

## Helpdesk Report: Institutional Strengthening of Parastatal Organisations

Date: 6<sup>th</sup> January 2012

**Query:** What are the most effective methods for donors to support institutional strengthening/capacity building of stand alone parastatal organisations or similar organisations? For example, whether technical assistance is the best method of support or if other methods would be more effective. Also any information on influencing these organisations.

Options for support include providing a full-time technical person for a couple of years, twinning with another similar institution in another country, or providing intermittent in-out support, mentoring of the chief executive, etc. Do you know of any evaluations that have been done looking at which approaches work best or what factors help with success?

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### 1. Overview

Capacity building is mainly seen as a way for organisations to become better equipped to support themselves and to increase their productivity and, thereby, their competitiveness. Experts contacted and the lack of availability of literature show that rigorous evaluations that have sought to compare different capacity development strategies, rather than the outcomes of specific projects are lacking and that the evaluative literature in this field is extremely weak.

An important theme in the literature available and among expert comments was that it is important to conduct a needs assessment including a careful assessment of the current state of the organisation and make a plan with clear aims as the best way of capacity building will vary by organisation and country. It has been stated that parastatal organisations need effective structures to ensure proper accountability, clear communication with stakeholders and clarity about roles and responsibilities. Proper accountability means being accountable for the management of public money and for the performance of the organisation in relation to clearly defined objectives. A way of approaching this is to use the Guidelines on the Good Governance of Parastatal Organisations (<http://www2.accaglobal.com/archive/ecsafa/tech-ecs-002.pdf>).

Having said this, literature and experts suggest that of the strategies considered for capacity development, developing longer term **twinning arrangements** would be the preferred option

and the reasons for this are presented in **section 2** along with some case studies and lessons learned from using this approach. This allows the organisation concerned to broaden its professional network, access a range of different skills and expertise and gain real insight into how a well run organisation with similar goals and functions operates.

Twinning was most recommended by experts and in the literature for some of the following reasons; it has been successful in previous projects and has produced some very successful outcomes in the enhancement of professional/ technical competence. It has been described as an increasingly important tool in providing opportunities for international cooperation and the sharing of knowledge, and for 'breaking down the barriers between problems and approaches in developed and developing economies'. Strengths and weaknesses of this approach are also presented.

It is important not to focus only on developing individual skills and also think carefully about broader organisational factors that may support or inhibit success. This may be a problem with providing **technical assistance** and this is presented in **section 3**. In particular, it can be seen that learning of new knowledge and skills via technical assistance is at the individual level and may not lead to enhanced performance at the organisational levels and there is little evidence that this has happened. There should be a shift in the emphasis from the development of individuals to organisations and institutions.

**Sections 4-6** consider other options and suggest a weakness with providing **intermittent support** is that many projects included consistency as an important factor in their lessons learned sections. This included through continuous support and consistency of staff. Often, projects described impact being lost when they went to evaluate later and stated a lesson learned was providing support after the project had finished. **Mentoring and coaching** can help as can external facilitation when developing strategy and direction. It can ensure all voices and views are heard. **Other options** include allowing organisations to choose the type of capacity building they want (demand driven), AusAID's staged capacity building model, supporting the creation of networks and using many methods simultaneously to build up capacity.

Funders who clarify their goals, monitor the progress of capacity building efforts, and assess the results will be able to continuously improve their approach and effectiveness.

## 2. Twinning with a similar institution in another country

### **Twinning as a Tool for Sustainable Organisational Capacity Building**

Merrick Jones, Capacity.org, Issue 6, 2000

[http://www.capacity.org/capacity/export/sites/capacity/documents/journal-pdfs/CAP0700\\_06\\_ENG.pdf](http://www.capacity.org/capacity/export/sites/capacity/documents/journal-pdfs/CAP0700_06_ENG.pdf)

This review is from a research project, commissioned by SIDA, into the efficacy of their twinning model as a mechanism for sustainable capacity building. In particular, SIDA sought evidence that twinning has the potential to enable the partner organisations to learn from each other.

It seems clear that twinning offers potential advantages over other possibilities for development cooperation, but that its full potential has not often been achieved. During the last two decades, SIDA has accumulated considerable experience with twinning projects in a large variety of countries. There is no doubt that the combination of professional expertise and SIDA funds in twinning arrangements has – as would be expected – produced some very successful outcomes in the enhancement of professional/ technical competence (which can, of course, also be produced by other development cooperation methods, perhaps more cheaply). There is far less evidence that twinning projects have produced benefits in the

development of sustainable organisational/ institutional capacity – which is SIDA's major rationale for twinning. Hence, there remain serious doubts in many projects about the sustainability of enhanced competence when the twinning relationship ends. There is also a danger that twinning projects produce dependency in the developing country partner: the antithesis of the aims of development cooperation.

The research project studied two twinning projects. One of them in particular, in Namibia, seemed to the researchers to have produced benefits beyond the obviously considerable enhancement of professional/technical capacity, and there appeared to be evidence of the development of a putative culture of organisational learning.

The report also includes a section on crucial requirements to capitalise more fully on the potential of the twinning method.

### **Partnership - An Instrument for Capacity Building? Advancing the policy and practice of capacity building in international development cooperation.**

Chris Nwamuo, Capacity.org, Issue 6, 2000

[http://www.capacity.org/capacity/export/sites/capacity/documents/journal-pdfs/CAP0700\\_06\\_ENG.pdf](http://www.capacity.org/capacity/export/sites/capacity/documents/journal-pdfs/CAP0700_06_ENG.pdf)

Partnerships can, in particular, help to build capacity in areas such as leadership, providing support for graduate studies, research skills, invigorating institutional or organisational reform, training and staff retention, enhancing teaching methodologies, provision of ICT infrastructural facilities, etc.

Partnership for capacity building tends to thrive under certain conditions: Clear definition and understanding of the criteria for partnerships, involving a negotiated mutual reciprocity and trust on the part of each partner. Trust is one of the major determining factors, and has thus been referred to as the basis of the social capital required for development; Respect for values and cultural norms of partners, seriousness of purpose and commitment to meeting partnership objectives; More open and transparent systems for policy formulation, project funding and implementation; Willingness of the parties to build enduring relationships on the general understanding that partnerships are meant to build synergies between groups rather than highlight the superiority or weakness of partners.

### **Sustainable organisational capacity building: is organisational learning a key?**

Merrick L. Jones, *International Journal of Human Resource Management*, 12:1 February 2001 91–98

<http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan002572.pdf>

### **Sida's twinning method for institutional development**

Sida's twinning method, which has been used extensively during the past two decades, rests on the creation of partnerships between organisations with similar functions, in developing countries and Sweden. Sida developed its twinning method in response to the perceived deficiencies of the then conventional technical assistance approach (Dyrssen and Johnston, 1991), which commonly emphasised the provision of infrastructure in the form of buildings, equipment and vehicles, accompanied by intensive formal education and training of key individuals. Sida realised the need to enhance the sustainability of the outcomes of its development cooperation projects by moving the emphasis from the development of individuals to the development of organisations and institutions. This shift in focus was reinforced by an emerging literature which seeks to apply theories and practice of organisational development to the field of international development cooperation (see, for example, Cooke, 1997).

### **'Twinning' as a method of sustainable institutional capacity building**

Merrick L. Jones and Peter Blunt, *Public Administration and Development*, Volume 19, Issue 4, pages 381–402, October 1999  
[http://onlinelibrary.wiley.com/doi/10.1002/\(SICI\)1099-162X\(199910\)19:4%3C381::AID-PAD87%3E3.0.CO;2-1/pdf](http://onlinelibrary.wiley.com/doi/10.1002/(SICI)1099-162X(199910)19:4%3C381::AID-PAD87%3E3.0.CO;2-1/pdf)

Sida's method involves the creation of partnerships between organisations with similar remits in developing countries and Sweden. Sida has accumulated considerable experience with this approach in a number of countries during the past two decades.

### **Strengths**

Sida attributes the following strengths to twinning:

- its ability to provide a broad range of relevant services;
- similarities of corporate identity and institutional mandates in the partners;
- relevant competence and skills in the 'incoming' partner;
- prospects for collegiality arising from organisational similarities;
- easy, effective interaction;
- also, internationally known agencies have easier access to developing country governments than private consultancy firms.

Statistics Sweden cites advantages such as:

- long-term relationship;
- involvement of both organisations in issues of organisation, management, administration, rules, systems, values and attitudes; corporate skills;
- sharing of professional skills and institutional praxis;
- credibility and legitimacy in relation to reform processes;
- support and autonomy for risk taking;
- coordinated flexibility.

There are also quotes from other writers on the advantages of twinning.

An additional benefit offered by twinning are the enhancement of organisational confidence that comes from the backing of an empathetic partner organisation, and the stimulus of working with a wider range of fellow professionals.

### **Weaknesses**

Sida, Statistics Sweden and Berg (1993) acknowledge that twinning is more **expensive** than conventional methods and that 'gap filling' and limited transfer of knowledge can be achieved more cheaply in other ways.

Berg (1993) argues that there are risks, particularly that of selecting unsuitable partners.

An associated issue concerns the motives of the twinned organisations. An inescapable contradiction is that it is in the interests of the twinned organisations, and the individuals in them, both to prolong the project and to complete it. Equally seriously, there is a danger inherent in twinning arrangements that the 'developed' twin may assume a position of superiority in the relationship and expect a passive, dependent partner.

Whatever words are used to suggest otherwise, it is ingenuous to deny that the twinned partners are not equal and cannot become equal. Unless this is acknowledged and sensitively managed to produce a healthy 'psychological contract', unfortunate consequences such as increased dependency (the antithesis of sustainable development) or resentment may occur. In both of the projects in the study there appeared to be some degree of consciousness of this issue.

Probably the most serious threat to long-term institutional sustainability in twinning arrangements is the possibility that individuals who acquire scarce skills in a project 'the lifeblood of an effective state' (World Bank, 1997, p. 92) will leave the organisation when the project is terminated.

Case studies are also used in this report.

### **Health Partnership Scheme, programme to support the development of health services, THET.**

<http://www.thet.org/hps/features/page-1>

The Health Partnership Scheme (HPS) is a four-year programme to support the development of health services in some of the world's poorest countries. The scheme will harness UK health institutions and professionals to improve health outcomes and strengthen health systems through the sharing of skills and other collaborative projects. The scheme is funded by UKaid and managed by THET who has formed a consortium with HLSP to deliver the programme.

The Health Partnership Scheme seeks to promote activity which is effective and sustainable and will be managed in an inclusive and accountable way.

1. Multi-Country Partnerships: effectively leveraging the knowledge and expertise from UK health institutions, in areas of health system strengthening and contribute towards meeting the Millennium Development Goals 4,5, and 6 targets through projects with transformational impact.
2. Paired Institutional Partnerships: delivering effective health partnership projects, encouraging reach into under-served and rural areas, and improving health outcomes over a broad thematic and geographical spread.
  - Medium Paired Institutional Partnership Grants £15,000 per year, 12 to 24-month projects.
  - Large Paired Institutional Partnership Grants £30,000 per year, 30-month projects
  - Multi-Paired Institutional Partnership Grants £60,000 per year, 30-month projects.
3. Long-term volunteering: health system strengthening and contributing towards meeting the Millennium Development Goals 4,5, and 6 targets through Human Resources for Health capacity development.
4. Fostering Partnerships: provision of online and 'real world' support, community and resources for the formation and growth of effective partnerships that improve health outcomes in poor and priority countries

## **2. Technical assistance**

### **Sida's Policy for Capacity Development**

Sida, Methods Development Unit, November 2000

<http://drt.handicap->

[international.fr/fileadmin/cdroms/Biblio\\_Renforcement/documents/Chapter-1/Chap1Doc10.pdf](http://international.fr/fileadmin/cdroms/Biblio_Renforcement/documents/Chapter-1/Chap1Doc10.pdf)

In relation to technical assistance, this means that foreign expertise brings a certain kind of knowledge and competence. Those people who work in a country's public administration, companies, or organisations have other knowledge and experience. In the meeting of the two forms of knowledge, new and creative solutions can arise, but it is seldom, if ever, a question of exporting ready-made solutions or ready-made knowledge. The relevant knowledge and competence are developed as a result of a process of learning and of social interaction.

### **Does Technical Assistance Matter? An Impact Evaluation Approach to Estimate its Value Added,**

Marcano, L. and Ruprah, I. (2009) Office of Evaluation and Oversight, Inter-American Development Bank, Washington, D.C.

This paper looks at the impact of TA in situations where Financial Aid is also being provided by donors. It is based on the premise that “many public programmes and operations (grants or loans) by bilateral and multilateral organisations include technical assistance, TA, in addition to financing. Hence the impact of technical assistance over and above the impacts of pure financing is a policy relevant evaluative question.

However, there appears to be little to no literature on estimating the impact, i.e. the outcome exclusively attributable to, of technical assistance when it is part of a package that includes monetary transfers” (page 1).

The methodology observes changes in outputs under the 'treatment' (i.e. TA) compared to a comparison group using a propensity score-double difference technique. The study compares a group that receives public works plus TA with a group which just receives public works.

The paper concludes that “Controlling for dosage (amount of transfers for the public works) and considering two treatments (public works and technical assistance, and public works only) we find that technical assistance has a positive and statistically significant impact of a reduction of lack of access of potable water and sewerage over and above the impact of financing of public works” (p 9).

In relation to the applicability of this methodology in other situations, the authors find that “the method is applicable to any situation where TA is part of a programme’s benefits. However, the applicability of the method is limited to situations where some beneficiaries receive only transfers while other receive both transfers and TA, plus where there is a sufficient sample size to find enough similar beneficiaries for both treatments” (page 9).

### **Evaluation of the Technical Assistance Provided by the International Monetary Fund** IMF Independent Evaluation Office, 2005

This evaluation is a study of TA provided by the International Monetary Fund (IMF) to its member countries. In order to assess the effectiveness of TA, the study separates the provision of TA in to three elements:

- How are TA needs identified?
- How is TA delivered?
- How is TA evaluated?

Looking at six country case studies to assess the impact of TA, the report finds that “Even in the best of circumstances, the way TA interacts with other types of assistance is complex, and its impact becomes evident only with long and unpredictable lags. For this reason, the effectiveness of TA is also linked to the effectiveness of other modes of engagement” (page 84). Furthermore, the report found that “our efforts to assess impact have revealed shortcomings in documentation and processes that limit the extent to which one can evaluate outcomes. This, in turn, undermines accountability and the potential for the IMF’s evaluations to be used as learning tools and mechanisms to allocate future TA” (page 84).

### **‘Twinning’ as a method of sustainable institutional capacity building**

Merrick L. Jones and Peter Blunt, *Public Administration and Development*, Volume 19, Issue 4, pages 381–402, October 1999

[http://onlinelibrary.wiley.com/doi/10.1002/\(SICI\)1099-162X\(199910\)19:4%3C381::AID-PAD87%3E3.0.CO;2-1/pdf](http://onlinelibrary.wiley.com/doi/10.1002/(SICI)1099-162X(199910)19:4%3C381::AID-PAD87%3E3.0.CO;2-1/pdf)



In the early 1980s there was dissatisfaction with the results delivered by the then conventional form of development cooperation, technical assistance. The main pillars of this approach were the provision of physical infrastructure in the form of buildings, vehicles and equipment, accompanied by high levels of formal education and training. Technical assistance was 'delivered' by specialists from the donor country who visited the recipient country.

This is an unlikely vehicle for sustainable development. In particular, it can be seen that learning of new knowledge and skills via technical assistance was at the individual level, in the hope that this would lead somehow to enhanced performance at the individual and organisational levels; there is little evidence that this happened.

There should be a shift in the emphasis from the development of individuals to organisations and institutions. This was reinforced by an emerging literature which sought to apply theories and practice of organisational development which had been around since the 1960s.

### **Technical Assistance Factsheet**

IMF website, Published August 30, 2011

<http://www.imf.org/external/np/exr/facts/tech.htm>

IMF technical assistance supports the development of the productive resources of member countries by helping them to effectively manage their economic policy and financial affairs. The IMF helps countries to strengthen their capacity in both human and institutional resources, and to design appropriate macroeconomic, financial, and structural policies.

Specialised technical assistance from the IMF helps build capacity in countries for effective policymaking, including in support of surveillance or lending operations. Conversely, surveillance and lending work results in policy and other experiences that further inform and strengthen the IMF's technical assistance programme according to international best practices. In view of these linkages, achieving greater integration between technical assistance, surveillance, and lending operations is a key priority for the IMF.

At the same time, there is a continuing demand for technical assistance to help low-income countries build capacity to design and implement poverty-reducing and growth programs

The regional centres are complemented by technical assistance financed through topical trust funds. The first such fund started operations in May 2009, concentrating on building capacity in connection with anti-money laundering and combating the financing of terrorism. Two new trust funds, on Tax Policy and Administration and Managing Natural Resource Wealth, started operations in May 2011. Further trust funds are planned, including on, sustainable debt strategies, financial stability statistics, and training in Africa.

### **Capacity Development in Africa: An OED Evaluation of World Bank Support**

World Bank Operations Evaluation Department, 2005

[http://lnweb90.worldbank.org/oed/oeddoclib.nsf/24cc3bb1f94ae11c85256808006a0046/5676a297fe57caf685256fdd00692e32/\\$FILE/africa\\_capacity\\_building.pdf](http://lnweb90.worldbank.org/oed/oeddoclib.nsf/24cc3bb1f94ae11c85256808006a0046/5676a297fe57caf685256fdd00692e32/$FILE/africa_capacity_building.pdf)

TA has been effective when used for a discrete and well-defined technical task and in the context of a clear TA strategy that includes a phase-out plan. A majority of the projects reviewed support training of individual staff, and projects have almost always achieved the target numbers to be trained.

However, programmes have focused on the supply of individual skills in the public sector without ensuring that the skill-building is appropriately synchronised with organisational and institutional changes needed to improve public sector performance.

#### 4. Providing intermittent support

Many projects included consistency as an important factor in their lessons learned sections. This included through continuous support and consistency of staff. Often projects described impact being lost when they went to evaluate later and stated a lesson learned was providing support after the project had finished.

#### **Capacity Development in Africa: An OED Evaluation of World Bank Support**

World Bank Operations Evaluation Department, 2005

[http://lnweb90.worldbank.org/oed/oeddoclib.nsf/24cc3bb1f94ae11c85256808006a0046/5676a297fe57caf685256fdd00692e32/\\$FILE/africa\\_capacity\\_building.pdf](http://lnweb90.worldbank.org/oed/oeddoclib.nsf/24cc3bb1f94ae11c85256808006a0046/5676a297fe57caf685256fdd00692e32/$FILE/africa_capacity_building.pdf)

Capacity building is a long term process requiring a systemic approach, demand for improved public sector performance, and supply of well-structured organisations and skilled personnel.

#### **PNG cluster evaluation of three institutional strengthening projects**

AusAID, Evaluation No: 3 - May 1998

<http://www.ausaid.gov.au/publications/pdf/qas03.pdf>

Lessons included:

- Training, particularly technical training, should be integrated into all components of IS projects rather than being separated out into a training component.
- All three projects clearly illustrate the fact that IS projects require longer-term commitments in terms of training and follow-up. The impact of external events, the ongoing commitment of at least some individuals to the changes, and the ability of the organisation to attract and retain resources and to apply them to reinforcement strategies such as regular technical training, have all had major impacts on the sustainability of these projects.
- Verifiable indicators (VIs) should be clearly related to project outcomes and be measurable.

#### 5. Mentoring of the chief executive

Many studies have emphasised that it is important not to focus only on developing individual skills and also think carefully about broader organisational factors that may support or inhibit success. Individual and team coaching can help this as can external facilitation when developing strategy and direction to ensure all voices and views are heard. An intermediate appointment can assist in observing and analysing enablers and barriers to success and in helping the leadership to manage change and improvement through a dedicated change facilitator and manager.

#### 6. Other Options

#### **Approaches to developing the capacity of health policy analysis institutes: a comparative case study**

Sara Bennett, Adrijana Corluca, Jane Doherty and Viroj Tangcharoensathien, 20 December 2011

There are three broad dimensions of organisational capacity:-

- Resources –particularly financial resources and staff
- Governance and management – comprising both external accountability mechanisms (such as boards) and internal management systems



- Networks – relationships with other organisations that assist in achievement of organisational goals.

### **How to Promote Capacity and Sustainability within health policy analysis institutes**

- Pursue diversification of funding sources, but seek to avoid multiple low value short term contracts which typically carry high administrative costs.
- Invest in developing flexible and predictable funding that enables the institute to build its own programme of work, pursue institutional development and respond to unfunded government requests – endowment funding that allows the institute to run on the interest stream from a capital investment may be particularly promising.
- Seek core funding from government, but avoid excessive reliance on government funding as this may undermine institutional autonomy
- Develop and make active use of strong Board structures – such structures can help protect the independence of the institute, promote continuity (in the face of staff turnover) and help ensure strategic thinking and learning.
- Ensure that the institute engages in structured systematic thinking, for example through analysis of organisational Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) and strategic planning processes – these may be critical to managing unpredictable and dynamic environments.
- Seek innovative ways to attract and retain senior staff including options such as salary top-ups, sabbatical leave and exchange programs, and professional development opportunities.
- Engage early in succession planning and the development of leadership skills across institute staff
- Proactively and strategically expand the networks of the HPAI both domestically and internationally.
- A combination of more strategic planning, active recruitment and retention strategies, and longer term, flexible funding, for example through endowments, need to be promoted.

Health system strengthening requires investment in technically sound, scientifically credible institutions with some measure of independence. Health policy analysis institutes are one type of organisation that can help promote health systems strengthening through research, analysis and policy advice. Currently many health policy analysis institutes in low and middle income countries remain rather fragile structures, with limited financial security. Greater strategic planning by the institutes themselves, combined with more savvy external support that combines longer term, flexible funding with clear incentives to diversify institutional resources is needed.

### **Building local government capacity to achieve the Millennium Development Goals**

UNCDF, October 2005

[http://www.uncdf.org/english/local\\_development/uploads/thematic/UNCDF\\_LDG2.pdf](http://www.uncdf.org/english/local_development/uploads/thematic/UNCDF_LDG2.pdf)

### **General Lessons with Regards to Capacity Building**

1. Not just 'training needs': Any capacity building programme needs to be designed around an analysis of the different types of constraints not just narrower 'training needs'.
2. Tailoring procedures and systems
3. Awareness of opportunity costs, sustainability and replicability: There is also a need to be clear about how much capacity building should be done and what kinds of capacity require strengthening. It is all too easy to embark on comprehensive capacity-building exercises that are disproportionate to real requirements.
4. A frequent misconception: 'Local capacity as a prerequisite for...'

### **Modes of delivery**

Human resource and material capacity-building measures can be delivered in one of two ways:

**Supply driven:** Through the direct provision of training, personnel and equipment, as determined by the project document or subsequently planned by the project management unit. Most programmes have followed this approach and this is the main focus of this chapter.

**Demand-driven:** Through demand-driven mechanisms organisations can identify and meet their own CB requirements from a general budget allocation for that purpose. Experience with this mode of delivery is described using Uganda as a case study.

**The Ugandan experience of demand-driven capacity building highlighted a number of issues:**

- Maintaining the strategic coherence of capacity building: in the Ugandan case, there was not a systematic assessment of training needs.
- Efficiency: in the absence of efforts to coordinate HR capacity building, a demand-driven mechanism can be inefficient.
- Quality control: unless some kind of quality control is exercised by central government (in the case of Uganda, through the Ministry of Local Government), training provided through demand-driven mechanisms may be mediocre in terms of both content and delivery, and subject to abuse (with upper tier LG officials providing most of the training in reward for *per diems*, and the like).

**PNG cluster evaluation of three institutional strengthening projects**

AusAID, Evaluation No: 3 - May 1998

<http://www.ausaid.gov.au/publications/pdf/qas03.pdf>

This is the report of the ex-post evaluation of three institution strengthening (IS) projects in Papua New Guinea (PNG). The three projects are:

- Tax Office Institutional Development Project (1989 - 1994);
- Bureau of Customs and Excise Institutional Development Project (1987 - 1992); and,
- Community Teachers' College Lecturers' Professional Development Project (1989 - 1995)

Because of the magnitude of the projects and their specific objectives, this evaluation has focused on the outcomes for the major beneficiaries or stakeholders of the projects rather than assessed the impact of the project at the national or macro level.

**A Toolkit on how to support Orphans and Other Vulnerable Children in Sub-Saharan Africa (Capacity Building Section)**

World Bank, Second edition, August 2005

<http://info.worldbank.org/etools/docs/library/162495/howdo/roles5.htm>

**Networks**

Building networks of peers is an option for capacity building. These networks serve various purposes. A network of groups, who speak with one voice, is far more effective in promoting policy change than a disparate group. Likewise, the quality of service delivery can be greatly improved if the various providers, whether in the public or private sector, collaborate in delivering a coordinated and comprehensive package of services. Strong networks can also enhance the economic power of producers, helping them by-pass middlemen and earn a better return on their products.

There are several different approaches to building and strengthening networks. These include working with cohorts of organisations within a sector or unified around a common concern. Our organisational development strengthening often precedes any explicit work to build networks. This process often involves multiple training events where the leadership and staff of peer organisations meet on a regular basis to learn together. These shared experiences serve to develop relationships that later serve as the basis for coordinated

action.

## **Organisational Development**

In most cases it is important to start with an organisational assessment process that allows partners to assess their strengths and weaknesses along multiple dimensions of management, including strategic direction, organisational structure, governance, planning, fundraising, and financial and grants management, human resource management, and monitoring and evaluation.

Based upon the results of these assessments, which are generally done with a cohort of organisations, we develop a tailor-made, capacity-building program, which usually combines training, mentoring, and one-on-one technical assistance. These OD capacity-building investments help partners develop and follow clear by-laws that enhance the transparency of organisational governance; they help NGOs develop a focused mission and strategic plan that builds off of the strengths and responds to the needs within the context in which they operate. Civil society groups and governments learn the basics of developing clear, actionable operational plans and budgets. Basic financial management and monitoring and evaluation systems are put in place, preparing partners to successfully manage larger scale grants and also to compete for new funding opportunities as they arise, thus ensuring their long-term financial sustainability. In order to measure the impact of organisational development investments, it is important to reapply organisational capacity assessment tools in the second or third year of programme implementation

### **A Staged Approach to Assess, Plan and Monitor Capacity Building**

AusAID, 4 May, 2006

The staged capacity building model is a methodology for planning and monitoring capacity building. It is a systematic approach to assess the capacity of work groups and individuals, identify needs, develop strategies to build capacity and assess the results. It provides a practical tool for use by advisers and counterpart staff working together, thus incorporating best practice philosophies and approaches on effective capacity building. It is designed for use during implementation of donor funded activities.

The model has been developed from a process used in AusAID's Ministry of Planning and Finance Project in East Timor, where advisers and counterparts were seeking a tool to track their progress in capacity building.

In effect, the model can be used to assist advisers and the counterpart staff with whom they work to:

- **Assess** and agree current capacity of the work group
- Jointly **plan** approaches and activities to build capacity
- **Monitor** the results.

'Cross-functional' aspects or dimensions include:

- Planning
- Setting quality standards
- Checking the accuracy or quality of the work against the standards
- Problem-solving and making decisions in relation to non-standard circumstances
- Following through to ensure that decisions are implemented
- Reviewing the processes used and making improvements.

### **Other Useful Sources**

#### **Sector Guidelines for Parastatal Organisations and State Owned Enterprises**

Institute of Directors in Malawi, February 2011

[www.ecgi.org/codes/documents/sector\\_guidelines\\_parastatal\\_so\\_e\\_malawi\\_3feb2011\\_en.pdf](http://www.ecgi.org/codes/documents/sector_guidelines_parastatal_so_e_malawi_3feb2011_en.pdf)

**Institutional Strengthening of the Ministry of Employment & Social Welfare- 2008-2012**

<http://projects.dfid.gov.uk/project.aspx?Project=114064>

**Topical Trust Funds Aim to Expand IMF's Capacity Building**

<http://www.imf.org/external/pubs/ft/survey/so/2011/POL020111A.htm>

**Capacity Development Web Site, Canadian International Development Agency (CIDA)**

<http://www.eldis.org/go/jobs&id=6009&type=Organisation>

This website is intended to provide a focus and a central location for those who are looking for ideas, definitions, lessons learned, approaches, resources or operational tools on capacity for development issues.

The site is organised around three topics:

- capacity development in Canadian development cooperation
- related documents
- sites of interest

**IMF Regional Technical Assistance Centers (RTACs)**

<http://www.pftac.org/PFTAC%20FY11%20Annual%20Report.pdf>

Eight Regional Technical Assistance Centers (RTACs) in the Pacific, the Caribbean, in Africa, the Middle East, and Central America help countries strengthen human and institutional capacity to design and implement sound macroeconomic policies that promote growth and reduce poverty (see Annex B). Work is progressing on establishing a new regional centre for Western Africa. RTACs combine local expertise and on-the-ground capacity building with strategic advice from IMF headquarters. All technical assistance (TA) is integrated into the IMF's lending and surveillance operations, and coordinated with other IMF TA as well as that of other providers. All TA is backstopped by IMF headquarters, ensuring quality and consistency of policy advice.

**Learning from Capacity Building Practice: Adapting the 'Most Significant Change' (MSC) Approach to Evaluate Capacity Building**

R Wrigley, 2006

<http://www.intrac.org/data/files/resources/408/Praxis-Paper-12-Learning-from-Capacity-Building-Practice.pdf>

This paper provides a reflection on a pilot experience of using the 'Most Significant Change' (MSC) methodology to evaluate the capacity building services of CABUNGO, a local capacity building support provider in Malawi. MSC is a story-based, qualitative and participatory approach to monitoring and evaluation (M&E).

**Final Report on the Evaluation of Institutional Strengthening Projects**

United Nations Environment Programme

<http://www.multilateralfund.org/sites/56th/Document%20Library2/1/5608.pdf>

Institutional strengthening is an inherently qualitative endeavour, or a soft project, with deliverables that are often intangible and subject to complex cause and effect relations which complicate the impact analysis. Nevertheless, attempts were made to identify the results achieved and the role of the IS projects as precisely as possible, taking into account the main objectives of IS projects as elaborated in terminal reports and extension requests against which the impact of IS projects may be measured.

**The Capacity Building Challenge**

Paul C. Light, Elizabeth T. Hubbard, Barbara Kibbe, April 2004  
<http://www.grantcraft.org/pdfs/capacitybuildingchallenge.pdf>

### **Pact**

[http://www.pactworld.org/cs/institutional\\_strengthening](http://www.pactworld.org/cs/institutional_strengthening)

Pact's mission is to help build strong communities globally that provide people with an opportunity to earn a dignified living, raise healthy families, and participate in democratic life. Pact achieves this by strengthening the capacity of grassroots organisations, coalitions and networks and by forging linkages among government, business and the citizen sectors to achieve social, economic and environmental justice.

### **ARCADE HSSR: African Regional Capacity Development for Health Systems and Services Research**

<http://www.ids.ac.uk/idsproject/arcade-hssr-african-regional-capacity-development-for-health-systems-and-services-research>

IDS is a partner in a Consortium led by Karolinska Institutet strengthening research training capacity at Sub Saharan African universities for health systems and services development. The focus will be on doctoral and post doctoral training, institutional strengthening for education and research management. The consortium will support the development of a sustainable research environment and help build a network of strong African research institutions.

### **Effective Capacity Building in Nonprofit Organizations**

[http://www.grantcraft.org/pdfs/vpp\\_mckinsey\\_capacitytool.pdf](http://www.grantcraft.org/pdfs/vpp_mckinsey_capacitytool.pdf)

### **Capacity Building Models**

<http://www.grantcraft.org/pdfs/investingcapacity.pdf>

Nine capacity building programmes are described, including the sponsors' goals and assumptions about organisation change, common challenges, lessons learned, and inherent weaknesses. These programmes are used to illustrate three distinct models of capacity building: Capacity Grants, Development Partners, and Structured Programmes.

### **Diagnostic Model for Capacity Building**

<http://www.competition-regulation.org.uk/conferences/southafrica04/eldridge&goulden.pdf>

### **Description of Different Capacity Building Models**

<http://www.rdinfo.org.uk/rds/Downloads/RECAPAppendices.pdf>

### **Promoting Innovative Programs from the Developing World: Towards Realizing the Health MDGs in Africa and Asia**

Global Development Network, 2009

This is a program funded by the Gates Foundation and administered by the Global Development Network (GDN). The website says the following:

This approach seeks to improve and expand evaluation capacity in the developing world. The Gates Foundation, by far the largest private foundation investing in global public health projects, has identified the lack of reliable effectiveness and evaluation data as a key impediment to making intelligent, evidence-based policy decisions about what projects it should fund. Instead of trying to provide incentives to US-based researchers to undertake this work, the Gates Foundation sought to develop local capacity in the regions where it is actively investing in health programs.

To accomplish this, it provided funding to the GDN to award grants to established researchers from developing countries and to pair them with mentors who would provide training and guidance on the technical and policy aspects of health program evaluation. By doing so, the Gates-GDN program was able to draw on the existing research capacity in developing countries and provide technical training to these researchers in the specifics of health program evaluation. This strategy not only increases the evaluation and research capacity in these nations but also creates professional relationships among the researchers and mentors, catalyzing a global community of practice among health program evaluation researchers.

### **List of studies as part of the Research Project**

An Impact Evaluation of the Safe Motherhood Program in China  
Xinglin Feng; Yan Guo

Impact Evaluation of India's 'Yeshasvini' Community Based Health Insurance Programme  
Aggarwal, A.

An Evaluation of a Safe Motherhood Hospital Program  
Kriengsak Vacharanukulkiet; Worwan Chandoevrit

The potential of provider-initiated voluntary HIV counseling and testing at health care settings in Thailand  
Montarat Thavorncharoensap; Piya Hanvoravongchai; Sitaporn Youngkong; Sripen Tantivess; Thira Woratanarat; Usa Chaikledkaew; Yot Teerawattananon

Impacts of a government social franchise model on perceptions of service quality and client satisfaction at commune health stations in Vietnam  
Anh Ngo; Ha Phan; Thang Trinh; Van Pham

Do HIV-AIDS teacher training programs work in Africa? evidence from the Cameroon  
Eric Djimeu Wouabé; Jean-Louis Arcand

Impact evaluation of the Ethiopian health services extension program: A non-experimental approach  
Andinet Delelegn; Assefa Admassie; Degnet Abebaw

An Evaluation of Ghana's National Health Insurance Scheme in the Context of the Health MDGs  
George Frempong; Joseph Mensah; Joseph R. Oppong; Kofi Bobi Barimah; William Sabi

Evaluating the impact of micro-franchising the distribution of anti-malarial drugs in Kenya on malaria mortality and morbidity  
Ann Kamau; Evan Mathenge; Jacob Oduor

School Based Malaria Programme: Retrospective Analysis Of Health And School Outcomes  
Bertha M.N Simwaka; George Bello

An Impact Evaluation of Performance Based Contracting for General Health and HIV/AIDS Services in Rwanda  
Christel Vermeersch; Damien de Walque; Paulin Basinga; Stefano Bertozzi

Evaluating the Impact of Community Based Health Interventions: Evidence from Brazil's Family Health Program  
Rodrigo R. Soares; Romero Rocha



Implementation of Alternative Hand Hygiene Measures for the Prevention of Acute Diarrheal Disease and Acute Respiratory Infection in Children under 5 in Childcare Centers in the Locality of Ciudad Bolívar in Bogotá

Pinto, D.; Juan Camacho; Juan Correa; Juliana Quintero; Lucas Salas; Martín Rondón

Social Security Health Insurance for the Informal Sector in Nicaragua: A Randomized Evaluation

Erica Field; Freddy Solis; Laurel Hatt; Martha Azuzena González Moncada; Mursaleena Islam; Rebecca Thornton

The PARSalud program in Peru: Evaluating its impacts on quality of maternal care

Juan José Díaz; Miguel Jaramillo

Family Planning and Rural Fertility Decline in Iran: A Study in Program Evaluation

Salehi-Isfahani, D.; Meimanat Hosseini-Chavoshi; Mohammad Jalal Abbasi-Shavazi

Evaluation of the Impact of the Mother and Infant Health Project in Ukraine

Vyshnya, M.; Nizalova, O.

Health Impact Evaluation: Project Young Medical Volunteers for Vietnam Rural Mountain

Vu Ngoc Uyen; Vu Quoc Huy

The short-term impacts of a CCT program for schooling on the sexual behavior of young women

Chirwa, E.

## 7. Additional information

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**About Helpdesk reports:** The HDRC Helpdesk is funded by the DFID Human Development Group. Helpdesk Reports are based on up to 2 days of desk-based research per query and are designed to provide a brief overview of the key issues, and a summary of some of the best literature available. Experts may be contacted during the course of the research, and those able to provide input within the short time-frame are acknowledged.

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