



Praxis Paper No. 2

Rising to the Challenges: Assessing the Impacts of Organisational Capacity Building

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Key Words: organisational capacity building, impact assessment, monitoring and evaluation, organisational learning

Executive Summary

Assessing impact is a complicated process, especially when measuring the impact of intrinsically complex, intangible and often ill-defined processes such as organisational capacity building. While much progress has been made it is clear that this is a rapidly changing field, which is beset by definitional problems, methodological debates, contradictory criticisms, and uncertainty as to the primary purpose of such assessment processes.

This Praxis Paper offers a brief overview of current thinking and practice in relation to the impact assessment of organisational capacity building interventions. The paper highlights some of the conceptual, methodological and practical challenges (issues of clarity, power and culture, among others) and then goes on to provide an overview of some of the practical approaches that have been adopted by NGOs and CSOs to overcome these challenges. It is a thought piece designed to engage practitioners (particularly those from developing and transitional countries) in a fruitful debate.

The Paper identifies the key challenges towards which INTRAC could most usefully focus its future efforts. These include the need to improve understanding of the particular characteristics of the impact assessment of organisational capacity building and to generate and document innovative, adaptable and accessible approaches. A final challenge is to consider how to raise the profile of impact assessment for organisational capacity building practitioners, so that it is viewed as a vital tool to assist organisational learning, rather than a time-consuming and costly burden.

Introduction

Over the last decade there has been a dramatic growth in the development aid sector but also a growing concern about the sector's effectiveness and impact. A tightening of aid budgets has led many major donors to become more selective about who they fund and increasingly rigorous in terms of accountability, performance and results. Non-governmental organisations (NGOs) have also become more critically aware of the need to assess their own impact.

However, despite these concerns an OECD/DAC study carried out in 1997¹ on the impact of NGO development projects and programmes concluded that there is a lack of:

data and information from which to draw firm conclusions about the impact of projects, about efficiency and effectiveness, about sustainability, the gender and environmental impact of projects and their contribution to strengthening democratic forces, institutions and organisations and building civil society. There is even less firm data with which to assess the impact of NGO development interventions beyond discrete projects, not least those involved in building and strengthening institutional capacity (Riddell et al. 1997)

Impact assessment, as a measurement of whether longer-term and sustainable change has occurred from a development intervention, is evidently a complex process. The complexity of impact assessment increases when trying to measure the impact of intrinsically intangible, fluid and iterative processes. One such process is capacity building. Capacity building is being prioritised by both donors and NGOs as they recognise that community groups, local NGOs and other civil society organisations (CSOs) are at the forefront of efforts to tackle poverty and social injustice. There is therefore a corresponding interest in the dynamics and effectiveness of different types of capacity building interventions, as well as an appreciation of the need to find ways to assess their long-term impact. For example, the International Federation of the Red Cross's Capacity Building Framework (2001) acknowledges that all capacity building interventions must be measured and documented to ensure a degree of accountability and facilitate cross-organisational learning.

Organisational capacity building can be seen as conscious and holistic interventions which aim to improve an organisation's effectiveness and sustainability in relation to its mission and context². Interventions focus on identifying and developing the elements of capacity within an organisation,

¹ As one of the most comprehensive overviews of NGO impact the OECD/DAC study (Riddell et al. 1997) took evidence from 60 separate reports of 240 projects undertaken in 26 developing countries.

² Based on definition in James 2001.

such as skills, systems, leadership, but also the organisation's programme performance and external relations. Interventions can happen at a variety of different levels, for example providing training courses for individual staff members, team building, mentoring for senior managers and visioning and strategic planning at an organisational level. These investments in organisational functions and processes would aim to result in an actual change in programme performance and, ultimately, in the lives of the poorest and most marginalised groups. This presents particular challenges for assessing impact, not least whether it is possible to demonstrate a causal link between a particular organisational intervention and a wider process of change. For example, can a link be found between establishing staff performance appraisal procedures and the resulting improvements in the lives of the most vulnerable?

The emphasis on performance and results has also made assessing the impact of capacity building a risky business for the organisations involved since, unless the outcomes are 'de-coupled' from funding considerations, it can put them in a potentially vulnerable position. Power dynamics therefore play a significant role in impact assessment, whether explicitly or implicitly, which has led many organisations to perceive impact assessment as an externally imposed mechanism of control and accountability. Moreover, many approaches to impact assessment have tended to be mechanistic, linear, standardised and symbolic in nature. Furthermore they are often disconnected from real decision-making. Where sufficient data is generated it is often not analysed appropriately nor disseminated in a timely or user-friendly way. This has provided little opportunity for meaningful reflection or for putting learning into practice to improve performance.

Recently, however, progress has been made in impact assessment, especially in the development and use of more appropriate indicators. These indicators used to be seen as rigid and inflexible, but work has been done to address this problem, for example through the adoption of a participatory assessment process to develop indicators involving different stakeholders. This has helped to increase ownership of both the process of impact assessment as well as the results.

Within this context this Praxis Paper aims to provide an overview of current thinking in the impact assessment of organisational capacity building and to identify gaps in putting thinking into practice. It is not a definitive or comprehensive piece of research but is a thought piece to stimulate debate, invite reactions and begin a process of engaging people in finding solutions which are relevant, appropriate and accessible to capacity building practitioners.

Section 1 provides an overview of the conceptual, methodological and practical challenges faced when assessing the impact of organisational capacity building interventions. Section 2 then goes on to explore some of the processes and practices that are being adopted by NGOs and CSOs to overcome the challenges of impact assessment. In the concluding remarks

the paper highlights where further work to generate and document more innovative and appropriate approaches could be focused and taken forward.

1 Overview of Challenges

Assessing impact is a complicated process, which is made even more difficult when measuring the impact of intrinsically complex, intangible and often ill-defined processes such as organisational capacity building. Anyone working in this field will recognise these difficulties.

There is an ongoing debate about the value and effectiveness of assessing the impact of organisational capacity building but also a general concern that it can place huge demands on the organisation being assessed, is time consuming and can be overly extractive. All too often such exercises are designed to meet the institutional requirements of donors or facilitate the understanding of outsiders, rather than help develop the insights and skills of local people or staff. Assessment has for too long been seen as an externally imposed activity that extracts knowledge rather than facilitates local reflection or new learning.

There is however a growing understanding of the conceptual, methodological and practical challenges associated with measuring impact, which are highlighted below and then explored in more detail in subsequent sections. While these challenges are relevant to most development programmes, what is clear is that less is understood about the particular characteristics of organisational capacity building processes:

1. Unclear programme and process design
2. Power, control and ownership: whose needs and agenda?
3. Measuring complex and intangible change
4. Demonstrating causality and attribution
5. Responding to context and culture
6. Committing to the investment costs

1.1 Unclear Programme and Process Design

One of the most significant issues that influence the effectiveness of the impact assessment process is to what extent there is clarity of purpose both of the programme and of the process itself. Often, when designing an organisational capacity building programme, insufficient emphasis is placed on raising awareness about and demystifying capacity issues and building a consensus between stakeholders about what change the programme aims to achieve. Programme objectives therefore tend to be 'stated in a vague

way in order to get a basis for consensus', in part due to different cultural, organisational and social perceptions of those involved (Morgan 1999).

On the other hand whilst a logical project framework can help to clarify objectives, implementation strategies and criteria for monitoring and evaluation, if it is too rigid in its structure it can be unsuitable for addressing the fluid, iterative character of capacity building processes (ECDPM 2003).

When the conceptual framework for a programme is unclear it complicates the design of systems for monitoring, evaluating and assessing its impact – if you are not sure what your starting point is or where you're going, how will you know when you get there? Or as the Cheshire Cat says said in *Alice in Wonderland*, 'If you don't know where you're going, any road will take you there.' Impact assessment frameworks also need to define at what levels change is being sought (i.e. internal organisational change, external programmatic performance or the change in people's lives that can result from increased performance). As a relatively new term, impact assessment is also often confused with monitoring a programme's outputs or evaluating its immediate objectives or outcomes. One way of clarifying the confusion between outputs, outcomes and impact is described in the following table (adapted from Fowler 1997):

Point of measurement	Type of measurement	What is measured	Indicators
Outputs	Monitoring	Effort	Implementation of activities
Outcomes	Evaluation	Effectiveness	Use of outputs and sustained production of benefits
Impact	Impact Assessment	Change	Difference from the original problem situation

The difficulty of designing a clear impact assessment process increases where there is a failure to clarify the role the process itself aims to play. For example, some different types of role include:

- *Legacy Role*: identifying, analysing and documenting what changes have occurred in order to record their impact;
- *Communication Role*: communicating achievements and celebrating long-term successes in such a way that motivates staff and stakeholders (including donors), and encourages others to adopt similar processes or make similar investments;
- *Governance Role*: ensuring a degree of accountability by monitoring investment into specific activities and outputs, and tracking their outcomes and impact in a systematic and transparent manner;

- *Learning Role*: generating information and perspectives on the change, and analysing and disseminating them in such a way that all stakeholders can learn from the relationships and processes involved and adapt their behaviour and interventions accordingly;
- *Policy Role*: generating data and analysis that can be used to reform policies, develop new strategies, improve government or donor practices, or strengthen advocacy campaigns.

This complicates decisions about what to measure, whether baseline data is necessary, which indicators are appropriate, and about the quantity, methods and viability of data collection and analysis. Lack of clarity can lead participants to get confused, lose focus and run out of steam when putting these methods into practice, and to increasingly question their usefulness in relation to their cost. In turn, a lack of consideration for the relevance and accessibility of the information produced can lead to its: 1) lack of use (i.e. it gathers dust on someone's shelf); 2) misuse (i.e. it is disconnected to real planning and decision-making systems) or; 3) overuse (i.e. its results dominate to the point where informed judgement and intuition are stifled) (Morgan 1999).

1.2 Power, Control and Ownership: Whose needs and agenda?

Different stakeholders, participants and audiences have different needs and purposes but also different levels of power and control over decision-making. Donors are able to impose accountability and managerial control to meet their own needs, or those of their back donors, whether they are governmental agencies or the headquarters of an NGO. This has often led to a centralised top-down approach which fits with conventional incentive structures, has a built in technical bias and has a tendency towards being external, extractive and non-participatory. Even where donors encourage participatory approaches these can often be working to donor-driven accountability agendas.

On the other hand there is a growing recognition of the need to genuinely engage local partners, communities and beneficiaries in the process – to take a multi-stakeholder approach. This is about promoting local ownership and empowerment in a way that builds capacity for reflection, learning improved performance and ultimately self-determination. In this case the donor can play a supporting and facilitating role. An alternative to these extremes is a hybrid of the two, especially where there is a complex range of organisational actors.

The question of who assesses the impact raises another considerable challenge. Recent comparative research by the Maastricht-based ECDPM (2003) concluded that there is a 'growing awareness that externally led evaluations are often inappropriate or counter-productive' in the field of capacity development. They advocate for more self-assessment but often

'overestimate the enthusiasm and underestimate the complexity' of promoting such learning (Morgan 1999). Internal evaluations can however suffer from bias and lack of credibility.

The role of manipulation and human error in undermining such self-assessment exercises has also been highlighted (Paton 2003). This is especially true where staff or stakeholders don't feel genuine ownership of, or commitment to, the process. They may feel threatened by the use of imposed systems or indicators, associating them with sanctions or seeing them as bureaucratic control mechanisms. This isn't helped by that fact that many exercises carried out by external evaluators seem to overstate the

The challenge is to recognise and understand the needs, motivations and agendas of those involved ... in order to negotiate a genuine consensus

negatives and understate the positives. This is partly because the positive impacts of a project are often overstated at the proposal stage (not least to try and secure funding) but also because the impacts are likely to be quite small in relation to changes within a wider context. Consequently, there is a likelihood that people may have a feeling of failure or may manipulate data in a favourable light. They may also be critical of the time and resources needed to gather and analyse data, and the quantity of paper generated to support the audit trail.

The challenge is therefore to recognise and understand the needs, motivations and agendas of those involved (whether hidden or not) in order to negotiate a genuine consensus about what the impact assessment process is for and how it will meet these differing needs. This can be complicated by agendas which may change mid-way through the process but also those who are deliberately 'keeping their cards to their chest' to influence the process to meet their own organisational needs. If the consensus is to be effective it needs to be based on an understanding of power relations. This includes the pre-conditions and incentives required for less powerful participants to genuinely feel that openness and disclosure will not be penalised or ultimately be linked to funding decisions. However, if successful, the consensus can ensure adequate ownership by key stakeholders and be realistic about the levels of participation expected of those who are internal and external to the process.

1.3 Measuring Complex and Intangible Change

The search for visible and quantifiable results is understandable, especially where back donors require reassurance that their money has been well spent and has made a measurable difference. This has, however, led to a tendency to address the challenges of assessing the impact of capacity building programmes by developing highly complicated, integrated frameworks which try to measure too much and to establish too many quantitative performance indicators. Paradoxically, the development of these new systems and frameworks comes at a time when there are increased calls from official agencies (including from USAID) for simpler,

user-friendlier, systems to assess the success of development interventions. But such frameworks don't necessarily resolve how to measure intangible processes or whether there is a causal link between a particular input and a wider process of change. This is explored further in section 1.4.

There is also the view that 'to capture the changes that are of most importance to developmental practitioners we cannot reduce things of quality to quantities and little boxes. We end up considering only that part of what is important that is easily measured' (Taylor 2003). The reliance on numbers and counting creates a false precision about what is an inherently uncertain and evolving process. An over-reliance on quantitative data may mean that the real essence of change is not recorded or understood. As Einstein pointed out, 'Not everything that counts can be counted'. Even USAID, traditionally one of the strongest advocates of comprehensive, measurable indicators warns of the dangers of 'false precision' associated with such measures. They note that 'by their nature measures of institutional capacity are subjective. They rely heavily on individual perception, judgement and interpretation'. As a consequence they are 'relative and not absolute measures', and as a result can be misleading (USAID 2000).

To address the issue of assessing such complex processes, integrated, multi-dimensional frameworks are required. To this end, some are beginning to use more systemic or systems-based methods where the relationship between capacity and change can 'be framed as changes in the behaviour, relationships, activities or actions of people' (ECDPM 2004). 'Systems thinking is necessary to understand and develop capacity in order to tap into the endogenous processes in place and strengthen the organisation's position within the systems where it operates' (ECDPM 2004). This approach explores the inter-relationship and influences between different elements and environments, both internal and external, and the different dimensions of organisational life (its internal functioning, programme of work, relationships and evolution).

1.4 Demonstrating Causality and Attribution

The question of how to link or attribute any change in a wider system to one particular input is a major challenge and represents a significant obstacle to assessing the impact of organisational capacity building. The interplay of internal and external factors, as well as changing circumstances, complicates the task of establishing a causal relationship between an intervention and wider change and attributing responsibility (Paton 2003; Engelhardt and Lynch 2003). For example, can the link between a new or modified strategy at headquarters and actual changes in field operations be uncovered?

Are we missing the point by endlessly searching for impact based on cause and effect relationships which may or may not exist?

Whether a programme or intervention leads to longer-term change may need to be assessed in sufficiently

flexible ways to allow for often unrelated changes in the wider context. This is a particularly difficult task when dealing with a multiplicity of actors and complex partnerships commonly involved – and has been likened to ‘nailing jelly’. Perhaps a more realistic challenge is to demonstrate what contribution the specific programme in question made to the resulting change rather than trying to define ‘attribution’ (Mayne 1999). Ultimately this raises the question of whether we are missing the point by endlessly searching for impact based on cause and effect relationships which may or may not exist? Whether it is both feasible and valuable to connect the two is based on the assumption that there is a direct linear relationship between them, where in reality there is a much more complex and sporadic set of connections. The effect of an intervention may not be automatic or immediate, it may lay dormant over a period of time or there might be multiple responses. What may therefore be needed is a more fundamental debate about whether there really is a development argument for making the connection between cause and effect or whether the link is only justified as a requirement by donors.

1.5 Responding to Context and Culture

Increasingly, organisational capacity building programmes and impact assessment processes are being tailored to the needs of particular organisations, and to reflect the specific culture context in which they operate. For example, there is evidence to suggest that organisations operating in high power distance cultures or ones with high levels of uncertainty avoidance will be more likely to adhere to the idea of performance measurement and give more credence to what these measures represent. There is also a greater awareness of the need for more inclusive and culturally-appropriate processes. Different approaches are suitable in different contexts, for example where groups and actors have shared and coherent interests, participatory approaches are more appropriate than in situations where there are few collective goals and where the approach is more about increasing the flow of information between stakeholders (Morgan 1999).

The key may lie in the appropriate application of impact assessment frameworks which are based on a few ‘core’ principles which are applicable to, and relevant within, most contexts. These can then be supplemented with more flexible elements which can be adapted in recognition of, and in response to, context. This relies as much on the intercultural competencies of the individuals conducting the assessment as on the relevance of the adaptations they make in order for it to work in the local culture and context. Cultural and contextual differences may also limit our ability to compare the performance of similar organisations working in different settings. It may therefore be necessary to compromise between the need to collect comparable information in order to draw out general lessons, and to develop approaches which are flexible and appropriate for specific contexts.

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1.3 Committing to the Investment Costs

Impact assessment exercises can place huge demands on the organisation being assessed and are often time consuming and expensive. They can be constrained by the availability of sufficient institutional capacity as well as the lack of investment in the time, sophisticated skills and infrastructure which are required in order to collect and analyse data effectively. The increasing demand for stakeholder participation, tailor-made frameworks and context-specific measures which reflect the local culture and needs of communities are expensive to design and require even more investment of time and financial resources to implement effectively. The transaction costs of impact assessment frameworks are therefore high, and if they are to be applied successfully, donors and managers need consider the direct and indirect management costs and associated overheads. If this is not done, the processes will be poorly managed, generate little information of operational value and will cause resistance, frustration and low morale. Moreover, the findings will suffer from limited credibility. If organisations and their donors are not prepared to cover the full cost of effective and appropriate measurement processes, they must question whether they are viable.

2 Overcoming the Challenges: Implications for Practice

The previous section described a range of the interrelated challenges which face CSOs when assessing the impact of organisational capacity building interventions. This section identifies and then explores in more detail some of the approaches that have been adopted to overcome the challenges and put impact assessment into practice. On reviewing the approaches, which are listed below and then described in more detail in subsequent sections, it seems clear that progress has been made in assessing the impacts of development programmes but that there is less known in relation to the particular characteristics of organisational capacity building interventions.

1. Stakeholder Involvement and Prioritisation
2. Self-Assessment
3. Triangulation
4. Balance of Different Methods and Tools
5. Simple and Systemic

6. Accept Plausible Association, not Direct Attribution
7. Recognise Levels of Investment
8. Organisational Learning: Linking Assessment with Action

2.1 Stakeholder Involvement and Prioritisation

Experience suggests a participatory process helps ensure more active engagement by local people, a greater degree of local ownership, and increased reliability and quality assurance. It also helps overcome some of the ethical issues around such processes, including agreeing on its scale and scope, who is involved, and who has access to the data. More direct involvement ensures that key stakeholders (whether they be individual beneficiaries, community groups, civil society organisations or donors) are engaged in trying to address and resolve key questions. These include:

- Who is the system *primarily* for? (i.e. the list of all possible stakeholders needs to be prioritised)
- What information do they need? For what purpose?
- Who has that information and when and how can it be gathered?
- Who will analyse the information?
- How and to whom should it be presented?
- How will they use that information?
- What can we learn from this?
- How can this help future capacity building initiatives?
- What is the information that the different stakeholders need?

The answers to these questions may well depend on the different perceptions that the key actors have of capacity building and what it is for. The different cultures and contexts of stakeholders can have a significant influence on these perceptions which can in turn affect their conceptual understanding of how capacity building is assumed to occur. Different stakeholders (and even people within stakeholder groups) have their own implicit theories of how change occurs. These theories often remain subconscious and mean that different stakeholders can have very different understandings of capacity building, while using the same term to describe it. To effectively assess the impact of capacity building initiatives, it is necessary to initially reach some consensus about the wider process and purpose of capacity building and how it occurs.

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Experience also suggests there is a need to clarify why any impact assessment exercise is being undertaken. All too often such exercises suffer from confused objectives and contradictory purpose because of the failure to clarify roles and apply terms appropriately (see section 1.1). Evidence

from the field confirms that those involved in designing impact assessment processes need to distinguish these different roles, if only to ensure that evidence is collected, analysed and disseminated in a way that befits the role the assessment is expected to play.

Finally, at this design stage, it is necessary for the different stakeholders to be involved in deciding what is to be measured and when. Too often there is confusion between a project's activities, outputs, short-term outcomes and long-term impacts³. It is therefore important to clarify who the system is for, what information is required, how it is going to be collected and by when. Merely stating that it is for the benefit of all stakeholders has often meant that such systems remain driven by the external donors and all partners do not use the resulting information. It has also often meant that the needs of the donors predominate and lead to the dominance of unworkable, bureaucratic systems that undermine the quality of the very development work the donor is trying to support. Each stakeholder should take responsibility for addressing their own information needs, recognise the burden of those needs and not merely 'delegate' them to dependent partners to fulfil. Unless these distinctions are understood and acted on, it is unlikely that any impact assessment exercise will succeed.

2.2 Self-Assessment

Self-assessment in capacity building is important if the evaluation process is to contribute to and not undermine the ultimate goal of capacity building. Ownership of the process is increasingly seen as the *sine qua non* of capacity building (James 2002) and therefore must be prioritised. There is a growing recognition that the findings of any impact assessment system will not be valued or valid unless there is some form of self-evaluatory process involved. This may even include a partner's assessment of the support provided by donors. As ECDPM (2003) concluded 'self-evaluation has been recommended for capacity-development...The use of participatory self-assessment methods that involve organisations' members and external stakeholders is crucial. The single most effective way of ensuring that an evaluation produces useful results is to involve intended users throughout the evaluation process.'

In a similar vein the Canadian agency IDRC has noted 'recipient organisations gain very limited experience with and benefits from donor-imposed assessments...There is a large gulf between prescription and performance change...This demands the active engagement of those involved and affected...It is not simply a question of organisations participating in their own diagnosis. It relates fundamentally to an organisation owning the process.' There is now a growing appreciation that unless there is an element of participatory self-assessment then the process is likely to fail.

³ See the matrix in section 1.1 for a clarification of the difference between these terms.

An impact assessment process needs to be owned by those who it affects and who can best engage in it

There are various types of tools and methodologies for organisational capacity assessment which, through a guided process, allow organisations to reflect upon their performance, and then select the tools and plan the strategies they need to build capacity and broaden impact⁴. These include the Pact Organisational Capacity Assessment tool⁵, the Discussion-Oriented Organizational Self-Assessment⁶ but also local and contextually relevant tools such as the one developed by CADECO in Malawi using African proverbs to enhance communication. This tool, and the lessons learnt from its application, is described in PraxisNote 6 *Using African Proverbs in Organisational Capacity Building* by Chiku Malunga⁷. However, organisational self-assessment tools are designed as systematic processes by which the current levels of capacity of an organisation are identified – but are not necessarily appropriate for assessing impacts.

INTRAC's own experience in Central Asia and Africa supports the view that an impact assessment process needs to be owned by those who it affects and who can best engage in it. Increased participation by community groups, staff and volunteers, and other local stakeholders encourages a degree of ownership in the process and the interpretation of the findings. It ensures the system is adapted to the local environment, and enables a degree of flexibility that negative and unexpected consequences can be assessed. But above all it helps keep focus on issues that are key to the needs and reality of local stakeholders both today and in the long term.

While the benefits of increased participation and self-assessment include the increased likelihood of more accurate baseline data and realistic findings, improved learning and better use of resources, there are some obvious drawbacks. These include the concern that there is no external reference point and the process is open to accusations of subjectivity and bias. Moreover, fears about the potential for organisational self-deception or active manipulation of the data will always be there. Consequently, any self-assessment process needs be triangulated with other evidence to ensure that delusional tendencies are avoided. For any research process to be credible there must be a degree not just of rigour, but also quality assurance based on transparency and triangulation.

2.3 Triangulation

An important principle for obtaining the most credible picture possible while collecting the minimum necessary data is triangulation. Triangulation can address issues of reliability and validity because using a mixture of different sources, methods and perspectives (e.g. working in teams and using multiple data sources) offsets the bias in any one method.

⁴ Further information about organisational assessment can be found at http://www.impactalliance.org/ev.php?ID=7442_201&ID2=DO_TOPIC

⁵ For more information see http://www.pactworld.org/services/oca/index_oca.htm

⁶ For more information see <http://www.edc.org/GLG/CapDev/dosafile/>

⁷ This PraxisNote can be downloaded free of charge from the INTRAC website www.intrac.org

When looking at using different methods this does not mean that they are randomly selected and put together, but rather they are chosen so that they counteract the threats to validity identified in each. The key here is the systematic application of qualitative methods:

The accuracy of a method comes from its systematic application, but rarely does the inaccuracy of one approach to the data complement the accuracy of another (Fielding and Fielding 1986).

To ensure that a breadth of perspectives is included one approach is to use a team which includes external facilitators to bring a fresh perspective and members internal to the process. Taking a team approach can also contribute towards addressing the issues of credibility and validity, especially when local stakeholders are included. However, it takes time and effort to ensure that the different members of the team can participate and be valued and not just be data collectors or even worse be token representatives. In order to make best use of the different perspectives it is important to spend time at the beginning of the impact assessment exercise developing the terms of reference and indicators, clarifying roles, refining the data collection plan and assigning specific responsibilities (dependent on skills and experience).

2.4 Balance of Different Methods and Tools

In order to assist in triangulation a balance of methods and tools is needed to help address different stakeholder needs. There are a variety of fairly simple ways of achieving that. For example, in its work in Africa, INTRAC has used retrospective capacity scoring systems to enable clients to quantify the extent of capacity changes over time. This relies on ensuring that reliable and credible baseline data is collected that paints a picture of the situation at the beginning of the process. This can be through traditional questionnaires, recording narrative testimony, or questions that indicate the extent of agreement with a particular statement. As such it is possible to measure change, but experience suggests there will always be questions about the relevance or accuracy of such methodology.

As has already been noted there is concern about over-reliance on quantitative measures and indicators. As a consequence there is growing acceptance of the need to apply a mix of methods and tools to capture data that is sufficient, appropriate and credible. There is recognition that quantitative measures have limitations in the area of impact assessment because of their inability to:

- explain why something has occurred;
- capture the relationships between the different components, which is often more important than the components themselves;

- identify shifts in power and relations between people in the organisation and with outside institutions;
- appreciate the nuances of change – however, such organisation assessment tools are reductionist and tend toward the mundane, where things not easily counted are ignored;
- weigh the change relative to very influential contextual changes.

In light of these limitations there is greater appreciation that any credible attempt to assess the impact of capacity building initiatives should incorporate a range of qualitative approaches – including reflective commentaries, case studies, role-plays, characterisation or drawing and narratives. For example, the South African-based capacity building organisation, Community Development Resource Association (CDRA), has argued for the need to commission narrative ‘stories’ to fully explore the depth and complexity of human change. Such stories are the simplest vehicle through which complex situations can be described. By cultivating our ability to tell stories we can both convey and protect the kernel of what is being sought and what has been achieved. Such narratives are also crucial to facilitating organisational learning by helping staff and volunteers engage in new ideas and innovative practice (CDRA 2001; Taylor 2003).

Any credible attempt to assess the impact of capacity building initiatives should incorporate a range of qualitative approaches – including reflective commentaries, case studies, role-plays, characterisation or drawing and narratives

CDRA argue that developing such stories is an art that needs to be cultivated by development practitioners. Regular practice in observation, woven into vivid and incisive stories, and then taken further into the drawing of lessons and the formulating on concepts is invaluable. Practitioners need to be able to read organisational change and also have the self-understanding to see themselves as part of any process. They need capacity for reflection, even while being deeply engrossed and present. In other words the development practitioner is part of the story. But they also recognise that for such narrative assessment to have any credibility with donors, donor anxieties must be managed and placated. Once donors are reassured that that there money has been spent on what was planned (i.e. through more traditional frameworks or performance measures) then they can relax and listen to those stories which describe the changes in people and relationships which have taken place (Taylor 2003).

A number of experiments have been also been carried out which move away from using pre-determined indicators. An important example of this was the experiment in participatory monitoring carried out by the Christian Commission for Development in Bangladesh together with Rick Davies (Davies 1998). This experiment involved collecting information and stories from participants based on their perceptions of the ‘most significant changes’ that occurred during the project. This method helps to identify and

give value to changes that were unintended or unexpected but were nevertheless significant impacts for those involved.

This changing attitude to the way we capture qualitative change is well reflected in the approach ActionAid Uganda adopted in their review of the impact of organisational change. This review consisted of commentaries on group discussions, interviews, and the use of a personal narrative by one of the consultants to explore feelings about the process of change they had become part of (Wallace and Kaplan 2003). The role of story is increasingly recognised by donor agencies, for example USAID Malawi have even employed a staff person to write such stories.

The evidence suggests that there is a growing acceptance that a mix of approaches is necessary to evaluate capacity building and assess impact

(Roche 1999; Taylor 2003). But the increased use of such reflective and participatory approaches raises issues about the impact of local culture on the way they are applied, and questions to what extent impact assessment processes are culturally bound and can therefore no longer be standardised using universal indicators.

The use of such reflective and participatory approaches raises issues about the impact of local culture on the way they are applied

Practitioners are increasingly recognising that the benefits of using a variety of different approaches outweigh the costs. The value and credibility of these assessment systems however, depends on how well they can be adapted to local circumstances while still being internationally accepted and comparable. To achieve this they will need to take the following into account:

- the balance between common frameworks and context-specific measures;
- the expense of using qualitative or narrative processes in terms of the effort and resources required for design, collection and analysis;
- the inherent subjectivity of the information collected;
- the challenge involved in developing methods for analysing and consolidating information from different sources which encompass some degree of consistency and comparability.

2.5 Simple and Systemic

The recurrent concern about the cost and applicability of such systems has highlighted the need for any impact assessment system to be as simple and practical as possible. While such a system should be able to offer an insight into the outcome of any attempts to build capacity, it needs to be sufficiently simple to distil the essence of the changes that have occurred.

The demand by local development staff for light and simple assessment systems is surprisingly supported by USAID (at least in principle though

maybe not in practice), an agency that has a reputation for rigorous evaluation processes. USAID have recognised the constraints and complexity of impact assessment and assert that:

the best measurement systems are designed to be as simple as possible – not too time consuming, not unreasonably costly, yet able to provide managers with good information often enough to meet their management needs. (USAID 2000:6)

This usually requires considerable prioritisation – for example being asked to choose only three indicators of what constitutes effective leadership (for example) from a menu list of more than twenty. While it is recognised that such systems should not depend on a myriad of complex indicators, it is also acknowledged that such systems should be sufficiently flexible to evolve over time and genuinely reflect the changes that have taken place.

Another approach is to explore the impact assessment of capacity building from a systems perspective. Traditionally, people have approached assessments from a reductionist perspective that focuses on measuring improvements at the level of individual components or activities. Examples would be the effects of particular training programmes or structural reorganisations. The current fashion is also to set performance targets and then assess impact by gauging the discrepancy between planned and actual achievements.

Using a systems-based perspective takes a longer-term view and explores the connectivity between different elements of capacity as a system in itself but also part of other systems. This achieves simplicity through resisting the temptation to break down a capacity building initiative into discrete chunks, each with their own attributed indicators. Capacity and impact are seen as emergent outcomes that come from the complex interrelationships amongst internal components and between the internal activities of a system and its external context. In short, the focus is on a different set of dynamics at work which may call many current approaches into question. A systems perspective sees that assessment processes based on planning, control and predictability are deeply flawed in a number of ways. Complex organisational systems cannot be controlled. They can only be disturbed and destabilised. Unintended consequences which are pervasive in all aspects of capacity development are ignored in the focus on intended outcomes. And perhaps, most unsettling, the focus on performance targeting may be undermining the very goals that people seek to achieve. Alternatively, if the whole system and the relationships between elements are understood then the performance will become evident.

One analytical framework used by ECDPM is being used to help understand how capacity emerges over time, how deliberate interventions can support

Systems-based approaches take a longer-term view and explore the connectivity between different elements of capacity as a system in itself but also part of other systems

its emergence and how it can contribute to performance. It has used the following components:

Capacity, Change and Performance

Capacity: What form does capacity take in a given context and within a given system?

Change and adaptation: How do processes of change in support of capacity building take place within an organisation or system?

Performance: What has been the interrelationship over time between capacity and performance?

External context: How has the external context – the historical, cultural, political and institutional environment, and the constraints and opportunities they create – influenced the capacity and performance of the organisation or system?

Surrounding systems: What is the interrelationship between the capacity building intervention and the surrounding systems, especially organisational and institutional, of which it is a part?

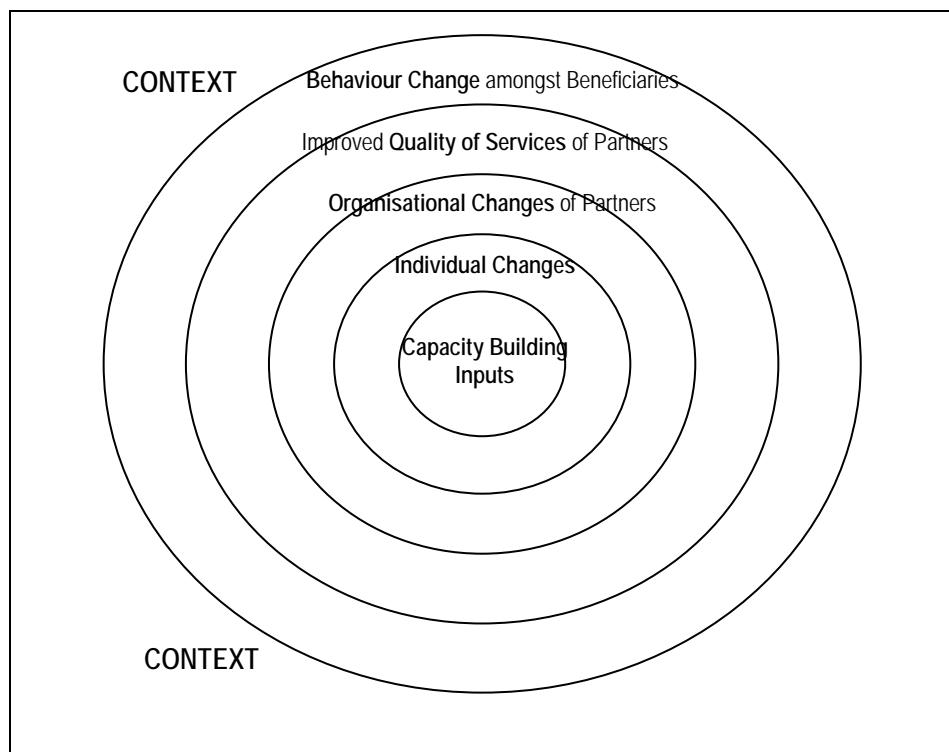
External interventions: How have outsiders influenced the process of change?

2.6 Accept Plausible Association, not Direct Attribution

One of the biggest challenges for those designing and implementing any impact assessment system is how to resolve the issue of attribution. In any complex, multi-faceted programme where there are a number of interventions at different points and locations over the years it is hard to identify direct causal links. This is partly because of the multitude of interventions and changes being made, and partly because of changes in personnel (particularly at a leadership or governance level), and partly because changes in the external political and economic environment have many unforeseen effects. As with any attempt to track specific causal linkages there will be many interpretations and explanations as to what has provoked any change, and it becomes a fraught and fruitless task to attribute change to any one factor or intervention.

We can temper the wish to make causal linkages by allowing for plausible association. One way that has been used to describe this, that has been used with capacity building training interventions, is the Ripple Model (James 2002):

The Ripple Model



In this model the capacity building intervention is like a drop of rain or a pebble that lands in water – the ripples flow outwards to bring about changes at an individual level. For example, it is plausible that a training course may bring about improved knowledge, new skills and attitudes. If course participants have been able to implement their learning in their organisations, then it is also plausible that change may also be experienced at a wider organisational level. These improved technical skills of staff and improved functioning of the internal organisation should also enhance the quality of services provided by the partner to the communities. Ultimately this should result in changes in the lives of the ultimate beneficiaries. The size and direction of the ripple is thus influenced by (and in turn influences) the context in which it moves.

In this model the capacity building intervention is merely one intervention among many that brings about change. However, by using the concept of plausible association it is possible to judge whether change at one level does indeed ripple out to bring about changes at a wider level. INTRAC, for example, has used semi-structured interviews with open-ended questions about what has changed and why to elicit information about plausible association. It has also used time-line drawings of major events in the life of an organisation to discern whether particular capacity building interventions were perceived as significant.

This model should not give the impression that the change from individual to organisational levels is linear. There are situations where change at both levels can be mutually reinforcing but there can also be some situations where there is effective organisational change without individual behavioural change or vice versa. Also, where there is an impact on the

lives of beneficiaries in local communities this can feed back into individual and/or organisational change, for example through stakeholder processes.

2.7 Recognise Levels of Investment

One of the principal reasons why impact assessment and other performance measurement systems fail is the inability, or maybe lack of willingness, to invest sufficient funds and time in their design, development and implementation. There are both direct and indirect costs attached to introducing and applying such complex systems. They are expensive in terms of staff and consultancy time, as well as the time of local people and local institutions. There are also the direct costs associated with data collection, analysis, and its dissemination in an appropriate and engaging manner. There are costs associated with the development of skills and understanding in these areas. Indirect costs include the impact on internal systems, the diversion of attention from more pressing needs, and the cost to the organisation in terms of personal frustration, resistance and low morale.

In many NGOs such costs are financed out of overheads, rather than programme funds. It is therefore crucial that donors begin to allocate sufficient funds to cover both the direct and indirect costs associated with such systems. One clear conclusion is that the whole impact assessment process – the collection of data, its analysis and dissemination, as well as its broader application is an expensive process. It is one that should be seen as a worthwhile investment, not merely as an additional institutional cost.

2.8 Organisational Learning: Linking Assessment with Action

While much emphasis has been placed on the use of impact assessment for accountability purposes it is equally important for its results to be actively used to influence planning, adapt and improve future practice and develop new initiatives. To this end it is not sufficient to merely generate data and information if it is not then analysed and disseminated in an effective, accessible and appropriate manner. For this to happen it is crucial to invest in suitable infrastructure to collect data and/or narrative perceptions but also in developing the analytical skills⁸ and insights of those who interpret it. This analysis should in turn lead to improved action, or practice, through a better understanding of and in response to the changing context.

As a developmental process that integrates thinking and doing, making the link between assessment and improved action is a process of learning. Without an organisational culture that is supportive of learning it is difficult to make this link effectively. In order to support and enable a culture of learning, organisations may need to demonstrate that⁹:

⁸ See the forthcoming Praxis Paper on analytical skills and adaptive capacities.

⁹ From the forthcoming Praxis Paper on organisational learning by Bruce Britton.

- Learning is a *legitimate activity*, i.e. learning is seen as an integral part of each individual's work responsibilities, not something to be done in the individual's own time.
- Learning is *encouraged and supported*, i.e. managers make it part of their responsibility to ensure that their colleagues are given personal encouragement to contribute to the development of the organisation's practice and policy.
- Learning is given *adequate resources*, i.e. there is a recognition that learning takes time and it may also require other resources, including funding.
- Learning is *rewarded*, i.e. individuals who contribute to the organisation's evolution are given recognition for their efforts and are provided with opportunities to represent the organisation's thinking to others.
- The *internal barriers* to learning can be overcome, i.e. strategies for addressing internal barriers to learning, based on a systematic analysis, are devised and made clear to all members of the organisation.

3 Concluding Remarks

As has been described in this Praxis Paper one of the key challenges in organisational capacity building is to effectively assess whether an intervention has resulted in any longer-term, sustainable change. In order to build on current practice and add value to the work of others this paper will conclude by identifying the specific issues towards which the Praxis Programme could most usefully focus its future efforts.

Firstly there is a need to understand the particular characteristics of organisational capacity building more clearly and whether, in order to be effective, this creates a need for different approaches to be used for the impact assessment of a programme or project and for organisational capacity building interventions. This includes further exploring whether it is possible, or even desirable, to make a direct link between cause and effect (i.e. between effective organisations and development change). While advances have been made in this field there is still a need to generate and document innovative, appropriate and accessible impact assessment approaches which:

- Rise to this challenge of measuring what is important, not merely what is easy.
- Capture and assess the systemic, multi-dimensional and dynamic nature of organisational change with simplicity, clarity and flexibility.

- Use a variety of quantitative and qualitative processes.
- Involve a greater degree of participation by local communities and incorporate their stories and experiences.
- Balance ‘core’ principles – such as trust, equality, ownership, reliability, credibility and legitimacy – with flexibility to adapt to differing contexts.
- Recognise and respond to the needs and agendas of different stakeholders.
- Use methods to analyse and consolidate information from different sources which encompass some degree of consistency and comparability.

Secondly, impact assessments seem to be more effective where they are linked to improved practice within an organisational environment where learning and experimentation is prioritised. Only then can information collected and knowledge shared be used constructively for critical reflection and improved practice. However, currently there are few incentives for learning and openness. Without an explicit recognition of power imbalances, many participating organisations feel insecure about disclosing limitations or failure where this may be linked to funding considerations. The recent shift in emphasis from control and accountability towards learning offers room for optimism but more could be done to address this constraint.

And thirdly, it is vital to provide the necessary investment of time and resources, both human and financial. All the evidence suggests that successful impact assessment depends on a significant investment of funds. This needs to be recognised by participating organisations and their donors otherwise such processes will be poorly implemented, generate little information of operational value and suffer from limited credibility. Impact assessment should therefore be seen as an investment that can add value to the organisation’s ability to learn, rather than as an additional cost.

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List of Abbreviations

BBC	British Broadcasting Corporation
CADECO	Capacity Development Consultancies
CDRA	Community Development Resource Association
CIDA	Canadian International Development Agency
CSO	civil society organisation
DAC	Development Assistance Committee
ECDPM	European Centre for Development Policy and Management
IDRC	International Development Research Centre
INTRAC	International NGO Training and Research Centre
NGO	non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
USAID	US Agency for International Development

Praxis Paper No. 2

Rising to the Challenges: Assessing the Impacts of Organisational Capacity Building

By John Hailey, Rick James and Rebecca Wrigley

This Praxis Paper offers a brief overview of current thinking and practice in relation to the impact assessment of organisational capacity building interventions. The paper highlights some challenges and then goes on to provide an overview of some of the practical approaches that have been adopted by NGOs and CSOs. It is a thought piece designed to engage practitioners (particularly those from developing and transitional countries) in a fruitful debate.

The Paper identifies the need to improve understanding of the particular characteristics of the impact assessment of organisational capacity building and to generate and document innovative, adaptable and accessible approaches. A final challenge is to consider how to raise the profile of impact assessment for organisational capacity building practitioners, so that it is viewed as a vital tool to assist organisational learning, rather than a time-consuming and costly burden.

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