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# Dealing with the Dilemmas in Monitoring and Evaluating Capacity Building

Rick James, October 2009

Monitoring and evaluating capacity building is notoriously difficult. It rarely takes place partly because stakeholders disagree on fundamental questions of 'who it is for' and 'how it should be done'. Even when it does take place, it tends not to provide meaningful information in a timely manner. This further discourages vital efforts to discover what difference our capacity building is making. This paper highlights seven big questions that create dilemmas for and can often paralyse monitoring and evaluating of capacity building. Drawing on my practical experience in the field, I suggest some pragmatic ways to deal with these dilemmas. I advocate starting simple, focusing on what is feasible and doing it in such a way as to reinforce NGO ownership of capacity building. And even more important than the M&E system itself are the virtues lived out by the organisations and individuals who use it.

## Integrating different disciplines

Capacity building is an elusive subject. The term itself is pure development jargon. It remains impervious to translation and definitions are highly contested. Efforts to do so have been likened to 'nailing jelly'. Given that any organisation is 'complex, ambiguous and paradoxical' (Morgan 1988), any attempt to measure organisational change is fraught with difficulties. Some of the inherent challenges in the monitoring and evaluation (M&E) of capacity building, such as attribution, measurement, research bias, control groups, and timing are explored in more depth by other INTRAC publications (see Hailey et al 2005, James 2001). While these challenges are not unique to capacity building, there has been limited learning from the M&E thinking more generally. The disciplines of M&E and capacity building have tended to keep themselves separate from each other, following parallel rather than integrated paths. This may partly be because they attract different sorts of people – while good capacity builders tend to be more activist, good M&E people tend to be more reflective and theoretical.

Yet in an aid sector subject to increasing scrutiny and results-orientation, capacity building cannot hold itself aloof from the demands of M&E. Whether you are an OD consultant like me, or an international NGO (claiming to add value to grant making through capacity building) or indeed if you are from the World Bank (purportedly investing 50% of its grants in capacity building (2006)) then we have to have a decent idea about the difference we are making with our capacity building work. If we cannot make a good case for impact, we may lose donor investment in the process. Cracknell sounds a warning: 'the difficulty of attributing effects to causes in the field of training is one of the main reasons why most aid donors have cut back or completely eliminated these forms of technical cooperation' (2000: 263).

## Typical traps

Most NGOs fall into three traps in M&E of their capacity building work. They either:

1. do almost nothing – paralysed by the inherent difficulties and costs
2. set up something mechanical and misleading – many tool-led approaches favoured by some US private voluntary organisations
3. set up something so complex and burdensome on the NGO that it removes ownership and can undermine the capacity building programme itself.

We can do better than this. It is possible to set up something pragmatic and feasible. We have to avoid the temptation to set up something perfect and focus on getting meaningful if limited information. We need to take realistic decisions when faced with difficult dilemmas in M&E of capacity building.

## Difficult dilemmas

In struggling with the practicalities of M&E of capacity building, I come across seven common and interrelated dilemmas. Different stakeholders bring different agendas to these issues, making decisions difficult. The main questions we need to answer are:

1. Donor accountability or NGO learning?
2. Simple or complex system?
3. Measuring change in the NGO or change in their beneficiaries?
4. Numbers or stories?
5. Standardised tools or tailored facilitation?
6. Self-assessment or external perspective?
7. ‘Objective’ or interpretive approach?

## 1. Donor accountability or NGO learning?

The most fundamental question is ‘Who is the M&E information primarily for?’. Different stakeholders have different agendas, which do not sit easily with each other and to a degree are mutually exclusive. A donor[1] wants the M&E system to provide them with information for retrospective accountability. An NGO, on the receiving end of capacity building, wants information for their learning to make improvements for the future. There is an inherent trade-off with these two distinct objectives.

The glib answer that the system is ‘for everybody’ is worrying. This gives the misguided impression that everyone has the same interests and that inherent power dynamics do not exist. If it is left so open - ‘for everybody’ - then the system tends by default to be designed to meet the accountability needs of the most powerful (usually the donor). If the M&E system is primarily serving donor interests, then this may compromise NGO ownership, not just of the M&E system, but of the capacity building process itself. Ownership is not the same as NGO participation in or acquiescence to a donor’s system. This ownership is crucial because we know that capacity building only works when it is driven from within, not imposed, on the NGO concerned.

### My learning from experience

I believe that to be most supportive of the overriding capacity building objective, it is best to negotiate at the outset with different stakeholders for a system that:

- is owned and led by the NGO, agreeing that they are the primary client
- also satisfies a secondary donor need for accountability information.

In cases where people agree that the donor’s needs for accountability are paramount, then be honest about this. Then ensure that the system developed places minimal burden on the NGO concerned.

## 2. Simple or complex system?

Assessing human change of any individual is highly complex. Assessing organisational change (like any social change) is exponentially more difficult. And when donors have to aggregate the impact of their capacity building support across a wide range of organisations in a wide diversity of contexts, the complexity is further increased.

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[1] In these examples I use the term ‘donor’ to mean the organisation providing the funding for the capacity building work and ‘NGO’ to mean the organisation receiving the capacity building support.

The solution of some European donors has been to develop highly complex systems for measurement. One Dutch organisation hired a consultant to undertake consultations for more than a year to develop such a system. But even after developing such an all-encompassing system, any findings are still subject to massive qualifications. Even if you are sure that an organisation is performing better after a capacity building intervention, it is difficult to prove a direct causal link between the intervention and the greater effectiveness. Organisational change is affected by a multitude of internal and external variables, so isolating the impact of one capacity building intervention is not possible. But what is worse is that the complexity of the system makes it too demanding for local NGOs to manage, once again undermining the essential ownership of the capacity building itself. So even if you invest millions in a complex system, it will still not be watertight and may indeed do more harm than good to the capacity building process.

### My learning from experience

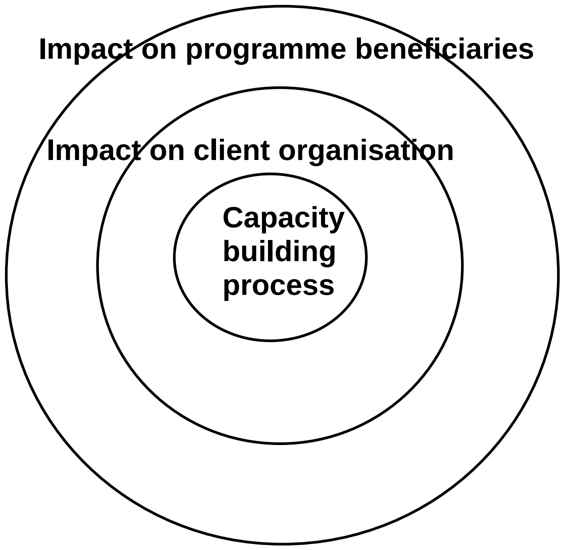
We need to appreciate the complexity of organisational change. This helps us be more circumspect (even humble) about the part that capacity building plays in it. Rather than accept donor requests to provide evidence that 'attributes' change to capacity building inputs, we must be clear that the best we can provide is evidence of a 'plausible association'. We can only provide evidence of contribution, not attribution.

Acknowledging the complexity of organisational change must not distract us from the need to develop simple systems. Simpler systems will also provide highly qualified information, but at least they are much more likely to be implemented. Some useful information from a pragmatic system is much better than no information from a complex, unworkable system.

## 3. Change in organisation or change in beneficiaries?

The third important question is 'what change are you looking for?'. Do you measure change in the organisation's capacity or do you try to measure whether this change has had an impact on the ultimate beneficiaries? The basic Ripple Model below highlights some choices:

**The context**




In its most basic form this model illustrates the three main levels at which you can monitor and evaluate a capacity building intervention. The capacity building input is dropped in water - the ripples flow outwards to bring about changes at the internal organisational level of the NGO and then ultimately to the beneficiaries of the NGO. The size and direction of the ripple is influenced by (and in turn influences) the context in which it moves.

Context has a much more powerful influence on our work than we would like to admit. The ripple model should better be seen as a drop of capacity building into a flowing river, rocks, logs and winds affecting its course. Organisations exist in open systems, subject to the influence of a wide range of external factors. The behaviour of the donor may be an extremely powerful influence that reinforces or completely undermines capacity building inputs. Furthermore, NGO beneficiaries are influenced by another set of variables. Trying to attribute change at this level to capacity building inputs are increasingly tenuous and costly.

How difficult it is depends partially on the topic of capacity building. Such ripples are more clearly visible with technical capacity building that focuses on external programme work with beneficiaries. Where the capacity building is internal and organisationally-focussed (such as strategy, fundraising, leadership) it is much harder to trace the direct linkages between the capacity building and visible changes at beneficiary level.

It is important to define the level that you are going to measure change. This can be contentious. For the capacity building provider the impact is seen as changes at the organisational level of the NGO client. This is who they are directly working with. For the donor, however, the ultimate reason for supporting an NGO's capacity building is to see impact at the next ripple out - the NGO's beneficiaries. Some donors insist that it is not enough to measure the direct impact of the capacity building on the NGO, you have to track what difference this made to poverty alleviation at the grassroots. They argue that capacity building is not an end in itself, it is only a means.

Many capacity building providers argue that all they can realistically assess is impact on their NGO clients. Measuring how these changes ripple out is highly problematic for capacity building providers in terms of the extra investment needed, issues of access to beneficiaries and the fact that changes in the ultimate beneficiaries are subject to many more contextual influences than simply the capacity building inputs to the NGO. If the development community has generally decided that improved capacity is likely to have a positive impact on development, it is not reasonable to expect every provider to test this assumption in every single programme of work. This assumption may be better tested through large, multi-agency studies.

## My learning from experience

It is very important not to separate organisational capacity building from the performance of that NGO in communities. Capacity building must help the NGO achieve its mission. Capacity building needs should emerge from evidence in programme evaluations. But it is a false step to go further and say that M&E of capacity building therefore must also include M&E of the programme impact.

At the outset it is vital to clarify the level you are going to measure and when. For capacity builders it relatively straightforward to measure the quality of your inputs – the things you can take full responsibility for (such as the quality of training, consultancy, workshops and the like). But capacity building providers should go beyond that to find out whether their investment of time and money has brought about change in the individuals and organisations involved with the client. They need to be able to demonstrate that it has made a positive contribution to development at least at an organisational level.

But tracking change at the next level - of how beneficiaries have changed as a consequence of the increased capacity of the NGO - is a different issue. No one would argue that it is needed, but the question is who should do it. There is an important distinction between providing 'illustrations of change' at this level and 'measuring change' at this level. Capacity building providers might reasonably provide some anecdotal illustrations of change at beneficiary level, but it is unreasonable to expect capacity building providers to systematically measure change at this level. Do we really expect capacity building providers to undertake impact assessments of the work of all their clients in communities to measure change at the beneficiary level? This is more the responsibility of the NGO with support from the donor.

## 4. Numbers or stories?

Numbers are incredibly powerful, simple ways of aggregating and communicating information. Most donors to capacity building programmes need numbers to justify their work to their own back donors. We have to respond positively to these donor needs. There are creative ways of using scoring systems to get different people's perspectives on qualitative organisational issues at a given point in time. This can provoke important discussions in capacity building.

But we also know that the most important things in life, such as relationships, cannot be easily measured numerically. For example, we can say how long we have known someone or been married to them, but we know that such numbers are such a small part of the real picture of the relationship. Numbers do not capture the more interesting questions of why change has taken place. Using before and after scores in capacity building to measure change, however, can be misleading. For example in measuring organisational change, indicator scores can go down as self-awareness increases (a critical step forward). We also know that numbers can downplay and ignore the overwhelming influence of context. The use of numbers in measuring capacity building is therefore highly qualified at best and at worst, completely spurious.

Stories, while difficult to aggregate, are a much better way to assess change in complex social situations like organisations. Stories describe human change better than numbers. They can illustrate how relationships have changed over time. Through cultivating our ability to tell stories properly we can both convey and protect the kernel of what has been sought and what has been achieved.

### My learning from experience

We cannot ignore donor needs for numbers. If we receive donor support we need to live with this demand. Instead of avoiding the issue, we should find out the bottom-line of what donors need to know. They may be just after one number. We can try and make sure that this number is as meaningful as possible and is not too costly to collect. For example 'X% of NGOs receiving capacity building support believe that their capacity has been significantly improved as a result' is a numerical indicator of change that would be fairly straightforward to collect. While it may not be the best indicator of success, it has the benefit of being relatively easily obtained and may be all the donor really needs.

While knowing the value of narrative in M&E of capacity building, skills in this area are weak. If we are to take M&E more seriously we have to develop our own capacity to take a more narrative approach. This may involve developing skills in such methodologies as 'Most significant change'. It will undoubtedly require us to become much better at writing up stories of change (not reports on activities). Journalism skills are overlooked, but essential in good M&E. But if we do use stories it is important to clearly state why a particular story of change has been chosen - sometimes the best stories are the more unusual ones that are not representative of the majority.

As well as using stories and case studies, we can gradually build a case 'beyond reasonable doubt' that our capacity building efforts have made a positive difference by collecting and keeping any formal and informal feedback (called by some 'scrap books', others 'brag books'). For example any communication from beneficiaries of capacity building that illustrate how they have used what they have learnt should be carefully kept.

## 5. Standardised tools or tailored facilitation?

Linked to the demand for numbers is a strong desire for set of tools to M&E capacity building. Many donors have developed Organisation Assessment (OA) tools, models of how organisations should function, which they hope will help them track and measure change. These tools allow standardisation, which is necessary if donors are to aggregate capacity building impact across many NGOs.

Undoubtedly, we can learn a lot from organisation theory to assist our M&E. There are common components of any organisation (such as leadership, systems, staffing, resources). Many NGOs follow similar patterns of growth and change (e.g. life cycles). These are vital in developing our conceptual understanding of capacity building, but there are dangers when we turn this basic organisation theory into OA tools for measurement, as the text box illustrates.

**Dangers of OA tools**

1. Mechanistic and lifeless. Do not capture the true non-linear nature of change.
2. Focus on the visible and formal. Miss what is below.
3. Standardised tools, do not recognise contextual differences in organisation.
4. Very easy to become tool for judgement (funding decision) and thereby undermine capacity building aim.
5. Tools often become the focus of the capacity building efforts, losing sight of the thinking behind it or the ultimate capacity building aim.
6. Difficult to simplify and keep useful
7. Not able to describe change in relationships and power.
8. Misses out how changing context affecting organisational change.

OA tools tend to use Western organisational models, which over-simplify and standardise unique change processes. They are good for understanding, but can be counter-productive when used for measurement, especially if the temptation to use them also for funding decisions is not resisted. Although having the potential for to aggregate capacity building results from a number of partners, in reality these tools will be interpreted and used differently by different partners, undermining the validity of aggregated findings.

In fact more advanced organisation theory would point to an emergent approach to change, not the standardised and planned approaches of twenty years ago (from which tools can be developed).

The alternative to standardised OA tools is to have teams of organisational facilitators who guide NGOs through tailored self-assessment processes. The challenge here is that there are not enough good local organisational facilitators. The demand for such people is much greater than the supply.

## My learning from experience

If you do use OA tools, it is better to use them to help an organisation develop its self-understanding. Just as with the use of numerical scoring systems, OA tools tend to be better at surfacing opinions and generating discussion (a vital part of capacity building) than they are for measuring change as a result of capacity building. If we do have the audacity to use OA tools to generate numerical scores of organisational change, we must be rigorously honest about how spurious they might be.

There are easier and more meaningful ways of getting the numerical information that donors need. If you do have to use standardised OA tools, it is better to engage the NGOs themselves in developing the tool. And if you do insist on NGOs using OA tools, make sure you have the integrity to also insist on your own organisation using them to measure your own staff training and organisation change programmes.

A bigger priority is to develop skilled facilitators who can help NGOs develop the required self-understanding to lead their own capacity building processes. The demand for capacity building far outstrips the supply of quality providers. We need more and better capacity building facilitators across the world. There is not much point in developing tools if you do not have people skilled to use them well.

## 6. Self-assessment or external perspective?

Capacity building is an inside-out process. It cannot be imposed from outside. Therefore self-assessment is paramount in M&E of capacity building. Not only is self-assessment necessary for ownership, but it is also vital for quality information. Think of your own organisation, who is best placed to give insightful judgements about changes that have occurred in the last few years?

But there is also a big risk if all the assessment is done internally. If there is no external reference point, the process is open to accusations of subjectivity and bias. There may be vested interests in showing positive results. It is easy to slip into group think where there is no challenge to prevailing opinions. Furthermore some would argue that an NGO's capacity is measured by the extent to which it can keep its key stakeholders satisfied. Therefore it is vital that external stakeholders provide inputs into assessment of capacity. For example, in looking at an NGO's capacity to report financially to donors, it is not enough merely to ask their staff, you would want to hear from the donor as well.

### My learning from experience

M&E of capacity building needs to be built on self-assessment processes. NGOs themselves are in the best position to identify meaningful change and indicators. Such processes usually need some external facilitation, even to just create the organisational time to do it well. Such self-assessment processes, however, will be much more robust if they are supplemented by periodic external perspectives (through stakeholder interviews or surveys) that give some outside validation.

## 7. 'Objective' or interpretive approach?

The final question, is 'Who judges whether change has occurred? Whose reality counts?'

Organisational change is highly contested arena. Capacity building is not apolitical. In most change there are winners and losers. What will look positive to some may look disastrous to others. Such disparate views can exist inside and outside the organisation. For example the evaluation of INTRAC's Praxis capacity building programme found that most staff were negative about its impact. Their attention was taken up by the internal management challenges that it entailed. Conversely external respondents (the intended beneficiaries) were highly positive about the capacity that Praxis had cultivated.

### My learning from experience

In any M&E of capacity building, it is important to integrate different stakeholder perspectives as far as possible. There is no one right judgement about the effectiveness of capacity building and so a broad consultation is beneficial. It is important to see whether perspectives from the NGO's own clients can be appropriately brought in.

## Summary

My experience suggests in M&E of capacity building we should:

- Just do it. Something useful can be done without too much effort or investment. Once you have tried something, adapt it to make it better.
- Set realistic expectations as we get what we pay for.
- Prioritise the main audience and purpose. Decide what levels of change you will look at. Negotiate amongst stakeholders for agreement to the system at the start
- Keep it pragmatic and feasible. Use a variety of simple methods that fit the purpose and budget. Make it light, not time-consuming, especially for the NGO.
- Ensure the NGO owns the system as far as possible.

- Avoid standardised OA tools for measurement, though they can assist develop understanding.
- Use facilitated self-assessment, but triangulate with periodic outside perspectives from a variety of stakeholders.
- Use and develop narrative approaches, but accept the value of some numbers.

## Virtues in M&E of capacity building

But even having a decent M&E system is not enough on its own. What matters even more than the system are the virtues (or values if you would prefer) that are lived out by the organisations and individuals who are actually doing the M&E. From both pleasant and bitter experiences we know that ultimately everything hinges on the individuals involved. Good people can make a bad system workable, but conversely bad people can abuse a good system. For M&E of capacity building to be effective we need both the system and the practice of virtues (by all stakeholders).
These include:

- Honesty (in sensitively speaking the truth about changes, not merely saying what makes us look good)
- Humility (to genuinely listen and realise our opinions are partial)
- Compassion (to really want to understand and desire what is best for the NGO under scrutiny – to build up, not simply tear down)
- Patience (when 'life' interferes with our deadlines)
- Commitment (to do M&E well and follow through on learning)
- Integrity (to apply the same practices in our own organisation that we recommend to others)

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