nor generally detailed.

CD support to civil society organisations is not prominent in the chosen components, as only 27% of the screened components had some support to such organisations. Civil society organisations are thus not extensively used for developing capacity in public sector organisations (e.g. through strengthening demand and voice) in the sample.⁵

3.3.2 Analysis Underpinnings: Which internal factors are analysed, and how thoroughly?

The screening found in general very incomplete coverage and depth of analysis of capacity constraints in the organisations targeted for capacity development support, compared to the factors identified as analytically important in the framework. The screening assessed whether analysis of a number of CD relevant internal and external factors was available, and the depth or comprehensiveness of the analysis. For the latter assessment, a scale was used including four options: no analysis, superficial analysis, some degree of analysis, and, finally, a comprehensive analysis. Only the latter category is counted as sufficient if the assumption is that component documents shall provide analytical background for the proposed interventions.

One third of the 18 SPS and Mifresta component documents⁶ studied had *no organisation specific analysis*, and none within this third had instead references to analysis made by others. That is, the organisations targeted for support were not analysed in any respect, though descriptive or quasi-analytical text on general internal capacity problems in unspecified organisations was included. Only 18% of the SPS components had made a capacity analysis of *all* the organisations targeted for capacity support. The six SPS components out of 15 with budget or basket funding modalities all included a capacity analysis.

Table 4: Analytical depth and focus in 15 SPS and 3 Mifresta components in relation to internal factors

<i>Are current internal capacity issues analysed in relation to:</i>	No	Superficially	Some degree	Comprehensively	Total
Strategies, goals, mandate etc.	2	7	8	1	18
Structures, procedures	3	7	7	1	18
Staff, funds, technology (resources)	2	5	11	0	18
Incentives, motivation	8	7	3	0	18
Leadership	10	5	3	0	18
Internal cost-efficiency	11	5	2	0	18
Possible strong influence of informal organisation(s)	14	4	0	0	18
Possible informal goals and objectives	15	3	0	0	18
Possible influence of internal power struggles	14	3	1	0	18
Other ⁷	Na	3	2	0	5

⁵ No conclusion on the overall balance of public, respectively civil society support in SPS's can be drawn from this, as the selection of a component in each SPS was not done randomly.

⁶ And/or SPS document or Mifresta document, in cases where not separate component document was made.

⁷ Factors classified under this category include reluctance to reform, which have also been registered under "process aspects".

Total	79	49	37	2
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Table 4 shows the depth of analysis in the component documents in relation to internal organisational factors. Only one SPS component document analysed *any* factor of internal capacity comprehensively (the same component had comprehensive analysis of two factors). Generally the analyses focused most strongly on inputs (or lack of the same); structures and procedures; and strategies, goals and mandate. “Lack of..” –type of problem analysis was frequent⁸.

Analysis of issues relating to leadership, incentives and internal cost-efficiency received little attention, and contentious and sensitive issues such as the possible influence of informal goals and power struggles received no or only superficial analytical attention. A similar trend can be observed in the Mifresta sample.

SPS interventions only provided very limited analysis of previous or parallel capacity support. Mifresta performed better on this score. SPS components generally provided more information on the degree to which capacity development interventions were aligned to support from other sources, but 43% of SPS interventions were not or only very weakly aligned to support from other sources, indicating weak levels of aid coordination. Clearly in some cases it may not be possible to align Danish support as development assistance can be fragmented from all sides, but the results indicate that there may be scope for better alignment of capacity development interventions, regardless of why this has not occurred yet.

Finally, half of all SPS components included ‘to some degree’ an analysis of the outputs of the targeted organisation(s) at the time of the design of CD interventions, e.g. the quality, relevance and effectiveness etc. of the services the organisation delivered when CD support was designed. One third of the SPSs had only a superficial analysis of pre-support performance levels, two (13%) had none and only one was judged to have a comprehensive analysis.

3.3.3 Analysis of context factors affecting capacity and capacity development support

Parallel to the findings related to the analysis of internal factors, the screening found only weak and incomplete analysis of the external factors of importance for the opportunities for and design of CD support in the SPS and Mifresta components, as illustrated in Table 5. There was slightly more difference between Mifresta and SPS components in the scope or depth of analysis of external factors than on internal: Mifresta components had less analysis. However, the size of the sample is too small to draw any conclusions from this.

Less than one third of the components referred to some degree or, in one case, comprehensively, to other analysis, but there was notable absence of references to key analytical work performed by e.g. the World Bank of relevance for capacity development (Public Expenditure Reviews, Country Economic Memoranda, Country Financial Accountability Assessments, and Country Procurement Assessment Reports).

A key issue like corruption – widely acknowledged as a significant problem for the performance of the public sector in several, and maybe most, of the countries covered by the sample - was only mentioned superficially in four of the 15 cases. The screening does not permit to gauge whether this

⁸ The weakness of “lack of resources” arguments in organisational analysis is briefly discussed in the Analytical Framework Paper (p.17)

reflects sensitivity considerations rather than neglect, but the parallel weak attention to public sector wide performance incentives for civil servants (only three cases presented some degree of analysis) at least convey the strong impression that the overall public sector wide incentives – formal and informal – for staff to perform are not taken strongly into account in the design of sector-specific CD support. If analysis of these issues is included in the design and considered by decision makers through other means or channels, this obviously raises the problem of institutional memory and may pose problems for future implementers. Moreover, by failing to explicitly address these issues the subsequent policy dialogue may also ignore such issues.

Table 5: Analytical focus of SPS and Mifresta interventions in relation to context factors

<i>Are external factors relevant for CD analysed in relation to:</i>	No	Super- ficially	Some degree	Compr e- hensiv ely	Total
Possible domination of state by oligarchic interests or other	15	3	0	0	18
Political and administrative corruption	14	4	0	0	18
Economic factors (crisis, negative growth, inflation)	5	7	5	1	18
Social factors (political stability, social conflicts)	6	8	4	0	18
Aid dependency, inadequate donor coordination etc.	6	5	7	0	18
Policy making, legislation and impl. capacity ("good policies")	2	8	7	1	18
Pubic sector wide resource allocation and fin. management	2	8	8	0	18
Public sector wide incentives to staff performance	11	4	3	0	18
Public sector reform initiatives	5	8	4	1	18
Other ⁹	Na.	3	5	0	8
Total	66	58	43	3	

Although rather weak, analysis of external factors was relatively strongest in relation to the policy framework, government wide resource mobilisation and financial management. Aid dependency was rather frequently mentioned as a contextual factor potentially undermining capacity development efforts, but this issue was not comprehensively analysed in any component. It was thus what has been labelled the ‘formal external factors’ which in most cases had been subjected to some analysis, while the political or informal factors had received virtually no attention.

3.4 Analysis of Process Aspects: Conditions for and Limits to Change

In addition to the screening of analytical elements focusing on internal or external capacity constraints of organisations targeted for Danish CD support, the screening also looked at whether

⁹ Brain drain to other countries, HIV-Aids, general approaches to public administration favouring control over transparency, and unpredictability of donor funding are mentioned under this category.

commitment and capacity to change had been analysed. This is consistent with the findings both in theoretical and practical literature which stress commitment as one of the key factors which are required for change processes to work, especially if these change processes affects power relations, resource allocations, career prospects or, evidently, employment levels of organisations. Nearly all change processes do, intentionally or unintentionally, have more or less profound effects on one or several of these variables.

In development assistance lingo, commitment is often referred to as “national ownership” of the capacity development process, and this has also been identified as a key principle in Danish bilateral assistance. It could therefore be expected that programme and component documents gave evidence of national involvement in the analysis and design phases of Danish assistance, and that commitment parameters were explicitly addressed in the documents.

The documentation screened offered limited and mixed evidence on the involvement and ownership of local stakeholders in the design of CD interventions. Stakeholder involvement in the capacity development design/analysis was not comprehensively documented in any of the components screened. 27% of the SPS sample (one of three in Mifresta) had no description of local stakeholder involvement in the SPS preparation process. Obviously this does not necessarily mean that local stakeholders were not involved in the preparation, only that there is no *description* of possible involvement. Nevertheless, given the considerable emphasis on enhancing ownership and ensuring that the recipient is driving the process, one could have expected both that extensive stakeholder involvement in the preparation process had actually occurred and that the SPS design documents reflected such involvement.

In 60% of the SPSs and in all Mifresta components, no evidence was found of ‘ownership enhancing activities during preparation’ with the aim of strengthening commitment to and national leadership of the envisaged CD process already in the design phase¹⁰.

27% of the SPS components, and none of the Mifresta components, had made an analysis of the commitment to change. None of these analyses were deemed to be ‘comprehensive’. 20% of the SPSs had weighed commitment and capacity to change with the scope of change.

Two of the SPS components were mainly designed on the basis of government published sector policies and programmes, and the Danida specific component documentation focussed instead on how Danish assistance fitted into this framework. However, both of these interventions also contained Danish specific capacity development interventions designed only ‘to some degree’ with the involvement of local stakeholders according to the available evidence.

Process aspects related to the design and implementation of CD are discussed further in Chapter 4.

3.5 Overall Assessment of Analytical Underpinnings for CD Support

Assessed against the analytical framework, none of the 18 components had a comprehensive analysis of internal and external capacity constraints in the documents screened, neither as a

¹⁰ Such activities could typically include facilitation of self-diagnostic workshops, retreats for managers, sessions with key external stakeholders managed by executives of the organisation rather than consultants, agreement on low-cost preparatory activities managed by the organisation, appointment of an internal change task force, etc.

summary nor as a fully unfolded text. Nor were other types of CD analyses made (for example analyses that fall outside the proposed framework).

Three (17%) interventions had no analysis (neither general nor specific), six had very limited analysis (33%). The remaining nine interventions (50%) had a partial analysis. SPS component analyses performed somewhat better than Mifresta analysis – none of the Mifresta interventions was assessed to be in the better half of the sample (the small number of Mifresta cases screened should be kept in mind).

The conclusions in the components regarding capacity constraints focus predominantly on formal or functional aspects of the organisation in 14 (78%) cases. Informal or political aspects are dominant in one case, and network relation aspects in one case. The specific dominant capacity gaps identified concentrate on available resources (appropriate staff, funds, technology), structures/procedures, and strategies/goals, in the mentioned order. Problems related to these three issues are mentioned 51 times in the SPS components, the count of all other internal problems mentioned (incentives, leadership, cost-efficiency etc.) reaches as little as 10.

In the opinion of the team performing the screenings, none of the documents present a convincing case that inadequate resources, structures/procedures and strategies/goals are the key constraints on performance in the analysed organisations. Even accepting the finding that these three factors are important determinants of capacity constraints, a capacity analysis would be expected to systematically dismiss other possible constraining factors to reach its conclusion, and also to seek deeper rooted factors which might be causing the immediately observable shortcomings.

Another notable weakness is that current outputs of the organisations are only vaguely described and analysed. Cost-efficiency aspects are generally not analysed either.

The comprehensiveness and quality of analysis of change capabilities and opportunities is along the same lines as summarised above regarding analysis of the organisations. It is particularly noteworthy that commitment to and leadership of the proposed change is not dealt with.

Across the 18 components analysed, there is thus little evidence that systematic methodologies or approaches have been used to analyse capacity constraints and development opportunities.

As already indicated, the interviews conducted with sector specialists in Danida regarding three SPS components largely confirmed the validity of the screenings performed. However, details were added explaining why the analytical depth in the documents were limited, and how this was later compensated for:

- In one case, the analysis was postponed to the inception phase of the component implementation. Inputs to the CD support had been broadly defined (including long-term Danish TA), but the specificities of the activities and the specific outputs to be achieved were not detailed in the preparation phase. In this case, it was perceived that the component document quickly lost relevance.
- In a second case, where the Danish assistance was part of a basket funding scheme, more detailed background documents shared by various donors did exist but were not summarised in the component description. Further, previous Danish assistance to some of the institutions involved meant that there was significant familiarity with these

institutions though this is not reflected in the component document. Noteworthy, an internal analysis of the functions of the relevant ministry did exist, but was not shared with donors even if the donor supported the capacity development of the ministry.

- In the third case, the programme document limited itself to analyse the deficiencies at the output level, in this case shortcomings in access to and quality of primary education. The idea was explicitly to leave the analysis of the detailed constraints to performance improvements to the implementation phase – but also in this case, key long term Danish TA inputs were decided before the results of the more detailed analysis were available.

In all three cases, the interviews thus revealed that the analysis available in the core component documents were either not reflecting available knowledge, or that supplementary analytical work and detailing of interventions took place – even if core inputs had been decided based on the incomplete analysis. If the team had interviewed staff in relation to other of the components included in the screening, it is likely that they would have lead to similar findings.

This raises a number of issues relevant for the decision making processes in Danida, and about the optimal balance between pre-implementation analysis and design compared to more process-oriented approaches emphasizing a more “just-in-time” approach to analysis and provision of support. This discussion – which touches many aspects relate both to planning and accountability - is beyond the scope of the present work. The weak formal analysis of internal and external capacity relevant factors in the documents, and the apparent existence of more or less accessible additional analysis has obvious implications for the evaluation methodology, which will have to pursue this additional information through interviews. This will be further discussed in the concluding chapters of this report.

A quick comparison of analytical underpinnings in earlier SPS (approved before 2000) and more recent SPS (approved in 2000 or after) does not reveal significant changes. The more recent SPS may appear to have broader coverage of the involved organisations, refer more to available analysis, and have a somewhat more comprehensive analysis of organisation internal factors. On the other hand they have weaker analysis of context factors compared to earlier SPS. In the overall assessment of appropriateness of analysis, there is no significant difference.¹¹

The same pattern is found comparing the two “second generation” SPS with the 13 “first generation” SPS included in the sample. However, the sector policy was significantly better consolidated in second generation SPSs, and all selected second generation SPSs component were fully nationwide, as opposed to only 31% of first generation SPSs components. “Second generation” SPSs also made more comprehensive use of previous experiences in the targeted organisation and also drew more extensively on experiences from other CD efforts in the sector. There are thus indications that experience from earlier phases are actively incorporated in second generation SPS.

¹¹ The comparison was made by calculating average score on questions 3.1-3.2, 4.1-4.2 and 9.1 for the six SPS component approved before 2000 and the nine components approved in 2000 or later. As already stated, it is not the purpose of the exercise to evaluate possible changing trends in the application of analysis, but to test the analytical framework developed in Step 1.

4. DANISH CD SUPPORT IN SPS AND MIFRESTA SAMPLE

4.1 Capacity Development Aims and Objectives

The screening shows that capacity development is an important objective of Danish support to both SPS and Mifresta. CD goals were specified in either development or immediate objectives at the overall intervention level in all but one SPS intervention, and in all Mifresta interventions screened. In 71% of the overall SPS interventions CD was deemed to be the dominant objective.

In slightly less than half of all components, CD objectives were the most important, and only 25% of the SPS components had no CD objectives.

The dominance of capacity development objectives vis-à-vis other objectives is consistent with the overall policy objectives of Danida established in Partnership 2000, as well as the Guidelines for Sector Programme Support (1998), and the more recent Aid Management Guidelines for Danish bilateral development assistance (2003).

Half of those overall SPS interventions with less dominant capacity development objectives were in the transport sector, in which actual delivery of roads and means of transportation played the dominant role.

The focus of the capacity development support in the components selected for screening were classified according to the typology suggested in the analytical framework developed in Step 1, which distinguished between five areas: service delivery; policy making and legislation; enforcement and supervision; handling of stakeholder relations; and input/resource mobilisation. Table 6 summarises the result of the classification.

Table 6: Focus of capacity development support in SPS and Mifresta components *)

Aim of Capacity Development Support	Dominant	Some significance	No significance	Not possible to classify	Total
Service delivery	9	6	2	1	18
Policy making & legislation	4	8	2	4	18
Enforcement & supervision	1	13	2	2	18
Handling stakeholder relations	1	5	7	5	18
Input/resource mobilisation	0	11	4	3	18
Other	0	3	3	12	18
Total	15	46	20	27	

*) *Not all components displayed a dominant focus*

50% of the components had service delivery as the dominant objective of the capacity development interventions, whereas policy making and legislation was the second most important area, often in countries where the sector policy and legislative framework was still being drafted. Enforcement and supervision was the third most important functional area, though mostly on a less significant level.

4.2 Assessment of Capacity Development Approach

At the most aggregate level the screening found that Danish capacity development support focuses overwhelmingly on a *functional approach directed at internal capacity development*. In 86% of the SPS components (and all Mifresta) this approach was judged to be the dominant, as shown in table 7.

Table 7: Overall Capacity Development Approach in SPS and Mifresta components*)

Dominant Capacity Development Approach	Dominant	Some significance	No significance	Not possible to classify	Total
Predominantly functional-internal	15	1	1	1	18
Predominantly political-internal	0	9	8	1	18
Predominantly functional-external	1	10	5	2	18
Predominantly political-external	0	7	9	2	18
Predominantly network related	1	13	3	1	18
Other	0	3	8	7	18
Total	17	33	34	14	

*) *Not all components displayed a dominant focus*

Table 7 thus presents a general assessment of the dominant approaches utilised in the selected components, categorised according to five approaches. The following tables (8-12) all map which areas (or modalities) of interventions which were dominant *within* each of these approaches. Table 7 is thus at a higher level which cannot be directly compared to the tables 8 to 12.

As shown in Table 8, *within* the functional-internal approach, training (either in the form of general management training or skills and attitude training) was the most dominant area for both SPS and Mifresta interventions, but capacity development for ‘structures and procedures’ was also deemed important in both SPS and Mifresta. Finally provision of technology and information access also features as having some significance as shown in table 8.

Table 8: Dominant intervention areas within the functional-internal CD support

Intervention area/modality	Dominant	Some significance	No significance	Not possible to classify	Total
Structures and procedures development	6	10	1	1	18
Provision of technology	0	13	4	1	18
Provision of transportation means	0	7	10	1	18
Provision of information access	0	13	4	1	18
General management training	6	9	0	3	18
Skills & attitude training	5	8	3	2	18
”Rightsizing”	0	4	12	2	18
Other	0	6	7	5	18

Total	17	70	41	14
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Within the *political approach directed at internal stakeholders*, the most used modality was in-house management development often with elements of training (Mifresta had only this modality). To what degree this training in practice deals with “functional” versus “political” aspects of management cannot be assessed based on the documents. Less dominant but still significant within the SPS component sample was the aim of increasing management autonomy and increase the use of internal monitoring/supervision. Sanctions against rent-seeking, support to reformers, merit based promotion/firing played a negligible role, as shown in table 9.

Table 9: Dominant intervention area within the political-internal CD approach

Intervention area/modality	Dominant	Some significance	No significance possible to classify	Not possible to classify	Total
Increased management autonomy	3	6	7	2	18
Increased internal performance orientation	0	6	10	2	18
Increased internal monitoring/supervision	0	10	6	2	18
Merit-based promotions/firings	0	3	13	2	18
Support to group of reformers	0	1	15	2	18
Support to sanctions against rent-seeking	0	0	16	2	18
In-house management development	2	12	2	2	18
Other	0	0	7	11	18
Total	5	46	76	25	

The *functional approach aimed at external stakeholders* and/or factors was only slightly more utilised in the samples than the political-internal approach. Greater use of outsourcing was the most dominant area of SPS support (change in formal mandate in Mifresta), closely followed by change in the resource envelope. Introduction of output or performance based budget allocations was only used in 13% of the SPSs (none in Mifresta).

Table 10: Dominant intervention area within functional-external CD approach

Dominant Capacity Development Approach	Dominant	Some significance	No significance possible to classify	Not possible to classify	Total

Output- or performance based budget allocations	1	1	15	1	18
Change of resource envelope	0	9	8	1	18
Change in formal/legal mandate	2	8	7	1	18
Greater use of outsourcing	5	4	7	2	18
Introduction of external supervision and inspection	0	4	12	2	18
Creation of market like pressures	0	6	11	1	18
Other	0	0	11	7	18
Total	8	32	71	15	

The least used intervention approach by far was the *political directed at external stakeholders*. None of the screened interventions had any support to the media, and support to advocacy groups and politicians was also marginal. For the SPS sample the most used area of support the enhancement donor collaboration and building client pressure for accountability, but none of these figure prominently (in Mifresta interventions only the latter was found). It should be noted that in some SPS interventions (e.g., agriculture) support of this kind may be included in other components which have not been screened. (See also Chapter 5 below where Danish support outside SPS is analysed). See table 11:

Table 11: Dominant intervention area within the political-external CD approach

Dominant Capacity Development Approach	Dominant	Some significance	No significance possible to classify	Not possible to classify	Total
Building client/user pressure for accountability	1	9	7	1	18
Building coalition of domestic stakeholders	0	5	11	2	18
Building coalition of intern, stakeholders (donors)	2	5	9	2	18
Support to advocacy groups	0	3	14	1	18
Training of politicians	0	2	15	1	18
Training of/support to media	0	0	17	1	18
Other	0	2	12	4	18
Total	3	26	85	12	

The second most utilised approach was *network oriented interventions*, mainly in the form of support to decentralisation/deconcentration and strengthening co-ordination capacity (often centred on donor coordination). However, the category is to a certain extent open to interpretation (is deconcentration necessarily network oriented?) and several of the interventions categorised under this approach may arguable have been fitted into the four other categories, not least the two functional. A similar pattern emerges from the Mifresta sample although the limited number of cases reduces the statistical significance.

Table 12: Dominant intervention area within network-oriented interventions

Dominant Capacity Development Approach	Dominant	Some significance	No significance possible to classify	Not possible to classify	Total
Involving more stakeholders	1	13	3	1	18
Less hierarchy in intergovt. & priv/publ. relations	1	3	13	1	18
Decentralisation/deconcentration	4	9	4	1	18
Information sharing	1	14	2	1	18
Strengthening coordination capacity	3	12	2	1	18
Creation of decision capacity among multip. stakeh.	0	11	5	2	18
Other	0	3	10	5	18
Total	10	65	39	12	

What clearly emerged from the screening is a substantial dominance of the functional-internal approach, within which management and staff training, and procedural/structural change dominated.

4.3 Danish Funded Inputs to Capacity Development

Long term international TA featured as the most common *input* to CD in both Mifresta and SPS interventions, and this was also the largest budget item for CD, averaging DKK 3.1 million per year for SPS components, DKK 1 million for Mifresta (see table 13). Almost all interventions also provided substantial short term TA (both national and international) as well as long term national TA.

Given the dominance of training activities it is not surprising that *payment of training courses and workshops* also figure prominently among the inputs to capacity development, as does the provision of transport and office equipment. Only few component documents detailed that special incentives (per diem, “sitting allowances” or salary topping-up) would be given for staff to participate in capacity development activities.

Twinning or institutional linking is only used in one SPS intervention, but figures in all three Mifresta-interventions – or in other activities.

Table 13: Inputs to support capacity development in SPS and Mifresta components

	No. of components where the input is specified	Annual average amount (in SPS components only) (million DKK)
Long-term int'l TA	17	3.1
Short term int'l TA	16	1,1
Long term national TA	15	0,6
Payment of formal in country training courses	15	0,3

Short term national TA	14	1,2
Support staff	14	0,4
Office equipment	14	0,2
Payment of workshops	13	0,1
Vehicles	11	0,1
Study tours	8	<0,1/na
Short term ex-country fellowships/training	4	<0,1/na
Buildings	4	<0,1/na
Special incentives for staff to participate in CD activities	4	<0,1/na
Twining arrangement	4	<0,1/na
Long term scholarships	3	<0,1/na
Others	3	0.1

Not all component documents provided detailed overview of inputs or costs of inputs provided by Danida to support CD. The figures indicated above should therefore be interpreted with caution, as they may build on very few cases. It is not possible, based on the available evidence, to calculate the overall budgets for capacity development support in the components screened, or the amount budgeted for capacity development support compared to other items in the SPS or Mifresta interventions.

4.4 Monitoring Approaches and Indicators for CD Support

The monitoring systems for CD support were ‘to some degree’ described in all Mifresta components, whereas slightly more than half of the SPSs components had described the CD monitoring system ‘to some degree’; the rest scoring lower. Most interventions did not rely on national monitoring and evaluation systems, instead opting for establishing a unique Danida specific system, perhaps suggesting that Danida specific accountability requirements could not be met by existing systems. However, interventions mostly relying on budget or basket funding tended to rely more on national monitoring systems.

Two-thirds of the SPS and all Mifresta components had indicators for CD; but only in one case were the indicators SMART (Specific, Measurable, Affordable, Realistic and Time-bound). That is, in the majority of cases the indicators were general statements with little specificity.

Available indicators were classified in relation to what they tried to measure, in accordance with the methodology developed in the approach paper and depicted in Figure 1 in chapter 2 above. It was thus assessed whether the indicators focused on the primary capacity development activities (e.g. “training event implemented”, on the capacity of the organisation (e.g. “new internal procedures are followed”), on outputs (e.g. “number of extensionists’ visits to farmers increased 20%”), outcomes (e.g. “farmers apply new technology presented by extensionists’ successfully”, or impact (e.g. “farmers income from cash crop increases 10%”).

Of the 79 indicators screened, 75 falls equally distributed on CD activities, capacity of the involved organisation, and outputs. Three indicators covers outcomes. None seeks to gauge ultimate impact, while one indicator was directed to measure the quality and timeliness of the Danish support itself.

Table 14: Classification of CD Indicators

Input	24
Organisational capacity (e.g. new skills, procedures, technology etc.)	23
Output (e.g. services delivered, enforcement acts etc.)	20
Outcomes	3
Impact	0
Danish CD support*	1

* *If the indicator is exclusively linked to the provision of Danish support.*

The distribution of indicators show that the designers of the CD support focus extensively on indicators which can be measured “from the inside” of the CD support organisation (e.g. inputs such as training seminars, offices equipped) or from the inside of the organisation receiving CD support (e.g. internal organisational capacity such as the development and implementation of procedures, enhancement of the capabilities of staff etc). Only if outcomes – or wider impact – was to be measured would those responsible for monitoring in principle have to go “outside” and collect data from the users of the outputs of the organisation(s) to be developed.

This modesty in the definition of indicator levels may reflect a healthy recognition that the longer the causation chain, the more difficult to attribute the effect to the CD input. On the other hand, it may also reflect that the key concern for Danish CD support is too focused on delivery of the inputs (training, advice, workshops) and their immediate effects on capacity and outputs – thereby risking to loose sight of the fundamental strategic reasons for strengthening the organisations, which should be found on outcome and impact level.

It should also be recalled that the analysis of pre-support performance levels (outputs, and outcome) was weak in most interventions. The screening of indicators thus strengthens the earlier findings that found relatively weak result-orientation in the preparatory analytical underpinnings of Danish CD support.

4.5 Process Aspects of Implementation of CD Support, Risk Analysis

Most SPS and all Mifresta components had explicit provision that allowed for some or, in fewer cases, considerable flexibility in the implementation process. CD support is seldom planned in detail for longer periods, and renewed planning processes (typically annual, and often linked to policy dialogue events during annual reviews) give considerable room for adaptation of support activities, but less so of support inputs.

Only very few of the SPS components and none of the Mifresta components analysed implementation process aspect such as resistance to change, how to build support for the proposed interventions, and how to ensure that management of the change process would eventually be in the hands of nationals. Thus while most interventions contained (at least) elements of reform, very few analyse who will drive the reform process and how support can be tailored to support such champions of reform. There is in this sense little attention to the feasibility of the planned CD support, and to activities during implementation which may enhance success prospects and sustainability.

Risks and assumptions listed in the documents do in most cases (14 out of 15 SPS components, two out of three Mifresta components) consider CD and sustainability related aspects, but only two cases have a comprehensive risk analysis related to these aspects.

4.6 Possible Negative Effects of Danish CD Support Modalities

4.6.1 Negative factors identified in the sample

Literature about development assistance is full of examples where well intended support from donors have had negative effects, not least in relation to development of sustainable capacity in the “host” organisations receiving external support. Well known potentially negative effects include provision of special incentives to staff working close to a donor funded intervention, thereby distorting overall institutional performance incentives, or provision of operation and investment support outside budget processes, thereby undermining public sector wide transparency of resource allocation. Unpredictability and high flux in levels of foreign aid is another negative factor. Additionally, the establishment of parallel units responsible for implementing support schemes¹² may undermine authority of line agencies, poach staff to temporary positions and undermine – at the same time - the capacity of the host organisation and the sustainability of the changes introduced by the parallel unit. On the other hand, special circumstances – often related to concern about capacity issues – may justify such measures in specific cases. The problem is, of course, if many cases are deemed to be special.

At a more general level, strong aid dependency with multiple donors is often associated with the fragmentation of governance, weakening of national accountability structures and considerable transaction cost associated with foreign assistance, occupying considerable part of the time and attention of scarce high-level and high-qualified civil servants and elected government officials.

The screening of component document therefore also looked for analysis of possible negative effects of the Danish support itself, as well as remedial measures if warranted. It is further part of the TOR for the assignment to suggest a typology for categorizing negative effects of development assistance.

More than half of SPSs (none of Mifresta) did consider potential negative aspects of external capacity support, but a comprehensive analysis was not found in any document. The negative effects concentrated on:

- The risk that TA is supply-driven, excessive, and may take over responsibility and undermine local ownership
- The risk that parallel structures – though more effective in the short term – may not foster sustainability
- The risk that support may be driven by Danida rather than national institutions
- Accountability procedures being based on Danida formats
- Continued earmarking of funds
- That provision of training and vehicles may divert attention from core tasks

¹² Often labelled Project Implementation Units, Programme Management Units, Task Forces etc.

Most of the risk factors mentioned focus on TA, and parallel structures. In both cases risks are identified in relation to undermining of local ownership, local capacity and sustainability of interventions.

4.6.2 Towards a typology of negative effects of donor support to CD

It is beyond the scope of work of the present assignment to develop a comprehensive typology of possible negative side-effects of donor interventions with CD as primary objectives. Such a typology would have to be based on a more detailed scrutiny of the multiple interlinked incentives created in and between:

- the incentive structures in donor systems, including incentives to spend, risk-avoidance, relatively short horizons, use of tied technical assistance etc.
- the incentives and dis-incentives for donors to cooperate and harmonize with others
- the incentives and dis-incentives of national governments to coordinate and harmonize donors
- the incentives created by the national polity, the institutional structure etc. to exploit foreign aid for a variety of purposes
- the incentives created by past actions of donors and governments which may seriously have undermined performance-efficiency.

Clearly, mixing a multitude of national interests and incentives with bilateral and multilateral interests from a considerable number of donors explain to a large degree why it has been difficult to advance in effective harmonisation and coordination of foreign assistance to most countries. The complexity of the issue may also explain why little theoretically founded literature has apparently appeared on this subject.

On a more modest scale, but not without considerable analytical challenges, it is suggested to follow a typology building on a combination of open systems model presented in Chapter 2, the distinction between formal and informal, internal and external aspects of organisations, and a systematic focus on incentives. Negative effects of donor support should thus be classified according to the potential *distorting incentives* it creates in individual organisations and/or networks of organisations:

- *Resource/input mobilisation* (funds, technology, staff). Does donor support undermine the strengthening of more coherent government wide budgeting and prioritization processes, and is access to donor support – whatever the formal objectives – used as a means to basic institutional survival?
- *Organisational capacity*: Does donor support and the specific operational mechanisms it uses unduly strengthen undesired informal objectives of organisations and staff members; are alternative procedures and structures replacing and/or duplicating others; are relationships and communications in an organisation strained or put under tension (e.g. between those close to a donor and those not close); how does donor support affect internal incentives and motivation; does it potentially undermine or fragment leadership and management in the organisation?
- *Outputs, outcomes, impact*: Does donor support introduce goals and indicators which unduly forces recipients to focus on donor priorities, putting broader national concerns

aside and thereby forcing national authorities to try to divert donor funded resources to such concerns?

- *Multiple donors in one organisation or one network of organisations:* Does the addition of another donor in an organisation or in a task network/sector – even if this donor from a isolated point of view is avoiding some or even most distorting effects – add unduly to transaction costs of the recipient, or add to the complexity of coordination to such a degree that the benefits associated with the specific support is smaller than the costs associated with the addition of another element to the system?
- *Distortions in the environment:* Does support and support modalities to one organisation or one network of organisations create negative performance incentives for other organisations in other sectors or outside the focus of the donor, does it distort economy-wide demand for scarce skills? Does strengthening of e.g. policy formulation capacity of a sector ministry, or NGOs with weak constituencies, weaken the role of parliament or democratic political processes? Is the support and support modalities strengthening the institutionalization of poor donor practices (e.g. topping-up schemes), or undermining ongoing efforts to introduce civil service and public sector reforms rather than supporting such initiatives?

Most of the commonly known possible negative effects of donor support fall easily into one of the categories suggested above, but the typology is so far not more than preliminary attempt to invite to systematic analysis in this field, parallel to analysis of other important factors affecting success or failure of donor supported capacity development.

5. SUMMARY: ANALYSIS AND INTERVENTIONS, AND THEIR RELATION

The analytical framework developed in Step 1 stressed the need of focus on:

1. the competitive pressure and performance demands on the (field of) organisation(s), and the options for changing this
2. the possible gap between the formal and the informal organisation
3. the actual incentive structures functioning in the organisation(s), and the options for modifying these
4. the scope of required change: incremental or strategic change
5. the commitment of key external and internal stakeholders to the change process
6. the availability of sufficient recipient capacity to manage and lead capacity development (or, differently put, requisite ambition levels for CD)
7. the balance between push and pull elements in the support for CD
8. the options for producing some quick, visible results to deepen commitment.
9. the timing and process of interventions and support

The screening revealed that these factors were not comprehensively addressed in the analysis presented in the documents, and that only no. 4 and 6 on the above list were analytically addressed

to some extent and then typically from a more formal perspective (e.g. levels of education among staff, required changes in legal mandate, etc.).

The intervention modalities and approaches appear to be substantially input focussed, stressing formal and functional elements, while generally avoiding political approaches (and analyses), favouring more traditional means, especially general training and TA.

The approaches utilised, focusing strongly on training and long term TA, seem rather uniform across the screened interventions. Little specific adaptation of inputs and intervention modalities to the concrete situation is visible.

The uniform approach fails to analyse how best to support ‘champions of reform’ and has generally no analysis of sequence of reform. Generally there is no political economy analysis. This may reflect that such analysis is considered sensitive and inappropriate to include in official documents.

Data and indicators are not systematically linked to frontline performance nor improvement in institutional quality, instead mainly focussing on inputs and internal organisational capacity which can fairly easily be monitored. Both monitoring and evaluation of the changes in organisational outputs and outcomes caused by the CD interventions become difficult without available baseline data.

The proposition behind the analytical framework is of course that the analysis of capacity and capacity development constraints should be matched in the design of CD support. But this does not imply, in a simplistic manner, that apparent constraints in one area (say, functional-internal) can or should be matched by interventions in the same area. The constraints in one area may be caused by factors in another area.

If most constraints to successful capacity development are found in political-external factors, then support to develop functional-internal aspects should evidently not be expected to be able to achieve wider objectives or become sustainable. Moreover, functional-internal approaches – new structures, procedures, training, computers – will have little effect on capacity constraints linked to internal-political factors (e.g. informal rent-seeking objectives, symbolic salaries and career perspectives linked strongly to clientelistic relations rather than to professional performance capabilities, etc.). This latter argument is mainly supported by empirical evidence rather than theoretical arguments; in theory functional-internal approaches to CD could of course remedy problems which are here categorised as political-internal.

On the other hand, the analytical framework for the screening does emphasize that actions on external factors – functional or political – may indeed be the adequate answer to internal capacity constraints, as a changed environment may force organisations and staff to perform differently. This is the fundamental argument behind the thinking of public administration which emphasizes the virtue of introducing competition or performance based incentive structures partly based on customer (client) feedback (“market-surrogates”) to force bureaucracies to change.

Looking at the focus of analysis and the design of interventions in the sample which has been screened, it could be said that there is – contrary to the propositions of the framework - an overly simple correspondence: analysis focus strongly on internal, functional capacity constraints, and

intervention modalities focus equally on training, changes in structures and procedures, and provision of technology etc.

This simple approach is the main weakness of the analytical work presented in the screened documents. The analysis is too narrow in its scope especially concerning contextual and informal factors impacting on the incentive regime facing public sector organisations. And the choice of intervention modalities is correspondingly narrow.

If this is true, then subsequent evaluations should expect to find that the impact of Danish CD support on the capacity of organisations, their outputs and the outcomes to which these outputs have contributed is more limited and less sustainable than expected and envisaged in the documents.

Considering the prominence of capacity development both in Danish policy documents and in the interventions, the screening indicates *a mismatch between the alleged importance of capacity development and the analytical efforts devoted to underpin and design appropriate capacity development support.*

The implications for the proposed evaluation methodology will be discussed in chapter 7 below.

6. OTHER DANISH CD INTERVENTIONS OUTSIDE SPS

Danish support in programme countries does, in addition to Sector Programme Support, include other projects and programmes. A number of these seek to address government- or society wide capacity development constraints, e.g. support to public sector reforms, decentralisation or strengthening of the judiciary.

Such interventions at the general public sector level may significantly determine the options for successful CD support at sector level: support to an ombudsman-institution is a means to provide incentives for other agencies to perform their duties according to the established laws, support to media may provide incentives for public agencies to restrain corruptive practices. An institute for public administration may impart uniform skills to civil servants across sectors, etc.

Though not necessarily directly related to Danish SPS, Danish (and, of course, other) support to such “context enhancing” activities may contribute significantly to the success of capacity development support directly addressing sector institutions. A preliminary screening of such support has therefore been included, with a dual purpose:

- to develop a typology of such activities; and
- to assess their relevance and importance, and the possible convenience of their consideration in subsequent evaluations of Danish capacity development support in SPS interventions.

6.1 Data Source and Methodology

The data source for the screening is Danida's annual report 2002, notably the CD-ROM accompanying the annual report. The CD-ROM includes data of all Danida funded activities in all countries.

Three delimiting criteria were applied:

1. only *bilateral activities* in *current programme countries* were considered, e.g. NGO projects funded through grants to Danish NGOs and support through the Private Sector programme are not included;
2. only *ongoing*¹³ activities were considered – and if activities were completed in 2001 or earlier (but final reporting or accounts not presented), then the activities were excluded even if formally classified as ongoing;
3. only activities with a total funding of DKK 1 million or more were included.

The screening only reviewed activities fulfilling these three criteria. All activities with a budget beyond DKK 40 million were fully screened (title and text), other activities were screened only if the title indicated a purpose or an activity area relevant to the issues at hand. The activities were included in the sample according to a broad view on what could influence capacity development: all activities which might appear to influence the *general* incentives for performance of the public sector have been included. This includes e.g. human rights training and advocacy support, while electoral support has been excluded from the sample because it was judged not to influence performance incentives. In total, 60 activities fulfilled the sampling criteria. Annex 4 includes the result of the screening.

The sample analysis has looked at the possible *type of impact* of the support on the capacity development of other institutions, rather than on the nature of the support itself. E.g. it has been assessed if and how support to an ombudsman institution might influence the general incentives to performance in the public sector – rather than the manner in which capacity development of the ombudsman institution itself has been approached. The *actual* impact has not been assessed, since the purpose has been limited to develop a preliminary typology for such activities.

It should be noted that the information available about each activity is very brief and condensed, and that the analysis of the sample can therefore only be very crude. Again, it should be stressed that the purpose has been to develop a typology, and not to assess the relevance and quality of the assistance.

The fact that Danish-funded activities through Danish NGOs are not included is a limitation to the degree that such support may of course also complement Danish SPS-support.

6.2 Size and Interventions Areas

Ongoing Danish-funded activities in the 14 SPS-countries which complement CD efforts in SPS covers 60 interventions with a total budget of DKK 1,8 billion, and with average annual spending in

¹³ A few ongoing activities were initiated 10 years ago, others are recent. The duration of activities vary from 1 year to 10-15 years.

the order of DKK 400-500 million.¹⁴ If three major budget support operations linked to CD enhancing objectives in Mozambique (DKK 82 million annually), Tanzania (DKK 104 million annually) and Vietnam (DKK 31 million annually) are taken out of the sample, the annual average falls to DKK 200-300 millions.

The average number of ongoing operations per country is 4.3, varying from two in Benin to seven in Bangladesh, Mozambique and Tanzania.

The activities have been grouped according to the “subsector” which they aimed to strengthen taking the *institutional target or intervention area* as reference, as implied in objectives or text. This led to the classification shown in table 15 below

Table 15: Institutional Targets for Other Danish Support

Institution(s) or intervention areas	Average annual amount (DKK million) *)	Number of countries
Decentralisation	51,8	6
Public Sector Reform	49,8 (131,8)	5
Judiciary System	46,3	10
Human Rights and Democracy, mainly in the public sector **)	29,4	7
Civil Society Organisations***)	16,6	4
Public Expenditure Management	11,4 (146,4)	4
Parliaments	11,3	4
Media	8,6	4
Ombudsmen	3,5	4
Total	228,7 (445,7)	

*) The amounts in parenthesis include the three budget support operations in Mozambique, Tanzania and Vietnam respectively

**) Estimates, some support may go through NGOs. The DKK 12 mill. in the Uganda Human Rights Programme have been split 50/50% between public sector/civil society support

***) Most of this support has Human Rights and Democracy objectives. Support to interest groups, lobby groups, think tanks etc. is limited in the sample. Such support may be included in Danish NGO support.

The considerable amounts granted in budget support have been linked to broad Public Expenditure Management or Public Sector Reform objectives, and in some of the cases the support has been conditioned on the achievement of certain results (e.g., tax legislation in Mozambique). It is thus an example of external pull for change. But the budget support has not in itself been used for reform activities, it has rather been used to achieve macro-economic and fiscal balance objectives, and to support the operation of the public sector as such.

¹⁴ The more exact average annual disbursements cannot be calculated based on the available information.

It has not been possible to compare the size of this other Danish assistance with the SPS and Mifresta budgets in the 14 countries, much less with the CD specific budgets in the SPS/Mifresta interventions. However, the program and project support to the 14 countries was DKK 3,200 million in 2002. The other assistance included in this analysis thus amounts to 7% of what is spent on the key bilateral programmes and projects.

Excluding budget support, the average per country of CD-relevant other assistance is around DKK 16 million annually. The screening of SPS interventions does not allow identifying the CD-focused amounts spent in all SPS-components.

Looking at the distribution of the support according to a traditional view of the four powers of the state (executive, legislative, judiciary and media/civil society), the support is focusing strongly on the executive (DKK 142,4 million annually, or 62%) and the judiciary (incl. ombudsmen, DKK 49,8 million, or 22%). The legislative only gets DKK 11,3 million (5%), while media/civil society take DKK 25,2 million (11%). If the executive or the public sector is seen as one big institution formed by many individual organisations, then the favoured approach to strengthening of this institution is to work on its internal workings, compared to the strengthening of external pull mechanisms (e.g. other balancing powers) which might force the machinery to change.

6.3 Intervention Modalities and Type of Inputs

The interventions were sought categorised according to the classification developed in the analytical framework (and also used in the screening of SPS and Mifresta interventions). This classification overlaps somewhat with the sub-sector classification above. Table 16 shows the distribution of intervention modalities:

Table 16: Intervention Modalities for other Danish Support

Intervention Modalities	Average annual amount (DKK million) *)
Introduction of supervision, inspection and compliance mechanisms	72,9
Decentralisation/deconcentration	51,8
Strengthening of role of political system (parliament, politicians)	19,3
Change of resource envelope (budget, staff, equipment)	17,9
Support to Advocacy Groups	17,9
Training of media	8,6
Building client pressure for accountability	2,5
Other, or combination of various modalities	29,8
Total	228,7

*)Budget support excluded

Support to the judiciary has been classified under “Introduction of supervision, inspection and compliance mechanisms”. Adopting the distinction between “functional” and “political” pull-approaches to CD support, the functional approaches cover DKK 142,8 million or 62%, political approaches cover DKK 48,3 million (21%), while the rest (17%) cannot be classified.

The relevance of the classification will be discussed below.

The available information does not permit to detail the amounts spent on different *type of inputs*. The table below thus gives only a rough indication of the occurrence of different types of inputs:

Table 17: Type of Inputs *)

Input type	No. of interventions	% of interventions
Training, workshops	18	31
Technical Assistance	10	17
Basket- or co-funding with other donors	9	16
Buildings, equipment	7	12
Mini-project funding	2	3
Not specified	27	47

*) One intervention may report various input types.

6.4 Discussion: Importance of other Danish support to SPS CD support

Clearly, Danish bilateral assistance is supporting a considerable number of activities which should, if effective, contribute to enhancing the *general* environment for CD support in a SPS- and Mifresta-context. Though the amount spent on such activities is small compared to SPS-support, it is not negligible.

A closer look on the sub-sectors in table 15 above reveals that decentralisation is where most money is used, when general budget support is not included. However, in relation to the number of countries, the most frequent area of support is the judiciary, followed by human rights and democracy.

Comparatively little direct support is given to the crucial area of public expenditure management development. This may appear surprising, given the high attention paid in Danish development assistance to ensure proper financial safeguards.

Less surprising, but maybe noteworthy, is the relatively limited support in only four countries to the legislative branch of government. At least in theory, the *raison d’etre* of parliaments is to control the executive through legislation and supervision.

From the viewpoint applied in this analysis – does other Danish assistance supplement or complement CD support in SPS and Mifresta interventions – only two conclusions seem possible to draw based on the screening:

First, other Danish assistance *does* complement CD efforts in SPS and Mifresta by working on establishing a more conducive environment (or, alternatively phrased, stronger external incentives) for CD efforts in sectors. The support is mainly addressing broad and general issues, and the possible specific relevance for CD at sector level may appear to vary considerably. Appropriately, this other Danish support has apparently not been designed with the explicit purpose of complementing sector-specific Danish assistance.

Second, from the perspective of SPS/Mifresta CD efforts, Danish supported interventions in the context influencing the possibilities of sector-specific CD is only a small subset of *all* the interventions which influence Danish CD support in sectors. Attention to general public expenditure management or civil service reform issues may be fully covered by e.g. the World Bank or other donors, and NGOs may support advocacy groups. From a CD impact evaluation viewpoint focusing on SPS it is this latter, larger universe that, together with other factors, frames the setting for sector-specific CD efforts. If later field evaluations demonstrate that the intensity of such broader efforts conditions the success of sector- or institution-specific efforts, then the linkages between the global and the sector level may require more analytical and strategic attention in the future, and possibly lead to modifications of the balance between sector-level and global level capacity development support..

6.5 Discussion: Relevance of classifications and typology of interventions

The TOR for the present assignment requested the consultants to develop a typology for CD relevant support outside SPS interventions. The screening above uses two approaches to classify interventions: one looked at the immediate institution or “sector” targeted, while the other looked at intervention modalities according to the typology of external CD approaches (functional and political), and network-oriented interventions used in the screening of SPS and Mifresta components. The two classifications clearly overlapped as shown in Table 18, where those used in the classification have been rearranged to become as parallel as possible:

Table 18: Classifications of non-SPS interventions with effects on CD

Institutional Target	Intervention Modalities
Decentralisation	Decentralisation/deconcentration
Public Sector Reform	Introduction of supervision, inspection and compliance mechanisms
Ombudsmen	
Judiciary System	
Human Rights and Democracy, mainly in the public sector	
Civil Society Organisations	Support to Advocacy Groups Building client pressure for accountability
Public Expenditure Management	Change of resource envelope (budget, staff, equipment)
Parliaments	Strengthening of role of political system (parliament, politicians)
Media	Training of media

Other, or combination of various modalities

The testing of these classifications revealed some shortcomings:

- Lumping deconcentration and decentralisation together is problematic, given the profound difference between the two sets of reform: the former is basically an administrative reform within a public (or private) sector organisation, increasing managerial autonomy to field- or front-offices. The latter is a political reform, which more or less profoundly changes power relations between local and central level organisations. Unfortunately, most descriptions of interventions in this area are imprecise and vague as to whether they are supporting decentralisation or deconcentration.
- The tentative list of external-functional pull-mechanisms and network interventions, forcing or stimulating organisations to change, lumps too much together under the heading “Introduction of supervision, inspection and compliance mechanisms”. Though support to the judiciary – judiciously interpreted – can be said to enforce compliance – it clearly deserves a separate heading if the classification shall reflect a classical Montesquiesian view on the separation of state powers.
- The same list of external-functional mechanisms misses important public sector wide initiatives to enhance performance: public administration training institutes (be it local government oriented or general), support to research in the area of public administration and policy development (through universities, think-tanks or government instituted), and government wide “staff-functions” created with the purpose of enhancing performance of line-agencies (e.g. a legal office created to enhance technical quality of draft legislation and bylaws). Different from supervision and inspection mechanisms, these latter organisations are more clearly service-providers to line ministries.

Based on the testing of the two overlapping classifications, a pragmatic and to some degree normative typology could be constructed as suggested in table 19. It uses the separation of powers as one dimension, and the relative balance between a focus on “technical” and “political” reform respectively as the other dimension. Without claiming to build entirely on the distinction between “functional” and “political” approaches to sector-specific or organisation-specific CD support, it does lean on a parallel, so far theoretically unfounded distinction between what could also be called administrative reform versus political reform.

Please note that this typology explicitly addresses government-wide interventions, while the external interventions contemplated as possible option in relation to specific sectors would typically have a more narrow focus (e.g. strengthening patient associations to put pressure on the health system would only have an effect here, while strengthening of civil society human rights watch bodies might have government wide effects):

Table 19: Tentative typology of external interventions with potential impact on CD support

Predominantly technical-administrative focus	Predominantly political focus
<i>The executive:</i> Public expenditure management reform	<i>The executive:</i> Tax/revenue reform

Deconcentration	Decentralisation
Supervision, inspection and compliance mechanisms	Civil service reform
Strengthening inter-sector coherence	Anti-corruption programmes
Market-like pressures	
Outsourcing	
Change of formal/legal mandates	
Public sector wide CD service provision (training, specific advise)	
<i>The judiciary:</i>	<i>The judiciary:</i>
Capacity development	Increasing political independence
	Enforcement of anti-corruption measures
<i>The legislative</i>	<i>The legislative</i>
Capacity development of parliament	Training of politicians/parties
Capacity development of Ombudsman	Ensure donor related instruments (PRSP, PRGFs) reach parliaments
	Push for legal reforms enhancing good governance
<i>Donors, lenders and international organisations</i>	<i>Media and civil society</i>
Harmonization of procedures and approaches	Support to advocacy and social/political watch groups
Joint funding schemes, selectivity, crowding out	Training and CD of media
Lowering of recipient transaction cost	Institutionalisation of corporative mechanisms (public-private commissions and consultation mechanisms)
Analytical attention to distorting factors	

The team does not claim that this typology is anything but an early suggestion. The typology would normatively imply that broad public sector capacity for poverty reduction could only be successfully constructed if all the elements above were attended to as required. Empirically, the typology would suggest that most of the interventions in the right column would be politically sensitive and difficult, as they would seek to directly alter power structures and possible informal loyalty systems impeding a strong task orientation in public sector performance. Those on the left

might be easier to formally agree on, but experience indicates that they eventually may meet considerable resistance because they may limit possibilities for rent-seeking.

The typology is offering potential details to be looked for in the analysis of context factors – constraining factors and remedial actions underway - which must be considered largely to be beyond strong influence from a narrower sector point of view. Rather than aiming at a separate typology for macro-level interventions, it may thus be more fruitful to look at ways of systematically include reform interventions in the analytical framework guiding CD support in SPS schemes.

7. RELEVANCE OF FRAMEWORK AND IMPLICATIONS FOR EVALUATION OF CD IMPACT

7.1 Key Findings

To recapitulate, the screening of Danish support to CD through SPS and Mifresta based on the framework established in step 1 of this consultancy found:

- Danish CD support in the SPS and Mifresta¹⁵ interventions screened has weak analytical underpinnings both regarding the targeted organisations and the context they are operating in.
- Attention to and analyses of the past outcome/output track records of the target organisations or of past experiences with CD activities in these organisations are largely absent in the documentation.
- The CD support focuses strongly on the formal, functional aspects of the internal workings of organisations (skills development, general management training, structures, procedures, and mandates). However, the analytical basis for this support is generally limited. Surprisingly, there is a general absence of analysis of rent-seeking and power aspects.
- There is typically little analytical attention to the possible importance of the external context – and of political issues - for CD. These issues are not addressed in the actual design of CD support either.
- Generally, little attention is given to analysis of process aspects, although these are generally assumed to be important for successful CD (commitment & capacity to change, leadership etc.).
- There is a strong preference for long-term international and other TA inputs, and training/ workshops, as inputs to CD.
- Goals, outputs and indicators for CD support are generally not specified in much detail, and they are only to a limited degree linked to specified output/outcome changes of the recipient organisation.

¹⁵ It should be recalled that only 3 Mifresta components were screened, and that the findings cannot be generalised.

- Some, but still not comprehensive analytical attention is devoted to possible negative effects of Danish aid modalities
- Typically, eight other donors are involved in the sectors in which Danida provide SPS. The implications for this with respect to CD are rarely reflected in the analyses and designs.
- There is limited analysis of risks and assumptions of relevance for CD support
- Other Danish support with potential impact on sector specific CD adopts a wide range of modalities and address the executive, judiciary and legislative powers – as well as the media and civil society. In principle, this support – combined with that of other donors and of national endogenous efforts – may strongly determine success and failure of SPS- and Mifresta specific CD support.

7.2 Relevance of the Analytical Framework, and Suggested Modifications

Is it a relevant framework that was developed in step 1 and used here for the screening as part of the basis for developing a methodology to evaluate the impact of various types of CD interventions? The answer is a qualified yes.

First, although many alternative analytical frameworks for CD have been developed¹⁶, the framework used here is rather eclectic and flexible, and it is based on mainstream theories about CD. In none of the screened SPS and Mifresta programmes were CD analyses and actual support activities based on concepts or factors that are not – or cannot be - included in the analytical framework established in step 1.

The screening of SPS and Mifresta programmes indicates a general absence of systematic approaches to the analyses and design of CD support, and alternatives to the proposed framework did not emerge in the cases selected.

Second, the screening indicates that actual Danish CD support through SPS and Mifresta is not based on appropriate analysis or design in the documents serving for decision making purposes *if* the framework indeed catches essential features of CD. Furthermore, the screening also shows that the choices of CD instruments were not necessarily based on the limited CD analyses actually made. This is *not* demonstrating that Danish CD support through SPS/Mifresta is inappropriate. But it is demonstrating the need to focus attention on the adequacy of the analytical basis for CD support and on the adequacy of the resulting design of CD support. The analytical framework helps to identify these problems and is therefore relevant in this sense.

Third, the proposed framework does not appear to be unnecessarily demanding in terms of breadth and depth of analysis, but field testing will show if this proposition holds.

Fourth, the proposed framework – while generally relevant for analyses of CD support to specific organisations through SPS and Mifresta – is less suitable for analyses of general public sector reform initiatives (of the civil service, public sector salaries, decentralisation, etc).

¹⁶ See Boesen, N., P.F. Christensen and O. Therkildsen (2002). "Evaluation of capacity development and institutional change within Danish sector programme support," Draft of July 2002.

Therefore the jury is still out: The final test of relevance of the framework with respect to SPS and Mifresta type CD support will be its ability to categorize and give explanatory meaning to factors which, according to field evaluations, have had importance for Danish CD support.

On a more specific level, the concentration of analysis and interventions in the “functional-internal” quadrant of the typology raises the issue whether the sub-categories and analytical angles suggested in this area in the framework are relevant. The framework proposed a distinction between: i) purpose and strategies; ii) structures and procedures; iii) resources (funds, staff, technology etc.); iv) relationships and interactions; v) incentives and motivation; and vi) leadership and management.

Acknowledging that Danish CD focus strongly on these internal issues, it maybe worthwhile to consider to open the categories somewhat more and allow to assess how skill deficiencies are analysed (e.g. if Training Needs Analysis have been applied), how mismatch between resources and mandates are analysed, or how lack of proportionality between say staff and operating costs are analysed.

The analytical framework suggests strong focus on analysis of immediate outputs of organisations and the expected outcomes of these outputs before an intervention is designed, both for design purposes and to establish a baseline for assessing subsequent changes. This, however, is not explicitly detailed, and should be high-lightened in a revised framework.

In addition to the four-field framework, the analytical framework also identified “network oriented interventions”. This category is to a certain extent mixing internal and external elements (which again depend on the viewpoint: what is internal from a sector viewpoint may be external to most individual organisations etc.) and it does not build on any particular underlying concepts. Most of the concepts can easily be reassigned to the four boxes of the basic framework, and it is suggested that this be considered.

Training constituted the most widely used instrument for CD in the screening and together with structures and procedures form the core of Danish capacity development support. The framework developed suggested that a key precondition for training to enhance capacity was that the organisational context allowed and encouraged the utilisation of both existing and acquired skills. The screening was not detailed enough to allow for specific assessment of the degree to which exiting and acquired competencies were being utilised but given the generally weak contextual analysis and paucity of organisational specific analyses it is possible that such aspect may not have received sufficient information.

The screening did thus only indirectly address the issue of the degree to which the context allows for skills utilisation and if this aspect is judged to be important, future evaluators may more directly probe into issues of how conducive the environment is for application and utilisation competencies. Key issue would revolve around tracer studies of previously trained staff; staff rotation frequency; is the training institutionally demand driven from the recipient (i.e. not primarily for personal benefit such as allowances and with clearly specified opportunity costs); characteristics of training (e.g. integral part of reform process or largely detached from other processes); experience from previous/parallel training. There will thus have to be modifications and elaborations of the screening typology to enter into detailed evaluation of e.g. training efficiency and effectiveness.

Though more specific attention to impact of training could be warranted, care should be taken to avoid that CD evaluations ends up focusing excessively on this element.

Technical assistance feature consistently in all SPSs as *the* key input to capacity development, with by far the largest budget allocations. However the screening could not identify if TA was primarily a response to recipient demand; or whether it was primarily supply-driven by Danida, primarily for purposes unrelated to CD.

Clearly the importance granted to TA as a capacity development input warrants closer analysis. On the other hand, Danida has recently studied the use of advisors, and a major UNDP study of the issue has just been published. Though undoubtedly important for any CD evaluation where TA has been a significant input, care should be taken to avoid that the evaluation ends up evaluating advisors rather than CD.

7.3 Implications for the Preparation of a Specific Evaluation Methodology

In Step 1, a suggested CDIE approach was identified having 10 steps:

1. Consider and clarify process and participation aspects of the evaluation process and how it will or shall influence involved organisations and stakeholders.
2. Identify and assess the perceived deficiencies in the outputs of the relevant organisation(s) prior to the support. Compare with the current situation: what has changed at the output level, quantitatively and qualitatively? Identify possible unintended changes.
3. Identify and assess the analytical basis for the Danish CD support, the explicit or apparent intervention logic, the relation to other CD activities and/or other relevant processes etc.
4. Analyse the efficiency of the Danish support and approaches. Were things done right? Were deviations from envisaged approaches appropriate and timely?
5. Identify and assess changes of capacity in the organisation(s) compared to the base situation. If the latter was not described, it may have to be reconstructed.
6. Assess the degree to which the capacity changes can be attributed to Danish and/or other support, and assess, in light of this, the effectiveness and relevance of Danish support.
7. Identify changes in exogenous and “influenceable” factors respectively which may have affected changes in capacity, outputs and outcomes, and assess whether the Danish support and involved organisations responded adequately to these changes.
8. Assess to which degree changes in outputs can be attributed to Danish support.
9. Assess, if possible, whether changes in outputs have led to outcomes or had ultimate impact. Abstain, in most cases, from narrow attribution to Danish support.
10. Extract lessons learned for donor(s), organisation(s) and key stakeholders. Ensure feedback and dissemination.

The screening of CD relevant components indicates that it may be difficult to complete the second step: establishing a baseline of the pre-support outputs levels of organisations targeted for support. It may further be difficult to clarify the exact intervention logic as prescribed in step 3 above, both because of the limited analysis in documents, and the imprecise goals and indicators for CD support. Consequently, also step 5 and 6 may be expected to encounter problems.

These difficulties point to the need to prepare the evaluation methodology so that it caters for evaluation of a “moving target”. The limited pre-implementation analysis and specification found in documents does not imply that such analysis and specification was not made gradually later as implementation caught momentum. For learning purposes, it will be important to analyse how later analysis and specification occurred (if it did occur), and to assess when and how such analysis and design processes proved important for achievements of results.

The evaluation methodology should not be based on the *ex ante* assumption that a weak specification of CD interventions is a hindrance to efficiency and effectiveness. That would be to assume that a more blueprint-planning oriented approach is the best for CD support. Likewise, it should not be assumed that the initial absence of elaborate analysis and design is always a disadvantage.

The finding that Danish CD support has been designed and implemented from a rather narrow perspective on organisational development (focusing strongly on a few functional-internal factors with strong dominance of training and TA) might be expected to result in limited effectiveness of Danish CD support, if the hypothesis behind the framework is correct. Too many important factors would according to the hypothesis go unattended.

Therefore, *if* effects of Danish CD support appear limited, evaluators should be prepared to investigate the contextual factors causing this as well as possible poor performance of Danish inputs, and – even if largely counterfactual – hypothesize if and how these contextual factors could have been taken into account (possibly leading to abandoning/substantive changes of the chosen CD support). If effects are none the less significant and sustainable, evaluators should carefully identify the positive and negative contextual factors influencing this outcome, and analyse these vis-à-vis the efficiency of the Danish inputs.

Finally, the screening results show that it may be very difficult to establish the wider impact of *Danish* support to CD, both because the SPS preparations are sketchy, and because it may be difficult to attribute changes in outputs/outcomes to specific Danish supported activities, given the likely influence of other factors and actions. The screening thus illustrates the need to take the sector support concept seriously – also in the evaluation of the effectiveness and efficiency of Danish support.