



EVALUATION OF CAPACITY DEVELOPMENT IN DANISH DEVELOPMENT ASSISTANCE

EVALUATION SUMMARY

2015.06

Support for capacity development is a cornerstone in Danish development cooperation. This evaluation assesses Denmark's support to capacity development as an integral part of sector support to priority countries. The focus of the evaluation is on support to enhancing the capacity of public sector organisations' performance as regards relevance, coverage and quality of services and regulations.

The evaluation concludes that Denmark has facilitated capacity development processes that have contributed to increased organisational performance in most of the supported interventions.

The evaluation finds that good and comprehensive guidelines for support to capacity development exists and suggest that if they had been applied more effectively during planning and implementation better results would have been forthcoming. In particular, the evaluation points to the lack of a systematic and comprehensive approach to planning and reporting on capacity development.

The evaluation has been carried out by Nordic Consulting Group, Denmark.

Background

The Evaluation of Danish support to capacity development forms part of a **"Joint Scandinavian evaluation of support to capacity development"** involving three Scandinavian development agencies: Sida, Norad and Danida. With the purpose of supporting organisations in developing countries to acquire a sufficient level of capacity to execute their mandated functions at the time of the donors' exit, capacity development has been an important aspect of development interventions. This Evaluation serves both learning and accountability purposes. While also contributing to the Joint Evaluation, the Danida part deals specifically with Danida supported interventions.

BOX 1: SCOPE AND APPROACH OF THE DANIDA CAPACITY DEVELOPMENT EVALUATION

A total of 21 Danida-supported interventions – in which capacity development (CD) was an explicit intention – are included in the evaluation sample. These interventions were launched and implemented between 2006 and 2015 (one programme will be completed in 2018) and cover seven countries. Field studies were conducted in Nepal, Uganda and Tanzania. The sectors included were: government and civil society, education, health, agriculture, business, energy, transport, water, environment and climate. The Danida-supported interventions have been

implemented in joint programmes with other donors (bilateral and multilateral) in highly complex environments. The thrust of Danida's engagements has been at the sector level – generally with interventions at all administrative levels (national, regional, local) involving interactions with line and sector ministries, local governments, civil society and the private sector. National poverty reduction strategies and sector legislation, policies and plans provided the directions for the support.

Findings

What worked well in the achievement of CD results?

Danida's adherence to its programme management guidelines – as regards sector-wide approaches, ownership and partner-led implementation – has contributed to creating conducive environments for endogenous CD processes that in most cases increased organisational performance. The majority of the sector programmes in the evaluation sample have performed well and have experienced a significant increase in sector-outcomes in terms of coverage and quality, which is well documented in progress and other reports, see two cases in box 2. Danida-supported interventions were to a large extent designed to reflect external and internal contextual factors in the overall programme design, which implicitly also included CD interventions. Danida has consistently demonstrated a commitment and a willingness to respond to the stated priorities and strategies of the priority countries and partner organisations – and is recognised as a trusted partner, largely because of its relative flexibility to adapt to changing contexts and its long-term commitment.

BOX 2: ATTENTION TO CD CAN MAKE A DIFFERENCE FOR ACHIEVING SECTOR-OUTCOMES

The Nepalese **Alternative Energy Promotion Centre (AEPC)** succeeded in providing alternative energy solutions (solar, biomass and hydro energy, and improved cooking stoves) to more than 1 million households. The organisational set-up for disseminating energy services comprised district and village development committees mandated to improve energy services; NGOs involved with promotional and management activities; private companies engaged in supplying, installing and maintaining rural energy solutions; and financial institutions managed financial affairs and insurance. Subsidies for energy installations were provided through the Rural Energy Fund. The Danida support was provided through the Energy Sector Assistance Programme, Phase II 2007-2012. The capacity development activities included among others: review of policies and preparation of a national rural energy plan; improvement of the recipient organisations' management practices; capacity development of partner institutions, energy cooperatives, and the financial sector; training of trainers for local partner institutions; facilitation of credit line availability; and awareness creation for media, key local players and health personnel.

The **Tanzania Commission for AIDS (TACAIDS)** succeeded in establishing a non-medical prevention and care system for prevention of HIV and AIDS that contributed to reducing the national HIV prevalence from 7% in 2003/2004 to 5.3% in 2011/2012 among the population between 15 and 49 years. A national funding mechanism was established to fund district and civil society stakeholders' engagement in the prevention activities. The support to TACAIDS was part of Danida's Health Sector Programme, Phase IV 2009-2014. The capacity development activities included among others: operationalisation of the National Multi-sectoral Strategic Framework (NMSF) for combat of HIV and AIDS; institutional and capacity development of TACAIDS for effective coordination of the NMSF implementation; a new organisational structure for TACAIDS; capacity development of TACAIDS at central, regional and local levels; non-government sector supported to implement the NMSF at community level; and multimedia production and dissemination of prevention material directed at the youth.

Lessons learned: By addressing all three levels of the CD results framework (enabling environment, the organisational and the individual level) as appropriate for the development intervention, the chances for achieving sector-outcomes will be higher – more so if the CD tasks are well interlinked at the three levels and between the levels.

The Danida-supported programmes generally had few technical advisers and donor funding for CD was mainly used for training, equipment, and systems development. A major part of the work that led to increased organisational performance – in terms of generating sector-outcomes – has been undertaken by the organisations' own staff. An important feature in some programmes was the engagement of the private sector and civil society organisations (CSOs) acting in complementary roles to public service providers and thus contributing to the expansion of public service delivery capacity.

What worked less well in the achievement of CD results?

Often CD interventions are not part of the results frameworks. While results-based management has generally been applied and emphasised in Danish assistance, it has to a large extent not been applied to CD interventions in sector programmes. The evaluators assume that capacity grew simultaneously with the generation of sector-outcomes, but they also stress that it is not possible to judge to what extent this is the case or whether the supported organisations' capacity increases have been directly or indirectly influenced by Danida's support. In the absence of direct evidence on CD results, the achievement of sector-outcomes is regarded as circumstantial evidence for CD results.

Although CD interventions have been included in programme documents and have been subject to progress monitoring and reviews, it is evident that a consistent and comprehensive approach to CD has generally not been applied. The Danida supported programmes were not able to overcome many CD related organisational and enabling environment constraints – as opposed to what was the stated ambition in programme documents. An appropriate risk analysis of the CD context could have helped to highlight challenges

so that these could be counteracted. The main thrust of CD interventions has been on the individual level and to some extent on policies and strategies related to the sectors' enabling environment. The organisational level has only received limited attention, while arguably this should have been at the centre for enhancement of the partners' performance – and for creating sustainable organisations.

It appears that Danida staff, technical advisers and consultants alike have not focussed on the strategic role that CD can play in bringing about developmental effects. Technical advisers posted in the partner organisations were often under-utilised and were not adequately involved in facilitating organisational changes. Danida's capabilities to manage capacity development processes are in need of improvement. Danida needs to develop not only the capacity of target organisations, but also the capability of recipient country managers and Danida personnel (including technical assistance (TA) advisers). The evaluation team's findings are in line with many published reports from leading development organisations such as the World Bank, Asian Development Bank, EU and DFID.

Conclusions

The findings above lead to the following conclusions:

- Danida has through its adherence to the programme management guidelines facilitated the creation of conducive environments for endogenous CD processes that have contributed to increased organisational performance in most of the Danida supported interventions.
- Support for capacity development was most successful when:
 - Internal and external contextual factors were taken into consideration.

- There was strong ownership and commitment on the part of the organisations involved.
- All three levels – the enabling environment, the organisational level and the individual level – were addressed simultaneously with specific attention to the organisational level in order to enhance organisational performance.
- Wherever relevant, the private sector and the CSOs were drawn into the implementation in a complementary way to enhance service delivery and coverage.
- The demand side was addressed e.g. through support for civil society calling for transparency and accountability in the provision of services.
- While results-based management was emphasised as a Danida policy, most CD interventions were not results-based or were not managed as such.
- Systematic attention to CD and organisational development could have promoted recipient organisations' performance and productivity further and thus contributed to more effective development.
- While CD and TA guidelines of good quality were available – and the intent of capacity development was well expressed in Danida documents generally – they have rarely been applied effectively during planning and implementation of development interventions.
- Management at Danida headquarters and embassies could have engaged more effectively in capacity development during programme design and implementation.

Recommendations

The Evaluation recommends that:

1. Danida should recognise the significance of CD and its potential contribution to development effects – consistently with its policy statements and guidelines.
2. Danida should consider if the Danida Fellowship Centre (DFC) could become the focal point for CD – with due reference to the 2014 CD Policy – keeping track on CD trends and strategies. For this to be effective, DFC should interact more closely with the Department for Technical Advisory Services.
3. The Guidelines for Country Programmes should – in connection with the next revision – emphasise CD more strongly as the cornerstone for development, and make due references to planning and operational issues. Danida should apply its change model (Theory of Change) in a way that integrates CD

outcomes. Danida should continue to support the demand side with a view to strengthen public organisations' accountability.

4. The CD and TA guidelines should be updated with an emphasis on their practical use during planning and implementation of programmes with an emphasis on CD outcomes and impact in public organisations and their potential cooperation with the private sector and CSOs.
5. Danida should assess what competences are required among its staff (including Danida advisers) at headquarters and embassies to address CD comprehensively in programme planning and implementation.
6. Danida should assess what basic requirements and competences should exist in partner organisations to enable supervisors and programme officers to lead the CD process and manage the maintenance and further development

of capacity and capabilities over the long term – and what would be the means of developing such competences.

7. Danida should develop a rapid assessment framework for CD that could be applied for appraisals, reviews and progress monitoring to ensure that CD is properly integrated in the programme design and adjusted to changing circumstances.

RESPONSE FROM MFA/DANIDA

The Ministry welcomes that the evaluation concludes that Denmark has facilitated capacity development processes that have contributed to increased organisational performance in most of the supported interventions. Further the Ministry welcomes that the evaluation finds that good and comprehensive guidelines for support to capacity development exists. The Ministry further takes note that the evaluation is of the opinion that had the guidelines been applied more effectively during planning and implementation better results would have been forthcoming.

Capacity development is indeed a critical and integrated part of development efforts and as such the Ministry recognises that

a more systematic effort to strengthen CD in programmes and their management would provide a positive contribution to development. The relevant guidelines will be revised to this effect, not only with regard to priority countries but relating to all programmes and projects. The Ministry agrees with the need to continue to focus on enhancing capacity in partner organisations, taking the full context into consideration, including the use of Theory of Change and risk analysis. Support to the demand side will continue to be a prominent feature in the development approach.

The Ministry appreciates the proposal to consider an increased role for the Danida

Fellowship Centre in future CD work. However, knowledge and capacity in the field of CD must be anchored in the Ministry and integrated in the general work.

The Ministry recognises that relevant competencies among headquarters staff and embassy staff are critical factors in addressing CD in programme planning and implementation. The Ministry will during the ongoing policy, strategy and institutional processes consider how capabilities and capacities of staff with regard to CD can be upgraded and tools for its implementation improved.