Annotated bibliography for Capacity Development and Measurement

1. ECDPM's *Capacity, Change and Performance* – This is the most authoritative review of capacity development in recent years, itself synthesizing 125 of the leading books and articles on the topic as well as multiple independent studies commissioned for the process. It is far too comprehensive to do justice to in a short review, but it effectively walks through the inherent complexity of capacity and its implications. It first generates a framework of capacity – the "5 Capabilities or 5 C's" – that has been adopted by the EU and most European donors as the appropriate framing for evaluations of capacity development outcomes (a box with those 5 capabilities is copied below). From this unpacking of capacity, it looks at both internal and external sources of capacity and considers different approaches to capacity development, identifying three main streams of planned, incrementalism, and emergence as models for how to support capacity development, with the note that emergence seems to be strongly correlated with positive case examples of capacity development. It also looks at the relationship between capacity, performance, and results, with perhaps the most important takeaway being that an imbalanced focus on either capacity or results undermines both. It then considers implications for M&E that are quite important, around the uses and limitations of a typical linear results-based management approach. Their final point on this topic is worth quoting in full:

   - *Coming to a broader view of what constitutes 'results'.* From a capacity perspective, the focus should widen to include the intangible, the longer-term, the strategic and, above all, those aspects of capacity and results that are valued by country participants. Part of the difficulty with RBM arises from different cultural perspectives. The 'Western' model of management puts great importance, at least symbolically, on organisations as rational actors set up to focus on task achievement. In low-income societies, the basis of organising is likely to be different. Their efforts at collective action can be more concerned with consolidating relationships, establishing legitimacy or reinforcing the interests of other societal groups.

   In addition, their entire review of implications for external interveners and of recommendations going forward is telling and a useful synthesis of experience from multiple sectors and efforts (and their chapters 9-11 are attached). Among the major points are needing clarity for and support for meaningful learning when supporting capacity development; building on strengths as much or more than targeting gaps or weaknesses; bearing in mind the potential large contribution of small interventions; the need for donors to have a better knowledge brokering around capacity development and approaches to it; the rising awareness of the importance of non-linear pathways of capacity development; the essential link between capacity and "second-order" concepts of legitimacy, mindset, and relationship between the formal and shadow systems within organizations; and attention to the idea that capacity development is about altering power, authority, and access to resources.

2. *Capacity Development in Practice* – This comprehensive volume is an excellent source for diverse practitioner perspectives on different topics within the spectrum of capacity

development. Geared toward a practitioner audience, it includes useful reflections on the different levels of capacity development and how to link work at different levels; the implications of capacity being multifaceted; questions of values and ownership as an outside supporter of local groups; an emphasis on the "invisible" or "political" aspects of capacity (internal leadership and external pressures); and an articulation of capacity as a product of stakeholder relationships. Specific to measurement issues, it offers an emphasis on different potential purposes for measurement – accountability and learning – and how they can co-exist but are often in tension, as well as attention to time lags and needs to unpack expectations over time.

3. Monitoring and Evaluation of Capacity and Capacity Development – This review focuses specifically on M&E of capacity development and learning in recent years.[1] It takes steps towards a common language around capacity in terms of M&E, building on the 5 C's Framework, emphasizing some of the common challenges around overdetermined indicators. They specifically note that formal indicators for capacity development tend to work, in the public sector, only in limited conditions (stakeholder buy-in exists, incentives align, leadership is committed, and indicators are very specific) which are rarely found, citing M&E of public financial management as an example with very specific indicators that can contribute to identifying gaps and addressing them in prescribed ways usefully, but only in a few instances successfully in practice. There is a particular concern cited around use of M&E systems primarily/exclusively for accountability of aid agencies to domestic publics for short-term results, rather than for learning and adapting what is working. They also note the problem of having too many indicators and the value from having common indicators across programming. An excerpt from the workshop report on this paper is copied below as Box 1 and provides an excellent synthesis.

4. A Case for Surfacing Theories of Change for Purposeful Capacity Development - This article interrogates how partner organizations (and, by implication, donors) identify the right capacity areas to strengthen. It notes that some organizations may value strategic planning capacities, while others value financial accountability to donors, improved teamwork, or networking capacities. What they deem as 'worth strengthening' may be based on simplistic linear thinking, or unhealthy power interests, or what they understand donors want them to want. Ortiz argues that the capacities that different organizations value are conditioned by a mix of individual, organizational and societal worldviews, including deeply held assumptions on the nature of change and one's roles in affecting change. It posits that the processes organizations use to attempt to intentionally strengthen their capacities should surface these worldviews in order to find more purposeful and systemic relationships between an organization's internal processes and capacities, how it performs, and the complex change that an organization seeks to support. It is a reminder that more important than detailing which TOC underlies a capacity development effort is for organizations to detail their own TOC for how they

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1. This document is based on the findings of 20 in-depth case studies of donor-funded capacity development projects commissioned by DFID and the OECD DAC's GovNet, carried out under auspices of the ECDPM, building on earlier work by UNDP, representing a wide range of types of interventions and organizations. Although it is captured in the synthesis report *Capacity, Change and Performance* listed above, it is worth highlighting in its own right.

expect to influence the wider system and achieve change. Really I think it serves as a cautionary tale against assumptions dictating our models for how change should happen and so mis-informing capacity development efforts.

5. [Escaping Capacity Traps through Problem Driven Iterative Adaptation](#) - An excellent synthesis of how complexity theory implies that projects should be designed. Interesting review of the concept of isomorphic mimicry, or reform "signaling" without "real reform" as incentivized by how donors measure change. Where it is clear that outside donors are expecting certain visible artefacts of capacity to be created as signaling change – whether creation of an anti-corruption board or of a three-bid procurement policy – the emphasis will be on those changes at the expense of more meaningful changes that affect how the organization behaves. They feel these sorts of donor support have crowded out more meaningful efforts to improve state performance by emphasizing form over function, allowing form changes for signaling and legitimacy without changing behavior over time. They argue as well that "change primarily takes root when it involves broad sets of agents engaged together in designing and implementing locally relevant solutions to locally perceived problems. Our argument draws on literatures about institutional entrepreneurship and the importance of distributed agency in the process of change and development." The article also raises the idea of needing an authorizing environment for decision-making that supports experimentation and seeks positive deviance – that if capacity development is nonlinear and uncertain, we have to support organizations to try things out, see what works, and build on it, rather than defining how they should adjust their behavior up front. The article serves as a point of departure for a large area of research drawing a lot of attention at the World Bank and the OECD DAC around iterative programming.

6. [APPP Syntheis Report: Development as a Collective Action Problem](#) – This report is interesting; it draws heavily on studies of African reforms led by government in the local justice and public education sectors in challenging common assumptions of the system of accountability as divided into supply and demand sides. Instead, it argues based on five years of research that it's all about how actors frame, build coalitions, and align incentives to solve problems locally. If we accept that effectiveness or performance is a function of state-led efforts to frame issues and build coalitions to overcome collective action problems, it has the implication that efforts to make those state structures more effective are more about how they can spur collective action than how they are comprised – it suggests different performance areas of relevance and particularly an emphasis on looking at how a public sector actor succeeds in framing issues and building coalitions broadly rather than in carrying out specified tasks.

7. [The Organizational Performance Index](#) – This tool, attached, highlighted at the HICD Pro launch and seen as a key monitoring tool for Local Solutions, aims to fill a gap between typical efforts at capacity development and the longer-term results that those efforts seek to help organizations achieve. Specifically, by clarifying and articulating expectations around organizational performance, it looks at the most relevant intermediary measure in most theories of change between inputs and high-level results. It uses a broad set of four domains of performance, based on an IDRC/Universalia framework, that capture diverse

organizations' areas of work: efficiency, effectiveness, relevance, and sustainability. Because it focuses on performance in areas consistent with best practice in capacity development of going beyond narrower short-term results, it can capture changes – both intended and unintended – that are about organizational adaptiveness and resilience rather than just execution of projects. Yet the value-added of a common indicator protocol for monitoring is that it starts to allow some comparability, even if imperfect, for capacity development and other efforts that yield performance change at organizational level, in ways that evaluations or narrative reporting do not. It's a very promising common denominator that respects the diversity of partners and approaches we use yet lets us identify more patterns and learn better from reviews in aggregate.

8. [Learning Purposefully for Capacity Development](#) – This examination of public sector education capacity development carried out for UNESCO notes that capacity development is often conducted with an eye toward sustainable long-term changes, resulting from a constellation of smaller changes in different areas such as rules, incentives, power, and coordination that are often intangible. Yet M&E has tended to focus on short-term outputs of clearly visible changes. Because we expect capacity development to progress in nonlinear ways, we should incorporate into our monitoring of it an attention to unexpected outcomes, both positive and negative, and ways in which capacity development efforts linked to them. They also note that M&E of capacity development should consider whether the capacity development actors took into account local perspectives and ongoing learning. Boiled down, they are arguing that a large proportion of effective M&E of capacity development is about the quest for learning what is worth measuring rather than starting from what can most easily be measured. They also note the value of capturing narratives around changes can be distinct from the value of simplified metrics of change, even when they describe the same change in process or behavior, by helping to understand the significance of that change.

9. [Capacity, Complexity, and Consulting](#) – This article is a review of capacity development practice with recommendations to both consultants and to donors. For consultants, it emphasizes understanding that capacity is political, heavily dependent on ownership, and so efforts require some up-front negotiation over roles and responsibilities as well as attention to relationships. It also strongly recommends incorporating multiple disciplines and local perspectives to support outcomes. For donors, it emphasizes that support for capacity development should be flexible and long-term, promote client ownership, appreciate that capacity is multidimensional, and requires support to partners to take control and steer work toward the outcomes they think are most needed. It also gives recommendations for how funders should support consultants/outsiders who conduct capacity development, strongly recommending against "project management units" that manage work without being deeply embedded in the organization, and suggesting that funders assess capacity developers according to how best they interpret and respond to the circumstances they meet during the project – that is, their ability to improvise – rather than with regard to delivering set outcomes they have limited control over.

10. The paper from the Country Systems Strengthening Experience Summit on *[Beyond Human and Organizational Capacity Development](#)* offers an interesting perspective on

the historical emphasis on capacity development within USAID, moving from individual to organizational to wider levels. I think that its most interest aspects are probably in its recommendation that capacity development efforts should be situated in a systems perspective, with a number of aspects of a successful case example listed that show the linkage between diverse work with organizations and a consistent set of goals and approaches to the broader system. It also contains a useful review of some of the evaluations of USAID's capacity development work, finding that: "An admittedly unsystematic review of the program evaluations found a pattern of capacity building projects being criticized for not being sufficiently results-oriented and implementation projects for paying insufficient attention to capacity and sustainability. Evaluation indicators of organizational capacity development have tended to be either measures of short-term performance (deliver activities), or reflect organizational infrastructure such as operating manuals, policies, governance structures, or similar elements…Although evaluations of USAID capacity building programs have reported a range of positive, neutral, or even negative impacts, the focus is most often on low level operational issues (they did this right, they did that wrong) or structures rather than looking at capacity. There is a substantial—almost exclusive—inward focus on the organization itself, rather than the organization in the context of the larger political, cultural, and institutional system. Lost in this process is an understanding of how these organizational investments may have contributed to substantive system strengthening." In other words, our narrow focus on internal function may mean that even in evaluations, we do not perceive the connections between organizational capacity development and systems change.

11. *FAO's Learning Module* is a comprehensive approach to their own organizational capacity development work. Notably, it cites the same domains of organizational performance from IDRC/Universalia (page 87) as the Pact OPI, linking each area to a number of potential suggested indicators. It's a very good review of potential M&E methods, and very helpful to an M&E practitioner looking to support monitoring of capacity development efforts with multiple tools. I also would highlight a table from their own experience on how they define enhanced, as opposed to traditional, capacity development in their programming with different counterparts and levels, which is copied below.

12. The World Bank's Capacity Development Results Framework – This document represents a thoughtful effort at creating a step-by-step guide for the Bank at the design and M&E of efforts incorporating capacity development. Although it is a bit more rigid than some of the approaches listed above, it embeds a multifaceted perspective on capacity development in how it is supposed to be applied – with counterpart validation of the goals and objectives of capacity development, effectively articulating the theory of change for that effort. It also incorporates a much more learning-focused M&E process than is typical for World Bank efforts. They cite three universally-relevant capacity factors, conduciveness of the sociopolitical environment, efficiency of policy instruments, and effectiveness of organizational arrangements, through which to understand capacity, albeit at a systems level rather than an organization. They also include a thorough review of different types of evidence of capacity change and review of monitoring methods in their annexes.

13. The *Discussion Note on Complexity-Aware Monitoring* – This discussion paper covers a number of techniques that can be used for complexity-aware monitoring to complement traditional indicator frameworks, including process monitoring of inputs, outcome harvesting, most significant change, stakeholder feedback and sentinel indicators. If you agree with the idea that core elements of capacity development are self-directed and not knowable at the outset of the process, capacity development is understood as operating in complex ways. Complexity-aware monitoring assists in such situations by helping us to: synchronize monitoring with the pace of change; attend to performance monitoring's three blind spots (broader range of outcomes associated with the intervention or system including unintended ones; alternative causes for outcomes seen stemming from other actors and factors; and the full range of non-linear pathways of contribution); and consider relationships, perspectives, and boundaries. As a result, this paper is very relevant in considering specific, practical ways to conduct robust monitoring – these methods would improve the monitoring of pretty much any meaningful capacity development effort.

14. The Learning Network on Capacity Development (LENCD) also has issued a useful list of additional resources for capacity development that covers a number of additional resources worth reviewing; together with the list included in the *Capacity, Change and Performance* study, this is a great resource of key documents with the advantage of hyperlinks to them.

15. The article "What is Governance?" by Francis Fukuyama provides a useful set of considerations around government effectiveness and performance measurement and related empirical measures, although these aim to describe governance at the level of an entire government, which is a system rather than an organizational characteristic. They are nonetheless useful background in looking at the systemic aspects of governments that are considered important to scholars of public financial management and public administration, in particular, the need to focus on procedural and autonomy measures as well as core functions (highlighting taxation and professional credentials of bureaucrats) in order to define capacity of states to act, which then in turn interact with wider societal features to produce broader outcomes such as education, health, justice, etc. This framing helps to connect some types of work supporting the capacity or performance of individual public sector organizations in terms of public administrative function to development outcomes through a particular logic model, and point toward indicators to be used to measure at different points along the chain.

16. A related research note by Nick Manning and Jordan Holt entitled "Fukuyama is Right about Measuring State Quality: Now What?" further disaggregates executive branch performance into two domains, upstream central government bodies that establish credible rules, credible policy, and resource adequacy and predictability for other entities across sectors; and downstream bodies that then operate within the parameters established to provide services, manage public investments such as infrastructure, and regulate social and economic behavior. The article reinforces Fukuyama's argument that state capacity, as a broad outcome, is best measured by focusing on internal measures of

procedure, taxation/professionalization, and autonomy that look at either central (upstream) agencies in terms of procurement, public financial management, tax administration, public administration and civil service, and public information; or at downstream agencies in terms of translating inputs into performance. In either case, government performance interacts with other factors to produce wider outcomes of interest. It furthers the measurement considerations from the former by expanding on the logic model when supporting changes in central agency function – that is, it suggests that work to improve the performance of central government agencies can be expected to result in more credible rules, credible policy, or resource adequacy and predictability for downstream agencies, who would translate that operating environment into their own performance improvements spurring improved sectoral outcomes.

Box 1: Monitoring and evaluation of capacity and capacity development

M&E of capacity and capacity development - Summary of points raised in this report

1. Capacity and capacity development are different from other developmental objectives, and this has implications for how they can be monitored

- Capacity development is *both a means and an end* of development.
- It is a *non-linear process* that is unstable and changeable.
- Monitoring it means assessing *complex issues*.
- Monitoring of capacity and capacity development therefore need to be based on *good analysis* and *realistic expectations*.

2. What are we monitoring and why?

- We cannot concentrate on performance alone but need to monitor *all five dimensions of capacity* - (i) the willingness to act, (ii) the capability to generate results, (iii) the capability to relate, (iv) the capability to adapt and self-renew and (v) the capability to achieve coherence.
- This means assessing:
  - *Issues which often have little specificity or visibility*, such as legitimacy, operating space, relationships, volition, motivation and trust
  - *Long-term processes*
  - *Contextual factors* such as political governance and power
  - *Empowerment*
  - *Capacity at different levels*

3. How should we monitor capacity and capacity development?

The M&E of capacity and capacity development should:

- Assess *all five dimensions* of capacity together (they interrelate)
- Use *qualitative* as well as quantitative tools
- Use *long-term* indicators, and assess capacity and capacity development *at the right moments* (not make judgements too early)
- Use *common indicators* agreed between the development partner and the supporting organisation. This means reaching agreement on what needs to be monitored.
- Use a *manageable number of indicators* (avoid the decapacitating effect of too many indicators)
- Use *participatory* approaches
- Use and promote *national M&E systems* wherever possible
- Use *local accountability mechanisms* where they exist

4. What should M&E achieve?

- M&E should be *learning-friendly* and *promote positive change*. This requires more focus on M&E as tools for learning and guidance and a *greater acceptance of risk and failure* in capacity development (both are important for learning)
- M&E should develop (not impede) the *capacity of development partners*.
- M&E should serve both *endogenous* and *external accountability needs*.

The *M&E framework* resulting from the above should be *participatory and owned*. Given that capacity development activities are very different from each other, it should also be *flexible*. Rather than proposing a "one size fits all" straitjacket, development organisations should focus on providing guidance on developing the relevant indicators to allow partners to adapt the M&E framework to their needs.

Enabling factors for M&E of capacity	Complicating factors for M&E of capacity
- Specificity - Visibility	- Complexity of CD - Much of capacity about soft issues - difficult to assess - Difficulty of establishing plausible links - Need to monitor long-term processes

The 5 Capabilities or "5 C's" Framework

1: The capability to survive and act	• Is planning followed by effective implementation and monitoring? • Are decisions taken and acted upon? • Has operational autonomy been achieved and does it have a beneficial effect on the organisation or system in question? • Are staff managed pro-actively and encouraged to do their best? • Is the system oriented towards effective action? • Is the integrity of the organisation, its leadership and staff widely accepted? • Is the organisation or system capable of mobilising adequate human, institutional and financial resources? • Has the organisation or system developed the necessary core competencies to do its job well? • Has the organisation or system invested in the enthusiasm of all stakeholders? Is this enthusiasm sustained over time?
2: The capability to generate development results:	• Has value been generated for partners and beneficiaries? • Does the organisation or system produce substantive outcomes, as applicable to its mandate, i.e. better health and education; gender equality; sustainable natural resource management and/or livelihoods, etc.? • Have public institutions and services been strengthened? • Does it help improve the sustainability of development results? • Does the organisation or system offer the best possible service to the largest possible number of people at the lowest possible cost?
3: The capability to relate	• Is the organisation or system seen as legitimate in the eyes of its supporters and stakeholders? • Have coordination and complementarity been achieved with key partners? • Is the organisation or system accountable to beneficiaries, partners and donors? • Have strong working relationships been developed with friends, partners and stakeholders and are these being maintained? • Has adequate operational autonomy been achieved? • Is there a balance between different branches and levels of operation? • Are knowledge and experience networked and shared with partners

4: The capability to adapt and self-renew	• Does the management encourage and reward learning and exchange? • Do participants demonstrate the ability and discipline to learn and absorb new ideas? • Is change positively valued? Is a fruitful balance maintained between stability and change? • Is the organisation or system able to continuously adapt and respond to changing opportunities and threats? • Is the organisation or system able to assess trends or changes and anticipate these effectively? • Is the organisation able to self-assess, learn and develop its capacities on a permanent basis? • Does the organisation or system register, analyse and absorb the 'changing waves of time'?
5: The capability to achieve coherence	• Have a shared vision and strategy been developed? • Are the organisation's or system's operations governed by a well-defined set of simple rules? • Is the leadership intent on and committed to achieving coherence within the system? • Has a clear identity been established, related to the organisation's or system's core mandate and interests, and is it maintained? • Have diverse structures inside the organisation or system been sufficiently integrated?