

AES Conference Paper

Mid-Term Review of the AusAID Sub-National Strategy

Monitoring and evaluation of capacity development

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Disclaimer

The views and opinions expressed in this paper are those of the authors and do not reflect either those of the Australian Government or the Government of Papua New Guinea.

Introduction

The sub-national strategy (SNS) is a program of the Australian Government that supports Government of Papua New Guinea efforts to improve service delivery by strengthening institutions of local governance in three ways:

- i) supporting key national agencies and committees responsible for implementation of the Organic Law on Provincial and Local Government including National Economic, Fiscal Commission, Provincial and Local Level Service Monitoring Authority and National Research Institute.
- ii) strengthening the governance and administrative capacity of provincial and district administrations as key agencies in the delivery of service.
- iii) promoting coherence across AusAID programs and encouraging alignment around structures and systems of sub-national governance.

Envisaged to last some 15 years, the current phase runs until 2011. It builds on a pilot phase, the Sub-national Initiative (SNI) which ran from 2004-2006.

SNS has in a short period of time recorded significant achievements. These include supporting the introduction of a new system of inter-governmental financial transfers, strengthening the Department for Provincial and Local Government Affairs (DPLGA), and the expansion of the Provincial Performance Improvement Initiative (PPII) to 17 provinces.

SNS is being implemented in a complex and shifting policy context. While GoPNG commitment to decentralisation is clear, there remain differences of opinion within government on what form decentralisation should take amid an ongoing debate informed by both political and administrative considerations.

Recognising the complexities and uncertainties of change associated with decentralisation, SNS has been purposefully designed to be a flexible program that aligns itself behind GoPNG leadership and direction. The program does not have a log-frame with clearly defined objectives and outputs, and has been allowed to evolve iteratively, building on opportunities for engagement and adapting to emerging policy priorities and concerns.

SNS is implemented through a “Support for Partner Programs” modality where AusAID works in direct partnership with GoPNG institutions to guide program implementation. Administrative and logistical support is provided by an Implementing Services Provider, and program oversight through a multi-stakeholder steering committee chaired by the Secretary, DPLGA.

The Mid Term Review (MTR)

The MTR conducted in March 2009 provided an opportunity to take stock of achievements since the inception of the SNI, to understand what approaches to capacity development work and to make recommendations on how to take the

program forward. The MTR was carried out by a team comprising three independent consultants, three Government representatives and two AusAID staff members.

The MTR comprised a document review followed by three weeks of fieldwork using semi-structured interviews, direct observation and further document review. East New Britain, Milne Bay, Morobe and Sandaun provinces as well as the Autonomous Region of Bougainville were visited.

This Paper

This paper does not repeat what is contained in the MTR. Instead it discusses some of the challenges involved in monitoring and evaluating capacity development in the context of complex change. It highlights three sets of issues and relates these mainly to one of the three components of the SNS; strengthening the governance and administrative capacity of provincial and district administrations through the PPII. With regard to the Conference, the paper broadly addresses the three Conference sub themes of gathering evidence, using evidence and evidence and stakeholders. The three issues are:

- Measuring progress and impact in soft areas such as capacity development
- Looking beyond external accountability - the potential of monitoring & evaluation (M&E) for organisational learning and ownership
- Measuring attribution in the context of endogenous change

The authors regard the SNS in general and the PPII support component in particular as fundamentally concerned with capacity development. This is important to make clear. While the intention is that investments in improved capacity should contribute to better service delivery and ultimately improved development outcomes, the success of the program itself should be measured in terms of evidence of enhanced capacity of sub-national institutions.

Discussions on capacity can often go astray when there is no common conceptual framework to serve as a reference point. For the purposes of this paper, the following definitions, based on recent work of the OECD/DAC¹, are proposed:

Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully. Capacity is the result/outcome that is sought. It is of course important to define capacity for what and for whom. In the case of PPII, it is the capacity of provincial and district administrations to perform core administrative functions that facilitate the delivery of services to the community.

Capacity development is the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time. This should be regarded as the endogenous process through which individual, organisational and system wide capacity challenges are addressed. In the case of PPII, it is at one level the process through which each provincial administration takes

¹ OECD/DAC 2006 The Challenge of Capacity Development, Working Towards Good Practice

charge of its own CD agenda. At another level, it is the broader process of decentralisation itself within which these individual sub-national entities operate.

Support for capacity development is what outside partners (domestic or foreign) can do to support, facilitate or catalyse capacity development and related change processes. Support, in this case, is the contribution provided by AusAID through the SNS for capacity development and is synonymous with technical cooperation. However other modes of support can also contribute to capacity development, while not all technical cooperation addresses capacity development.

>Issue 1: Measuring Capacity Development Progress and Impact

Measuring progress in capacity development can be difficult. Finding indicators that adequately capture changes in capacity and the dynamics of capacity development is more difficult than measuring access to clean water or increases in school enrollment. Unlike infrastructure provision or other aspects of development that respond to hard indicators, capacity development is a gradual process that is defined more by qualitative than quantitative elements.

Moreover, capacity development is increasingly recognised to be much more than skills development, organisational restructuring and business process re-engineering. In areas of complex change, issues related to politics and culture are equally important. Variables relating to legitimacy, identity and confidence can be as important as more conventional aspects of human resources and organisational development. An enduring quality and variable is establishing integrity and trust between partners as that builds up and cements relationships.

It is also recognised that capacity development rarely follows a pre-determined and linear trajectory. There is usually a substantial lag time between investments in capacity, evidence of capacity improvements and the translation of capacity improvements into better performance and results.

Increasingly, as in the case of SNS, it is recognised that a more emergent process needs to be followed allowing program support to adjust iteratively over time. Instead of setting clear result areas that can be measured later on it can be beneficial to define strategy goals in broader terms and to allow the program to evolve as the program learns.

While making sense from a CD perspective, these challenges of measurement are problematic at a time when the global development community is placing so much importance on the measurement and impact of development results. This emphasis is understandable. Stakeholders want to be assured that they are getting value for money and that aid resources are having an impact on poverty reduction. The Millennium Development Goals (MDGs) sets key indicators of development progress and are perhaps the most significant manifestation of a global commitment to

achieving development results. However the MDGs themselves do not explicitly address capacity issues².

However, this is an area where there can be a direct contribution to a whole of government performance planning and management system which has as its key elements, a corporate plan, an annual workplan, an annual report, performance agreement for individual heads of agencies and service charters setting out the standard and level of services expected and MDGs.

Capacity development may not be so amenable to measurement but is nonetheless recognised as fundamental to sustainable development. Indeed, creating sustainable country capacity is a legitimate development result. How then to reconcile the twin imperatives of demonstrating concrete development results and making the case of investing in CD processes that yield much softer results over the longer term?

Observations from the MTR

- While there are high expectations that the program will contribute to better service delivery by strengthening provincial and district capacity, it is still too early to make clear judgements about a) overall improvements in capacity and b) the contribution of any improved capacity to better service delivery.
- The MTR confirmed that while capacity enhancement is a necessary condition for service delivery improvement, many other critical factors can impact on the quality of services. Many of these lie beyond the scope of the program, but suggest the need for a more holistic view of factors that impact on service delivery.
- Through discussions with stakeholders, a significant quantity of anecdotal/qualitative information was collected. Such qualitative insights suggest that approaches such as Appreciative Enquiry³ and Most Significant Change⁴ that encourage stakeholders themselves to tell their story about capacity and change could be used now and in the future.
- Through the corporate planning process provinces have embarked upon a set of key result areas have been identified and serve as benchmarks for gauging continuous improvement. While this information provides insights on improvements in specific functional areas, it is difficult to extrapolate how far organisational wide change is occurring and how this will lead to performance improvement.

² Although it could be argued that capacity issues are captured in the framework of governance, voice and accountability

³ See <http://appreciativeinquiry.case.edu/intro>

⁴ See www.mande.co.uk/docs/MSCGuide.pdf

>Issue 2: Using M&E for organisational learning and external accountability

With development cooperation, the focus of M&E is often defined in terms of the needs of the donor agency. These needs are usually twofold: First, assuring accountability to domestic constituencies for resources expended and second, feeding back lessons of experience about what works and what does not as a basis for improving practice.

Increasingly, the discussion is moving towards mutual accountability with recognition that in any partnership results depend on the performance of both sides. It is therefore appropriate that the contribution and commitments of both country and external partner are subject to review.

Yet in the context of capacity development, another perspective on monitoring and evaluation needs to be kept in mind. This concerns its potential contribution to organizational or system learning and to reinforcing the process of change. If we understand capacity development as about learning and ownership of the process of change, then monitoring and evaluation has a critical role to play in facilitating that process.

This has implications for the way M&E is conceptualized and managed. So long as the agenda is defined primarily by donors to serve their accountability needs, there is a risk that local stakeholders will perceive M&E as both intrusive and extractive and not necessarily responsive to the needs and priorities of the local partner. The very process of M&E can inadvertently undermine ownership and commitment to change by discouraging open dialogue, unless carefully managed and planned. Also the perceived use of M&E as a mechanism for apportioning blame for lack of implementation rather than a means to learning and improvement can be an inhibiting factor.

Gathering data that aligns and strengthens the local partners own goals, priorities and M&E requirements provides a basis for mutual accountability, ownership and understanding as to why such data collection and analysis is needed.

Capacity self-assessment can therefore serve as an integral part of any CD process, emphasizing the importance of local participation in the design of M&E framework and indicators and its implementation. This is crucial for a number of reasons. Firstly, although we may have a fair idea about what makes for an effective organization, no two organizations will perceive capacity issues in quite the same way. In this sense, capacity development is highly context specific. It is appropriate therefore that local stakeholders participate in making CD visible in terms that they understand and that are relevant. Second, organizations are more than pieces of performance machinery. Behind the façade of familiar bureaucratic language and processes, organizational behaviour is shaped by culture and politics, particularly regarding issues of leadership and human resources management.

External donor evaluators can easily slip into imposing normative criteria about capacity issues based on their own industrialized country or multi-lateral contexts (and disciplines of modern organization) and may well risk missing other essential points informed by local culture and politics.

When evaluating capacity development processes, it is important to be sensitive to these risks and avoid making assumptions. Crucially there is need to recognize that the process of change if locally determined is sustainable and giving a voice to local stakeholders to define how they envision and experience change should be conditional for capacity development.

In addition, written evaluations can be somewhat technical and overwhelming that key messages are lost in the detail. Papua New Guinea has an oral tradition, based on stories and legends passed on through the ages⁵. Capturing a story whether good or bad told simply the best testimony.

Also recommendations that are clear, related to existing processes and systems and are doable will also generate a greater sense of understanding and ownership in terms of implementation, continuous learning and improvement.

Observations from the MTR

- The corporate planning process noted above provides a useful framework for encouraging sub-national stakeholders to engage in a process of continuous self-assessment. Managed well such processes can contribute to internal learning as well as serving as a management tool to set the direction and pace of change. Used in this way, monitoring can be empowering, ensuring that ownership for change is vested within the leadership of organizations themselves.
- The information collected through the monitoring of the corporate planning process also provides important information for external stakeholders. Firstly, for DPLGA responsible for providing capacity development support and for managing an incentive framework to further stimulate the capacity development process. Second, for external evaluators seeking evidence of capacity enhancement over time.
- In the future extending the assessment process to include the users of services. Such feedback based on perceptions of service delivery improvement could usefully complement internal self-assessment and begin to establish the relationship between capacity development and performance improvement.
- It would also be useful for provinces to reflect on the areas of capacity development currently addressed through the corporate planning process and to determine whether other areas warrant attention. This would be an opportunity for stakeholders to think critically and creatively about the factors that they feel facilitate or constrain performance improvement. At one level this might lead to a discussion about a shortage of housing or lack of funding. On the other hand, it could lead to a discussion about leadership, accountability, norms and values, and other culturally informed parameters, that could otherwise be overlooked.
- The MTR team relied on collecting the views and opinions of key informants collected through individual meetings and group discussions. Ensuring good

⁵ Carbon dating indicates settlements in PNG 40,000 years ago

information that accurately reflects reality depends on several factors. The sensitivity of the review team in terms of how issues are approached and discussed is most important. In this regard, it is important to build trust and confidence between those interviewing and those being interviewed. Capacity issues easily touch on personal and organizational sensitivities, and respondents will be wary about speaking candidly about possible weaknesses and constraints, especially when consultants are foreigners and perceived to be reporting for the donor. The use of national consultants on the team is therefore fundamental in terms of their intimate knowledge of how things work, their ability to read between the lines and to broach sensitive topics in an appropriate manner. They can also be of tremendous value as communicators, interpreters of information and assist in building relationships and confidence with those being interviewed.

- SNS has successfully deployed local technical advisors to support the corporate planning process.

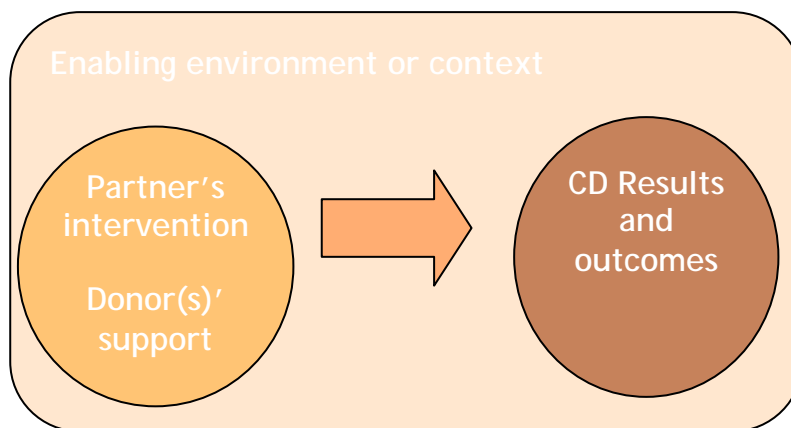
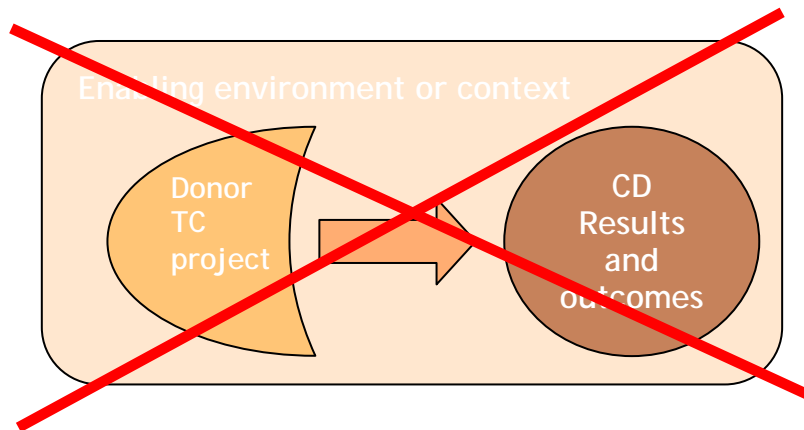
>Issue 3: Endogenous CD and the limits of attribution

If we accept that capacity development is first and foremost an endogenous process driven and directed by local stakeholders, and that what outsiders such as donors can do is to lend support to such processes, then there are implications for the attribution of impact.

The question then arises as to what we should be measuring? Should we measure the effectiveness of a donor input to an endogenous CD process or should we be measuring progress in that endogenous process? By focusing on the former, we tend to emphasise the role of the donor and risk downplaying the contribution of local factors. And as earlier noted we may lose the interest of local stakeholders. By focusing on the latter, we are likely to highlight a broader array of factors impacting on outcomes, of which one input may be that of the donor, but at the risk of failing to attribute specific donor inputs to particular CD outcomes.

To what extent is this, a problem? Where several donors are involved, it becomes extremely difficult to isolate specific contributions. And where change processes are complex, multi-dimensional and long term, it can be extremely difficult to establish clear cause-effect relationships. The focus on the endogenous process will help keep the M&E relevant and ensure that the attention to local factors and contributions on outcomes is kept in the foreground, rather than the inputs of the donor. However for donors wishing to learn how to improve practice in CD and change, the focus on the local process risks that the specificities of donor contributions are not measured. This needs to be a mutually beneficial trade-off.

This discussion relates back to how we conceptualise CD interventions in the first place. Where do we see our (donor) contribution vis a vis that of our local partners? Can there be a donor funded CD process that does not actively involve a local partner? The answer is a definite no. In practice, many programs continue to be designed making these assumptions as captured in the diagram below.



Observations from the MTR

- By design, the SNS works through local institutions and aims to facilitate a locally driven change process (PPII) overseen by the DPLGA and implemented by the respective provinces and districts. In this respect, the program recognises that it cannot make change happen. Its role is to facilitate a locally managed change process.
- The MTR recognised the complexity of the change process associated with decentralisation as well as the more focused strengthening of provincial administrative capacity. It was clear that notwithstanding the substantial support provided through the SNS, outcomes would be influenced by a wide range of variables as much influenced by politics and culture as by technical rationality and good design.
- The approach adopted by the MTR was to focus primarily on observable changes in capacity at the level of the provincial administrations and to examine contextual factors in the broader reform environment. To the extent possible, the MTR

sought to discern evidence of any impact of capacity change on performance improvement but no clear correlation could be established at this stage.

- A secondary focus was to examine the effectiveness of SNS contributions to the local process. While it was possible to draw conclusions about the outputs generated from SNS contributions, it proved more difficult and too early to evaluate the impact on the local process. As confirmed in other studies on technical cooperation, effectiveness is as much determined by local factors as it is by the quality of TA or overall design considerations. The impression obtained from anecdotal evidence was that support was most effective in situations where there was a conducive governance environment, good leadership, ownership of change process and reasonable levels of capacity in core areas.
- Looking to the future, it will probably make more sense to monitor capacity change and performance at the level of local institutions, and to give less emphasis on attributing results to the particular donor sponsored intervention. Doing so would be consistent with Paris Declaration, focusing on outcomes and working with country M&E systems. The downside, however, is that we risk losing sight of what works and what does not as far as CD support is concerned. And in so doing we lose out on our own organisational learning as CD professionals.

Conclusion

This paper flags a number of issues associated with the monitoring and evaluation of capacity development and change processes. Drawing on the MTR experience it has highlighted three issues that relate to the conference agenda:

1. Measuring capacity development progress and impact.
2. Using M&E for organizational learning as well as for external accountability.
3. Endogenous CD and the limits of attribution.

It is evident that CD is a fundamental and integral component in the SNS exercise and what remains challenging are identifying evaluation methods that contain more qualitative rather than quantitative elements, but that nevertheless satisfy the demands for evidence-based evaluation.