

# **Evaluation of Capacity Development in Danish Development Assistance**

## **Annex J: Validation of Hypotheses**

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## Annex J: Hypotheses

The ToR/ Scope of Services for the Evaluation defined four focus areas that are further explained in the “Approach Paper on Capacity Development” (Annex 1 to the ToR), which are translated into four corresponding “hypotheses”. These hypotheses were subjected to testing by the evaluation team through its evaluation approach, methodology and field evidence gathering. In this Chapter, evidence to validate or negate the hypotheses, using observation, documentation data and survey responses obtained in Nepal, Uganda and Tanzania, is presented. It is tempting to generalise from the three country studies, but the selection of the three countries was not based on the result of a case-based typology so each sample (each country) can only stand on its own; that is not to say that generalisations to a research universe are not possible, but the research approach must be highly rigorous and thorough in order to ensure validity. In this case, any extrapolations to larger universes (ex. countries, regions) done by this Evaluation are meant only as a means of ensuring that the logic of the hypotheses stands up to scrutiny. The key benefit to be derived from this “pragmatism” approach is that the observations used for studying hypotheses are valued as a “practical” and not an “ideological” approach. No issues of “truth” are brought forward and the argumentation lies entirely within the domain of “observation”. By doing so, the hypotheses may be validated and will thus provide a basis for elaborating parts of a Theory of Change for CD interventions.

### Drivers for and constraints to CD change

***Hypothesis 1: Donor support to capacity development is (more) effective when it fits the drivers for and constraints to change***

Not surprisingly, the Tanzanian, Ugandan and Nepalese analyses support this hypothesis by confirming that: *the more an intervention is specifically designed to reflect the specific contexts and other realities of the problem it purports to resolve, and the more it is designed to deal with the drivers for, and constraints to, the achievement of its objectives, the greater are its chances of success.*

In many ways Hypothesis 1 is not a hypothesis at all, but a statement of predictable outcomes based on the praxis represented by literature-based analyses, years of ongoing experience with capacity development around the world by various donors, researchers and research institutions<sup>1</sup> and a significant body of knowledge accumulated by these donors through evaluation and other means. The Approach Paper listed a number of generic factors that affect the outcomes of capacity development in response to the degree to which it represented the “best fit”, including the scope or distribution of the capabilities, the incentives to perform, the specificity of the required changes.

Field experience by both the evaluators and the participants encountered shows that it is not only very difficult to conceive of what would be a “best fit”, but it is a problem to agree on what the concept of “best” would represent in any particular context. So it has not been the experience of donors or recipients to accurately define what the “best fit” would be. The evaluation team found that part of the problem has been that both donors and recipients often have not been able to precisely define what to “fit against” since core information concerning change strategies, expected results and contextual dynamics is generally not well defined. In addition, specificity concerning existing and required capability and capacity requirements has been missing; risks have not been well or thoroughly defined, and commitment to change has been assumed to exist. Planning for capacity development has generally followed a linear approach based on simplified and even reductionist models while what is required is “the best possible fit at any one time”, and

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<sup>1</sup> See for example the European Centre for Development Policy Management’s body of knowledge on capacity development management, and the work of the Overseas Development Institute (UK) and the Global Centre for Development (USA).

an understanding that this “fit” will change, and needs to be changed, over time, so that the relationship is not so much “benchmarked” or static but is “living and adapting”.

Overall, Danida has not imported “best practices” and blindly applied them in programmes evaluated in the three countries (“isomorphic mimicry”). On the contrary, it has provided ample opportunity for adaptation and flexibility in its intervention formulation. It did not use a “blueprint” approach. It should be noted that there has been an observable paradox in the application of the Paris and Accra principles in the three countries: given that the governments of Nepal, Uganda and Tanzania and their agencies have been the drivers of the cooperation planning with Denmark, and have had a leadership role in design and adaptation to local contexts, the designs should have been a “best fit”, at least as far as it was possible to generate at the time with existing Danida policies, guidelines and practices. But the capacity development results have not always been encouraging: analysis and formulation for CD have not been as comprehensive as they might have been with different paradigms or approaches (for example involving RBM, ToC and enabling environment management). Respondents agreed that a “fit” between context, needs and approaches is a *sine qua non* for successful capacity development, and that the most likely way to ensure that the design represents a “best fit” is to be rigorous in the planning and design process, to integrate change management processes and adequate monitoring and supervision, and to follow that up with timely decision-making to take corrective action to ensure that the path to expected results takes the “fit” into account in a real way.

Based on the above, the evaluation team would support the contention that Danida has attempted to design its support to the Governments of Nepal, Uganda and Tanzania and to non-governmental capacity development targets in a way that tended to leverage the drivers (leading to a “best fit”) for change as Danida knew them (see also Hypothesis 3). Danida also attempted to mitigate against the effects of the many constraints it encountered, including poor responses to commitments made by partners, donor partner apathy, ineffective use made of technical assistance, poor management of capacity inputs including training, and a seemingly universal human resource phenomenon characterised by rapid turnover of “capacitated” personnel. These constraints are also considered to be part of the challenge of establishing a “best fit”.

The evaluation team also found CD designs, objectives and strategies were mostly at too abstract a level, constraining the effective monitoring, supervision and policy dialogue that could have supported the CD change efforts and leaving behind any clear link between them and what the baseline of the “best fit” was for the intervention. There were many areas where much deeper and more probing analyses into these drivers and constraints could have saved Danida some resources and efforts, including the health sector in Tanzania and the agricultural sector as well as the governance sector (when trying to set up a coordinating body in the accountability sector) in Uganda. The problem is that it is hard to tell at this point what effect this lack of specificity concerning capacity development adaptation to on-the-ground reality (i.e. the “best fit”) had had on the overall results of the various interventions, in part because results for capacity development efforts were not often defined, monitored or evaluated.

There is a conclusion that can be drawn from the combined analysis of the various multi-donor literature reviews, the desk phase and the field phase of this evaluation, including the surveys and the feedback from the embassies that took part in the Evaluation. There are indications to show that capacity development efforts were more likely to succeed when: a) expected capacity development results were clearly defined; b) a change management plan and a strategy existed to generate them; c) a detailed ex ante planning and design process enabled the capacity development effort to closely match the enabling environment of the organisations involved; d) the change process matched the personal aspirations of key agents and the visions and expectations of

champions and key managers, and e) a competent management team, backed-up by effective and timely decision-making was in place to supervise the change process.

Based on the above, and as expected, the evaluation would conclude that “best fit” was a positive reinforcing factor for increased effectiveness.

## Conditions for successful contributions for CD

***Hypothesis 2: Donor support to capacity development is (more) effective when donors engage in dimensions of capacity development where external agencies are likely to be able to contribute (not too complex for outsider facilitation) and when donor involvement is found appropriate and legitimate***

The Evaluation’s findings support this hypothesis by confirming that: *donor engagement in capacity development is more likely to be effective when it contributes to warranted development outcomes and when the engagement is appropriate and legitimate.*

The evidence from all three case countries suggests that donors are not restricted by complexity, or any other “systemic” factor from “contributing” to the resolution of a national constraint to development unless there is a political, policy or strategic reason (on the part of either the recipient or the donor) to not engage. The evidence further highlights the ability of donors to shape their support initiative so that some form of intervention can be designed. For example, when the absorptive capacity is very restricted, the donors’ support can be relatively passive (budget support) or indirect (through NGOs), but there has always been room and logic space for a “contribution” (with the notable exception of support to coordination of the accountability sector in Uganda). Support to the private sector in Tanzania through the building up of the trade negotiation capability of the government was handled, in part, through indirect means including university training, and not all directly through the ministry responsible. The Evaluation showed that developing direct indicators for “improving trade negotiation outcomes” proved to have been elusive, as was defining outcome results that were measurable, but Danida undertook the challenge nevertheless.

The improvement of democratic governance in Nepal was partly channelled through civil society and associations and not only through government. The evaluation showed that the constraints to success in that domain in Nepal were great and the end-results impossible to define, but Danida nevertheless “contributed”. Denmark even supported Uganda in what was likely one of the most politically sensitive areas possible: it directly supported government agencies as well as civil society in the fight against corruption through preventive, educative and enforcement processes. The evidence would thus lead to the finding that it is not complexity that restricts the desire to contribute. What the evidence also points to, however, is the logical constraints imposed by the donor in its own assessment of how far its “contribution” will lead to results. There should be some reasonable likelihood that the donor effort will lead to observable results that would emerge at some point in the contribution process. Danida’s support to the agriculture ministry in Uganda can be considered as an example where evaluations and reports have shown that Danida may have “contributed” a great deal towards a process of organisational improvements and other general objectives, but the ministry and government were not committed to bringing about the reforms and changes required to reach expected outcomes and impacts, so Danida can be considered as not having contributed to those expected results.

Strictly speaking, there is really no such thing as a “lack of legitimacy”<sup>2</sup> in a bilateral relationship. Bilateral donors, and Denmark specifically, operates in “priority countries” under umbrella

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<sup>2</sup> Refer to the Oxford dictionary definition of “legitimate”.

programme agreements of all types, as it does in the three case countries. Their programmes and interventions are agreed to with signed agreements at the highest levels. They are therefore “legitimate”. Credibility is another issue, and is reflected in the mutual trust and thus influence that is enabled by that trust. Discussions with stakeholders in the three countries and results of the survey conducted suggests that the conditions under which a donor *should* engage are solely a factor of the perception to which it feels it can influence decisions that will be needed to generate expected outcomes and impacts (a perception of its credibility), the risks involved, and the expected value to both parties. In some cases, the expected degree of success may be low if the enabling environment is constrained or the challenges to change or reform are too great, but the donor is still free to engage for reasons other than effectiveness and rationality.

Interviews and survey results point to the finding that in the specific cases of Tanzania, Uganda and Nepal, Danida has been a trusted partner for decades in the sectors examined and its behaviour and commitment to capacity development corresponds to the perceived needs of its partner (as defined by the partner) as well as to its values, norms and sense of identity (to name a few). Evaluation results also clearly point to the fact that respondents are aware of, and appreciate the fact that Danida has been their “trusted partner” for many years and has let its support evolve with the changing conditions of the country and the sector organisations. For those reasons, respondents have said that Danida is deeply appreciated as a credible partner; as such not only can it provide partnership services but can also challenge its partner without breaking the bonds of the relationship or inciting conflict. This is a considerable value-added for development in general and capacity development in particular where one of the most difficult challenges is to bring about change.

Individuals that were interviewed spoke to the real challenge of generating, or at least identifying, a “willingness” to change on the part of partners and what should be an “appropriate” response by donors. Interviewees noted that it was the government’s responsibility to ensure that capability and capacity development was successful, and that services were indeed delivered to the citizens. In that context, Danida should not be the one to want, or to impose, a change that is the partner’s responsibility. They mentioned examples where other donors were the instigators of change or reform, used their resources as a lever to insist on a particular strategy that was not the country’s original strategy, or set up unsustainable processes that often resulted in a distortion of national resources or managerial/political interest towards the donor programme in question and away from the development of the capacity of the government system as a whole. In all the examples they cited, these donors were perceived as bringing “their” programmes to the country, for their execution of their own agenda. Danida’s support was not perceived as having these distortive characteristics, resulting in a perception of Danida as a “credible and trusting partner”.

Based on the above, it would appear that the hypothesis statement would be validated. That being said, the evaluation team feels that the hypothesis is more like conditional statement of causality. After all, in the absence of legitimacy and a meaningful expectation of being able to influence the achievement of success through the application of “appropriate” involvement, how can a donor contribute, or be invited to contribute, at all?

### Supply and demand dynamics

***Hypothesis 3: Donor support to capacity development is (more) effective when one looks beyond “supply-side” or “push” approaches that only work from the inside in public organisations, aiming also to foster broader accountability relations (the issue of so-called “supply and demand”)***

The Evaluation's findings support this hypothesis by confirming that: *the Danida supported interventions have included support to the demand side through capacity development of external stakeholders dealing with oversight, accountability, good governance and transparency, but that the effect on public service delivery has not been significant – one reason being that the space for external stakeholders' influence has been controlled by agents with power.*

There is little direct evidence to show a causal link between Danida's support to a specific "demand", and the magnitude of any "supply" change. Although the evaluation was able to identify a few instances where Danida support to NSAs resulted in a heightened ability to engage in advocacy, it was not able to qualify the influence of that increase in advocacy capacity. Nor did the programmes examined have any observable definitions of what constituted the "ability to engage in advocacy", or "strengthened" organisational ability. The evaluation examined this hypothesis with each non-governmental respondent and many public servants and observed that the success of any form of advocacy was dependent on a large number of highly contextual factors that should not be reduced to "supply" or "demand" alone.

The three countries had very different experiences with the supply/demand interface. Tanzanian advocacy groups report that there is little receptivity there, largely due to historical political positioning and ideology.<sup>3</sup> But there is indirect evidence that the Government of Tanzania has responded to the political pressure generated by business associations (ex. more consistent interpretation of regulations), transport firms (especially marine and aerospace), farmer groups and agri-business (ex. phytosanitary regulations) and international community (ex. elections). There are signs that it also responds to media and some CSOs when the topic under analysis is the management of public funds.<sup>4</sup> Nepal has an immature (not cohesive, fragmented and unable to finance itself) civil society in most sectors but respondents there indicated that the Government of Nepal is prepared to involve communities in local solutions. The Evaluation clearly showed that there was a very deep difference between representatives of civil society and public service employees concerning where the responsibility for determining the level of "supply" should lie. While civil servants thought that donors should support civil society, they did not believe that civil society organisations were legitimate partners in determining the nature or level of goods and services that should be delivered.

Tanzanian respondents were in complete disagreement concerning the role of civil society in delivery at all. Some respondents firmly believed that the government should be responsible to society and act on its behalf; others believed that civil society should have an interface with government.<sup>5</sup> In Uganda there is evidence<sup>6</sup> to show that the government has responded favourably to the "demands" of its citizens and CSOs in the provision of goods and services in those domains where it agreed with the demands and in areas where it "hurts" the ruling party the least (ex. petty corruption as opposed to grand political corruption). In Uganda there are also many

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<sup>3</sup> There is anecdotal but consistent evidence offered by respondents to show that the Government of Tanzania has responded favourably to the "demands" of its citizens and NSAs' in the provision of goods and services. Historically, the Office of the President has refused to recognise the role of civil society in those domains where direct service delivery to citizens is concerned. Faith-based institutions appear to have more freedom to provide services, but even they are not always welcomed when it comes to advocacy.

<sup>4</sup> The Public Financial Management (PFM) support in Tanzania has, for instance, been closely related to General Budget Support and donor support, watchdog NGOs and more critical journalism, e.g. through the media fund) to foster an increasingly critical debate on Government's use of public resources. However, many of the most critical issues currently facing the PFM: budget credibility, arrears and decrease of LGAs non-salary budgets as well as inequities in LGA budget allocations – are largely absent from public debate, as they appear possibly too technical in nature and without vote mobilising potentials. Moreover, it is yet to be seen how, and if, the 'open debate' being touted has any effect on allocation of resources or on evidence-based decision-making involving public funds.

<sup>5</sup> The hesitancy of the government to work with the Association of Private Health Facilities in Tanzania (APHFTA) to allow space for private sector operators to deliver public health services in Tanzania is an example.

<sup>6</sup> See among others Democratic Governance Facility annual review 2014.

examples (ex. access to justice, support to the Anti-Corruption Court, the Inspectorate of Government) of how support to CSOs has reinforced the results of support to capacity development of state institution.

Denmark-Nepal-Uganda-Tanzania experiences would indicate, that were donors given the possibility to do so, empowering society (or stakeholders, or citizens) to undertake advocacy would eventually require government agencies to provide a higher level of service or an improved level of accountability, if the latter were able to do so. Managing both sides of this equilibrium would require capacity to be developed within both parties, and not only the capacity of the “demand”. The evaluation only found few examples of where Danida had attempted to improve the capacity or capability of public agencies to work with the “demand” side (accountability and justice sector in Uganda). Developing the supply as well as the demand also assumes that both parties are willing to dialog as a result of recognition of the space that each legitimately should occupy in society. Although this is stated as a duality (two parties), it is recognised that it is highly complicated (especially in Tanzania and Uganda in the case of this evaluation) and is multi-stakeholder in nature.

In all three countries, the evaluation team gathered information and perceptions from a number of perspectives on this issue, and it has come to the conclusion that referring to a “supply and demand” analogy, while simple and seemingly universal as a concept may lead to reductionism. The relationship at any time between the State and the People is a multi-layer and complex, and is never fixed, unlike the result of the supply and demand intersect that is proposed in economics. It would take many, many curves to illustrate the situation at any one time between the suppliers and the demanders in a specific country, or even within a specific sector in that country.

Based on the above, the hypothesis can be validated with some reservation, as interaction between ‘external’ and ‘internal’ stakeholders is likely to be extremely complex and needs to be contextualised. In other words, it may be true or not, depending on the positions of either side, the specific gap between what the “supply provider” is prepared to offer in relation to the demand. What can be concluded from this Evaluation is that while civil society, including media, today are much more vocal in the public debate – in particular in relation to accountability issues, *it is more difficult to pin point areas where demand for more technical aspects of reforms have been strengthened to the extent that it has had an impact on the capacity of the public sector. Without greater capacity to absorb the “pull” and internalise it into operational effectiveness and efficiency, there can only be little or no increase in service or goods delivery.*

## Results-based approaches

### ***Hypothesis 4: Donor support to capacity development is (more) effective when it uses results sensibly to measure progress, correct course and learn***

The Evaluation’s findings support this hypothesis by confirming that: *capacity development outcomes would be more effective if results are appropriately defined in a way that leads to enhanced organisational performance. This would also facilitate: progress monitoring and provide justification – if need be – for correction of the CD process; and the organisations’ learning.*

Almost every individual and agency interviewed in the course of the Evaluation indicated that their capacity development interventions were not results based. One notable exception is the Public Financial Management Reform Programme in Tanzania, and their equivalents in Nepal and Uganda. The public finance management domain is characterised by external norms and standards for performance (ex. PEFA), the ease of generating baselines and a strong management team where external contractors under International Financing Institution management are heavily

involved in monitoring and supervision. Strong and influential ministries in recipient countries always heavily support these interventions as these provide legitimacy for their operations. For these reasons they should not be considered as “typical” capacity development projects.

Respondents noted that the management focus during the implementation of the project had been on the lower end of the results chain: i.e. inputs and outputs (mostly based on the reinforcement of individuals or systems) rather than outcomes and impact. The ROACH model, for example, speaks primarily to outputs. Danida’s capacity development in the three countries examined speaks to “results” but is managed on the basis of inputs and outputs rather than outcomes and impacts. Moreover, where RBM had been implemented (or parts thereof), management’s focus had concentrated much more on achieving results than would otherwise be the case (ex. TACAIDS in Tanzania where managers report that they “have been able to step back from the day-to-day operations and ponder, with evidence, what they could do in order to be more effective”). The evidence points to the fact that the introduction of RBM is highly contextualised: some sectors lend themselves more to results than others (ex. it was fairly straightforward for road construction technology but has been hard in human rights commissions). Many people confused productivity, capability and capacity and many agreed that there was a need for assistance and examples to “unpack” these concepts.

There was consensus in respondents’ opinion that most of the capacity development actions that they had witnessed had little impact at the organisational level in terms of achieving expected outcomes.<sup>7</sup> Most of the respondents noted that their programmes would have generated better (i.e. higher quality) and more appropriate benefits if it had been structured better, and managed by results specifically. Most also said that applying a results-based approach would also limit the ability of managers to generate personal benefits for themselves and their close colleagues; as a result, they suggested that there could be resistance to results-based management.

Going the next step with results-based management with defined outcomes will have important consequences for Danida because that approach will require interventions to be formulated in much more detail and will require managerial and behavioural changes from stakeholders at all levels; but there is wide-spread agreement that it will improve the results of the capacity development interventions. The approach also inherently favours the generation and building of a “learning culture”, which is part of Danida’s strategic management policy framework. Although the evaluation team found many examples where interventions had been adjusted to reflect changes in the contexts<sup>8</sup>, there is little evidence to support the contention that there is a formalised or institutionalised “learning system” in place in Danida programmes, or that corrective actions in the specific case of capacity development were based on “results”.

The evidence points to, if CD results were employed as a management basis it would help to focus management’s attention towards higher-level performance. Based on the foregoing, the hypothesis appears to be validated.

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<sup>7</sup> There are exceptions to be sure; including the Ugandan prosecutors’ office for Anti-corruption Courts where the end result of Danida’s multi-year support is an organisation that has the human resource ability to execute its mandate providing it has political support for prosecutions.

<sup>8</sup> The Business Sector Programme Support thrust in Tanzania is but one example of flexibility in adapting. Others could include the education support in Nepal and the agri-business initiative in Uganda. But most capacity development interventions were not linked to a “learning system”. It is interesting to ponder on how the use of training would have changed if experience could have been factored in.