

IOB's objective was not to conduct a representative assessment of the effectiveness of Dutch support for capacity development but primarily to gather data that will enhance the level of its implementation. For this purpose, IOB conducted 26 case studies in 14 countries in close cooperation with six Dutch NGOs and the Ministry of Health of Ghana. Most (21) of these case studies were conducted in sub-Saharan Africa; the other five in Guatemala, Cambodia and Georgia.

What is capacity development and how is it achieved?

Donors worldwide spend approximately 25% of their resources on capacity development, as they consider it an essential precondition for the achievement of their targets. The Dutch government also allocates a substantial percentage of its development cooperation budget to capacity development. According to the IOB, it is therefore a cause for concern that our understanding what capacity development is exactly, how it is achieved in a rapidly changing environment and how its effectiveness is monitored, is limited.

In the Netherlands, just like anywhere else, policy developers struggle to cope with the issue. In their daily operations, Ministry and NGO staff members depend on general notions of capacity development and on their personal experience. Due to the lack of an adequate assessment and monitoring system, the effectiveness of donor support for capacity development cannot sufficiently be established.

The IOB evaluation defines capacity development as an on-going, natural process organizations are engaged in to maintain their relevance in a world that is constantly changing. The IOB identifies five key components of capacity that every organization should integrate:

- the capability to commit and act;
- the capability to deliver products and services in order to reach goals;
- the capability to engage in relations with external stakeholders;
- the capability to adapt and self-renew; and
- the capability to achieve and maintain coherence.

Sustainability

One of the most important lessons to be drawn from the IOB evaluation is that the results of Dutch support for capacity development are not sustainable if the conditions Southern partners operate in are not taken into account. In addition to external factors – including the 2003 regime change in Georgia that led to a shift in political priorities, or the return of Ugandan investors after peace was restored in the North of the country – several internal factors are also highly relevant. A number of Southern organizations do not have a clear perspective on their objectives and how they are to operate in order to achieve their goals. Add to that the lack of a reliable monitoring and evaluation system, it becomes highly unlikely that these organizations will function effectively. Good governance makes a great difference in this respect. Capacity development and sustainability of results are interrelated.

Mobilizing local resources

The IOB observes that Southern organizations strongly (60% to 90%) depend on external funding. They are so preoccupied with meeting their donors' various (short-term) demands, that it reduces the effectiveness of their operations and their ability to achieve their main objective, which is to meet the needs of the poor. Many of the organizations under evaluation prefer support from the Netherlands ('critical but respectful and reliable') to that of other donors. However, they also report an increase in the administrative burden and a reduced focus on strategic matters. This development threatens to reduce the 'ownership' of Southern organizations. Moreover, Dutch support limits organizations' creativity and motivation to mobilize local resources.

Professionalization

In principle, the Ministry of Foreign Affairs has always been a sincere advocate of capacity development and has also implemented numerous incentive measures. Measures such as the transfer of responsibilities to the embassies in 1996, the introduction of the sectoral approach in 1998, and the discontinuation of the standard supply-oriented approach of 'technical assistance' in 1999, each improved the effectiveness of capacity development. In practice, however, no significant attempts have been made to subsequently promote the introduction of endogenous capacity development into all sectors and themes. The Netherlands has experience with innovative forms of assistance, such as support for market chains, environmental effects reports and multi-party systems. At the same time, both the Ministry and NGOs will have to develop a more professional approach to advance the strengthening of Southern organizations, according to the IOB. However, they cannot do this on their own; they must operate in coordination with their Southern partners and international experts.

Systematic reporting

A significant number of planning, monitoring and evaluation systems are based on unilateral relations. Consequently, they are of limited relevance to the actual reality of Southern organizations. The case studies conducted make it clear that numerous internal and external factors determine the development of capacity and the way it relates to the resources invested and the results achieved. Moreover, it can take considerable time before changes at a particular level show an effect on the succeeding level. Systems must therefore be developed that can cope with these dynamics. In any case, it is essential that Southern organizations systematically document changes and investments in, and the results of, their capacities. The organizations covered in this evaluation did not.

Lessons learnt

The evaluation has provided four lessons:

Lesson 1

Development cooperation should: 1) adapt to the circumstances and characteristics of Southern organizations (their endogenous qualities); 2) stimulate Southern organizations to firmly embed their services into their societies and their target groups; 3) encourage Southern organizations to learn from their experiences and to question the assumptions on which their policies are based; and 4) demand from Southern organizations that they adequately monitor and evaluate their activities and effectiveness.

Lesson 2

Development cooperation must take into account the time and effort it takes for Southern organizations to effectively implement (relevant) external expertise. This process involves risks and is frequently unpredictable.

Lesson 3

It is advisable that innovative forms of capacity development are evaluated at an early stage, i.e. during their implementation. This enables those involved to gain an understanding of their actual potential and allows them to formulate the requirements for external parties in order to improve the effectiveness of their contributions.

Lesson 4

Development cooperation will have to make significant investments in developing the expertise required by Southern organizations: to learn from their experiences and to question the assumptions on which their policies are based.

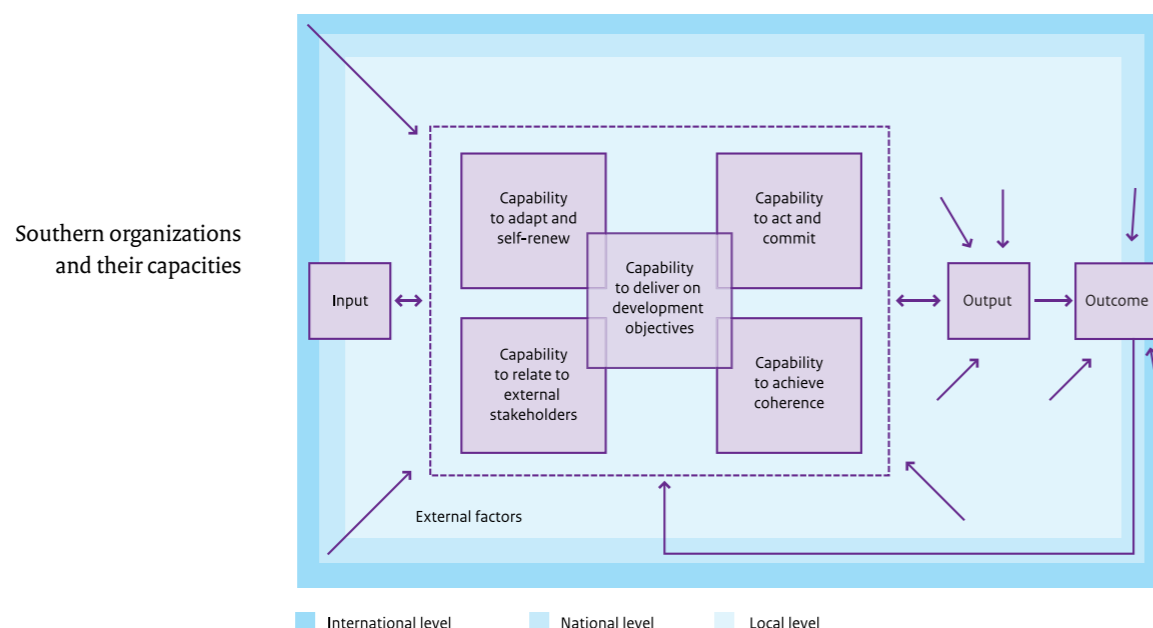


Figure 1. Analytical framework for capacity development. (Adapted from de Lange, Capacity.org 37, 2009).