Capacity Development: Definitions, Issues and Implications for Planning, Monitoring and Evaluation

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Introduction

As we enter the 21st century improving the quality of life of citizens throughout the world remains an elusive dream. Despite advances made in education, health, population control and the general prosperity of people, much still needs to be done. " The past four decade's practices of delivering foreign aid are being called into question for poor achievements in sustainable impact, national ownership and appropriate technologies." (World Bank, 1998).

We found that many of our technological and economic solutions have not adequately changed the conditions within which large number of people are living. Also, we have found that nations have difficulty learning within their own contexts how to create appropriate roles for the state in development; how to organize and manage their systems so that they can identify priority problems, formulate policies and create ways to have these policies implement in a sustainable way (Hiderbrand and Grindle 1994).

As we continue to struggle with both the theory and practice of development, ideas and approaches emerge and are tested. Over the past decade capacity development (CD) has become a concept –an idea- which is thought to have captured many ideas and lessons from past development activities. It is a concept still in its infancy. It's definition is still forming. Research describing how people use the concept is sparse. So is research which tests it's assumptions and predicts it's consequences. There are few evaluations of projects that are claiming to use approaches to capacity development.

This paper is part of a series of papers and activities being carried out by UNICEF and UNDP in an attempt to clarify the term capacity development and ways to plan, monitor and evaluate capacity development interventions (Alley & Negretto, 1999). Specifically, the aim of this paper is to review the recent literature on capacity development, to explore some of the conceptual and practical issues associated with it, and to summarize the implications for planning, monitoring and evaluating results.

Defining the Concept of CD

Background

In the field of development the term *capacity development* is relatively new, emerging in the 1980s. Despite its newness, CD has become the central purpose of technical cooperation in the 1990s (UNDP 1996). CD is seen as complementary to other ideas that dominated development thinking (and still play an important role) over the past four decades. These concepts include *institution building, institutional development, human resource development, development management/administration* and *institutional strengthening* (see Exhibit 1).

Exhibit 1 - Conceptual Predecessors to Capacity Development

TERM	EMERGENCE AS DEVELOPMENT THEME	ASSOCIATED MEANING
Institution building	1950s and 60s	Objective was to equip developing countries with the basic inventory of public sector institutions that are required to manage a program of public investment
		Focus was on the design and functioning of individual organizations, not broader environment or sector
		Imported or transplanted models from developed countries were often used
Institutional strengthening/ development	1960s and 70s	Shift from establishing to strengthening institutions
		Focus was still on individual institutions and not a broader perspective
		Tools were expected to help improve performance
Development management/ administration	1970s	Objective was to reach special public or target groups previously neglected
		Focus was on delivery systems of public programs and capacity of government to reach target groups
Human resource development	1970s, 80s	Development is about people
		Stresses importance of education, health, population
		Emergence of people-centered development
New Institutionalism	1980s, 90s	Focus was broadened to sector level (government, NGO, private) including networks and external

TERM	EMERGENCE AS DEVELOPMENT THEME	ASSOCIATED MEANING
		environment
		Attention to shaping national economic behavior
		Emergence of issue of sustainability and move away from focus on projects
		Emerged in 1970s through field of institutional economics

TERM	EMERGENCE AS DEVELOPMENT THEME	ASSOCIATED MEANING
Capacity development	Late 1980s and 1990s	Emerged in the 1990s as an aggregate of many other development approaches
		Re-assessed the notion of technical cooperation (TC)
		Stresses importance of ownership and process
		Has become "the way" to do development

These and other concepts related to development work – *organizational development*, *community development*, *integrated rural development* and *sustainable development* – have been subsumed under the wider concept of CD which can be seen as an umbrella concept (Morgan, 1998) that links previously isolated approaches to a coherent strategy with a long-term perspective and vision of social change. In part, the theme of CD has emerged in reaction to the lack of results produced by initiatives based on technical cooperation (Morgan and Baser, 1993; UNDP, 1993). However, using CD as an umbrella concept, has both positive and negative consequences. On the positive side, many people see the idea as an integrating force that brings together a large number of stakeholders who believe that CD is an important part of the overall development puzzle. On the negative side, CD has taken on

many meanings and has been used as a slogan rather than as a term for rigorous development work.

Many development practitioners believe intuitively that all development involves some sort of capacity development. Clearly, development is about people and their societies interfacing and developing within their environment. However, if it is going to be a useful term for learning about development, CD needs to be more specific. Whose capacity are we focusing on? What type of development are we seeking? CD has taken on an extremely elastic definition and incorporates a wide assortment of development ideas. This section reviews some definitions and identifies the major approaches used "in the name of" capacity development.

Definitions and Approaches to Capacity Development

CD is an elusive term. In researching this paper we reviewed several hundred articles and books on CD and related ideas (capacity building, capacity strengthening) and emerged with a wide assortment of definitions and perspectives. We have grouped these into four perspectives or approaches to capacity development: organizational, institutional, systems, and participatory. Although we do not claim these are definitive (in fact, the authors who write from these perspectives move between them), we found it helpful to look at the definitional issue as a way to better understand the issues and implications for planning, monitoring and evaluation. In Exhibit 2, we have outlined the more commonly used definitions, and attempted to summarize some of their similarities and differences. The remainder of this section provides a summary of the four major approaches to CD and some of their strengths and weaknesses.

Exhibit 2 – Definitions of Capacity Development

No.	Definition
1	"Capacity building is the ability of individuals, groups, institutions and organizations to identify and solve development problems over time."(Peter Morgan, 1996)
2	Capacity development is a concept which is broader the organizational development since it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact (and not simply a single organization). (UNDP, 1998)
3	Capacity development is "… any system, effort or process… which includes among it's major objectives strengthening the capability of elected chief executive officers, chief administrative officers, department and agency heads and programme managers in general purpose government to plan, implement, manage or evaluate policies, strategies or programs designed to impact on social conditions in the community." (Cohen, 1993)
4	"...capacity is the combination of people, institutions and practices that permits countries to reach their development goals … Capacity building is... investment in human capital, institutions and practices" (World Bank, 1998)
5	Capacity building is any support that strengthens an institution's ability to effectively and efficiently design, implement and evaluate development activities according to its mission (UNICEF-Namibia,1996).
6	"Capacity building is a process by which individuals, groups, institutions, organizations and societies enhance their abilities to identify and meet development challenges in a sustainable manner,. (CIDA, 1996)
7	Capacity development: "The process by which individuals groups, organizations, institutions and societies increase their abilities: to perform functions solve problems and achieve objectives; to understand and deal with their development need in a broader context and in a sustainable manner" (UNDP, 1997)

No.	DEFINITION
8	Capacity strengthening is an ongoing process by which people and systems, operating within dynamic contexts, enhance their abilities to develop and implement strategies in pursuit of their objectives for increased performance in a sustainable way" (Lusthaus et al. for IDRC, 1995).

Within the many definitions, there seems to be an emerging consensus that CD involves the long term, contributes to sustainable social and economic development, and is demand driven (Alley & Negretto, 1999). CD also suggests a shift towards enhancement and strengthening of existing capacities. This is distinct from past approaches under the label of 'institution building,' which entailed starting from scratch to build institutions based on supposedly universal models taken from industrialized countries of the West (Morgan, 1993). CD is a response to the "structural and functional disconnect between informal, indigenous institutions... and formal institutions mostly transplanted from outside" caused by the institution building approach (Dia, 1996). Recognition of indigenous capacities and institutions has led to an emphasis on partnership, although this is not always reflected in the terminology, such as 'recipient country', which is still used in many donor, bank and UN documents. There seems to be some consensus, at least in the UN literature, that CD "focuses on the ability of the country to make optimal use of existing technical capacity and resources in a sustainable fashion" (Dia, 1996). This suggests a shift towards a development approach that responds to the needs of partners, and helps people and institutions to realize *their own* objectives of development.

This is not to suggest that there is any far-reaching uniformity within CD. The people, organizations, institutions and contexts involved in CD are not alike and it cannot be expected that they will go about capacity development in the same way. Organizations define themselves in terms of their position within the international system, their decision-makers, organizational history and philosophy, and it is apparent that they approach CD in terms of how they define themselves. It is interesting to consider the range of approaches to CD being used by various international development

organizations: some donors and many development NGOs put an emphasis on organizations in their approach to CD; international development banks view institutions (i.e. policies, rules) as important targets for CD; and the UN and other donors adopt national, sector or systems approaches to CD.

It seems that many different approaches to CD are being used concurrently, often within the same organization. A consultation by the international working group on CD found that of the donor organizations surveyed, "60 percent … did not have a common agency definition that was authorized or in common use throughout the organization." Furthermore, it found that "Amongst the multilaterals interviewed, UNICEF, IFAD and the World Bank, there was no commonly accepted definition." (IWGCB, 1998)

The following sections are our attempt to categorize the literature into four approaches to capacity development.

The Organizational Approach

According to Hilderbrand and Grindle (1996) CD "refers to the improvements in the ability of public sector organizations, either singly or in cooperation with other organizations, to perform their tasks." The organizational approach sees an entity, organization or even set of organizations as the key to development. Organizational development (OD) approaches focus on the capacities of organizations, looking from the inside out (G. Morgan, 1989). OD approaches apply to work with governments, non-governmental organizations, as well as other civil society and community organizations (Lusthaus et al., 1999). The approach focuses on identifying the elements or components of capacity within an organization. Labels for these elements of capacity and prioritization may vary from author to author, although there is some consensus on the core groupings (UNICEF, 1999). The OD literature is a mixture of closed

and open systems approaches. From a closed system perspective it focuses on the internal workings of the organization – the bureaucratic machinery – to improve capacity. However, the literature also stresses the importance of an organization's relationship to influences from its external environment: institutions, social values, and the political and economic contexts.

In this view, organizations are seen as processing systems that change individual and system capacities into organizational results (Lusthaus et al., 1999; Eele, 1994; Van Diesen, 1996). In the literature, the process of CD can be prescriptive, with clear steps or stages of development marked by output and capacity for change (Anderson and Winal,1997; PACT,1996). When CD is viewed primarily as organizational development, analysis and intervention function at a practical, micro-level and useful sets of assessment tools are generated (Lusthaus et. al., 1999). When CD extends outwards from OD to encompass institutions and systems, it can become more difficult to plan, monitor, and evaluate an intervention.

What are the merits that distinguish CD and incorporate organizational development? The advantage of the organizational approach is that it has much in common with the well-established field of organizational theory and change. Consequently, it is relatively focused and the unit of change is clear. Although the concept of an organization is well defined, a great deal remains to be learned about how to change organizations in the developing world. On the other hand, the organizational approach has a narrow focus – seeing the system through the eyes of an organization – and organizations are only part of the vast development picture. In striving for development results, the organizational component is necessary but not sufficient.

Institutional Approach

The institutional approach is related to but not synonymous with institutional development and has been an emerging field (Scott, 1995). Early development literature did not distinguish between institutions and organizations, and even today the terms often are used interchangeably (Brinkeroff, 1986; Lusthaus et al., 1996).

In the past decade, inspired by institutional economists, ideas associated with institutions and institutional change have been applied more rigorously, and clearer distinctions have been made between institutions and organizations. For example, North (1994), in his Nobel prize acceptance speech, defined institutions as the formal and informal "rules of the game." Institutional approaches build the capacity to create, change, enforce and learn from the processes and rules that govern society. The definition of CD that most closely parallels this approach was put forward by Cohen (1994) who cites specific actors and identifies which "rules" are to be changed. The importance of globalization and democratization may explain the persuasiveness of this definition.

How is CD an addition to the ideas generated by institutional development? Clearly, much of the work of CD requires knowledge of and access to "the rules of the game". Laws need to be changed to ensure equity amongst groups, policies that support poverty reduction need to be developed, ways need to be developed to help groups oppressed through informal cultural arrangements engage in the process of changing those arrangements.

The definition of CD has not evolved to the point where it can be used to determine exactly where institutional change ends and CD begins. That boundary is still vague, yet it is possible to make some key distinctions between the concepts. Institutional change is often expert-driven, does not include a stage-

of-development approach, and fails to consider how it could link to other approaches. We must be careful to avoid a kind of chauvinism by judging some institutions "right" and others "wrong".

By adopting a macro perspective, the institutional approach is better able to deal with the issues which underlie most development problems. These issues include such ideas as norms, cultural values, incentive systems and beliefs.

Systems Approach

The systems approach to capacity development is a multidimensional idea. At one level, both institutional and organizational approaches take on a systems perspective (Beer, 1986). Organizations *are* systems. However, the systems approach refers to a global concept that is multilevel, holistic and interrelated, in which each system and part is linked to another. CD is a complex intervention that encompasses multiple levels and actors, power relationships and linkages. The systems approach suggests that CD should build on what exists in order to improve it, rather than to build new systems. Systems extend beyond the individual and organizational levels to systems of organizations, their interfaces, and the institutions that guide them. The approach requires consideration of all contextual elements as well as the linkages between them. Here, CD is an all-inclusive strategy involving national, regional and municipal levels, local organizations and institutions, as well as people organized by the state, by private or public organizations, and in their civil roles (Morgan, 1996; UNDP,1999).

From this perspective CD is seen as a dynamic process whereby intricate networks of actors (individuals, communities/groups and organizations) seek to enhance their abilities to perform what they do, both by their own initiatives and through the support of outsiders. According to the Task Force on Capacity Development in the Environment set up by the Development Assistance Committee of the OECD (1996,a), "capacity systems are seen as dynamic, interconnected patterns that develop over time along certain dimensions toward greater complexity, co-ordination, flexibility, pluralism, interdependence and holism." Developing such systems in an effective way requires a systems approach, including important elements of the institutional approach. Often the institutional framework dictates how the different elements of the system interact. This multilevel system perspective is set out in the UNDP approach to capacity development (UNDP,1999).

One difficulty with the systems approach to CD is that it is sometimes unclear whether CD is occurring any time someone engages in any aspect of a systems intervention, or whether it is necessary for CD specifically to be seen and planned from a national, sector or regional perspective (holistic). Individual actors play prominent roles in system development. However, at what time does an intervention that builds the capacity of individuals become a CD intervention? For example, is a training program for individuals within the civil service a CD program? Does it become one when linkages to other systems are explicit? The biggest difficulty is identifying what is and what is not a CD activity.

The advantages of the systems approach are that it is comprehensive, flexible, and emphasizes linkages between elements. It offers a broad conceptual and theoretical framework within which development theory can place itself, and is a concept useful to those interested in national and sectoral change. What it sometimes lacks is focus. The vastness of the elements under consideration sometimes makes this approach unwieldy while the high level of abstraction can result in vague language. Since the concept itself is broad and encompasses everything, it is unclear where one starts in a system change effort.

Participatory Process Approach

Embedded in the above approaches to CD are particular ideologies about the process of development. Within the CD theme, an ideology is emerging that identifies how CD occurs. While not ignoring the goals of development, this "participatory-process" approach to CD emphasizes the importance of the means used to achieve them. Those who view development as people-centered and non-hierarchical believe that unless CD is a participatory, empowering partnership for which those involved feel a high degree of ownership, intended results cannot be achieved (Fowler, 1997). The goal to develop an institution should not result in the imposition of a foreign model but instead attempts should be made to identify and use local expertise, and develop a grassroots, domestic model (Upoff, 1986).

CD is consistently linked to empowerment in formal UN documents and in much NGO literature, with some objectives incorporated from other approaches. In fact, the participatory-process approach may not be a discrete approach, but may overlap the organizational, institutional and systems approaches. However, linkages between CD, empowerment and participation are not clear. Although definitions vary, a few key considerations emerge. The notion of empowerment implies a particular vision of development. Wallerstein (1992:198) refers to "a social process that promotes participation of people, organizations and communities towards the goals of increased individual and community control, political efficacy, improved quality of community life and social justice." Linking CD to empowerment shapes the substantive development goals of CD, specifically introducing the notion of equity and distinguishing CD from private sector concepts that may be blind to social justice issues (Alley & Negretto, 1998).

Fundamentally this is a process approach that embraces change and learning as core values.

What makes CD different from other process approaches (i.e., people-centered development)? The advantages of this approach to CD are that it has a narrowly defined scope that clarifies what is included and excluded: i.e., development activity should be participatory. This is congruent with general concepts of development because it shares some of the same basic assumptions, emphasizing participation, ownership, power sharing. Although capacity building for participatory development would necessarily involve a range of entry points and approaches, little consideration is given in the general CD literature to the stages of development people go through as they learn how to be more participatory or empowered. Perhaps because of the importance of people in this approach, the focus of change is often the individual. And although individual change is important, it is also important to determine when the qualitative and quantitative changes in individuals add up to capacity development.

By making participation the defining characteristic of this approach, due consideration is not given to both change outcomes and unit of change. As a result there is a danger that interventions with a narrow development outcome (i.e. individual training) could be labeled CD, in as much as they were carried out in a participative way, and at the same time not contribute to the building of capacity.

Issues

Introduction

As a development idea, capacity development is at an early stage in its evolution. The confusion about this ill-defined and elastic concept is revealed in the issues emerging from CD activities. This section identifies seven lessons distilled from the literature that require reflection before considering implications for planning, monitoring and evaluation of CD.

More clarity is needed in determining when a development intervention is capacity development

Increasingly, in the development literature, capacity development seems to be "the way to do development." For example, in the more formal UN literature, CD has been elevated from strategy, a means of achieving something, to a way in which development occurs. Specifically, UN General Assembly Resolution (UN, A/RES/50/120 Art.22) refers to the "objective of capacity-building" as "an essential part of the operational activities of the UN."

Development interventions aspire to foster change. In terms of CD ventures, the objective is to improve the current abilities of a target or targets – a person, community or network (Dia, 1996). By definition, organizational and/or institutional approaches target institutions or organizations. In a systems approach, the target is the system one wants to change or improve. In the participatory process approach, the change process itself is the target of change.

However, in each of these approaches it is unclear what it is that makes the change event capacity development. Is any attempt at change a capacity development activity? Dia (1996) suggests that the "litmus test" is whether or not an intervention emphasizes the building of indigenous organizations and institutions.

Is CD unique because, as Morgan (1998) suggests, it aggregates many different approaches to development, or because it adds something new to the idea of development?

A closely related question is, Are various approaches to CD mutually exclusive or do they overlap to some degree? It seems that CD incorporates many earlier conceptions of development; and that the various approaches to CD are more or less defined by concepts that have been judged to be ineffective. Do many bad ideas together make a good one? What is the exact nature of the relationship between institutional development as a development philosophy (which many say did not work) and the institutional approach to CD? Are their basic assumptions the same? (They both seem to emphasize the importance of institutions.) What capacities result from the institutional approach to CD which did not result from institutional development?

The lack of clarity about capacity development encourages people to use the term as a slogan rather than as a meaningful concept to improve understanding of the process.

More understanding is needed with respect to the role that time plays in capacity development

Capacity development has a time dimension. Understanding an individual's natural life span and stages of development has direct bearing on understanding how and when CD occurs.

North (1993) argues that one of the shortfalls of economics is its failure to consider the role of time in the evolution of markets and economic systems. Those involved in cognitive and developmental psychology understand that time plays a crucial role in the evolution of learning (cf. Piaget). Team development and group dynamics use stage theory as an important component in dealing with organizational change (Redding and Catalanello, 1995). People learn certain things at specific stages of development and not at others. Systems and organizations go through cycles. Time matters. Although the literature acknowledges CD as a long-term process, more insight is required into the complex role that time plays in the evolution of individuals, organizations and systems.

As North (1993) states in his critique of economic theory:

…in all the areas of human endeavor the beliefs that individuals, groups, and societies hold

which determine choices are consequences of learning through time – not just the span of an individual's life or of a generation of a society, but the learning embodied in individuals, groups and societies that is cumulative through time and passed on intergenerationally by culture or society.

The implication is that CD is influenced by time and the stage of development of the unit whose capacity is being built. Incorporating a time perspective into CD offers a more complex conception of development: At various stages of their evolution, countries, sectors, organizations and institutions may be capable of some types of change and incapable of others.

Understanding the time dimension and the role it plays in building capacity is critical to better understanding the process by which CD occurs at all levels. Is CD appropriate at any stage of development, or are there different approaches to CD that are more appropriate at certain stages of development and not at others?

More research and evaluation are needed to build a coherent body of knowledge on capacity development

Whether they are aware of it or not, those involved in the field of capacity development are engaged in trying to understand and predict change. Consciously or unconsciously, all of us have, create and act upon assumptions and theories of change that emerge from experience (Anderson, 1998). The currently established disciplines of personal development, development management, organizational development, institutional development, and systems theory, provide ideas and language that can help us create our own mental models and hypotheses. Part of the usefulness of a discipline is that it provides ways of understanding the world.

What are the ways of knowing and understanding capacity development? CD is in its early stage of evolution and presently draws on other "ways of knowing" to define itself. CD needs to come into its own by developing a body of knowledge that it can draw upon for creating ways of understanding change. By building its own knowledge base, it will be possible to reject assumptions that conflict, accept those deemed essential, and add others which complement them.

Much of the dissonance between what donors and their local interlocutors perceive as the "problem" and the "solution" is the result of a clash between theoretical models and the informal concepts of how things get done in a particular context. This suggests that programming tools are needed to help assess local values and map the informal networks that underlie the formal systems and processes.

Although universities and research centers have been the traditional places for the accumulation and dissemination of knowledge, this has not been the case in the development of CD. Most CD literature exists in agencies and NGOs and on the Internet. New entities and organizations are increasingly accepting their role in knowledge building and significant work is being done and accumulated in international agencies (DAC, OECD, UNDP, UNICEF, DANIDA, CIDA), donors (CIDA, DANIDA, IFID, USAID), IFIs (World Bank), NGOs (PACT, INTRAC, Aga Khan Foundation) and consulting firms. While this is a beginning, those involved in the practice of CD need to create ways to link knowledge systems and help inform practice[1].

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[1] This has started to occur: CF DAC working group on Capacity Building

More consensus is required with respect to the purpose of capacity development

There are differences of opinion regarding the ultimate purpose of CD: Is it a means towards an end, an end in itself, or both a means and an end? Some writers (Fowler, 1997) indicate it is important to build capacity for its own sake while others indicate that CD is a means towards sustainability (UNDP, 1996). At one level, CD is referred to as the generally accepted "central mission of development cooperation" (UN, Eli 997/65: para 5), implying that CD is the goal itself. In other definitions, the goal of CD focuses on a more intermediate level – the capacities to achieve development. CIDA considers that CD aims at enhancing the ability of individuals and institutions to identify and meet development challenges (CIDA, 1996). What is the intent of CD? How does one answer the question asked in the literature, "Capacity building for what?"

In USAID's definition, the final goal of CD is development itself. This is paralleled in UN documents and linked to notions of "sustainable development" (UN, E/1997/65: para 12). Several UN documents specifically state that "a vision of development and of the kind of society to be nurtured is a prerequisite (for CD)" (UN, Eli 997/651Add.3: para 8). This seems to acknowledge that the goal and direction of CD might be dependent on a given national context and/or worldview. However, a uniform national vision related to sustainable equitable development requires definitions, ideas and standards that do not exist.

In this conception, CD aims at building the sustainability of national development efforts (UN, E/1997/65) and is seen as a process that goes beyond simple implementation of a program. It instead addresses the ability of nations to detect and understand how the results of their activities impact development, and to adjust their response accordingly. At

issue is whether durability or ownership of a development program is a sufficient indicator of capacity outcomes.[2]

The issue of means and ends is not trivial. Development agencies are asking recipients of funds to account for results. Is it enough to say that an organization now has abilities it did not have previously, or do we need to link these abilities to clear development goals – for example, reducing poverty? Should CD be subject to larger concerns – in this case, CD's contribution to building sustainable equitable development?

Morgan (1997) indicates that the difficulty in designing CD interventions is arriving at the right balance among 'process' (i.e., the efforts to induce improved capacity), 'product' (i.e., the actual new capacities or abilities produced) and 'performance' (i.e., the substantive development outcomes and impact that result).

More understanding is needed about the role that power plays in the capacity development process

Capacity development is concerned in part with flows of funds and resources. It is not "power neutral" although there is little research on this topic. Where capacities are built there are often both losers and winners. CD cannot be disconnected from issues of power, competition for resources, or control over them (Morgan, 1997). This knowledge is essential in guiding choices among state and civil society partners and in understanding the potential constraints on finding a common development vision that would guide joint CD efforts (UNICEF, 1999).

The issue of power is inextricably linked with the idea of focus (including choice of partner). When donors invest in strengthening civil society organizations (CBOs, NGOs) they are

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[2] Here we mean indicators such as poverty, health, literacy, degradation and so forth.

affecting power relationships in countries. Even if CD espouses pure developmental goals it also is part of a complex political process. The choice of partner highlights the potential risks of CD (Eele, 1994; UNICEF, 1996). An "incorrect" choice of partners presents difficulties, whether due to changes in the configuration of players in a given ministry, or due to a break in the previously shared vision. Who decides when the partnership is no longer viable? Where does the real power reside?

Within the context of this paper, power is in the hands of those who control decision-making processes around CD investments. Control over decisions and choices is a central issue in trying to understand the dynamics of fostering ownership and aspiring toward partnerships. From an ethical as well as a practical perspective, beneficiary control of the aid process makes sense: It is hard to build someone else's capacity.

Power also has implications in the formation of partnerships. Not everyone involved in development work is a partner or has equal power. Partnership involves the development of relationships that recognize each partner's different strengths, needs and power within the relationship. Development practitioners believe a heightened awareness of power relationships among partners is important if CD is to occur.

More analysis is required with respect to the technologies donors use in capacity development

Just as it is important to understand the role that power plays in capacity development, it is equally important to understand the roles of investors or donors and their technologies.

In the world of development and technical cooperation, CD is about where and how to invest in development. Such investments come with a set of technologies (situational analysis, log frame, problem trees) that have been developed to aid in making investment choices. In general, most CD investments are made through targeted programs and projects. Programs are either sectorial or sub sector (water, health) or spatial (national, regional) and identify area(s) of investment interest. Projects are often elements of a program. The ways donors engage in CD is crucial to our understanding of how the concept is being applied in development circles. Some donor approaches and technologies for implementing CD interventions are described in Exhibit 3. The implication is that, because technologies used by donors have been developed in response to other development ideas, CD needs to develop its own technologies.

Exhibit 3 - **Donor Approaches**

DONOR (INVESTORS) APPROACH	CAPACITY BUILDING ISSUES
Using a projectized system	The problem with projects is that they are short term and have very targeted results. They may contribute to capacity development, but can a project be characterized as a capacity development project? Under what conditions? The projectized donor system creates a paradox for donors in their attempts to manage capacity development work.
Project and program management tools	The tools used by donors for project and program monitoring were created to support managerial control. As such these tools are very much part of the power relationship between donor and recipient. How to appropriately use these tools is a critical concern for those involved in CD.
Results based approaches	Donors want to tell their stakeholders that they are providing good value for the money they are providing. They need to do this in a predictable planning and reporting format, and results-based approaches provide a clear, linear logic. Unfortunately, CD results are not easily identified or reportable in the short term. This leads to a paradox: on one hand donors say they want to do CD (a long term investment), yet they want to use technologies (a project) that both plan and report in the short term.

DONOR (INVESTORS) APPROACH	CAPACITY BUILDING ISSUES
Predicting and measuring results	There is increasing pressure to not only plan and report on results but also to causally link investment results to substantial development results. There is a lack of theory and inadequate technologies to guide such actions. Donors want results now, not later. (How to reconcile these issues is discussed in the next section.)

DONOR (INVESTORS) APPROACH	CAPACITY BUILDING ISSUES
Goal oriented	Donors develop goals as part of their own strategic thinking, driven by their own internal political process. These donor goals affect what is acceptable and not acceptable CD. Balancing donor goals and indigenous goals is an important part of the power relationship and affects the approach to CD.

More knowledge is needed in order to identify where and how to start a capacity development intervention

A crucial issue that emerges from the literature is identifying and agreeing on the best place to begin a CD intervention. Does it matter if it begins with individual training or with trying to change a policy framework? The entry points for CD are numerous: CD projects report on training individuals (UNICEF, 1998), organizations (Fowler, 1997), institutions (UNICEF, 1990) and sectors (UNDP, 1995). The entry point will often be determined by the approach to CD (i.e. organizational,

institutional, systemic and participatory process).

Where to enter is linked to the intended result and can be at the individual, organization, entity, or institutional level. Entry points may be within a Ministry or a community. Entering at a Ministry of Education level to change policies might work if the desired result is an institutional approach to girl-child education. However, if the goal is to learn how to better deal with the relationships between boys and girls in schools, the intervention might be designed to develop the capacity of classroom teachers to engage in more gender sensitive teaching. In other words, entry points for CD seem to be linked to an underlying hypothesis of how development change can take place in a given society with a given problem.

The issue of entry point is also related to expectations. Since most CD investments are relatively small and desired results are large, many interventions seek high impact entry points: Entering the Ministry of Education to change a policy can affect a whole nation, whereas changing a school affects a few hundred people. Clarifying expectations about what is possible is a critical issue in identifying where to start CD work. The issue then becomes what unit(s) of change must be affected by an intervention for it to be considered CD.

Implications for Planning, Monitoring and Evaluation

Introduction

If CD is going to be more than a development slogan, its practitioners will need to develop approaches to planning, monitoring[3] and

evaluation[4] (PME) that are congruent with definitions and concepts identified as "capacity development."

Some CD observers and practitioners point to a contradiction between the stated commitment of donors to CD issues and processes, and the short-term, output-oriented methodologies used to evaluate them (Edwards and Hulme, 1996: 965). Qualman and Morgan (1996) argue that a short-term, project-driven, results orientation can undermine CD's intended promotion of ownership and sustainable, long-term strategies. Nonetheless, there remains a concern that focus on a long-term CD process might come at the expense of donor support. Donors often need to report on short-term results, a fact which is highlighted in Eele's (1994) analysis of CD in UNICEF programs as well as in a multi-donor evaluation of UNICEF (AIDAB et al., 1992).

It is the implied uniqueness of CD that presents the challenge, and PME technologies need to reflect this uniqueness. Present PME technology uses a variety of methods and processes adapted from over 40 years of various research approaches (quantitative or qualitative, participatory), discipline concepts (economics, sociology, anthropology, psychology) and applied field experience (agriculture, development, education, health, accounting).

Much of the technology is applied to project and program investments, investments traditionally influenced by a logical framework approach to management. These traditions establish standards for norms and behavior in the field, creating ideas of what is acceptable PME and what is not.

As practitioners use these ideas in planning, monitoring and evaluating CD interventions,

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[3] "Monitoring- a continuing function that aims primarily to provide program or project management and the main stakeholders of an ongoing program or project with early indications of progress or lack thereof in the achievement of program or project objectives." (UNDP, 1997)

[4] "Evaluation- a time-bound exercise that attempts to assess systematically and objectively the relevance, performance and success of ongoing and completed programs and projects." (UNDP, 1997)

they are simultaneously taking on the values and norms of these traditions. And although other monitoring and evaluation (M&E) frameworks may provide useful general information, they do not take into account the uniqueness of CD. As mentioned (in Section 3.3) intergenerational views of time and evolutionary development have not been the focus of literature in economics and other areas of international development. However, time and stage theories are an important key to our understanding of CD and "...a long term perspective is as important to the M&E of CD as to development of CD strategies"(Alley & Negretto, 1999).

It is clear that CD interventions are not linear but occur in a distinctly more "messy" fashion. These characteristics of CD illustrate the need to develop a unique framework for the planning, monitoring and evaluation of CD. CD theorists and practitioners needs to identify and adapt existing approaches and encourage the development of PME frameworks and approaches congruent with the ideas and values that underlie CD.

Planning, monitoring and evaluation systems need to view CD as both a means and an end

One implication in the literature is that capacity development needs to be understood as both a means and an end, a process and a product. Eele (1994) begins to capture this when he says,

The aim (of CD) is not simply to improve the level and effectiveness of current operations, rather the aim is to ensure that the institution will be able to maintain this improved performance in the future, in particular, when the external assistance is withdrawn.

Increasingly, the donor community wants to engage in technical cooperation through CD. For this community, development is often regarded as improvement in social, political and economic conditions – poverty is reduced

and democratic development is supported (Universalia, 1996). However, by creating these types of expectations the donor community imposes (either formally or informally) a consciousness about the ends of CD. On the other hand, there is an equally important set of stakeholders (NGOs, civil society participants) who argue that the process of development is as important as the product. To this group, changing power relations and processes that allow them to occur are compelling issues for monitoring and evaluation. What are the implications of the means-ends issue for monitoring and evaluating capacity development?

At this stage in CD's evolution it is important that approaches to PME reflect how CD occurs as well as planning and measuring results. However, practitioners of each of the four approaches to CD have their own conception of what results CD could and should produce. All indicate they are contributors to the solution of development problems – none that they are the sole solution. The implication is that it is important to monitor means and ends as well as clarify the desired direct and indirect results of CD.

Planning, monitoring and evaluation systems should be based on well-constructed logic

Clarifying how CD takes place and how it contributes to concrete development results is an important role for PME. It needs to reflect both the horizontal and vertical logic of CD. Embedded in CD are questions about learning and change. In most CD work there is an implied logic that predicts how an intervention will affect CD, and how CD might affect other important development results (health, poverty reduction, equity and so forth). This is called the logic system of the intervention (Universalia, 1997). Planners and evaluators have found the logic model or system to be central in trying to understand and explain project and program results. The logic system

presents a plausible and sensible model showing how interventions work and the type of results they produce (Bickman, 1987).

A logic system is in part the rationale or underlying story of CD: Why do development workers expect participation to lead to ownership? Why do they expect ownership to support sustainability of their work? The elements of a logic system include: resources, activities, outputs, beneficiaries, stakeholders, expected results (outputs, outcomes, impacts) and the relevant conditions within which the model is based (Wholey, 1987). It is one of the most significant bases from which a common understanding of projects, programs and expectations can be developed, and offers essential guidance in the gathering and analyzing of data crucial to the CD process. Also logic systems underlie result-oriented planning, monitoring and evaluation. Clearly constructed logic systems created as part of a planning system provide the ideas, variables and indicators upon which monitoring and evaluation systems and frameworks are created. While logic systems are a central part of development planning, there is a great deal of criticism with respect to using these systems for CD activities. Where CD is an evolving process recognizing developmental complexity and requiring an iterative approach, logic models tend to involve linear constructs designed to simplify issues and encourage a "blueprint" strategy.

The implications are that while controversy exists over the use of logic systems, it is important for practitioners to create hypotheses and linkages embedded in the thinking behind logic systems – to articulate and test hypotheses. Only then will it be possible to be more explicit in stating that if the conditions required for CD are not met, then development investments are at risk. Clarifying the underlying logic of CD will contribute to this work.

Planning, monitoring and evaluation systems need to be iterative

There is no doubt that CD interventions are complex. While the ideas of building CD have been around for some time, many interrelated and overlapping factors contribute to its complexity. CD involves adapting to unpredictable changes and establishing working relationships with a wide range of different people. Its goals are often illusive, its processes not standardized. The concept itself changes over time, in response to unique learning needs. These changes occur continuously within an individual organization or system as well as within a developmental context (Anderson and Lusthaus, 1995).

The implications are that PME for capacity development interventions must begin with an iterative framework and identify a process that addresses how the framework will change over time. An iterative approach is essential to CD because it recognizes the complexity of how change occurs and how change must be responded to over time. The iterative nature of capacity development also must be reflected in result-based approaches. Too often, result-based planning systems become rigid, rather than flexible development guides. Creating iterative approaches allows for flexibility to change as learning occurs. Clearly and irrevocably, capacity development is not a stable target: people change and contexts change. The approach to PME for capacity development must be flexible enough to adapt to all the changes inherent in CD, and must ensure that learning is captured.

Planning, monitoring and evaluation systems require useful indicators that respect multi-layered values and concerns

Michael Scriven (1983) argues that monitoring and evaluation ought to be about the construction of value statements and the indicators that reflect these value statements.

In other words, M&E always reflects fundamental value and power questions, which reveal themselves in specific indicators. In CD interventions, value and power issues operate at many levels and are understood differently by beneficiaries, donors, governments and participants. People have different concerns, focus on varied (at times, opposed) indicators and achieve little homogeneity over issues of value and power. CD is a complex and ever changing process of relationships over time and its processes for PME need to reflect these characteristics.

Perhaps the greatest challenge for planning and monitoring CD interventions will be the development of a limited number of simple, meaningful indicators that can be adjusted as necessary in the course of the intervention (Alley & Negretto, 1999).

Planning, monitoring and evaluation systems need to develop indigenous capacity

Traditionally, PME has been driven by external donors and professional evaluators (Jackson and Kassam 1998). Within this context, knowledge about interventions was controlled by actors external to the process. This control has been shifting over the last decade, as M&E work becomes increasingly participatory. "It is IDRC's view that the function of evaluation in development assistance represents a lost opportunity for recipients organizations to build upon evaluation as a learning tool to enhance their capacities." (IDRC, 1997)

Capacity development is about people, their organizations and institutions, developing whatever tools are required to control their own development and create societies that work for them. The ultimate goal of CD is for more people to gain greater control over their own destinies. To work towards building these capacities, people must have the tools required to control all the processes of CD. In order for PME to be congruent with CD's philosophy

and values, beneficiaries cannot simply provide input or render opinions about activities or interventions, they must be active participants who are embedded in the PME processes.

This presents a paradox for donors. Judgements made about CD are the keys to power and relationship issues – issues related to accountability for resources. Donors, who are often in positions of power, generally have difficulty abandoning rigid accountability requirements, and often make decisions about investments that are contradictory to CD's intended goals for the people directly involved.

In contrast, those who are most intimately implicated in CD existed before the donor intervention and will exist after. While they are able to participate in donor-driven systems, these activities are not their main focus. They need a feedback system that is useful to their own learning and change processes. They need to be supported in developing their own questions, approaches and bases for judgements. Those who are most deeply and immediately concerned in the activities must be in control of and have power over the process (Lusthaus et al., 1999).

The implication for CD projects is that there is an obligation to plan opportunities for participants to learn how to engage in PME (Jackson & Kassam, 1988), to allow the process to belong to those whose capacities are being built. They need self-assessment mechanisms that support indigenous self-reflection and processes that engender discussion about their values and values intrinsic to PME. At the same time, participation is costly in terms of time, resources, skills, and leadership; this dilemma can often lead to trade-offs between respecting the process and actually getting things done.

Planning, monitoring and evaluation results must address the information needs of different audiences

The significance of definitions, descriptions and results varies for different audiences. Tracing development results such as poverty reduction is important to senior managers in the donor agencies but might be less important to stakeholders interested in building their own capacity to survive under difficult circumstances. Development workers need to have a way of both understanding and describing the process and results of their CD work. Theorists need to create a better understanding of what CD is, how it occurs, and what types of effect it has.

The pressure to be accountable and explain results is very high in development agencies:

My office is committed to making a difference for the Canadian people by promoting in all our work for Parliament, answerable, honest and productive government. A government which manages for results. This is done through further modernizing the concept of accountability. What pleases me most is the willingness to continue our dialogue publicly on the subjects of accountability for results, management for results and the special challenges in the ODA context. (Auditor General of Canada, 1996).

Similarly, having opportunities to understand the experiences of CD (power, participation, and partnership) is important for other beneficiaries. In this paper we have argued that planning, monitoring and evaluation are important for developing a deeper understanding of capacity development. Which audience should PME address? Different audiences may need different information for various valid and changing reasons and this often leads to divergent PME requirements.

The implication is that practitioners need to develop cost-effective PME systems (questions, indicators, methodologies, report formats) that can meet the needs of different audiences. This is not an easy task, and divergent needs make the whole process subject to compromise. Care must be taken to ensure that minimum requirements are met.

Planning, monitoring and evaluation systems must be careful not to promise more than they can deliver

In concluding this section we offer a small warning. CD is at an early stage in its evolution. The good news is that the concept provides an umbrella for a great deal of important development work. The bad news is that those of us who work in CD might be promising more than we can deliver. We need to be able to identify when an intervention is capacity development and when it is not. We need to better understand and articulate what we believe are the intended results of CD interventions.

Fortunately we are learning a great deal. The international community has begun to commission case studies on CD (Morgan 1998). NGOs are beginning to look at issues associated with their work on CD (UNICEF, 1999). New web sites are being used to share information (http://magnet.undp.org and capacity.org). Nevertheless, the demand is strong for greater and more richly described information about CD.

The implication is that the field needs to better articulate what it can and cannot provide by way of PME information. Those of us involved in the field of CD need to encourage more commitment to learning by investing in PME as well as other types of knowledge-generating activities. We are limited by the state of our present knowledge and methodologies and should be careful not to promise more than we can deliver.

Conclusion

Development has always been a puzzling, ambiguous process:

".... capacity building is a risky, murky, messy business, with unpredictable and unquantifiable outcomes, uncertain methodologies, contested objectives, many unintended consequences, little credit to its champions and long time lags." (Morgan, 1998, p.6)

What it means for a person, community, nation – or concept – to "develop" is constantly changing and the complexity of our perspective is also evolving. Process has a life of its own, a life (not a result or outcome) that is far larger than the sum of its elements and actors. As the often unpredictable, uncontrollable, long-term nature of development has become more acknowledged (if not better understood) it is not a coincidence that capacity development – an overtly process-driven concept that aggregates and adds to other development approaches – has become an underlying objective of international agencies.

The international development community was mistaken when it thought that the technologies required to build a bridge were the same as those required to build a society – civil or otherwise. Perhaps we were overly confident and maybe acknowledging "constructive confusion" would have been more productive. In any learning process, we begin with what we know and then step into the unknown. What has been identified as CD's "murkiness" may actually facilitate the kinds of creative, diffuse thinking required if we are to attempt those next steps. And, as with any developmental process, there are many "next steps"; each guaranteed to bring change in predictable as well as unintended ways.

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