

**Ministry of Foreign Affairs
Danida**

Capacity Development Evaluation

Step 3: Draft Methodology for Evaluation of Capacity Development

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1. Introduction

This paper presents a methodology for evaluation of Danida assistance to capacity development (CD) in sector programme support. They are based on specific approaches on how to evaluate capacity development and on how to understand capacity development itself.¹ The methodology integrates these two approaches.

The evaluation approach is characterised by the following. First, it focuses on changes in **outputs** (services, products etc.) of the organisations involved as the primary source of evidence that changes in capacity have had the desired effect. The organisational outputs are the analytical starting point for the evaluation and the ‘dependent variable’ that must be explained. Second, a **stepwise approach** provides a standardised structure and focus to the complex and difficult analytical identification of causal linkages between output changes and multiple factors inside and outside organisations. Third, the evaluation approach aims to establish the **empirical facts** about changes of outputs and of various factors *before* the causes of actual changes are identified, and *before* the possible intentions (goals, objectives) are considered. Fourth, the approach makes **no a priori assumptions** about the efficiency of capacity development initiatives compared to other factors that may cause capacity changes. The effects of support to CD can to an even lesser degree than other types of aid be evaluated in isolation from the context in which it is given and from actions by partners, clients or other stakeholders, which affect both capacity and capacity development processes. Fifth, the approach seeks to analytically integrate the **political realities and constraints** for capacity development inside and outside organisations – including those related to the manner in which donors provide support.

With respect to understanding capacity development, the methodology is based on six key propositions: (i) organisations are *open systems* with an “inside” and an “outside”, where an input-activity-output-outcome logic familiar from logical framework approaches permits analysing the functional chain inside the organisations, and its interrelation with the external context; (ii) power - both its *formal and informal aspects* - are important for understanding how organisations work and develop; (iii) capacity development is conditioned by multiple factors inside and outside organisations, but their specific influences on organisational capacity and its changes are most often unclear and unpredictable; (iv) capacity development support can usefully be classified as either internal (“push-strategies”) or external (“pull-strategies”) with a range of possible instruments under each heading; (v) organisational capacity development will never be the sole effect of intentional external support. Capacity changes are the combined result of such external support, the efforts of the organisation itself and of organisation-external factors which may induce or constrain changes and (vi) recipient commitment and capacity to change is essential for success of CD support. The challenges of evaluation of CD support are therefore considerable. Assessing and explaining capacity changes require a multi-variable model that includes several internal and external factors, which often interact. Models with a few factors - on which much operational thinking is based - ignore this basic feature of CD. On the other hand, it appears impossible to establish operationally

¹ The preparatory work for these approaches is presented in two reports. 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. And Nils Boesen, Peter F. Christensen and Ole Therkildsen with Helle H. Knudsen: Capacity Development Impact Evaluation: Screening of Danish Sector Programme Support and Mifresta interventions, draft August 2003. This methodology refers in particular to the report on the analytical framework.

relevant multi-factor explanatory models of CD, which are valid across all recipient countries and sectors. The factors to be analysed may be taken from a common “menu”, but the specific configuration of these dynamic and interrelated factors are context-specific. A change in one factor which may prove positive in one context may thus be negative in another.

The methodology presented here reflects these complexities. Their primary aim is not to answer the standard evaluation question: “what did you set out to achieve?/what did you achieve?” Instead, they provide a systematic framework for describing and understanding why observed organisational capacity changes have taken place during a given period (typically starting with the situation prior to the SPS (T_0) and ending at the time of the evaluation (T_1)). The methodology identifies four major stages in the evaluation process:

- ❑ *Organise the evaluation process with the target organisations for Danish support* (to enhance acceptance and learning aspects of the evaluation)
- ❑ *Get the facts: **what** has changed from T_0 to T_1 ?* (in outputs/outcomes; in factors external and internal to the organisation, in inputs?)
- ❑ *Begin analysing: **how** have changes occurred?* (what is the relative importance of relevant CD support activities from all sources compared to other internal and external factors that have influenced organisational capacity?)
- ❑ *Reach conclusions: **why** have changes occurred, what can be learned?* (assess the degree to which observed capacity and output changes can be attributed to Danish support; assess its effectiveness and relevance; draw lessons).

The stages are not chronological in the sense that e.g. information gathering for one stage will be completed before information is collected for the next step. The practical evaluation process will take place in various stages and steps simultaneously, but the logical flow (and subsequent presentation of evidence and conclusions) will follow the stages and steps.

To succeed, the evaluation approach requires adequate time, considerable insight into organisational, sector and country specific contexts and their changes over time, and reasonable access to relevant information. Full and professional co-operation with the organisations targeted for evaluation is therefore needed to achieve the objectives of the evaluation.

The methodology outlines an ideal evaluation process. Both time and information constraints may make it unrealistic to comply fully with all proposed stages and steps. A key challenge to the evaluation team adopting the methodology under such less than ideal – that is, normal – circumstances, is therefore to adapt the ideal to the possible *without* abandoning the underlying rigorous logical approach totally.

The rest of the methodology is organised as follows. A [one-page overview](#)² of the sixteen steps and a figure present the approach ‘at a glance.’ Next follows a [glossary](#) with definitions of the most used terms and concepts. Each step is described using a standard format. Finally, Annex 1 is a suggested fact-sheet, which provides a format for summarising the results of the analyses in each step.

² The electronic version of this document includes hyperlinks enabling to jump to specific steps. Put the cursor on a link, press control and click the mouse to follow a link.

2. Overview of the 15 steps in evaluation of CD support

Organise the evaluation process

1. Consider and clarify process and participation aspects of the evaluation.
2. Identify each target organisation(s) for Danish CD support (each one must be analysed separately)

Get the facts: What has changed?

3. Identify changes at the output level, quantitatively and qualitatively, of the involved organisations or units targeted for CD support
4. Identify changes in outcomes for clients/users
5. Identify changes in external factors which may have affected changes in capacity, outputs and outcomes
6. Identify changes in the capacity in the target organisation(s)
7. Identify changes in the inputs/resources of the target organisation(s)
8. Calculate and assess changes in the efficiency and effectiveness of the organisation(s) if feasible (cost/output ratio, relevance of output to envisaged outcomes)

Begin analysing: How have changes occurred?

9. Identify, among the above factors, significant factors whose changes together explain changes in outputs
10. Identify all major intentional CD support activities from all domestic or international sources which influence the significant factors identified in step 9.
11. Describe Danish CD support in the SPS and analyse its efficiency, and immediate effects.
12. Identify the analytical and strategic basis for the Danish CD support through SPS and its process, leadership and commitment aspects.

Reach conclusions: Why have changes occurred, what can be learned?

13. Assess the extent to which capacity changes and changes in outputs in the target organisation(s) can be attributed to Danish CD support, to what degree to other factors. Assess the effectiveness of the Danish support.
14. Assess the technical, institutional and financial sustainability of the capacity and output changes
15. Extract lessons learned for partner, organisation(s), donor(s) and key stakeholders.

Glossary of Key Terms

[Sources: Own formulations plus Evaluation guidelines, Danida, 1999; and Glossary of key terms in evaluation and results based management, OECD, 2002]

Capacity. The ability of the target organisation (s) to perform appropriate functions efficiently, effectively, and sustainably.

Capacity Development Intervention. Planned activities intended, directly or indirectly, to increase the capacity of public sector organisations (e.g. various components of public sector reforms, certain support to private sector organisations, NGOs, various components of SPS, ect)

Effectiveness. The extent to which a project or programme meet its objectives.

Efficiency. The cost of producing outputs

End-user. Intended target group, clients, users or beneficiaries of the organisation's outputs

Ex ante. Time before a development intervention (e.g. the start of CD support)

Ex post. Time after a development intervention (e.g. the end of CD support)

Function. A set of activities or work-processes that the target organisation carries out to produce outputs (e.g. mobilising staff/resources; formulating a budget; publishing up-to-date accounts; preparing realistic plans; conduct extension work, etc.).

Indicator. A simple and reliable (qualitative or quantitative) factor/variable to measure achievement, to measure changes connected to an intervention, or to help assess performance of a development actor.

Input. Organisation's staff, buildings, equipment and funds.

Institution. Rules (mental conceptions), which influence behaviour and are diffused among a multitude of people.

Organisation. Concrete entities deliberately established to produce various outputs.

Outcome. The likely or achieved immediate effects of outputs from the target organisation.

Output. What is produced by an organisation to the outside world (e.g. policy proposals; water supply construction; primary school inspections) as a consequence of performing specific functions.

Inter-organisational relations. Administrative, technical, financial or political relations between target organisation and other organisations involved in producing or consuming outputs (e.g. public sector organisations, private firms, NGOs, donors).

Sector. A coherent set of activities in terms of policies, organisations and finances, and which needs to be looked at together to make a meaningful assessment.

Stakeholder. Individuals, groups or organisations with direct or indirect interest in the development intervention or its evaluation

Sustainability. Extent to which the target organisation's outputs are likely to continue after external support has ended.

Target organisation(s). The organisation (s) which is/are the main focus of Danish CD support through SPS

3. Details of the 15 steps

Step 1: Evaluation process and participation aspects

Why consider this?

Objectives of CD support are in principle shared objectives between those receiving and those providing the support. An evaluation should therefore also be a shared undertaking aiming at providing **learning** to both parties, in addition to serving accountability purposes by documenting what has been achieved.

The evaluation will only be useful to partner organisations if they are involved in and committed to the process. Further, as evaluations of CD and CD support require at least some information which can rightly be considered sensitive, the cooperation of staff, management and stakeholders of the partner organisation – and the agency providing the support – is essential.

Process aspects of the evaluation are more important than is normally the case because the evaluation cannot avoid being an intervention which influence the organisation and its capacity. A poorly organised and managed evaluation may unintentionally risk stirring up conflicts or shedding light on e.g. the performance of a recipient or donor organisation causing others intervene.

The point is not that evaluations of CD support should avoid shedding light on important information which may have consequences for the future of staff, organisations or donor agencies. But they should avoid doing so unintentionally, be very aware of their power and transparent about the how sensitive issues are handled.

A clear and mutually agreed focus on learning as the key objective of CD evaluations will often assist in making the evaluation less threatening and controversial. If such an agreement has been reached, then it is important that all parties – and not least the evaluation team – honour this in the manner they approach their work and the presentation of findings and conclusions.

Identifying the organisations receiving Danish CD support (see [step 2](#)) does not imply neglecting other domestic or external sources of CD support. Especially if the evaluation focuses as much on the perspective of the organisation(s) *receiving* support as on Danida *delivering* the support, then the perspective of the recipient will imply to look at and assess other CD support as much as Danish CD support.

This would normally require that the evaluation be managed primarily by the receiving organisation and that all major CD support providers participate.

If the purpose of the evaluation is more narrowly to learn about relevance, effectiveness and efficiency of *Danish* CD support, then support from others of course still have to be considered, but now more as a context factor within influence of the target organisation(s). If, on the other hand, various external CD support initiatives are operating at the same time in the same organisation(s), then close coordination and alignment under leadership of the recipient would of course be needed.

What should be considered?

The commitment of those involved in the evaluation will be a key factor to consider. Ways of increasing it during the process may have to be identified if it is low.

The way in which an organisation “meets” an evaluation team depends as in other communicative encounters not least on *first impressions* which can later be hard to change. How communication is managed, how clearly the team demonstrates that it listens – also in terms of how to organise the evaluation process – must be carefully considered. It is thus a key to consider how to establish, develop and maintain trust, and how to keep anxiety levels reasonable during the process (carefully planned feedback sessions, as required separate, for key stakeholders).

How?

The very first communication (written and verbal) should convey the key message that the evaluation seriously wishes to be useful, joint, cost-effective and learning oriented. Whenever feasible, a short scoping or inception mission should precede the evaluation proper, with the sole purpose of getting the process right. The scoping mission should also allow a survey of already existing data, so that the evaluation team focuses on collection of primary data in critical areas where such data are not available.

Tips/pitfalls

Process facilitation skills are important, but may not suffice. Early involvement of people with intimate knowledge of the country and its “what”s and “what not”s can be essential

Sharing of Terms of References, this methodology and/or approach papers, for example, is of course required. Distribution of executive summaries of these documents should also be considered. Although information distribution may seem simple it surprisingly often goes wrong. It should not be left to people who are not fully involved in the evaluation process.

Results

1. A Process Action Plan for the specific evaluation process (detailing who should be informed, when, and how, who should participate, when, how - including a plan for the feedback and dissemination process).
2. Professional relations between the evaluation team and the partners to the evaluation, with mutual understanding of processes, results, management and conflict resolution mechanisms.

References to the Analytical Framework

Chapter 7

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Step 2. Target organisations for CD support

Why consider this?

The identification of the (parts of the) organisation or organisations targeted for Danish CD support is necessary to focus the evaluation, as well as to identify the time period under scrutiny.

Important note: Throughout the methodology the reference to “organisation” may imply reference to a part of an organisation, one specific organisation or various organisations receiving Danish CD support.

What should be considered?

The period under evaluation should be determined. T_0 would normally be shortly before the Danish CD support under evaluation started, but it could be somewhat earlier or later, for example if output, capacity and input data are available just before or after the start of the Danish support.

All organisations or part of organisations receiving significant CD support in the SPS should be identified. If, for practical or other reasons, it is decided not to include all CD-supported organisation in the evaluation, this should be clearly stated.

Only a few characteristics of the organisation(s) at T_0 should be identified at this stage, as the identification of changes in the following sections will provide details. It will be particularly relevant to identify:

- The *legal basis and formal mandate* of the organisation(s) supported - e.g. is the organisation temporary (established with assistance by donors and eventually to be phased out) or is it permanent (established by law with no intention in the foreseeable future of phasing out)
- The *history* (in brief) of the target organisation(s) within the sector. This includes identification of (i) major past events and decisions framing the organisation and its operations; (ii) nature of possible past crises and organisational responses; (iii) evolution of core organisational norms and values; and (iv) experiences with past capacity development efforts and CD support.

Changes occurring from T_0 to T_1 should be identified. The time perspective on the historical analysis should be longer.

How?

SPS and component documents should enable the formal identification. Possible annual reports of the organisation should give the “official” story, while interviews with long-term staff, trustees/board members and key external stakeholders of the targeted organisation(s) should also provide the informal aspects of the history.

Tips/pitfalls

The *relevance* of targeting the organisation(s) for Danish CD support will be assessed in a later step ([step 13](#)). In this later step it can be debated – counterfactually – whether support should have been given to another organisation to reach the intended objectives (e.g. outcomes for users/clients). At present, the scope is more narrowly to give a broad introduction to the organisation and its history.

An organisation's history can be "written" in a participatory manner by staff. They may often disagree on events and significance of events, but this may enrich both theirs and the evaluators' understanding of the past.

Results

The basic characteristics of the targeted organisations should be presented in a fact sheet annex to the report, with a description of the situation in T₀ and T₁ and as relevant for intermediate periods (see [Annex 1](#) to this methodology for a sample fact sheet).

References to the Analytical Framework

Chapter 2. Chapter 5.

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Step 3. Changes at the output level

Why consider this?

Changes in organisational outputs are the immediate key effect of capacity development (unless other constraints hinder that capacity development translates into changes in outputs).

Development of the capacity of an organisation should – seen from the outside of the organisation - first be visible in changed *outputs*. Service outputs like vaccinations, medical consultations, teaching, road maintenance, or outputs like enforcement of new laws and bylaws, or resource mobilisation outputs like tax collection – should presumably change quantitatively and qualitatively as a result of increased capacity. Changes (or lack of changes) in outputs from T₀ to T₁ must therefore be identified as a key starting point.

What should be considered?

The composition, quantity and quality of outputs at T₀ and T₁ should be described. The outputs should be classified according to their type (see reference below), and the individuals or organisations using the outputs identified (buyer, client, user as the case may be). New outputs added in the period and outputs no longer produced should be included in the overview. It is especially important to consider how ongoing public sector reforms may lead to demands for changes in outputs. Information about whether the changes in output composition and level are intentional or not can of course be collected at this stage, but they will be used at a later, analytically oriented stage.

Outputs may have increased quantitatively and qualitatively, decreased or remained unchanged.. Moreover, increases in one type of outputs may occur together with decreases in others. Both changes and absence of changes should be identified.

How?

Screening of available documents (annual reports from the organisation, inception reports, progress reports) may enable a first approximation, especially if output indicators have been consistently used during the support phase. "Production statistics" of the organisation responsible for the outputs should be a first key source.

However, experience shows that it may be very difficult to get good data in organisations with a widespread network of front line service providers (e.g. a Ministry of Health or Education where these services have not been decentralised)

For this and other reasons, information about outputs can never *only* be collected from the organisation(s) responsible for their production. Through relevant sampling techniques, a minimum number of *users* should normally also be consulted to collect their perception of quality, quantity and relevance of outputs at T₀ and T₁. If results of recent, reliable client satisfaction surveys are already available, the evaluation team need of course not produce their own survey.

Tips/pitfalls

Often, baseline information about output production at T₀ may not be available, or it may not be possible to quantify and qualify the change from T₀ to T₁ with any reasonable degree of accuracy or specificity, nor to base the evidence on “hard” data. In such cases, it is still essential to reach an assessment of changes in outputs, eventually basing it exclusively on the *perceptions of change in outputs quality and quantity* as reported by the producing organisations, the users and possibly other stakeholders. E.g. if reliable absenteeism statistics are not available for medical doctors in rural areas, users may be asked if they perceive that absenteeism has changed during the last years, etc.

Often, ministry level outputs delivered to other ministries – e.g. an environmental ministry’s advocacy and negotiation “outputs” vis-à-vis other ministries – may be considered sensitive in the sense that the producer (e.g. the ministry of the environment) may not wish that the evaluators ask other ministries to assess its performance. This may also interfere inappropriately in ongoing policy processes and possible bureaucratic entanglements. In such cases, *indirect* assessments of changes by independent observers (including journalists covering the sector) may be the best option to supplement the assessment by the producer organisation by an external perspective.

If the Danish CD support is targeting a unit producing “internal” outputs (e.g. a planning department, an accounting unit), then information about changes in outputs must be sought from those receiving these outputs.

Results

The evaluation report should include a description of key outputs, as well as an overview of key changes in outputs (positive, negative or status quo). The detailed changes in outputs should be reported in the Organisational Fact Sheet (see [Annex 1](#))

References to the Analytical Framework

Chapter 3. For a possible typology of public sector outputs, see Table 2 in Chapter 3.

Chapter 5.2 and 5.3 for discussion of the types of new requirements that reforms may entail.

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Step 4. Changes in outcomes for clients/users

Why consider this?

Outcomes are the immediate effects of changed outputs (for example that more health service supply could result in more sick people using the public health system instead of traditional healers). The ultimate impact could be improved health, but the attribution chain from Danish CD support, over enhanced capacity, changed outputs, better outcomes to ultimate impact is too long to make it meaningful to trace it. However, it is useful to identify changes in outcomes because impact is less likely if outcomes do not change.

What should be considered?

Outcomes are the immediate effects of a clients' or users' consumption of an output. E.g. in education, an outcome of changed outputs (increased presence of better qualified teachers, adequate textbooks etc.) could be that more girls complete primary education in shorter time. Whether this has been the key objective of the underlying SPS support, including CD support, is not considered at this stage. The focus is on the possible factual changes in outcomes in the area where the outputs could be expected to influence outcomes.

How?

Outcome data can in some cases be found in statistics of the producer (e.g. education statistics may often give repetition rates, agricultural extension services might show yields or cash income of their clients). But most often, outcomes demand both quantitative and qualitative assessment involving users, and can be methodological complex and resource demanding.

Tips/pitfalls

A well performing public organisation or NGO should be expected to produce data on outcomes. When this is not the case, it may be inappropriately time consuming for an evaluation to make a more comprehensive assessment. Though important, more systematic verification of changes in outcomes may reasonably be granted second priority compared to verification of changes in outputs ([Step 3](#)) and capacity ([Step 6](#)). Supportive evidence could alternatively be collected through a couple of focus group interviews

Results

The evaluation report should include a description of key outcomes, as well as an overview of key changes in outcomes (positive, negative or status quo). Possibly detailed changes in outcomes should be reported in the Organisational Fact Sheet (see [Annex 1](#)). The data collected will also be used in [Step 8](#).

References to the Analytical Framework

Chapter 7

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Step 5. Changes in external factors

Why consider this?

Factors outside the target organisation may have significant (positive or negative) influence on its capacities to produce outputs. They may, in fact, be as or even more important than the internal determinants of capacity. Sometimes the external factors may be so detrimental to CD that major initiatives to develop sustainable capacity in an organisation are not meaningful.

However, external factors are not stable nor given. Changes in domestic political relations, public sector reforms, NGO and private sector activities, and new ways of providing aid may contribute significantly to changing the context in which the target organisation operates. And this organisation itself may influence some (but not all) of the factors that influence its operations.

What should be considered?

The identification of important external factors and the way these factors influence the capacity of the target organisation at T_0 and T_1 should be considered in this step. The factors mentioned below start with factors largely beyond the influence of an individual organisation, and then turn to important factors within influence. The examples do not provide a complete list of relevant factors.

General socio-economic and institutional factors.

Economic and the general political climate matters: CD has different likelihood of success under economic crisis and political instability than under conditions of growth and stability – though crisis may also promote reform and remove obstacles to CD.

Relations between the government and the public are important for CD.. If public sector organs are under significant pressure to perform because of publicly expressed demands, then the environment for CD may be much more favourable than if the clients/users does not or cannot articulate their demand to service providers and regulators.

Capture of the state by special organised interests or by urban coalitions between organised labour and employers, generalised rent-seeking behaviour and corruption, or pervasive patrimonial structures will also influence CD efforts. Though sensitive to deal with, experience has repeatedly pointed to the importance of these factors in many developing countries, and any serious analysis must find a way of dealing with these issues.

A factor linked to those mentioned above is the degree to which the **rule of law** is governing transactions between the public and citizens, and market transactions. Changes towards increasing enforcement of laws at all levels may be significant for the success or failure of attempts to introduce e.g. specific sanctions in an organisation against non-compliance with formal rules.

Public sector wide factors (new policies, public sector reforms and new frameworks for development co-operation)

Significant changes may have been introduced through new policies, ongoing public sector reforms, and new donor approaches during the period under consideration.

It is particularly relevant to look for changes that affect the **pressures** on the public sector to perform (supervisory agencies at different levels, the role of the legislative and the media, social

watch mechanisms, effectiveness of possible decentralisation moves, subjecting organisations to external or internal market mechanisms)

A second set of issues concerns the major trends in **public financing**. Some of the relevant indicators to consider over time are aggregate government expenditures and revenues; budget deficits; aid-revenues and the medium and long-term prospects for public sector financially sustainability.

Third, changes in the general performance of **financial management** in the public sector are crucial. Thus, the credibility of the government budget can be low – either because there is a high dependence on unpredictable donor funds or because the government, for example, runs a cash budget system. Both problems causes budget volatility, which is a disincentive for careful planning and budgeting – and therefore also for capacity building activities. Moreover, the ‘soundness’ of financial management, and its compliance with rules and regulations, is obviously important for the implementation and sustainability of CD activities.

Fourth, and of crucial importance, changes in public sector wide **staff incentives** should be identified, including changes in salary incentives (e.g. real salary value development, changes in compression rates, selective pay reform, competitiveness with private sector pay).

Fifth, **personnel management** may be under reform. Meritocracy in staff recruitment and promotion is probably very important for meaningful CD.

Sixth, the general modalities for **donor co-operation** in the public sector may be important. As a response to poor incentives in public sector organisations, donor have in many countries established alternative incentive regimes (topping up of salaries, hiring of civil servants as consultants, significant “workshop allowances” etc.) which distorts normal incentives and further erode public sector capacity. These issues may be sensitive not least to donors, but need to be addressed.

Inter-organisational relations within influence of the target organisation

Recall that a target organisation can be a unit or a department within an organisation or that organisation itself. Such public sector organisations rarely produce their outputs alone. It is therefore important to analyse the target organisation’s *level of autonomy* at T_0 and T_1 . Autonomy concerns the degree to which the target organisation is politically, financially and functionally dependent on other organisations or authorities. This could include how financial transfers are carried out and reported on (transparency, timeliness, and predictability). There may also be important administrative relationships to consider: the extent to which the target organisation depends on decisions and approvals made elsewhere to operate, acquire staff and resources; the importance and frequency of such decisions/approvals, etc. If autonomy is limited, and relations with other organisations are strained, then CD support focused only on the target organisation cannot be expected to yield sustainable capacity.

The Ministry of Finance is a typical example of an organisation, which other organisations in the public sector depend on. Local governments typically depend on a parent ministry, various sector ministries or government agencies (such as civil service commissions in staff matters). Some organisations are heavily dependent on donor support.

But a target organisation may also be cooperatively or competitively related to organisations in the public and private sector or in civil society. Thus, the target organisation is embedded in *organisational networks*. Its *relations* with other key organisations and changes in these should be identified because they may point to changes in outputs production and accountability relations. A network may well include donors and public sector organisations. It may also include civil society groups (e.g. churches, advocacy groups, alternative service providers, professional associations, etc.) and private sector organisations (e.g. consulting companies may play a significant role in the construction or environmental sectors). Finally, it may include *users/clients* involved in the production of services or in putting demands on the target organisation (e.g. school parent committees, local health boards, etc.).

If various organisations are targeted for CD support in the SPS, the inter-relations between them – and changes in this pattern – would be described here.

It is of particular importance to identify changes in the specific **incentives and disincentives to performance** created by other actors in the organisational network. This would include the possible pressures from donors on the target organisation.

An additional issue to consider is the political and administrative **status** enjoyed by the target organisation within government (formally and informally), and changes in this status. This may indicate levels of external stakeholder commitment to ongoing CD processes, and likelihood of e.g. increased funding levels.

How?

In many countries, there is an increasing body of analytical work addressing society wide and public sector wide constraining and enabling factors, reform initiatives, analysis of public expenditure management etc. Most of the relevant hard facts are available in-country or IMF/World Bank reports or databases. Reports reviewing or evaluating public sector reform issues are particularly relevant especially if they are written with an analytical rather than an advocacy focus. In-country academic research papers (and their authors) may be valuable sources, too.

Some of the relevant information about context is probably not written down. Identification of important contextual factors must therefore rely on the insights and knowledge of people who know the wider context and target organisation well.

Staff in the target organisation is an important additional source for information about the context. Their perceptions of changes in what would often be labelled opportunities and threats (the “O-T” of S-W-O-T analyses, see further under step 6 below) may not only provide valuable factual information, but also important information about the target organisation’s perceptions about its context.

Tips/pitfalls

It is important to stress that the analyses should be done from the perspective of the target organisation. This is perhaps the best way to identify and analyse *only* the most relevant factors. A general non-analytical description of external factors should be avoided.

If information and insights to make relevant analyses cannot be found, this should be noted. If various different assessments of the situation exist, these should be presented, rather than edited out.

Many of the relevant contextual issues are sensitive both on donor and recipient side. It is important to be analytical rather than normative, and to balance attention to the issues. Excessive focus on e.g. corruption may be as analytically erroneous as systematic downplaying of the phenomena. Rather than intending to estimate the size and scope of corruption, the description in this step should enable a later specific assessment of the importance of this factor for CD in the target organisation (in [Step 9](#)).

Results

The basic features of the most important external factors and the changes in these should be recorded in [Annex 1](#), with a summary of key factors and changes in the text. The data collected will be used in step 9 for an analytical description of the possible causal linkage to CD in the target organisation. The description of autonomy/dependence parameters and key interrelations should enter the text. One or several network diagrams for T₀ and T₁ should show the organisational inter linkages and the changes herein.

References to the Analytical Framework

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Step 6. Changes in the capacity of the organisation

Why is this step important?

Organisations produce outputs through different functions or work processes. It is the capacity to carry out these functions that is the focus of this step. Various factors internal to the organisation influence how these functions are performed (in addition to the external factors already mentioned). If these internal factors change between T₀ and T₁, the organisation's capacity to carry out its functions may also change. CD support often addresses these internal factors, but in this step the focus is still on changes in the factors – not what brought these changes around.

What should be considered?

In this step changes in the major functions that an organisation undertakes to produce its core outputs are identified. Then follows analyses of the internal factors that influence how these major functions are carried out. This step thus covers the classical disciplines of organisational analysis.

Often several major functions need to be carried out at the same time in order to produce organisational outputs. Moreover, if the types of outputs have changed over time it is, of course, important to capture the related changes in functions as well.

Some functions are general across sectors (e.g. accounting, financial management, personnel management, policy-formulation). Others are sector-specific (e.g. vaccinations, agricultural extension work, training of teachers). But even within the same sector functions can vary considerably. In health, for example, public information campaigns and curative care require totally different functions, and different underlying capacity.

Functions and the elements structuring the functions in organisations can be classified in many ways, and the evaluation team should work with a classification with which it is familiar. One approach is to analyse the T₀ and T₁ situation of:

1. Purposes and strategy of the organisation
2. Leadership and management
3. Structures, procedures and processes
4. Internal relationships and interactions (communication, conflict resolution)
5. Incentives and motivation (including, but not limited to payments, including donor –topping up)

The important factors related to people, technologies and funds are dealt with in [step 7](#) below.

The evaluators should seek to assess changes in both the formal and informal aspects of how the organisation works. Possible gaps and tensions between the formal objectives of the organisation and the informal or individual interests also served by the organisation should be identified too. In general, it is very important to identify changes in the incentives and disincentives that influence what is produced and the ways this is done. This includes a focus on how power is distributed and used within the organisation.

How?

It may not be reasonable to track all key functions in an organisation, but a clear mapping of the key “process chains” should be made. Participatory approaches to such a mapping may often reveal surprisingly different perceptions among units or departments about how things are done.

Mapping changes from T₀ to T₁ will demand a systematic process where relevant informants either work out their perception in a group setting, or are interviewed individually. Please note that the focus in this step is on changes from T₀ to T₁, rather than seeking a snapshot of the present situation only.

Some of the relevant information may be available from the organisation itself in written form (e.g. points 1 to 3 above). Corporate or annual plans/reports may contain some such information. CD support documents may also include a baseline study.

Each sector and each organisation have their own particular work processes, and appropriate structures, coordination mechanisms and management approaches will vary considerably. Requisite sector knowledge is normally necessary at this stage, to be able to understand the significant factors to look for in the target organisation and to avoid “textbook” approaches.

Tips/pitfalls

Classical approaches to organisational analysis include SWOT-analysis (strengths, weaknesses, opportunities, threats) – in this step focusing on the internal parameters (S-W). (Step 5 focused on the “O-T” part). Various other types of self-assessment techniques are available (e.g. individual questionnaire surveys, “appreciative inquiry”, “force field analysis” etc.). These may be very relevant, but care should be taken to keep focus on the evaluative dimension of the process: the objective is not to get a current version of e.g. strength and weaknesses, but rather to compare the current version with the situation at T₀.

Many of the issues that must be addressed in this step are sensitive and should be dealt with accordingly. Prior agreements about confidentiality may be needed. At the same time it is important to be analytical – not normative - about **all** major factors that may influence how an organisation produces its outputs. Obviously, this also includes the positive and negative roles of donors vis-à-vis the organisation. It is important to recall that if learning is a key purpose of the evaluation, then the evaluation team shall avoid any “auditing” posture. The balance between seeking more complete information and diminishing learning effectiveness must be carefully observed.

Results

The step shall result in a description (to be included in Annex 1) of general strengths and weaknesses of significant functions and capacity factors of the organisation at T₁ and T₀ (including both formal and informal aspects). The preliminary links between changes in functions/processes and organisational capacity factors should be recorded, and will feed into [step 9](#).

References to the analytical framework

Chapter 4. Note, that in the present methodology the input/resource to the organisation analysed in a separate step (7). The reason is that this is consistent with the input-output framework, which the methodology is based upon. In the actual analyses it is, of course, important not to analyse the six internal factors in isolation. They are closely interrelated

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Step 7. Changes in the inputs/resources of the organisation(s)

Why consider this?

Inputs - of staff, funds, infrastructure, equipment and possibly raw materials or semi-processed inputs – and changes in these inputs between T₀ and T₁ – are important factors in explaining possible capacity changes.

What should be considered?

Staff. Changes in numbers by categories and formal qualifications should be established. Significant changes in recruitment procedures, skills composition and closing of possible skill gaps should be identified, as should persistent vacancies, staff rotation frequencies as well as the frequency of transfers of senior staff.

Funds. Changes in the types, magnitude, composition and conditions of funding from all sources (government, own revenues, donors, banks) should be established. Special attention should be given to the credibility of the annual budget (are approved funds available on time) and to recurrent cost funding compared to salary and investment budgets. The changes in funding for maintenance may warrant special attention in some organisations.

Infrastructure and equipment. Changes considered significant to carry out major functions should be identified. Transport, computers and communication means are obvious examples, but note should be taken that such items are of general use and may serve a range of purposes even if formally assigned to certain functions.

How?

The development of the budget of the target organisation over the period – and the budget execution – is a key source of information. Overviews of overall staffing levels and composition are another key source, as is equipment inventories. Though this may sound straightforward, experience shows that such basic information is often not available, or even regarded as sensitive. Budget overviews may not include significant donor funding, budget items classified as investment budgets may cover operational costs, key staff may not appear on the payroll because they are formally “consultants” paid by donors. Inventory lists may be incomplete for the same reasons; cars and computers may formally belong to donors, etc.

The baseline information at T_0 should be available annual reports of the organisation, in SPS or component documents, or, when this is not the case, in inception reports. External audit reports, sector expenditure reviews etc. may also provide the required information.

Tips/pitfalls

As under step 6, it is important to recall that the evaluation team is *not* an auditing team. The requirements listed in this methodology are ideal, and the challenge for the team is to adapt this ideal to reality so that the exercise continues to be useful.

Results

Tables with main data should be attached to Annex 1, and a summary of key factors and changes in these included in the text.

References to the Analytical Framework

Chapter 4. See comments to step 6.

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Step 8. Changes in the efficiency and effectiveness of the organisation

Why consider this?

Efficiency concerns the ‘inner workings’ of the organisation. The analysis of changes in the output-to-cost ratio (efficiency) aims to assess if outputs are produced at reasonable costs or (preferably) at falling costs per unit from T_0 to T_1 . In short: are things done right?

Effectiveness concerns the ‘outer workings’ of the organisation. The analysis addresses if the right things are done? That is, are the outputs produced still (or more or less) relevant in relation to the objectives of the organisation now than before?

Efficiency and effectiveness are of importance as they concern the proper use of scarce public resources.

What should be considered?

The efficiency analysis helps to identify the main immediate causes of efficiency changes (deeper causes will be identified in step 10 onwards). The relevant questions depend, of course, on the

actual trends observed (is a declining ratio brought about by a substantially higher funding without a corresponding growth in output? Or is it a result of falling outputs without a corresponding reduction in cost? etc.).

The key focus is on estimates of changes in output-cost ratios. Though they may be hard to identify with precision, some measure can usually be established – if not, it could point to serious lack of clarity of outputs, weak accountability or very low level of transparency of the organisation.

Changes in efficiency can also be assessed without direct reference to output-cost ratios. Bottlenecks in key functions or work processes will indicate sub-optimisation (e.g. extension workers have motor bikes but cannot visit farmers because they have no funds for gasoline). A high level of absenteeism (or, in some cases, existence of ghost-workers only appearing on payrolls) is another indicator of efficiency. Apparent under- or overstaffing also indicates efficiency problems.

Changes in fund availability, or in processing times, may also be important. In relation to infrastructure and equipment, changes in the service period of cars, computers etc., and development in maintenance costs, may indicate internal efficiency changes.

Effectiveness – are outputs relevant to wider outcomes, and do they enable achievement of these wider outcomes – implies seeking evidence on the relation between outputs and wider outcomes. This includes looking both at the quality and quantity of the output, but also on whether other outputs necessary to achieve outcomes are available. It makes little sense to continue to produce schoolbooks efficiently if there are no teachers. Although the books may be relevant, they are not effective in achieving learning outcomes.

How?

The basic information for the analyses is provided in step 3 (changes of outputs), step 4 (changes in outcomes), step 6 (changes in capacity) and step 7 (changes in inputs). In this step, more refined analyses are made of the information already collected.

Standard approaches to calculation of efficiency rates are well developed in some sectors. In others, proxy indicators may have to be developed.

In the effectiveness analysis, causal links between changes in outputs and changes in outcomes should be identified. Objective evidence (strong statistical correlations between changes in outputs and subsequent changes in outcomes) for this may be difficult to obtain. In such cases, a qualitative assessment based on e.g. interviews with users may have to suffice. The extent to which the outputs of an organisation are valued by clients may also indicate relevance and effectiveness.

Tips/pitfalls

Even very approximate assessments of efficiency and effectiveness are useful when the required information to do full analyses is not available – which is usually the case. The assessments will help to detect if organisations – and their donors – are both cost and outcome conscious.

The absence of such information in an organisation may indicate a lack of interest in – or awareness of - efficiency measures. It may also indicate that actual performance incentives direct attention elsewhere.

Results

Tables with main data should be attached to Annex 1, and a summary of key factors and changes in these included in the text.

References to the Analytical Framework

The discussion of efficiency and effectiveness is distilled from various parts of the analytical framework report.

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Step 9. Significant factors explaining observed changes in outputs

Why consider this?

Changes in organisational outputs are the desired immediate effects of changes in organisational capacity. In this step, the task is to explain these changes by identifying the most significant factors among all those identified in previous steps, which **together** explain changes in organisational outputs. This also serves to identify (in [step 10](#)), which capacity development efforts (if any) through SPS and/or public sector reforms and other types of CD support activities have resulted in, or contributed to, changes in the significant factors.

What should be considered?

Previous steps have established the facts (as far as they can be known) about changes in organisational outputs between T₀ and T₁, and about changes in various external and internal factors, which may have influenced how the organisation perform its major functions and produce key outputs. This information should now be brought together to ascertain (as far as can be done) the causal linkages between changes in outputs and changes in factors. The aim is to identify significant factors.

Causal explanations for output trends may often be related (some outputs increased because the production of other outputs were explicitly or implicitly neglected). Likewise, it is often the *interactions* between different factors - including different actors in the organisational network - that cause outputs to change - *rather than single separate factors alone*. The transformative potential of one factor may only be triggered if other factors operate at the same time in the right proportions (e.g. training of staff may only contribute to increased outputs if good internal procedures are in place together with sound leadership and if the organisation enjoys strong support from politically influential groups).

How?

Annex 1 provides an overview of the facts about changes in outputs, functions, and various internal and external factors from T₀ to T₁. To help to establish causal linkages, two perspectives on the available information should be applied.

The first perspective is to look for evidence of correlation between output changes, changes in organisational functions, and changes in specific external and internal factors. Correlation can be positive, negative or none. However, neither the presence nor absence of correlation is a proof of causality. The reason is that a single factor may only be significant when one or more other factors

are also present. There can be underlying mechanisms that explain the absence or presence of correlation.

With inputs from the correlation analyses, the second perspective is therefore to look for specific arguments explaining the link between changed outputs and one or more of the factors identified in earlier steps. Inspiration may be found in earlier reports to develop the methodology (see below) and reports on previous capacity development assessments for the sector or country. Renewed discussions with resource persons, based on the team's findings so far, will certainly also be valuable.

Tips/pitfalls

As CD does not take place in a laboratory where several variables can be controlled, explanations are never true or false, but rather more or less supported by logical argument and evidence, and more or less instructive for future decision making. The search is for explanations that - 'on balance' - are more plausible than alternative explanations. One way of showing this is to demonstrate that alternative explanations are less plausible. Another way of increasing plausibility of explanations is to discuss them with some of the resource persons (while keeping in mind that both donor and partner representatives have their own agendas to pursue).

If plausible explanations of output changes are not possible with the information and analyses available at this step, it may be necessary to go back to previous steps.

It will generally not be possible to quantify the influence of specific factor changes on output changes.

Results

The analytical work in this step will lead to:

1. Identification of significant factors or clusters of factors whose changes in combination explain the observed changes in outputs.
2. A ranking of these factors in order of importance – if possible.

References to the Analytical Framework

Chapter 4 and 5.

Step 10. CD activities which influence the significant factors

Why consider this?

The previous steps have identified changes in various factors – outputs, outcomes, external factors, capacity, inputs – and established causal explanations between changes in organisational outputs and changes in factors. The task is now to look for explanations as to *why* the significant causal factors themselves have changed. At this point, the focus should not be to search for deeper-rooted explanatory factors. Attention should exclusively concentrate on CD support – that is, support given with the explicit intention of improving the capacity of the target organisation. The CD support need not be directed exclusively at the target organisation – e.g. public sector reforms may aim at improving performance of all public sector organisations. The reason for the focus on CD

support is of course that the whole evaluation seeks to assess CD support – and not capacity development as such.

Following this delimitation, CD support can be part of public sector reforms, part of SPS, or support to NGOs/ the private sector with the aim of enhancing performance of among others the target organisation. The CD support can come from both domestic and donor sources. They can focus on external factors (pull strategies) and/or internal factors (push strategies). The question is now: Are observed changes from T_0 to T_1 in one or more of the significant factors identified in step 9 influenced (in part or whole, positively or negatively) by CD activities supported from donor and domestic sources?

This identification of relevant CD support is the final step before turning to Danish CD-support to the target organisation. It creates an overview of relevant CD support influencing the target organisation. Some of this support may not look like what is traditionally perceived as CD support: An advocacy NGO may have received support to media campaigns demanding more attention to HIV/AIDS – with purpose of putting pressure on the health sector to perform better in relation to the epidemic.

What should be considered?

There are three main tasks. The first one is to seek to explain the extent to which CD support – regardless of source and type – has influenced one or more of the significant factors identified in step 9. Those types of target support that have influenced the significant factors should be described and classified (push/pull and predominantly political/functional), but it is **not** the task to evaluate all such support in detail.

The second task is to record Danida's contribution to those parts of public sector reform programmes or NGO/private sector support that have been identified as influencing the significant factors. Again, the task is not to evaluate Danida support to these activities, but to assess – based on available information – how important the Danish support to such activities have been compared to support from other sources, and to get a picture of relevant Danish CD support complementing CD support which is part of the SPS.

The third main task is to identify that part of the Danish CD-support through SPS to the target organisation, which has focused on the significant factors. The relative importance of this support - measured by inputs (funds, staff) compared to those from all domestic and donor sources - should be described, while the detailed analysis will follow in [step 11](#).

How?

The aim of this step is primarily descriptive – it tries to capture relevant CD support affecting the target organisation, including Danish support. The partner organisation is an obvious source of information. It is important to consider that CD support from various sources may influence significant factors, for example through public sector reforms, creation of effective supervisory agencies or social watch mechanisms, strengthening of NGOs, private sector lobby groups, etc.

Tips/pitfalls

Analyses should, of course, focus on both positive and negative influences of the CD support considered in this step. As donors often are main contributors to public sector reforms and SPS,

due attention should be given to the issues of (lack of) donor co-ordination and the fragmentation that many concurrent reform activities may have on organisational capacity and output.

Results

1. Identification and classification of those parts of CD support from all sources to public sector reforms, NGO/private sector project/programme and SPS, which have contributed positively or negatively to changes in significant factors
2. General description of the relative importance of Danida' support to these the targeted activities

The information collected will serve in [step 13](#) to assess relevance and effectiveness of Danish SPS support.

References to the Analytical Framework

Chapter 2.

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Step 11. Danish CD support through SPS, its efficiency and immediate effects

Why consider this?

It is time to look specifically at the Danish CD support through SPS to establish what was actually done, the efficiency with which it was done, and with what immediate effects. To document this is of course a key element in the evaluation – but only now is the evidence collected enabling an assessment that does not take the effects of Danish CD support for granted.

What should be considered?

There are three main tasks in this step:

First, it is necessary to establish the facts of the Danish CD-support from T₀ to T₁. What was actually done, what was the key features of the *actual* approach, did this change during implementation? Which inputs and activities were specifically performed as part of the CD support? Who managed the support, who took decisions along the road, how was the support monitored?

Second, what were the effects of the support? Did it have a positive or negative effect on one or several of the significant factors identified in step 9, or had it no effect on these?

Third, what was the efficiency of the Danish CD support – e.g. the relation between the costs (in money and time terms, both for Danida and the partner) and the effects?

How?

Monitoring results and progress reports of the CD support elements should, together with annual sector review agreements, provide key written documentation describing the support. The classification of CD interventions developed in the Analytical Framework should be used to characterise the Danish support.

Effects of Danish CD support may require surveys beyond what the monitoring of the CD support has produced. Especially since CD support, according to the screening of SPS documents performed as part of the development of this methodology, often focus on long-term advisors and training, it may be necessary to devote special efforts to assess the effects of this support.

In relation to training, well established methodologies for conducting ex-post tracer studies assessing relevance and effectiveness of training are available and should be applied as relevant.

Assessing efficiency and effectiveness of long-term advisory inputs is more complex. Firstly, experience indicates that long-term advisors, though formally assigned CD support functions, may spend considerable time on other functions in relation to the entire SPS or component support. Secondly, the performance of these other functions may imply that the advisor assumes a role which is not compatible with an efficient role in CD.

Interviews with partners having worked with advisers are therefore needed to establish both what the adviser actually did, which might be classified as CD support, and whether other functions were a constraints or a support to the CD activities.

Efficiency calculations should be based on cost per identifiable unit of output, and/or on proxy indicators (on processing times, etc) that the SPS programme or the target organisation may have established.

Tips/pitfalls

Careful note should be taken that the focus in this step is on what was done, with what effects. The declared *intentions* of Danish CD support are not yet in focus. This is consistent with the learning oriented evaluation approach which seeks to focus on what happened and what was done, rather than on what was said and written.

Because Danish CD support apparently focus strongly on long term resident advisers and training (but short term advisors are also an important part), there is a risk that the evaluation focus excessively on these elements and become “TA evaluations” rather than CD support evaluations. On the other hand, given the resources invested in TA and training, it is highly relevant for Danida and partners to learn when and how such assistance is most effective. However, a balance has to be kept, with the primary focus maintained on capacity development, and not on TA.

Results

1. Relevant descriptive and analytical information about Danish CD support in tabular form attached to annex 1.
2. Major immediate effects of Danish CD support
3. Efficiency of Danish CD support

References to the Analytical Framework

Chapter 4 for classification.

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Step 12. The analytical and strategic basis for the Danish CD support through SPS and its process, leadership and commitment aspects

Why consider this?

Step 11 identified **what** was actually done with respect to Danish CD-support through SPS. Here the focus is on **how** this support was given – its process, leadership and commitment aspects. The focus is also on **why** the Danish support was designed, implemented and changed as observed – that is, assessing its analytical and strategic basis. The analysis of these elements provides key inputs enabling future enhancement of both analytical preparations and process management of CD support.

What should be considered?

The process, leadership and commitment aspects of Danish CD support. A key question concerns the extent to which the management of the target organisation was and is committed to CD as supported through the SPS. The manner in which the CD process was handled in all phases may provide insight in this key parameter.

The analytical and strategic basis. What was the scope and depth of analyses underpinning the design of Danish CD support prior to T₀ and subsequently? What was the intended approach for Danish CD support, and was this deliberately changed later? How important were CD objectives in the SPS-design?

How?

Identify specific measures aimed at increasing partner ownership and commitment to Danish supported CD activities (blue-print or process oriented approach to CD-support? Decision making processes around Danish CD support? Specific efforts to support target organisation's own CD activities? Workshops? Scholarships? etc). If technical assistance has been provided as part of the CD-support, it is important to assess its actual role in the management of the CD process, including its actual organisation (de facto multiple roles? structurally/physically integrated/separated location? Key competencies in relation to CD?, etc).

Much of the information related to process and commitment must be based on staff and management interviews.

Various documents should be searched for CD-relevant analyses (programme and appraisal documents, reports on specific Danida supported CD-analysis, CD analyses done by recipient and other donors, inception reports, annual sector review reports, progress reports, etc)

Tips/pitfalls

“Hard” evidence of commitment may be hard to find, but could include public statements from top managers regarding the importance of the CD support and CD process, assignment of a change agent in the partner organisation with easy access to top management levels, and the involvement of external stakeholders in a steering group etc.

Once commitment levels over time are verified, the next challenge is to identify reasons for the commitment or the lack of the same. Since commitment is identified as maybe the single most

important factor determining success or failure of CD efforts, this analysis is crucial for extracting lessons for the future about design and management of CD support in a SPS context.

It is in this connection important to investigate whether the CD support was perceived by partners as part of a “package” – e.g. a condition for getting other parts of the SPS.

Results

The step provides inputs to the evaluation report regarding:

1. Extent of management commitment to CD in target organisation and its changes over time
2. CD process management aspects, and the adequacy of these
3. Relevance and quality of analytical underpinnings of the CD support

References to the Analytical Framework

Chapter 4 for classification. The questionnaire in the report on screening of SPS documents (see footnote 1) may also be useful.

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Step 13. Can capacity, output and outcome changes be attributed to Danish CD support?

Why consider this?

In this step, the evaluation will reach a conclusion whether there is a causal link between the Danish CD support through SPS and the changes in organisational capacity and outputs

What should be considered?

This step synthesises a number of findings from previous steps. In step 3 and 4, changes in outputs and outcomes were identified. Changes in factors which might have induced these changes were discussed in step 5 (external factors) and steps 6 and 7 (internal capacity factors and inputs/resources). In step 9 – the first of the core analytical steps – the significant factors causing changes (or lack of changes) in outputs and outcomes were identified. CD support from all sources influencing these significant factors was identified in step 10.

Step 11 and 12 took an explicit departure point in Danish CD support in the SPS. This support had, until then, only been significant in the initial determination of the target organisations for the Danish CD support. The content, approach, size and effect of the Danish CD support was not analysed until steps 11 and 12.

Here, the findings in the previous steps and the analyses of the Danish support are combined: Has Danish CD support been effective in changing significant factors? Have they been so effective, that they can be said to have been a significant cause of changes in outputs – and have these changes in outputs been sufficiently significant to have influenced outcomes?

This is also the step where counterfactual hypotheses can be aired: could Danish CD support have been more efficient, effective and more relevant if it had taken a different approach, maybe even supporting a different set of organisations than those included?

How?

A synthesis of information and analyses is now needed to bring evidence into logical order and to reach conclusions. Combining the information from these previous steps helps to identify the presence/absence of causal links. The more detailed arguments should focus on exactly how and why the Danish CD support through SPS has or has not influenced the factors, which were identified as significant.

Obviously, not all the significant factors may be relevant for the analyses. If, for example, all significant factors are external to the sector, and if Danish CD support has concentrated on working on internal capacity factors, then it can be concluded that Danish support to CD through SPS has not been effective.

If some significant factors are internal to the sector, but Danish support has not contributed to their changes (or contributed negatively), then this support has been ineffective. The reasons for this must be established.

If, however, Danish support has contributed to changes in significant factors a more detailed analyses of how and why is needed. This should be supplemented by assessment of the relative importance of Danish support compared with support from other donors and the target organisation itself.

Tips/pitfalls

During the process leading to this concluding step, informants will most likely have been asked to assess – based on their immediate perception – the effectiveness of the Danish CD support, and the strengths and weaknesses of the support. It is likely that these perceptions will coincide broadly with the evidence-based approach followed in this methodology. The systematic approach should, however, be able to add much more specific evidence, and therefore be able to contribute much more effectively to learning.

Results

The synthesis developed in this step will feed into one of the main concluding sections of the evaluation.

References to the Analytical Framework

Chapter 7.

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Step 14 Technical, institutional and financial sustainability of the changes

Why consider this?

If outputs are increased through enhanced capacity obtained through gap filling performed by advisors, performance incentives enhanced through additional inputs provided by donors, and through supply of new cars and computers with no realistic chance that these will be replaced – then the CD is obviously not sustainable, and the investments in CD may have such a short life span that they become unreasonable. In short, unless sustainability perspectives are addressed, then CD support effectiveness has not been fully addressed.

What should be considered?

It is common to distinguish between technical, organisational and financial sustainability. This helps to set realistic standards of sustainability. Financial sustainability, for example, is a distant goal in many aid dependent countries, where donors provide 30-50 percent of the public budget.

A public sector organisation is never sustainable in the sense that it is autonomous: it will continue to depend on having political priority, and funding. But an institution can be more or less *robust* vis-à-vis external stakeholders, and this would be part of the sustainability assessment (the status of the target organisation was assessed in step 5).

No absolute standard of sustainability should be used as yardstick. Rather, changes in sustainability elements from T_0 to T_1 should be identified and discussed – increased sustainability on one or more parameters would be an important success criteria.

Special attention should be paid to the possible continued dependency on CD support. In practice this may serve to keep up existing capacity rather than develop additional capacity. CD support is often initiated without a clear exit strategy, detailing how the support can be scaled down and eventually stopped without negative effects for the partner organisations.

If there has been little partner ownership and commitment to the CD support, the likelihood of sustainability should of course be expected to be reduced.

How?

Though “macro-level” financial sustainability may depend critically on growth in overall public funds and the political priority of the sector, changes in the budget situation of the target organisation from T_0 to T_1 may provide important information. If the real budget – including donor sources (in casu Danish SPS funds) - has increased to cover higher activity levels (e.g. more staff, more operational funds), but the share provided by the treasury has remained stable, then financial sustainability may have decreased, and donor dependency increased.

Budget information may also reveal if maintenance, and eventually replacement, of equipment provided as part of the SPS is likely and contemplated.

Sustainability of e.g. enhanced skill levels depend critically on the ability of the organisation to retain trained staff also if and when incentives provided as part of donor activities (and even as part of CD support) cease to be available. Once donor support ends some trained staff may seek other jobs. This is common in many aid dependent countries with highly distorted performance incentives in the public sector. The Danish CD support, or SPS support, may have added to the problem.

Tips/pitfalls

Sustainability analysis is difficult for many reasons. One is that fungibility is pervasive: support in one area frees resources in another, making it unreasonable to look at sustainability from an individual organisations point of view. Donors often attempt to reduce the possibilities for fungibility as a condition for support to specific sectors. The PRSP seeks to establish the necessary overview as condition for HIPC relief. However, unless budget increases are at the heart of

government priorities, they should not be expected to be robust beyond a short horizon (or new elections).

Results

The results of the sustainability analysis and the robustness of the Danish CD support shall form part of the concluding chapters of the report.

References to the Analytical Framework

No specific references.

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Step 15. Extract lessons learned for donors, organisations and key stakeholders

Why consider this?

The systematic step-by-step approach will provide structured evidence of CD support effectiveness. However, not all evidence will be of the same relevance for learning. A CD effort may have failed because, say, a civil war erupted. Though sadly important, this fact will not add much to learning about how to make CD support effective.

It is therefore important to extract and present the key lessons from the evaluation in a manner that is productive for all involved parties. The relevant parties – donors, target organisations and key stakeholders – must be informed about the major lessons of the evaluation. Such lessons are the benefit for the involved parties justifying the efforts and costs they have put into the exercise.

What should be considered?

In addition to the content, for which general advice can hardly be given, the transmission of the lessons should be carefully considered. Especially if the evaluation results show a number of deficiencies in effectiveness, efficiency and sound analytical foundations for the Danish support, then the messages should be conveyed in such a manner that they will be heard. This would often imply that they should initially be transmitted verbally and in a small group setting, before presentation in bigger workshops or publicly accessible reports.

Results

The lessons learned should, apart from being part of the evaluation report, be discussed and enriched with key partners and stakeholders to the evaluation.

References to the Analytical Framework

No specific references

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Annex 1: Organisational Fact Sheet

[Suggested use of the format: Prepare one format per organisation receiving CD support. Add/modify as relevant to the setting and the organisation. Add details as appendix to the sheet (e.g. organisational charts, specific staff composition)]

Some of the relevant information concerns all the organisations receiving CD support (for example, sectoral and contextual issues). This type of information should, of course, just be recorded once.

Target

Organisation _____

Period considered	From step	Status at T ₀	Status at T ₁	Have observed changes influenced output changes? Explain argument (Preliminary assessment for each step)
Legal mandate and formal basis for the target organisation	2			
Brief summary of vision/goal of sector and target organisation.	2			
Key features of organisation's history	2			
Outputs (actual): - Output 1 - Output 2 -	3			Not applicable
Outcomes (actual)	4			Not applicable
General institutional and socio-economic factors	5			
Public sector wide factors	5			
Capacity demands from NGOs/CBOs/ private sector	5			
Inter-organisational relations within influence of target organisation	5			
General strength and weaknesses of significant functions of target organisation (including formal and informal aspects of power)	6			
Links between in functions/processes and organisational capacity factors	6			
Inputs (Staff, funds, infrastructure and technology)	7			
Cost/output (efficiency) ratios and effectiveness	8			
Significant (clusters of) factors	9			
CD support from all sources that	10			

Period considered	From step	Status at T₀	Status at T₁	Have observed changes influenced output changes? Explain argument (Preliminary assessment for each step)
influence significant factors				
Major immediate effects of Danish CD support	11			
Efficiency of Danish CD support	11			
Target organisation commitment to CD, management of CD process, relevance of CD analyses	12			
Danish CD support that influenced significant factors	13			
Sustainability of capacity changes	14			
Lessons for donors, organisations and stakeholders	15			