CAPACITY DEVELOPMENT FOR IMPACT:

Where is the Evidence?

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ABSTRACT

Capacity development is increasingly seen as the sine qua non *of successful development. Yet despite the growing commitment to show results, documented examples of its impact are hard to find. This paper went in search of available evidence and reviewed 29 case studies of capacity development from three development organisations. Its conclusion is that development organisations and donors need to move away from their narrow focus on accountability to a broader focus on mutual learning. They should also stop looking for the perfect measurement policy and start measuring instead.*

1. INTRODUCTION

Supporting capacity development[1] is a priority of the development community. In recent years, an estimated US$ 15 billion a year, or about a quarter of total development aid, has been spent on 'technical cooperation' and approximately 90% of international NGOs engage in some form of capacity development support (OECD, 2006: 7 and INTRAC, 2006: 2). But despite, or perhaps in spite of, the magnitude of these inputs, capacity development remains an ill-defined concept and its impact hard to measure.

From the mid-1990s, when capacity development was welcomed as a key to successful and sustainable development, until about a decade after, attention focused on understanding the nature of the concept and how best to support the processes involved. Development organisations invested in elaborating *their* definition of capacity development and an accompanying set of guiding principles that would make it work. Ownership became an integral part of the vocabulary.

With the adoption of the Millennium Development Goals in 2000 and their renewed endorsement in 2005, the focus began to shift. The Goals provided the development community with a common framework for their activities and a measurable set of indicators against which to assess performance. This reinforced a results-oriented approach to development that looks beyond the input-output relationship to assessing the impact of interventions. Success is not just evaluated in terms of the number of schools that are built or the number of people that attend school, but in terms of improvements in a country's literacy rate. Similarly, it is argued that the results of capacity development support should not be evaluated only in terms of the number of trainings or advisory days provided but in terms of the extent to which people receiving support use their newly acquired skills and knowledge to promote development and, as a consequence, enhance opportunities for the poor, be it through greater access to basic services or income and employment generation.

This is where the shoe pinches. In contrast to old-fashioned projects, which are time-bound, and have clear expected outputs, capacity development is a long-term process, whose outcomes and impact are difficult to predict at the outset and often hard to 'quantify'. But this does not stop capacity building agencies from being accountable towards their constituencies and donors. A growing number of organisations are therefore taking on the difficult task of compiling 'evidence' on the impact of their work through evaluations, result measurement exercises and case studies.

This paper offers a quick review of the fruits of these efforts. Starting from the assumption that capacity development *can* indeed lead to impact and that development organisations are committed to showing this, it presents the findings of a qualitative desk review of 29 case studies presented by three development organisations.

To frame the discussion, the paper will first introduce the concepts 'capacity' and capacity development and will review the existing literature on impact measurement.

2. A MURKY AND MESSY BUSINESS

There are about as many definitions of capacity and capacity development as there are organisations to support it[2]. This diversity results from the elusive nature of the concept and the lack of a tested body of knowledge to validate what is 'real' or 'effective' capacity development. In the absence of a rigorous framework, organisations develop definitions and interpretations that best cover their ideas and approaches, but that are relatively abstract and offer few clues to the concrete activities and processes that can be employed to support capacity development. Some hint that this may not be accidental; 'its rubberised

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[1] In the literature, the terms capacity development, capacity building and capacity strengthening are often used interchangeably. Although very similar, there are slight nuances in their connotation. Capacity development is used to describe the process of creating and building capacities, as well as the (subsequent) use and retention of (such) capacities (Lopez and Theisohn, 2003). This process is seen as endogenous. Capacity building is less comprehensive and focuses only on the initial stages of building or creating capacities. It 'suggests a process starting with a plain surface and involving the step-by-step erection of a new structure, based on a preconceived design' (OECD, 2006). Capacity strengthening is similar to capacity development in that it refers to the entire process of creating and retaining capacities, but differs in that it seems to consider this process to be exogenously rather than endogenously driven. In this paper, the term capacity development will be used.

[2] In a recent paper, INTRAC provided a definitional typology of capacity building that ranged from 'developing core skills and competencies' to 'enhancing the ability to evolve and adapt to change' (Hailey and James, 2006: 3).

qualities give practitioners and planners the flexibility to stretch it to cover a range of circumstances' (Morgan, 2006: 5).

Box 1: Defining Capacity and Capacity Development

'Capacity is that emergent combination of attributes, assets, capabilities and relationships that enables a human system to perform, survive and self-renew' (Watson, 2006: vi).

'Capacity is understood as the ability of people, organisations and society as a whole to manage their affairs successfully. Capacity Development is understood as the process whereby people, organisations and society as whole unleash, strengthen, create, adapt and maintain capacity over time.' (OECD, 2006: 8).

'Capacity building is fundamentally a human process of development and change that involves shifts and transformations in relationships and power'. (INTRAC, 2006: 6).

'Capacity is the ability of individuals, institutions and societies to perform functions, solve problems and set and achieve objectives in a sustainable manner. Capacity development is the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time'
(UNDP, 2006: 3).

'Capacity is the ability of individuals, institutions, and societies to solve problems, make informed choices, define their priorities and plan their futures' (World Bank website).

Despite all the 'murkiness', there is a growing consensus that capacities are more than the sum of skills and knowledge and that capacity development takes place at three distinct but inter-related levels: individual, organisational and enabling environment[3]. Agreement is also developing on how best to support it[4].

In the past capacity development support was often equalled to training, training of trainers, study trips and improved access to information, but experience seems to show that such stand-alone activities, though important, are insufficient to ensure sustainable capacity development[5]. To be sustainable, capacity development support needs to involve a long-term change process that is owned by those involved, context-specific and that is as much about changing values and mindsets[6] as it is about acquiring new skills (OECD, 2006)[7]. It is not power neutral (James and Wrigley, 2006: 7) and requires constant learning and adaptation. It is also increasingly argued that a capacity development support process should start with a diagnostic exercise to determine the desired development result and assess which capacities require strengthening to achieve this result, be it at the level of the individual, organisation or enabling environment (UNDP, 2006). Since capacity development is not a linear process, this benchmarking exercise has to be repeated at different points in time to adapt the approach taken and to allow for accurate monitoring of outputs[8], the evaluation of outcomes, and the assessment of impacts achieved. The latter especially continues to be the subject of much debate and confusion.

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[3] Refer for example to UNDP's Practice Note on Capacity Development (UNDP, 2006: 4) or OECD/DAC (2006: 10).
[4] This is exemplified, for example, by UNDP's oft-cited '10 default principles for capacity development', which came out of its influential 'Reforming Technical Cooperation' study in 2003 or the reference document on capacity development of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (UNDP, 2003)
[5] Most of the materials on capacity development seem to be written by development practitioners or consultants, not academic researchers, and these trends are not necessarily based on 'objective' evidence but on the interpretation of documented experiences, often through trial and error.
[6] The term 'mindset' is used here to refer to the willingness or openness to learn and adapt. UNDP (2003: 9) states explicitly that 'in many ways development is a transformation of society that calls for major changes in mindsets. While individual and institutional capacities are important, tapping these capacities has much to do with the social and cultural arrangements that dominate thinking in society.'
[7] The OECD/DAC notes, for example that 'until recently capacity development was viewed mainly as a technical process, involving the simple transfer of knowledge or organisational models from North to South' but that it is now increasingly clear that 'capacity building would be ineffective as long as it was not part of an endogenous process of change'. However, a recent study of international NGO engagement in civil society capacity development found that between 50 – 60% of organisations still placed a high emphasis on training and technical assistance while 40 – 50% 'reported a high priority for methods focused on the relational, such as information sharing, strengthening networks/coalitions and facilitating networking/peer exchange opportunities' (INTRAC, 2006: 7).
[8] 'Monitoring is a continuous function providing managers and key stakeholders with regular feedback on the consistency or discrepancy between planned and actual activities and programme performance and on the internal and external factors affecting results. Information from systematic monitoring serves as a critical input to evaluation.[…] Evaluation is judgment made of the relevance, appropriateness, effectiveness, efficiency, impact and sustainability of development efforts, based on agreed criteria and benchmarks among key partners and stakeholders.' (UNDP, 2006:5).

3. DEMYSTIFYING IMPACT

Whether through the provision of project support, capacity development support or both, the ultimate aim of development organisations – the desired impact – is to increase opportunities and chances for the poor[9]. Development support is not given for support's sake and capacity development is not an end in itself[10].

Since the majority of organisations working in development are governmental or not-for-profit and provide their services free of charge, they are dependent on external funding to carry out their work. In return for financial support, they agree to achieve a certain development result and to provide 'evidence' that they have done as agreed. Monitoring and evaluation are central inputs to this relationship[11].

In the case of project support, the link from inputs to impact[12] is perceived to be linear[13] and hence relatively straightforward to capture. To give an example, the United Nations Capacity Development Fund (UNCDF, 2001: 6-7) assisted the Government of Bhutan to improve the human development situation in the eastern part of the country and more specifically, 'to increase the literacy rate through a larger primary school enrolment (especially of girls) from the current 57.9% of primary-school-age children (aged 6-12 or above) to the projected 81% in 1997; and to extend primary health care coverage to the entire population by improving the network of Basic Health Units, and thereby, to enhance the life expectancy noticeably by cutting the infant mortality rates.' To achieve this desired 'impact' a number of project *outcomes* were proposed including 'to increase primary school enrolment and extend primary health care coverage in rural areas by expanding the network of primary schools and Basic Health Units' in 6 *dzongkhags*. For this, the project would reconstruct, construct and rehabilitate 14 primary schools and 15 basic health units, develop a community-based maintenance system and strengthen the engineering capabilities of the targeted *dzongkhags* (its expected *outputs).* The key *input* would be a financial contribution from a range of donors, totalling US$ 3,630,731.

When it comes to capacity development, the story is more complex and it is less straightforward what and how to measure[14]. Although the basic logic is the same as for a regular project (inputs should lead to outputs, should lead to outcomes, should lead to impact), the process is not necessarily linear and takes place across several levels (individual, organisational, societal) and over a long period of time. 'Impact assessment is often confused with monitoring a programme's outputs or evaluating its immediate objectives or outcomes' (INTRAC, 2005:7)[15]. Despite advances in capacity diagnostics and evaluation methods[16], capacity and capacity development remain difficult to define and measure[17].

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[9] In keeping with the theme of the panel, such opportunities can be in the form of income and employment generation of improved access to basic services.

[10] UNDP's 2003 Development Effectiveness Report writes: 'to understand development effectiveness, then, it is important to focus on both the *acquisition* of capacities and on their effective *application* to advance human development' (UNDP, 2003). Morgan (2006) contests this position: 'capacity must be seen both as an end in itself and as a means to other development objectives. Indeed, we see the strategic mindset that treats capacity as an end in itself as a crucial component of any serious effort to improve the ability of people and organisations to do things better.'

[11] The relationship described here is generally known as 'upward' accountability; 'downward' accountability is used to refer to the relationship between a development organisation and the recipients of its services. Evaluations and impact assessments can play a number of different roles (for example, organisational learning, quality improvements, communicating), but are most commonly used as an accountability mechanism. This 'emphasis on performance and results has [….] made assessing the impact of capacity building a risky business for the organisations involved since, unless the outcomes are de-coupled from funding considerations, it can put them in a potentially vulnerable position. Power dynamics therefore play a significant role in impact assessment, whether explicitly or implicitly, which has led many organisations to perceive impact assessment as an externally imposed mechanism of control and accountability.' (Hailey, James and Wrigley, 2005: 5)

[12] Also referred to as the development objective or overall goal of a project.

[13] The most common framework to capture this relationship is the logical framework which 'posits a logical interrelationship between inputs and activities, outputs, intermediate objectives or outcomes and 'welfare' outcomes (sometimes called impacts). The causal chain of any intervention is the key to its systematic monitoring and evaluation'. (Watson, 2006: 3)

[14] According to the 2005 OED evaluation of the World Bank's support for public sector capacity building in Africa, even the Bank 'does not apply the same rigorous business practices to its capacity building work that it applies in other areas'. 'Most activities lack standard quality assurance processes at the design stage and they are not routinely tackled, monitored and evaluated' (World Bank, 2005; viii).

[15] The OECD reaches a similar conclusion when it writes that 'evaluations of capacity development programmes in the past are full of examples where the capacity development outcomes being sought by a programme were never clearly articulated. Instead the programme was defined largely by the inputs provided or easily quantified outputs (numbers of staff trained, etc.) (OECD, 2006: 28).

[16] The European Centre for Development Policy Management carried out a mapping exercise of approaches to monitoring, evaluation and reporting of capacity and capacity development. The mapping covered 17 tools and guidelines, but none explicitly addressed the link with impact (ECPDM, 2006).

[17] Performance is often used as a proxy measure for capacity. Although the two are interrelated, they are not synonymous. Mizrahi gives several reasons why capacity and performance should not be treated as equal. (Mizrahi, 2004: 4-5)

In addition to such definitional issues, there is the challenge of plausible association, especially when there are several players involved. The Danish bilateral agency Danida invited a group of consultants to develop a 'capacity development outcome methodology' to evaluate Danida's contribution to capacity development. The methodology was tested on two of its programmes in Ghana: the water sector programme and the decentralisation programme. In the former, the evaluation focused on one organisation: the Community Water and Sanitation Agency (CWSA), which had received Danida support in the period 1998 – 2004 in the form of technical assistance, staff development training opportunities, and funding to support organisational development and the organisation's facilitation role. Although the evaluation concluded that Danida's support had led to changes in both outputs and outcomes (the evaluation did not look at impact), the team concluded that these changes had been influenced by both internal and external factors and although Danida's support to capacity development 'has been significant it does not account for all the changes in output and outcomes. Inputs from other sources, such as the World Bank, the Government of Ghana and the CWSA's own efforts have all contributed to the changes' (Larbi et. Al., 2004: 11).

Since impact is still one step further removed from inputs than outcomes, it is even more difficult to attribute changes at the impact level to the support of one particular organisation. This, in combination with the long-term nature of capacity development and the fact that takes place at various levels, poses serious challenges for its measurement.

4. SO WHAT *DO* ORGANISATIONS MEASURE?

Given these challenges but at the same time the need to show development results, how are development organisations trying to show that capacity development support leads to impact?

Multi-lateral, bilateral and non-governmental organisations tend to define what they will measure, how they will measure and when they will measure in an evaluation policy or result measurement framework. Based on this, they carry out evaluations of their programmes, whether conducted by in-house evaluation offices or external consultants. Some of these evaluations look specifically at capacity development, such as the DANIDA evaluation mentioned above or SNV's evaluation of its local governance programmes in West Africa (SNV, 2005), others mention capacity development only in passing. What becomes clear from a quick scan of the literature is that the conceptual understanding of what activities contribute to capacity development are very varied – ranging from on-the-job advisory services to financial support for training courses – and that they have a hard time saying something meaningful about changes beyond the outcome level (which in some cases is referred to as the 'impact' of the programme).

The current research therefore turned to a more qualitative – and in many cases more subjective – way of documenting results: case studies. Starting from the assumption that capacity development *can* lead to impact and that development organisations are committed to showing this, it tried to assess whether there are case studies available that document this causal relationship. The focus on case studies was motivated by two factors. First, case studies are often used to showcase results or promote learning so it was expected that they would include something on the question of impact. Second, other than case studies, there was simply very little material available to get an idea of what organisations are *really* doing and how this contributes to impact. Policy papers and guidance notes abound, but these often present the ideal case scenario rather than what is actually happening on the ground.

Methodology
The analysis in this paper is based on a desk review of 29 case studies presented by three organisations involved in capacity development. The research was limited to materials that were available through the public website or shared with the author by email. It does not intend to show whether one particular organisation is doing particularly well or particularly poorly when it comes to the evaluation of results, but to get an overall sense of what efforts are being made. The paper also does *not* try to distil how, why or what capacity development leads to impact but takes the belief that capacity development *can* lead to impact as a given.

The three organisations included in the case study review were selected for their focus on capacity development, the availability of case material, and the fact that they each looked at different levels of capacity development:

- SNV Netherlands Development Organisation - SNV is an international NGO with a field presence in 33 countries in Asia, Africa, Latin America and the Balkans. Its local and international advisors offer capacity development support to organisations active at the meso-level (in between the national and the grassroots level), be they governmental, non-governmental or private sector. The aim is to strengthen

capacities that will allow organisations to achieve impact in income and employment generation or access to quality basic services. The organisation is currently revising its result measurement policy to support the implementation of its new strategic plan 2007 – 2015. Having worked for SNV since 2003 and having been involved in the roll-out of its result measurement policy in Benin, it seemed a logical choice to include SNV in the analysis.

- Intrac Praxis Programme - This programme from the UK-based organisation Intrac aims to increase the effectiveness of civil society organisations through knowledge creation and brokering related to organisational capacity development. One of its key topics is to improve evaluation and impact assessments of capacity development efforts. Since 2001, the programme has supported the development of a number of analytical papers and case studies on this topic. It also developed the 'ripple model[18]' which has been influential in shaping the understanding of the link between output, outcomes and impact. SNV's result measurement policy has been based on this ripple model.

- The European Centre for Development Policy Management – In 2002, the Centre was asked by the Development Assistance Committee of the Organisation for Economic Cooperation and Development to undertake a study of the relationship between capacity, change and performance in order to identify what factors encourage capacity development, how it differs from one context to the next, and why it is successful in one context and not in others. In addition to a series of analytical papers, a number of in-depth case analyses were conducted of capacity development at the organisational and systemic level.

There were no systematic criteria for the selection of case studies other than that they were publicly available and had been written to document capacity development (though not necessarily impact). The selected cases – 29 in total – were subjected to a qualitative review to evaluate the kind of activities described, the period covered and whether or not mention was made of impact.

Limitations of the research
Being a desk review, this paper is subject to the limitations inherent in this type of research. First, determining the extent to which evaluations or case studies are an accurate reflection of on-the-ground realities is, by definition, beyond the scope of this paper. Also, the case studies covered in this research were written for different purposes and so it was not possible to carry out a comparative analysis.

Second, due to time constraints, the scan of evaluations was limited and random and cases from only three organisations have been reviewed. These may not be representative of the development sector as a whole.

Finally, the field of 'impact assessments' is in constant flux as development organisations continue to adapt and improve their evaluation policies (sometimes in response to changing donor demands) and new materials become available. This paper is therefore not more than a snapshot judgment.

5. LOOKING FOR EVIDENCE

The table below provides a quick comparative overview of the three groups of case studies covered in this paper. A more detailed description is presented under each group.

Table 1: Summary of the Analysis

	# of cases	Objectives of the cases	Time period covered by the cases	Methodology used	Who wrote the case?
Group 1: Showcasing development results	19	Part of a corporate effort to document the effective-ness of SNV's work and showcase value-added of its impact.	Between 1 and 10 years with the majority between 2 and 3 years.	A template was offered to the authors. Cases were based on personal experiences and observations.	All cases were written by SNV advisors

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[18] This issue of association is illustrated well by the analogy used in the 'ripple model' (James, 2001: 8) to measure the impact of capacity development support. It describes capacity development support as a drop of rain that lands in water. The ripples produced by this drop flow outwards 'to bring about changes at the internal **organisational level** of the client and then ultimately to the **level of the beneficiaries** of the client. The size and direction of the ripple is influenced by (and in turn influences) the **context** in which it moves. Just as a ripple becomes smaller and more difficult to see the further out it goes, so it becomes more and more difficult to attribute any changes at beneficiary level to the original CB [capacity building] intervention.'

Group 2: Testing methodologies	5	Prepared as part of a study on capacity development monitoring and evaluation and to document 'success stories' of capacity development.	Between 3 and 10 years.	Various methodologies were used including 'most significant change', semi-structured interviews, workshops and secondary data.	Three were written by Praxis staff but with inputs from the organisations reviewed; two by practitioners from the organisations reviewed.
Group 3: Understanding performance	5	Prepared as part of a broader study on capacity development to promote learning and reflection.	Between 5 and 10 years.	Desk studies and in-depth interviews with stakeholders	ECDPM staff who were not involved in the organisations reviewed.

Group 1: Showcasing development results
Group 1 contains 19 cases written by SNV as part of a corporate effort to document the effectiveness of a development organisation's work and showcase the value-added of its approach. Each of the cases followed a similar template that encouraged authors to describe the context, the organisation receiving support, factors constraining or facilitating the performance of this organisation and the kind of support provided. At a deeper level of analysis, authors were asked to look at enhanced capacities and consequently performance and to describe how this enhanced performance contributed or is likely to contribute to poverty reduction. The authors were advisors working for the development organisation and the cases were based on their personal experiences and observations. The cases came from different regions and countries and covered a number of sectors, including tourism, forestry, market chain development, and local governance but focused on 'meso-level' organisations.

Key characteristics of this group:
- The cases covered periods ranging from less than one year to almost 10 years, with the majority of cases focusing on support activities that had been ongoing for 2 – 3 years.
- There was a strong emphasis on documenting and quantifying what was done, for example, the number of workshops organised and the number of people that attended those workshops, as well as on describing the desired outcomes such as improved ownership and capacities.
- The cases were short and little attention was given to an analysis of the context in which the intervention took place.
- The word 'impact' featured in three cases, which were all related to income and employment generation. In two of the cases, an independent survey had been carried out to evaluate the impact of the programme. Of the remaining 16 cases, more than half observed a change in performance of the organisation that they had supported, in terms of strengthened capacities, but did not always provide the arguments to support this claim.

Group 2: Testing methodologies
The second group contained five cases from the Praxis programme. Three were written as part of the programme's work on capacity development monitoring and evaluation. Two had been prepared for a conference to show 'success stories' of capacity development. They looked specifically at organisational capacity building of civil society organisations with a focus on Africa.

Key characteristics:
- The cases cover programmes that have been running between 3 – 10 years.
- All of the cases are characterised by a participatory approach to evaluation, an openness to learn from the experience and a predominantly qualitative review.
- One of the cases described the start of an impact evaluation process but acknowledged that the one-day evaluation workshop had been too short to verify if policy changes had led to impact and to cross-check information.
- A second case provided a far more detailed analysis of a four-year programme and the change in performance of the organisation, with some hints at impact.
- A third case described the story of a capacity development programme that was evaluated after three years, turned out to have failed, was subsequently re-designed and led to improved performance and some impact.

Group 3: Understanding performance
Five cases from the ECDPM study were reviewed. They were not meant to evaluate capacity development, but to stimulate learning and reflection. Some of the cases focus on changes in an entire sector such as education; others focus on a single organisation. Both external capacity development programmes and national capacity development programmes are reviewed. They were written by external consultants or researchers that were not in any way involved in the programmes or activities covered.

Key characteristics:
- The cases all cover a significant period of time, ranging from 5 to 10 years, and are based on a combination of desk studies and in-depth interviews with stakeholders.
- The analyses paid a lot of attention to contextual factors influencing capacity development, including policy reforms, the role of different stakeholders and the influence of external interventions.
- Since the cases did not necessarily look at external support for capacity development, less attention was paid to this element.
- In spite of their comprehensiveness, the long period covered, and the systems perspective, none of the cases tried establish the link between capacity development and impact. This, it was argued, only becomes apparent in the long-term. The cases did, however, try to evaluate improved 'performance' which is the key precondition for impact.

6. SEARCHING FOR AN EXPLANATION

The 29 cases reviewed for this paper offer a mixed picture, but none succeeded in making a hard case for the impact of capacity development support. The cases that came closest to documenting impact were the ones that have used a participatory approach, whereby the different stakeholders involved – both the organisation and its beneficiaries – were included in the review, and that focused on learning from experience, rather than showcasing results. They included detailed descriptions of the context in which capacity development took place and tried to evaluate how this influenced its effect, and in some cases impact.

Though the material covered in this paper is just a small and imperfect sample that does not offer more than a snapshot of what may be available, what factors can explain the seeming scarcity of evidence of how capacity development contributes to impact?

Capacity continues to be murky business...
As argued in section 2, until a few years ago, there was a tendency to classify every activity involving the transfer of knowledge or skills as capacity development. Whether it was a one-day workshop, a stand-alone training, all where lauded for leading to improved performance. Important advances have since been made in understanding the 'what' and 'how' of capacity development, but this only seems to have complicated the result measurement debate as it led to an understanding of capacity development as a long-term process, that involves different levels and concerns intangibles, such as mindsets. Consequently, capacity continues to be a fluid concept that is difficult to grasp:
- It is not easily quantified and capturing performance, which is sometimes used as a proxy indicator, is not perfect and can seem equally daunting.
- Lack of baseline data can aggravate the challenge, though one of the cases reviewed showed that useful information can also be collected without a formal capacity assessment at the beginning of the process and argued that 'it is much better for us to start to do some things, albeit 'quick and dirty' and subject to qualification, than to debate endlessly on the frightening complexity of evaluating capacity building' (James, 2005: 8).

...whose results may only become visible in the long run...
In addition to capacity being 'fluid', capacity development is a long-term process and its impact is likely to be felt only after a few years.
- Measuring the impact of support therefore requires being involved with an organisation for a substantive amount of time, to monitor changes on a regular basis, and to be able to attribute (some) of these changes to the support provided. Unfortunately many organisations cannot afford to do this. They are expected to show results and to show them quickly if they want to secure their funding base.
- Most donors have a funding cycle of 3 – 4 years and expect to receive an annual assessment of results achieved. But this is too short for impact to show. As a consequence, many development organisations have settled for measuring the outputs and sometimes the outcomes of their work and describe what impacts they aspire to achieve, without ever coming around to measuring this.

...and are strongly influenced by contextual factors

The discussion on plausible association in section 3, already mentioned the challenges in attributing change to capacity development and this will continue to complicate impact measurement. For no matter what outcomes a capacity development programme may have produced at a certain point in time, it will largely be dependent on contextual factors whether these results will lead to sustainable impact and many of these factors will be unintended (think for example of a natural disaster or an economic boom because of a surge in commodity prices). This calls for some amount of modesty on behalf of development organisations when defining the desired impact of their efforts and the indicators to measure this.

Measuring capacity requires capacity...

That development organisations have not moved forward may also be due to their own limited capacity to measure results.

- Large bilateral and multilateral organisations have special evaluation offices tasked with developing evaluation policies and conducting evaluations, but judging from what is available, few seem ready to conduct the type of qualitative evaluations needed to measure capacity impact.
- Smaller organisations sometimes involve their field staff in evaluating results, but they may not have the capacities to use the different tools and methodologies available and may be biased in their assessment. This can be addressed by inviting different stakeholders to participate, but it is a challenge to get them to freely speak their minds. Most development organisations provide their services free of charge and in some cases even subsidise stakeholders to use their services (for example through a *per diem* to attend a workshop). How reasonable is it to expect these same stakeholders will provide a critical review of the services provided?

...and should promote learning

Another explanatory factor is the fact that impact assessments and result measurement continue to be seen as part of the 'upward accountability relationship between a development organisation and its donor, rather than of the 'downward accountability' link between a development organisation and the organisations and people with and for whom it works. Impact assessments are perceived as means to show results achieved in the past, rather than to influence strategic policy choices for the future or to stimulate organisational learning. They are perceived as something imposed from outside, rather than an integral part of capacity development work. This idea is also supported by the findings of the ECDPM study on capacity development which concludes that 'most monitoring systems were designed by funding agencies to address their own accountability needs. These agencies have tended to focus on a wide variety of issues such as performance or general management, but seem to be uncertain about what the monitoring of capacity development would actually entail. Many seem disconnected from local learning and knowledge systems.' (ECDPM, 2005: 19).

7. CONCLUSION

But there are reasons for optimism. Over the past five years, thinking on the relationship between output, outcome (performance) and impact has evolved and organisations are investing in better and more advanced measurement strategies that look beyond the output level. This trend is likely to continue. With less than eiqht years to go and with many countries not on track to achieve the Millennium Development Goals, development organisations increasingly feel the need to monitor and evaluate their results.

Whether they will succeed, will depend to a large extent on whether they can bring about changes in their own organisation. For example, they will need to learn how to marry the two objectives of impact assessments – showing results and learning from mistakes and successes – and to build the capacity of its staff and stakeholders to do so effectively, including the use of different tools and methods[19] and the ability to think creatively. Their efforts will need to be supported by donors that are willing to take a critical look at the requirements they pose on the organisations they support. Also, organisations need to move away from the idea of the 'perfect' measurement system as a blueprint may simply not exist when it comes to capacity development. As Rick James already pointed out, sometimes a quick and dirty evaluation may be better than no evaluation at all. Measuring more is not necessarily better.

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[19] There is a growing number of tools for performance measurement which will ultimately feed into improved impact assessments. Such tools include the Accountability, Learning and Planning system developed by ActionAid, the Most Significant Change method, and Outcome Mapping (Watson, 2005: 10, 13, 31).

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