Consultations in Results-Focused Capacity Development

Reviews of Project Experiences in East Africa Using the Capacity Development and Results Framework
About the World Bank Institute (WBI)
WBI’s mission is to be a global facilitator of capacity development for poverty reduction, helping leaders, institutions, and coalitions address their capacity constraints to achieving development results. For more information, visit www.worldbank.org/wbi.

About the WBI Capacity Development and Results Practice (WBICR)
WBICR provides advisory services, knowledge products, action research and knowledge sharing that inform and support the design and management of results-focused capacity development strategies, policies and programs. For more information, email capacity4change@worldbank.org.

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World Bank Institute Capacity Development and Results Practice
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# Acronyms and Abbreviations

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<tr>
<td>AACCSA</td>
<td>Addis Ababa Chamber of Commerce and Sectoral Associations</td>
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<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific</td>
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<tr>
<td>ADA</td>
<td>Austrian Development Agency</td>
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<td>AU</td>
<td>African Union</td>
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<td>CDRF</td>
<td>Capacity Development and Results Framework</td>
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<tr>
<td>CEWARN</td>
<td>Conflict Early Warning and Response Mechanism</td>
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<tr>
<td>CEWERU</td>
<td>Conflict Early Warning and Response Unit</td>
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<tr>
<td>CPA</td>
<td>Cotonou Partnership Agreement</td>
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<tr>
<td>CPMR</td>
<td>Conflict, Prevention, Management and Resolution</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<tr>
<td>CTF</td>
<td>Cotonou Task Force</td>
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<tr>
<td>DFID</td>
<td>United Kingdom Department for International Development</td>
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<tr>
<td>EC</td>
<td>European Committee</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GTZ</td>
<td>German Society for Technical Cooperation</td>
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<tr>
<td>IGAD</td>
<td>Intergovernmental Authority on Development</td>
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<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NSA</td>
<td>Non-State Actor</td>
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<td>NSAC</td>
<td>Non-State Actor Coalition</td>
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<tr>
<td>PANE</td>
<td>Poverty Action Network of civil society in Ethiopia</td>
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<td>PSD</td>
<td>Private Sector Development</td>
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<tr>
<td>REC</td>
<td>Regional Economic Community</td>
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<td>RRF</td>
<td>Rapid Response Fund</td>
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<tr>
<td>SIDA</td>
<td>Swedish International Development Agency</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>WBI</td>
<td>World Bank Institute</td>
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Introduction

Capacity is often seen to be the principal constraint to development, and each year aid donors spend more than $30 billion globally to address this issue. However, most capacity development efforts fail to yield satisfactory results.

Important deficiencies include low stakeholder commitment to development goals; weak understanding of institutional capacities and how they need to change to support these goals; lack of strategy around what results to support and how; poor planning of activities to support local agents in driving change; inadequate attention to needed adjustments of change processes; and not learning from previous successes and mistakes.

These deficiencies necessitate fundamental changes in how capacity development is defined and practiced. Capacity development means enhancing the ability of local leaders, groups and coalitions to effect institutional change. It entails understanding both the demand and supply sides of the development process.

Effective capacity development needs to not just support new learning—it needs to support outcomes that contribute to institutional change. This calls for changes in how stakeholders are engaged; how we assess and understand institutional capacities; how we design capacity development programs and activities; how we plan, yet adjust local activities to best support change; and how we document and manage knowledge to learn about what works.

In response to such challenges, the World Bank Institute (WBI) developed an innovative, results-focused approach to capacity development and a suite of platforms covering leadership and coalition building, innovation scanning, practitioner knowledge exchange and structured learning. This report describes how WBI used its results-focused approach, the Capacity Development and Results Framework (CDRF), to conduct participatory reviews of three capacity development projects in East Africa. The projects had distinct goals: promote peace and security in border areas of the region; promote economic development and growth in Ethiopia; and improve the emergence of an active and organized non-state sector in development dialogue.

WBI worked with local partners to review and document the projects. Through the participatory reviews, WBI learned how to better work with local partners in supporting efforts to apply results-focused approaches. The local partners learned how the application of results-focused tools, locally adapted to their context, could help a project achieve the most needed results. Development practitioners and local partners can apply the lessons learned from these reviews to help improve the design and implementation of their own capacity development programs.
Overview

Capacity Development

Elements for Success
Traditional capacity development is shifting from a focus on individual skills and organizational systems to entire leadership teams, multi-stakeholder coalitions and social networks to forge consensus for measurable and lasting change. WBI views capacity development as a transformational and country-led process of change to facilitate achievement of development results. Capacity development initiatives should develop capacity in the main societal pillars—government, private sector and civil society—to advance institutional change.

To mobilize the most effective capacity development responses it is crucial to understand the stakeholders in these groups from the start. Comprehensive diagnostics are needed to assess stakeholder interests and commitment to development goals and pinpoint institutional capacity constraints and priorities. Findings from these diagnoses can help to produce focused yet adjustable plans, suited to different settings, which achieve the most needed results.

Current Challenges
Despite significant funding for capacity development initiatives, current practice is not meeting needed results. Applied learning is urgently needed around the practice and scaling up of sustainable capacity development.

The lack of operational clarity among partners on capacity development makes it difficult to effectively design and manage capacity development processes. Among priority for learning is practical know-how on addressing challenges related to the broader institutional environment—challenges that constrain stakeholder action to achieve development goals.

Focus on Outcomes
For too long, capacity development analysis has focused on the outputs and planning of activities—simply filling in pre-identified gaps for missing functions and skills based on imported or historic solutions. For real institutional change to occur, the management of change and design of capacity development activities must address not what is missing, but what is needed. Focusing on outcomes instead of outputs and technical fixes allows for more innovative and context-specific solutions to achieve local results and measure and track change processes.

Without built-in opportunities for local innovation and evidence of systematic learning, it is difficult for local actors, donors and other stakeholders to demonstrate the viability and value of capacity development initiatives. Thus, there is growing accord in the development community on the importance of results orientation and effective management of change processes to improve how capacity development is practiced.
Capacity Development and Results Framework

**Purpose**
WBI developed the Capacity Development and Results Framework (CDRF) as a knowledge base for a growing suite of results-focused tools and resources. The CDRF clarifies the conceptual foundation for the strategic use and design of knowledge and learning products and services. It provides an operational approach to analyze the dynamics of institutional change and the role of learning in facilitating that change.

So change processes can be better managed, the CDRF articulates a results chain that highlights the intermediate capacity outcomes bridging the gap often found between overall objectives and specific capacity development activities. It introduces standardized sets of indicators to monitor progress, allow comparisons across programs, improve understanding of how institutional change occurs, and support systematic examination of the effectiveness of capacity development tools.

**Uses**
Practitioners can use the CDRF for institutional capacity diagnostics, to understand underlying demand and supply side constraints that need to be targeted to achieve results. They can assess the degree to which capacity development can strengthen stakeholder ownership, improve efficiency of policy instruments and increase the effectiveness of organizational arrangements toward the achievement of a development goal.

The CDRF’s indicators for institutional characteristics can be used to diagnose institutional capacity constraints and assess institutional changes. The CDRF also offers a typology of intermediate capacity outcomes to track changes in behaviors, relationships, processes and actions and target capacity development activities. For more details, see Annex 1.

Practitioners can use the CDRF to support participatory management of capacity development programs and change processes. They can customize and add local knowledge to implement the CDRF and thus support a wide range of country capacity development practices. Practitioners can also use the CDRF to guide participatory reviews of capacity development projects, such as those described in this report.

**Collaboration**
The CDRF promotes a collaborative process, by encouraging discussion around local capacity constraints, needed results, appropriate change processes and local agents to support change. It encourages partners and stakeholders to be involved for the entire project cycle: visioning; assessment and diagnosis; program and results design; implementation and monitoring of change; and evaluation and learning.

Through knowledge exchange and collaborative work with country and international partners and World Bank teams, WBI expands operational learning on capacity development strategies and practice for the local context. With this information, WBI is developing results-oriented tools that partners can apply, adapt, and customize to their own needs.
Objectives of Participatory Reviews
WBI and local partners conducted participatory reviews of three capacity development projects in East Africa using the CDRF to guide the process. WBI intended to learn how results-focused capacity development could support improved practices. Local partners intended to develop a better understanding of how to carry out capacity development programs that effectively use limited resources to achieve results.

The objectives of the participatory reviews were to:
• Build recommendations to help improve the results focus of the local projects.
• Expand learning about locally appropriate results-focused knowledge and tools and how they could be adapted or applied to support capacity development practice.
• Document lessons learned on the design and implementation of results-focused capacity development that could be shared with other practitioners.

The reviews could also inform the work of WBI’s Capacity Development and Results Practice (WBICR). Feedback could specify ways WBICR could contribute to knowledge management efforts that support country improvements in results-focused capacity development.

Project Selection
The projects were selected for review based upon the commitment of the local project team to a “learning by doing” approach and willingness to examine the practice of capacity development in their own institutional or program environment. The projects engaged partners from government, private sector and civil society and focused on various themes. See table 1 for a summary of the project experiences.

Participatory Review Outline
WBICR worked with local project teams generally composed of a project manager and 3–5 lead persons designated locally to participate in the exercise. WBICR and the teams used guided discussions and workout sessions to collaboratively review the projects, apply results-focused tools and learn from and document the experiences. For more details about the review process, see Annex 2.

The main discussion points in the review process involved:
• A review of project context, stakeholders and the development goal
• A review of institutional capacities
• A review of diagnostic findings on institutional capacities and how they related to needed final outcomes
• A discussion on local agents of change and local planning to manage change

Consultation on the Project Experiences
In Ethiopia, WBI held a preliminary consultative workshop on the three projects with leaders and practitioners from organizations engaged in capacity development in East Africa. Participants shared approaches to managing results and discussed local learning from the projects. The inputs from this consultation offered preliminary recommendations for this report. For details and recommendations, see Annex 3.
<table>
<thead>
<tr>
<th>Project and Location</th>
<th>Development Goal and Thematic Area</th>
<th>Implementing Bodies</th>
<th>Institutional Capacity Constraints Identified in the Diagnostic</th>
<th>Local Agents of Change</th>
</tr>
</thead>
</table>
| Multi-stakeholder engagement for institutional change | Promote peace and security in Intergovernmental Authority on Development (IGAD) region | IGAD, Conflict Early Warning and Response Mechanism (CEWARN) | **Demand Institutions**  
- Stakeholder ownership: commitment of leaders, stakeholder participation, transparency of information  
- **Supply Institutions**  
  - Policy instruments: clarity in defining rights and responsibilities of stakeholders, legitimacy  
  - Organizational arrangements: clarity of mission, communications and stakeholder relations, operational efficiency | Member state governments; CEWARN units; local administrations; multi-stakeholder peace councils and committees; national research institutes; organizations supporting conflict prevention |
| Djibouti, Sudan, Ethiopia, Kenya, Uganda, Somalia | Fragile and post-conflict states | | | |
| Stakeholder participation, incentives and organizational support for private sector reforms | Promote economic development and growth in Ethiopia | Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSCA) | **Demand Institutions**  
- Stakeholder ownership: commitment of leaders, stakeholders participation, social norms and values  
- **Supply Institutions**  
  - Policy instruments: legitimacy, incentives for compliance  
  - Organizational arrangements: clarity of mission, communications and stakeholder relations, operational efficiency, adaptability | Business community; government and local community officials involved in supporting business organizations |
| Ethiopia | Public-private partnerships | | | |
| Non-state role in development strategies and programs | Improve the emergence of an active and organized non-state sector | Non-state actor coalition (NSAC), Poverty Action Network of civil society in Ethiopia (PANE) | **Demand Institutions**  
- Stakeholder ownership: commitment of leaders, stakeholder participation, social norms and values  
- **Supply Institutions**  
  - Policy instruments: clarity in defining rights and responsibilities of stakeholders, legitimacy, consistency, incentives for compliance  
  - Organizational arrangements: clarity of mission, communications and stakeholder relations, operational efficiency, appropriate financial management | Civil society leaders; NSAC; parliamentarians, civil servants and elected officials in development and governance; local experts; public opinion leaders; national EU officers |
| Regional (Ethiopia) | Demand-side institutions and networks | | | |
Summary of Lessons Learned

Through the participatory reviews, local teams recognized the added value of a results-focused approach to designing, implementing, monitoring and learning from capacity development. The points below summarize new learning revealed through the reviews—key challenges and practical lessons and recommendations that could improve the local management of capacity development projects.

Upfront visioning with main stakeholders around the development goal

**Challenge**
In most of the projects, the development goals were unclear and understood differently by stakeholders, which hindered results.

**Lessons**
The project teams saw how specifying the goal and building upfront understanding around its meaning for the main stakeholders was a critical step often taken for granted. It was particularly crucial to specify and agree on how goals set at a higher level related to their context, not only to broader priorities and good practice. Little attention to this step set the project off course in terms of achieving the most desired local changes and often blocked projects from achieving what was initially envisioned. For example, in the cases of NSAC and AACCSCA, the review highlighted how the lack of stakeholder visioning around the goal slowed success and limited the project’s focus areas.

**Recommendation**
- Tools and approaches that can be integrated into project cycle management to strengthen upfront visioning of the goal with all main stakeholders. Examples include stakeholder analysis, mapping of stakeholder commitment to goals to identify common ground and rapid response tools.

Diagnose institutional capacities across demand and supply institutions

**Challenge**
The projects lacked a thorough understanding of institutional capacity constraints and in turn often focused limited resources on challenges that were not top priority.

**Lessons**
Taking a more comprehensive review of institutional capacities across demand and supply institutions helped the project teams to understand complex constraints, their interrelationships, and how they thwarted results. All of the projects were initially planned to focus on organizational capacity development. Through the review, teams saw developing stakeholder ownership and efficiency of policy instruments is often more critical. For
example, CEWARN/IGAD needed to address issues of legitimacy of existing policy instruments for local communities. AACCSA recognized the importance of stakeholder participation in setting priorities.

Recommendation

• Simple participatory diagnostic tools that could be built into the design of projects, including diagnostics to review stakeholder ownership, policy instruments and organizational arrangements.

Use diagnostic findings for prioritization, decision-making and improvement of aid effectiveness

Challenge
Institutional capacity constraints are vast, resources are limited and many stakeholders must contribute to actions. Consequently, the local project teams had difficulty focusing projects for the best chance at results.

Lessons
The project teams saw there were trade-offs and difficult decisions to be made in terms of specifying project focus. For example, before NSAC could think about sustained efforts to develop organizational capacity, it needed to focus on institutional capacity constraints related to other key challenges, such as weak NSA participation in decision-making, questions of policy consistency, and lacking incentives for NSAs to partner and provide collective inputs.

Recommendation

• Collaborative tools to support more effective decision-making on how to best focus the capacity development. Examples include tools to help prioritize institutional capacity constraints, assess trade-offs and phase project outcomes in terms of what constraints to address first to ensure the most sustainable results.

Use strategies and results frameworks to specify results for the capacity development and maximize local innovation

Challenge
The projects lacked strategies and results frameworks to encourage and support local innovations and coordinate the engagement of a large number of local agents and stakeholders around needed outcomes.

Lessons
The teams recognized the value of specifying in a more strategic manner how their project intended to support results. The CDRF supports a participatory process to develop a transparent and coherent strategy and results framework that helps to identify stakeholder interests, institutional capacity constraints, needed outcomes, capacity indicators and objectives. Local teams saw that such an effort could not only benefit their own project, but could also facilitate and optimize project planning. Effective planning coordinates capacity...
development initiatives by different stakeholders and partners in a whole sector or across sectors. Each initiative could develop innovative solutions that feed into key results.

**Recommendations**

- Local learning to develop applied knowledge and tools to support strategic planning and integration of capacity development objectives into country development initiatives.
- Activities to support sector and cross-sector strategies and results framework development, including national capacity development indicators for specific goals.

**Focus support on local agents of change**

**Challenge**
Projects often supported capacity development activities but did not identify how activities were intended to benefit local agents who could drive changes. The teams often presumed the roles of local agents with little communication with the agents.

**Lessons**
Paying more attention to identifying, engaging with and supporting appropriate local agents could support locally rooted results. These agents are not beneficiaries or target groups; they are leaders, groups, organizations and others who could play instrumental roles in supporting needed changes. They serve as focal points, facilitators and influencers of new behaviors, relationships, processes and actions to ensure long-lasting results. AACCSA saw identifying such agents at the project’s start enabled locally rooted results.

**Recommendation**
- Guidance resources and local experience documentation on smart practice steps to facilitate the identification and engagement of local agents in a project context.

**Emphasize multi-stakeholder participatory planning and management of change processes**

**Challenge**
Lack of local processes for managing changes in a capacity development project, such as to track progress during implementation and pinpoint issues that need adjustment.

**Lessons**
The teams saw that local changes could be planned and adaptively managed by identifying and tracking new behaviors, processes, relationships and actions in the form of intermediate capacity outcomes. For instance, CEWARN/IGAD saw that understanding what outcomes were needed for change to happen could them plan activities that effectively support local agents to drive change. In addition, tracking these outcomes in a participatory way could help teams to check whether activities were working as planned and make adjustments when necessary.

**Recommendation**
- More local learning on participatory approaches to help project teams, together with local agents, manage the change process, including in low resource settings. Such
approaches could be used to identify and plan needed outcomes, monitor and review outcomes, and identify whether planned outcomes and activities are supporting change.

Expand collaborative and systematic local learning on capacity development

Challenge
Lack of local learning about how to make capacity development more effective and build on what works.

Lessons
Local partners emphasized a need for collective learning around results-focused practices for the capacity development, such as tools and approaches that could help them to improve their work. This learning must go beyond typical knowledge sharing to agreeing on a systematic and standard way to document project experiences and assess capacity development needs. Local partners saw the CDRF as a key resource to support this consensus building.

Recommendations
• National and sub-national platforms to support capacity needs assessment and systematic learning on capacity development programming in a given context, such as in a sector or around a specific goal.
• Use of transparent and systematic tools to consistently document capacity development project experiences and results, so they can be shared with other stakeholders and compared over time to identify what works and does not work.

Use results to design diverse capacity development activities

Challenge
There was often a limited range of capacity development activities, such as training and technical support. These activities were designed to meet lacking technical functions, rather than the results needed to help local agents drive institutional changes.

Lessons
The reviews revealed the importance of using needed outcomes to design capacity development activities rather than missing skills or technology. Such an approach helped the project teams target activities to help local agents drive change. The teams saw how their focus on functional needs often led them to pre-described solutions rather than locally identified ones. Moreover, a critical need existed for more learning on how to implement new types of platforms other than training, such as for innovation, knowledge exchange, peer learning and leadership building.

Recommendations
• Local learning on results-focused approaches to support identification of the most appropriate mix of activities. These activities would support local agents in achieving needed outcomes (new behaviors, processes, relationships and actions).
Enhancing Multi-Stakeholder Engagement for Institutional Change

Participatory Review of Capacity Development Project: The Conflict Early Warning and Response Mechanism of the Intergovernmental Authority on Development

- Persistent conflicts in pastoral communities across the Intergovernmental Authority on Development (IGAD) region hinder peace and security, yet institutional arrangements to prevent, de-escalate, or resolve these conflicts are weak. Capacity development is a priority at the local, national, and cross-border/sub-regional levels, despite varying commitment from stakeholders to the development goal.

- Through a participatory review using a results-focused approach to capacity development, the capacity development project team diagnosed institutional capacities and identified needed final outcomes and local agents of change to support the capacity development process and project planning.

- Findings helped the team to draw local lessons on how to make the capacity development project more effective; facilitate local management of results; and design capacity development activities to support institutional change.

Background

Throughout the IGAD region, cross-border pastoral issues and related conflicts challenge governance and stability, leading to breakdowns in social cohesion. Endemic violence occurs because of dwindling natural resources, population pressures, illegal light weapons, influx of refugees and cattle and land use disagreements. Conflicts can quickly spread if left unmanaged and create large numbers of casualties and refugees across the region.

Yet, institutional capacities to prevent or resolve these pastoral conflicts are weak within the Regional Economic Community (REC) countries and local communities. Hence, IGAD member states agreed to operationalize Conflict Prevention, Management and Resolution (CPMR), with an initial focus on early warning and early response mechanisms and pastoral areas where conflict often starts. Promising responses would require institutional changes that are integrated locally, nationally and sub-regionally, given the multi-country nature of the problem and importance of local solutions.

In 2000, as a first step, IGAD established CEWARN to address cross-border pastoral and related conflicts of seven member states—Somalia, Djibouti, Uganda, Sudan, Ethiopia, Eritrea and Kenya. Conflict Early Warning and Response Units (CEWERUs), multi-stakeholder local peace committees and sub-regional peace councils play key roles in activating and coordinating the scale-up
of early warning and response activities, locally, nationally and sub-regionally/regionally. However, the results of these efforts vary—the countries are at different stages in a change process to achieve reforms for the development goal.

To develop institutional capacities to prevent, de-escalate, or resolve conflicts, CEWARN launched a capacity development project supported by a Rapid Response Fund (RRF). The fund provides resources to develop the capacity of national CEWERUs and agents, focusing on conflict early warning and response related activities.

In 2009, WBI and CEWARN/IGAD began reviewing the project using the Capacity Development and Results Framework (CDRF). They aimed to build recommendations that could improve the project’s overall effectiveness, including strategy, implementation and orientation of project planning toward the most needed results.

Project Context

Development Goal
The goal is to promote peace and security in the IGAD region. In 2002, African Union (AU) member states signed a protocol establishing its Peace and Security Council. As a priority to achieve the development goal they also agreed to establish a Continental Early Warning System to facilitate the anticipation and prevention of conflicts in Africa. AU has since engaged in a process to set up the system in different parts of Africa, and the CEWARN unit of the IGAD secretariat participates in the process.

Project Objective
The project development objective addressed is to prevent, manage and resolve pastoral and related conflicts at the local, national, and cross-border/sub-regional levels in the IGAD region. CEWARN areas of focus include the Somali Cluster (border areas of Somalia, Kenya and Ethiopia), Karamoja Cluster (border areas of Uganda, Sudan, Kenya and Ethiopia) and Dikhil Cluster (border areas of Ethiopia and Djibouti).

For the project and RRF support to be deemed a success it will have increased institutional capacities in local, national and cross-border/ sub-regional areas to support the development objective, focusing on the promotion of effective conflict early warning and response mechanisms. CEWERUs, multi-stakeholder local peace committees and key organizations such as national research institutes would lead early warning and response implementation. CEWARN would serve as a regional unit to coordinate this work at different levels and support ongoing capacity development.

The RRF funds CPMR measures and capacity development interventions at all levels to advance the development objective. RRF does this by supporting CPMR activities from the local level; supporting member states to build the respective and required capacity outcomes among actors at all levels (such as government and civil society); and facilitating dialogue and collaboration locally, nationally and sub-regionally to jointly implement conflict early warning and response activities.

Component Objectives
Objectives of the project’s components are to:
• Provide CEWARN (at all levels) with the flexibility and rapid response capacity it requires to be an effective early warning and response mechanism to address pastoral and related conflicts in the IGAD region.
• Develop and maintain the grant-making capacity of CEWARN to deal with emerging cross-border pastoral and related conflicts.
• Forge effective partnerships and networking among civil society organizations (CSOs), governments and multilateral organizations, among others, to carry out conciliatory interventions before conflicts lead to a breakdown in social cohesion.

Stakeholders
Implementing Agency
IGAD is implementing the project; CEWARN is the unit assigned to manage the project, including a technical support unit to handle capacity building and operational tasks. CEWARN’s mandate is to receive and share information concerning potentially violent conflicts as well as their outbreak and escalation in the IGAD region, undertake analysis of this information, develop case scenarios and formulate options for response. Though the CEWARN mandate covers all types of conflicts, it was agreed that, as a first step, the
mechanism should start by monitoring cross-border pastoral and related conflicts.

**Partners**
The RRF, a multi-donor basket fund launched by CEWARN in January 2009, supports the project. CEWARN development partners contributing to the RRF include the Austrian Development Agency (ADA), Government of Belgium, Government of Denmark, Swedish International Development Agency (SIDA), United Kingdom Department for International Development (DfID), German Society for Technical Cooperation (GTZ) and Government of Italy. Other donor partners contributing support to the core operational fund of CEWARN for the achievement of the project include the United States Agency for International Development (USAID), Danish Peace Fund, EU, SIDA and other relevant partners, such as InWent Capacity Building International Germany.

**Stakeholders**
See table 2.

**Level of Commitment**
At the Africa level, REC and AU political commitment were mobilized and dedicated to support the development goal. Despite the existing commitment, before the project started, local, national and sub-regional stakeholders had limited engagement to scale-up early warning and response, particularly in border and pastoral areas. Hence, the project strives to develop the capacity for stakeholder engagement.

At the regional level, all IGAD member state leaders in Ethiopia, Kenya, Uganda, Sudan, Djibouti and Somalia showed political commitment to the development goal. However, the institutional conditions to facilitate conflict early warning and response mechanisms are more developed in Ethiopia, Kenya and Uganda than in Sudan, Somalia and Djibouti.

The different development situations of these countries affected the focusing of the goal and desired results in each local, national and sub-national context. The differences included variations in these countries’ peace and security challenges and policies; experience in implementing early warning and response mechanisms; access to international assistance to address the goal; budget allocations for the goal relative to other development activities by their member state governments; and other contextual factors at all levels.

**Issues Raised in Review**
The review drew attention to the urgency of the development goal for regional and continental stakeholders, as well as their high expectations for results. Although there was high-level commitment of member states, the commitment of individual countries was often variable and their visioning did not align around the meaning of the goal for the sub-regional and country contexts.

The team had mostly engaged regional and continental-level commitments. They had to obtain endorsement from member states at the highest level before undertaking any activity on the ground. For the project to be successful, the team must now mobilize and support local, national and sub-regional actors—such as local citizens in border communities and national research institutes—to align around desired results to achieve the goal. Local stakeholder groups and lower-ranked government officials will need to support the desired results in a coordinated and timely way and with up-to-date information to inform decision-making for conflict prevention.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Why their involvement is important</th>
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<tbody>
<tr>
<td>Local, national, cross-border/sub-regional: CEWERUs, local communities, local administration, government bodies, CSOs engaged in conflict prevention, research and academic facilities engaged in information systems and development</td>
<td>Support and carry out early warning and response functions at different levels, receive RRF grants and serve as members of peace committees</td>
</tr>
<tr>
<td>Regional level (IGAD): Includes member CEWARN units, state governments, steering committee, development partners</td>
<td>Support early warning and response funding and implementation and mobilization of stakeholders</td>
</tr>
<tr>
<td>Africa level: Other RECs and regional mechanisms, and the AU</td>
<td>Align with similar projects and policy responses taking place across Africa that are coordinated by other RECs and the AU</td>
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Table 2. Stakeholders
### Table 3. Capacity Area: Stakeholder Ownership Characteristics/Challenges/Outcomes [Demand Side]

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<thead>
<tr>
<th>Characteristics</th>
<th>Challenges</th>
<th>Final Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment of political and social leaders</td>
<td>• More commitment and support needed from individual countries to support early warning and response mechanisms within national development planning.</td>
<td>Expanded member state commitment to integrate conflict prevention in national development planning</td>
</tr>
</tbody>
</table>
| Stakeholder participation in decision-making | • Need for more inclusive stakeholder dialogue with government on conflict prevention response, including CSOs and citizens who may be required to take action in selected communities.  
• Need for enhanced cooperation on early warning and response mechanisms among civil society and government leaders, and among stakeholders locally, nationally and sub-regionally. Cooperation is required to quickly prevent and/or resolve conflicts. | Improved multi-stakeholder participation to establish major components that deal with conflict prevention at local, national and sub-regional levels |
| Transparency of information to stakeholders | • Need for more streamlined and real-time early warning information for stakeholders to explain actions on conflict prevention and inform decision-making and response development. | Improved and real-time information available to stakeholders on conflict prevention at local, national and sub-regional levels |

### Table 4. Capacity Area: Policy Instruments Characteristics/Challenges/Outcomes [Supply Side]

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Challenges</th>
<th>Final Outcomes</th>
</tr>
</thead>
</table>
| Clarity in defining rights and responsibilities of stakeholders | • Need to develop national peace policies by all member states; so far only Kenya has developed such policies while Uganda is in the process.  
• Need for the remaining IGAD member states to emulate Kenya, Ethiopia and Uganda and develop operational guidelines to define clear roles for stakeholders to deal with conflict and coordinate responses at different levels, such as conflict supervision, cross-border cooperation and information gathering and exchange.  
• Need to further define the role of CSOs in local responses in collaboration with government agencies, to deliver effective and timely conflict prevention measures.  
• Need for conflict prevention guidelines to facilitate rural stakeholder actions in border communities, as well as national and sub-regional stakeholders that need a link with these communities to manage prevention and information. | Clear guidelines on the roles of different stakeholders to deal with and coordinate conflict prevention |
| Legitimacy                           | • Need to sustain and further improve the processes to systematically involve local, national and sub-regional stakeholders in the development and monitoring of regional guidelines and good practices to support conflict prevention. | Improved local, national and sub-regional implementation of conflict prevention policy instruments |
Institutional Diagnosis

The local team reviewed challenges in terms of demand and supply side constraints across the institutional capacity areas. These challenges could be addressed by capacity development.

Stakeholder Ownership
How strong is it to support the goal?
Social and political issues influenced the way stakeholders could respond to conflict, such as issues of leadership, stakeholder participation and transparency of information. Government and public commitment to the goal was variable (table 3).

Policy Instruments
How efficient are they in guiding stakeholders’ behavior to achieving the goal?
Administrative rules, laws, regulations, standards and other related instruments offered inefficient support for conflict prevention. Issues related to their clarity in guiding stakeholder behavior, and legitimacy to support national, sub-regional and local conflict response needs (table 4).

Organizational Arrangements
How effective are they in achieving the goal?
The team reviewed the effectiveness of existing arrangements for conflict prevention, such as the clarity of CEWARN’s mission and strategy, operational efficiency of CEWARN services, and networks and organizational relationships to support response at different levels (table 5).

Diagnostic Debriefing

The local team’s review of the diagnostic findings prompted discussion on how the project could better address institutional capacity constraints.

Use diagnostic to focus on needed results
The team identified challenges they did not originally address in project planning. They acknowledged all of the major institutional capacity constraints related to stakeholder ownership, policy instruments and organizational arrangements must be diagnosed so results in these areas could be supported by the project. One suggestion was to build capacity diagnostic tools into the local design of the project that could be managed by peace committees and CEWERUs in each country.

Use diagnostic findings to prioritize project investments
Given the wide range of institutional capacity constraints and variation within these constraints, locally, nationally and sub-regionally, the team saw they could use the diagnostic findings to focus the RRF and project support on the most needed results. Original project planning focused on developing organizational arrangements for conflict prevention; the diagnostic pointed out the importance of constraints related to stakeholder ownership and policy instruments. The team planned to conduct a follow-up review of the diagnostic findings with stakeholders and use this discussion to help decide next steps on how to best focus the project.

Table 5. Capacity Area: Organizational Arrangements Characteristics/Challenges/Outcomes [Supply Side]

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Challenges</th>
<th>Final Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity of mission</td>
<td>• Need for building the capacity of CEWERUs through further developing their mission, strategy, support structures and financing.</td>
<td>Improved clarity of CEWERUs mission, strategy, support structures and financing to coordinate conflict prevention arrangements</td>
</tr>
<tr>
<td>Communications and stakeholder relations</td>
<td>• Need for further improving the relationships and communication between CEWERUs, government offices, civil society and research institutes at the national, sub-regional and local levels to support information gathering, analysis and reporting systems.</td>
<td>CEWERUs have expanded networks and communication processes to support conflict response</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>• Need for more effective operational support programs and services for conflict response within all IGAD member states, particularly for CEWERUs, cross-border and local peace committees as well as civil society organizations and research institutes.</td>
<td>Improved operational efficiency of support programs and services for conflict prevention response at local, national and sub-regional levels</td>
</tr>
</tbody>
</table>
Customize capacity development to the local context
The diagnostic pointed out the need to customize the project to each country and even each border setting. Interventions to strengthen stakeholder ownership seemed more important in some settings, while the effectiveness of organizational support structures were a higher priority in others.

Develop a results framework that focuses on institutional change
The team identified a need to develop a results framework that included indicators to assess capacity outcomes. They could look at how these outcomes contribute to results in terms of changes in institutional conditions to support the goal.

Final Outcome Selection
The local team used the diagnostic findings to determine final outcomes important to the project’s success (tables 3–5). This task addressed the outcomes needed to change each major institutional capacity constraint; possible indicators of these outcomes; and potential actions based upon the findings to improve capacity development efforts (figure 1).

Issues Raised in Review
The local team stated the importance of reviewing the original project plan to determine whether priority institutional capacity constraints and needed final outcomes are considered and communicated. While not all constraints may be addressed, it may be necessary to explain the focus on key outcomes or identify partners to address constraints that fall outside the project’s scope.

The team could use the final outcomes and constraints to inform specific objectives and align them with needed results. The original project lacked clear indicators to measure outcomes or changes in institutional capacity to support the development goal.

Agents of Change
The project team identified agents that could drive specific changes to achieve the project’s outcomes (table 6).

Issues Raised in Review
In certain border areas or sub-regions agents of change were absent or there was a limited ability to safely coordinate their engagement; the border area near Somalia presented a particular concern. The team planned to work with stakeholders to identify proxy groups in these areas. Given the large number of agents involved and the importance of creating links among them, the team saw a need to further define roles and specify how each agent could support the achievement of final outcomes.

Management of Change
Using the review, the local team identified new behaviors, relationships, processes and actions that might enable local agents to achieve priority

Figure 1. Example of Final Outcome and Indicator for Policy Instruments

<table>
<thead>
<tr>
<th>Development goal: Promote peace and security in the IGAD region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional capacity area: Efficiency of policy instruments</td>
</tr>
<tr>
<td>Characteristic related to challenges or institutional capacity constraint: Legitimacy of policy instruments</td>
</tr>
<tr>
<td>Needed final outcome: Improved local, national and sub-regional implementation of conflict prevention policy instruments</td>
</tr>
<tr>
<td>Proposed indicator: Rating indicating the extent to which stakeholder representatives at each level support policy implementation</td>
</tr>
</tbody>
</table>
Table 6. Agents of Change and Their Roles

<table>
<thead>
<tr>
<th>Agents</th>
<th>How they are expected to support change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member state governments, such as leaders from security and humanitarian agencies as well as local administrations</td>
<td>Support and implement decisions that involve government action</td>
</tr>
<tr>
<td>Sub-regional peace councils with government and civil society stakeholders</td>
<td>Facilitate joint actions for conflict prevention by different stakeholders and facilitate the process of addressing cross-border issues</td>
</tr>
<tr>
<td>CEWERUs, Country Coordinators, Assistant Country Coordinators and Field Monitors</td>
<td>Assist in the coordination of project implementation and grants for local eligible institutions/organizations</td>
</tr>
<tr>
<td>National research institutes</td>
<td>Support information gathering, analysis and reporting</td>
</tr>
<tr>
<td>Peace committees made up of government, community, and civil society stakeholders, such as CSOs, traditional leaders and community groups</td>
<td>Facilitate joint actions for conflict prevention by different stakeholders; represent local communities; inspire citizens and groups in local communities to take action</td>
</tr>
<tr>
<td>CEWERU grantees: local, national or sub-regional organizations/groups receiving support to develop CPMR measures</td>
<td>Develop CPMR measures</td>
</tr>
</tbody>
</table>

final outcomes. This understanding helped to outline a possible change process: Identifying needed results and how local agents must change to support these results would help the team plan activities more effectively. This change process could also support a collaborative local planning effort that engages CEWARU grantees, peace councils, committees and other agents.

Tables 7–9 show examples of a local plan to manage the changes needed for the project. These examples list the most important, or priority, constraints that came out of the diagnosis. By focusing on these priorities, the team can better plan capacity development activities that support local actors to advance changes toward the goal.

Issues Raised in Review
The team saw they could plan capacity development activities or components to directly influence institutional capacities or needed final outcomes. This change could be communicated to donors and stakeholders to expand their support.

Project results depended upon how well activities supported the transformation of agents of change, such as peace councils and local grantees. The team requested support to develop, test and adapt tools to integrate results-focused capacity development planning into the project at all levels.

Lessons Learned
The team learned from the participatory review how a results-focused approach to capacity development could be used to:

Consider full range of institutional challenges in project planning
Original project planning mainly focused on organizational capacity development for early warning and response, but challenges related to stakeholder ownership and policy instruments were also significant. Addressing these other main challenges would help CEWARN support and organize local stakeholders to implement grants that change the most important constraints, as well as communicate these changes in capacities to donors and member states.

Improve strategic coherence for a more effective project
Emphasizing the strategic link between project activities and institutional capacities to support the goal ensures a project is designed to achieve the best possible results at all levels. This strategic link also helps to communicate the project to local stakeholders, plan and identify the most appropriate activities, account for the use of resources and expand stakeholder interest since expected results can be discussed so openly.
### Table 7. Example of Change Process for Stakeholder Ownership

<table>
<thead>
<tr>
<th>Priority institutional capacities and final outcomes to support capacity development</th>
<th>Sample new behaviors, relationships, processes and actions to support change</th>
<th>Sample agents of change</th>
<th>Sample capacity development activities</th>
</tr>
</thead>
</table>
| **Stakeholder participation in setting priorities**  
*Needed final outcome:* Improved multi-stakeholder participation to put in place major components to deal with conflict prevention at local, national and sub-regional levels | • Platforms created for stakeholder decision-making, such as peace councils and committees  
• Improved consensus among stakeholders on response issues  
• Plan implemented to support conflict responses | • CEWERUs  
• Sub-regional peace councils and local peace committees | • Stakeholder mapping  
• Multi-level stakeholder exchanges  
• Sub-regional workshops  
• Advisory support to multi-stakeholder peace councils and committees (local and sub-regional) |
| **Transparency of information to stakeholders**  
*Needed final outcome:* Improved information available to stakeholders on conflict prevention at local, national and sub-regional levels | • Increased awareness of conflict information needs  
• New steps planned for information gathering, analysis and reporting | • CEWERUs  
• Sub-regional peace councils and local peace committees  
• National research institutes | • Sensitization campaigns on best practice for effective information gathering and sharing  
• Workshop and advisory support |

### Table 8. Example of Change Process for Policy Instruments

<table>
<thead>
<tr>
<th>Priority institutional capacities and final outcomes to support capacity development</th>
<th>Sample new behaviors, relationships, processes and actions to support change</th>
<th>Sample agents of change</th>
<th>Sample capacity development activities</th>
</tr>
</thead>
</table>
| **Clarity in defining rights and responsibilities of stakeholders**  
*Needed final outcome:* Clear guidelines on the roles of stakeholders to deal with and coordinate conflict prevention | • Improved understanding of policy needs from assessment  
• Guidelines on conflict prevention and roles of different stakeholders formulated  
• Improved skills in policy development | • Government  
• CEWERUs  
• Sub-regional peace councils and local peace committees  
• National research institutes | • Stakeholder consultation  
• Advisory support to guide development of policy and legal frameworks  
• Peer-to-peer learning among actors in each country  
• Course for government and non-government leaders |
| **Legitimacy**  
*Needed final outcome:* Improved local, national and sub-regional effectiveness of conflict prevention policy instruments | • Better understanding of conflict prevention policy needs  
• New guidance or steps formulated  
• Monitoring process established | • Government  
• CEWERUs  
• Sub-regional peace councils and local peace committees  
• National research institutes | • Stakeholder meetings and workshops to support policy implementation  
• Knowledge exchange lessons  
• Advisory support to guide policy review and monitoring |
Facilitate participatory project management and learning on what works
The use of simple tools to track new behaviors, relationships, processes and actions achieved would support local engagement in decision-making on project activities and needed results. Tracking these intermediate capacity outcomes would allow the team to observe change, monitor progress and make timely adjustments to ensure project activities remain focused on the final outcomes and most needed institutional changes. These tools could also expand local accountability and leadership in identifying what works and does not work in the project.

Use institutional capacities to focus project and develop strategies for coordinated support
A clearer understanding of institutional capacity constraints to achieving the goal would guide decision-making on where to focus the project to achieve the best results. Using a diagnostic to identify and prioritize constraints also provides a strategic framework for partners. Partners could align their support to change different or inter-related constraints, thereby feeding into a common goal.

Use needed outcomes rather than gaps in functions to guide planning
The team had focused on missing functions, such as trained personnel to run early warning activities and the lack of early warning information systems in communities. Focusing on deeper challenges and how they relate to specific capacity constraints and outcomes helped the team to think more creatively about how to use funding to support needed local results, rather than build and scale-up pre-described or set functions.
Developing Stakeholder Participation, Incentives and Organizational Support for Private Sector Reforms

Participatory Review of Capacity Development Project: Addis Ababa Chamber of Commerce and Sectoral Associations

- A weak environment for private enterprise led the Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSA) to undertake a capacity development project. The project would develop the capacity of AACCSA together with stakeholders to contribute to the growth of a competitive and responsible private sector.
- Through a participatory review using a results-focused approach to capacity development, an AACCSA team diagnosed institutional capacities and identified needed final outcomes and local agents of change to support the capacity development process and project planning.
- Findings helped the team to draw local lessons on how to refine project priorities; ensure a coherent, transparent and locally led capacity development strategy; outline a plan to manage local changes; and design activities that enable local agents to support the most needed results.

Background

To have lasting results, capacity development in Africa must focus on the three main societal pillars: government, civil society and private sector. The growth of a competitive and responsible private sector is essential to the climb out of poverty and modernization of infrastructure. Helping the business community prosper through a flexible and hospitable economic environment can increase international trade and investment and lead to effective public-private partnerships.

Key challenges concern the reform of Ethiopia’s business support structures to better facilitate the private sector’s contribution to economic development and growth. Moreover, existing procedures, standards, codes and practices need modernization in light of new opportunities for business expansion and investment. Thus, the business community saw the need to accelerate a reform process to better support private enterprise and broad public-private partnerships.

As a first step in the reform process, the Addis Ababa Chamber of Commerce reorganized in 2003 to integrate sectoral associations. This reorganization aimed to ensure support structures could coordinate efforts for the strengthening of a healthy business climate and adoption of international business standards and processes. AACCSA now represents more than 60 percent of the businesses in Addis Ababa. In January 2008, AACCSA implemented a project to support the
Stakeholders Why their involvement is important

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Why their involvement is important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of chambers of commerce and business associations, such as companies and local businesses</td>
<td>Understand needs related to reform issues</td>
</tr>
<tr>
<td>Businesses that are not members of chambers or associations, such as potential investors and small operators</td>
<td>Understand needs related to reform issues</td>
</tr>
<tr>
<td>Government agencies at the Federal and municipal level, including the Ministries of Trade, Capacity Building and Justice</td>
<td>Responsible for specific reforms processes</td>
</tr>
<tr>
<td>Educational institutions and professional groups (auditors, legal, other), such as business schools</td>
<td>Possess technical knowledge of reform issues often lacking in the business community</td>
</tr>
<tr>
<td>Media leaders</td>
<td>Engage in public communications on reform issues</td>
</tr>
<tr>
<td>Associations and civil society groups engaged in the business community</td>
<td>Implement business support activities</td>
</tr>
<tr>
<td>Business leaders and respected entrepreneurs</td>
<td>Set opinions that influence business community thinking</td>
</tr>
<tr>
<td>Donors</td>
<td>Support implementation of reform activities</td>
</tr>
<tr>
<td>AACCSA umbrella, including senior staff and associations</td>
<td>Implement business support activities</td>
</tr>
</tbody>
</table>

In 2009, WBI and AACCSA began reviewing the project using the Capacity Development and Results Framework (CDRF), to build recommendations that could improve the project’s overall effectiveness, including strategy, implementation and orientation of project planning toward the most needed results.

**Project Context**

**Development Goal**
The goal is to contribute to economic development and growth in Ethiopia, specifically the growth of a competitive and responsible private sector. This development goal connected to a range of other country projects and donor efforts focused on improving the country’s business environment, by modernizing infrastructure, making policy instruments more efficient and engaging businesses in a more inclusive dialogue on development issues.

**Project Objective**
The project development objective is to develop AACCSA’s capacity, specifically its organizational capacity to support the development goal and reform efforts of the wider business community and public sector. An initial focus was developing the capacity of AACCSA to provide services and support for the Private Sector Development Hub (PSD Hub) launched in 2005.

PSD Hub is a program for coordination among AACCSA, business associations, and other stakeholders on private sector reform issues. The overall objectives of the PSD Hub program are to improve and modernize the enabling entrepreneurial environment and strengthen the capacity of the Ethiopian private sector to contribute to national dialogue on economic development. The AACCSA capacity development project grew beyond the PSD Hub program, to develop AACCSA capacity to provide services and support for the business community more broadly.

**Component Objectives**
Objectives of the project’s components are to:
- Increase the effectiveness of business support structures to foster and protect the interests of trade, commerce and industry
- Enhance cooperation between business and government to facilitate reform processes for business development and growth
- Improve the regulatory and legal framework for company registration, licensing processes and revision of the commercial code
Stakeholders

Implementing Agency
AACCSA is the lead implementing agency for the project, and the Ethiopian Chamber of Commerce is a co-implementing agency.

Partners
The capacity development project was established with the support of SIDA and financial resources allocated for PSD Hub. It was one of the first projects managed by the newly reorganized AACCSA. Other key partners included regional-level chambers of commerce and sector and/or professional associations within the business community.

Stakeholders
See table 10.

Level of Commitment
The business community continued to face severe constraints that blocked its self-maintenance and growth. To remedy this situation the community held extensive consultations for more than two years with various stakeholders. They also engaged government agencies, such as the Ministries of Trade and Industry, Finance, and Revenue, Federal Auditors General, National Bank of Ethiopia, Central Statistical Agency and others.

One challenge faced was the wide range of interests of government as well as business groups in terms of the reforms. For example, capital market development and audit standardization received varying levels of attention.

Issues Raised in Review
The project’s scope could be more focused, considering the proposed time frame, available budget and range of interests among stakeholders engaged in consultations for the project. Moreover, improving regulatory and legal frameworks would be impossible without strong public sector support.

The project needed more unified support from both public and private sector stakeholders in the wider business community. One proposal suggested allowing key stakeholders to form working groups that could reflect on a joint action plan and follow up on progress.

Institutional Diagnosis

Stakeholder Ownership
How strong is it to support the goal?
Social and political issues influenced national- and municipal-level stakeholder ownership of the needed business reforms. Although there appeared to be support for the goal, challenges remained to successfully bring together stakeholders so that new actions could be supported, prioritized and facilitated to achieve the goal (table 11).

Policy Instruments
How efficient are they in guiding stakeholders’ behavior to achieving the goal?
Incentives needed improvement to help business stakeholders advance the goal. Rules and regulations were outdated and created administrative burdens—otherwise known as red tape—for small businesses in particular. For example, the company registration system was time-consuming in terms of business closure, and in part fueled growth in informal private sector activity by increasing the number of non-registered businesses. Perceived legitimacy in terms of policy instruments reflecting business community needs also presented a concern (table 12).

Organizational Arrangements
How effective are they in achieving the goal?
Challenges abound in the effectiveness of AACCSA organizational arrangements, in terms of its adaptability, communication and relationship with stakeholders and operational efficiency. A key challenge was the adaptability of AACCSA’s skill base and its lack of quick uptake of new knowledge and innovation. (table 13).

Diagnostic Debriefing

The local team’s review of the diagnostic findings raised a discussion on how the project could better address institutional capacity issues:

Conduct a deeper review of institutional capacities with stakeholders
The team saw an opportunity to more closely engage stakeholders in project planning, including
<table>
<thead>
<tr>
<th>Table 11. Capacity Area: Stakeholder Ownership Characteristics/Challenges/Outcomes [Demand Side]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Characteristics</strong></td>
</tr>
<tr>
<td>Commitment of political and social leaders</td>
</tr>
<tr>
<td>Stakeholder participation in setting priorities</td>
</tr>
<tr>
<td>Compatibility of social norms and values</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 12. Capacity Area: Policy Instruments Characteristics/Challenges/Outcomes [Supply Side]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Characteristics</strong></td>
</tr>
<tr>
<td>Legitimacy</td>
</tr>
<tr>
<td>Incentives for compliance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 13. Capacity Area: Organizational Arrangements Characteristics/Challenges/Outcomes [Supply Side]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Characteristics</strong></td>
</tr>
<tr>
<td>Communications and stakeholder relations</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Operational efficiency</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Adaptability in anticipating and responding to change</td>
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<td></td>
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</tbody>
</table>
a deeper diagnosis and understanding of the main institutional capacity challenges. The review provided a first input to such a process. This engagement could help refine the capacity development’s focus as well as boost multi-stakeholder support.

**Attention to institutional capacities for stakeholder ownership**

AACCSA recognized how important addressing institutional capacities related to stakeholder ownership was to the success of the capacity development, specifically stakeholder processes to discuss reform priorities and decisions. The project initially focused on improving AACCSA’s organizational capacity and existing stakeholder incentives to guide local businesses. Using the institutional diagnosis to better understand the challenges of stakeholder ownership would strengthen the capacity development.

**Phase project support to develop institutional capacities**

The team saw an opportunity to phase capacity development support, in order to address different institutional capacity constraints or challenges according to stakeholder priorities.

**Integrate institutional capacity diagnosis with organizational planning tools**

The local team used a SWOT analysis (Strengths/Weaknesses/Opportunities/Threats) for the staff to jointly scan constraints in the three institutional capacity areas. They saw this analysis as a useful tool for their internal review of institutional capacities in AACCSA project planning.

**Final Outcome Selection**

The local team used the diagnostic findings to review final outcomes important to the project’s success (tables 11–13). This task addressed final outcomes needed to change each major institutional capacity constraint; possible indicators of these outcomes; and potential actions to improve the address of constraints by the project and/or future capacity development efforts (figure 2).

**Issues Raised in Review**

An opportunity existed to better articulate which institutional capacities the project would change. The project’s objectives could reflect the institutional capacities that needed to change, which would better focus the project’s results.

Another opportunity existed to use final outcomes and indicators to measure changes in institutional capacities supported by the capacity development. Clear indicators to measure specific changes in capacity could help to communicate the project’s results. This evidence of results is integral for AACCSA’s accountability to its stakeholders.

**Agents of Change**

The project team identified agents that could drive specific changes to achieve the project’s outcomes (table 14).

**Issues Raised in Review**

There was an opportunity to identify key agents in influential positions in the business community.

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**Figure 2. Example of Final Outcome and Indicator for Organizational Arrangements**

- **Development goal:** Promote economic development and growth, specifically the growth of a competitive and responsible private sector
- **Institutional capacity area:** AACCSA’s organizational arrangements
- **Characteristic related to key challenges or institutional capacity constraint:** Communications and stakeholder relations
- **Needed final outcome:** Improved systems for business communication and needs assessment
- **Proposed indicator:** Satisfaction levels reported by business members for (1) access to information on priority business issues and (2) relevance of programs and services to their needs
Table 14. Agents of Change and Their Roles

<table>
<thead>
<tr>
<th>Agents</th>
<th>How they are expected to support change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business community: business associations staff, business leaders, AACCSA staff, company members</td>
<td>Act as liaisons to channel knowledge and information and communicate business reform needs and recommendations</td>
</tr>
<tr>
<td>Government and local community officials involved in supporting business organizations</td>
<td>Understand the need for bold reforms and be willing to collaborate with the business community and take action</td>
</tr>
</tbody>
</table>

and government who could act as drivers to support changes locally. Each local agent—for example, AACCSA staff, government officials and business leaders—needed to play specific roles to support the project. These roles could be discussed locally to build a shared understanding around the change process needed.

Engaging the “right” agents at the start of the project, with the “right” knowledge and experience, was challenging. AACCSA planned for the project to support new learning that could help empower the selected local agents to facilitate change.

Management of Change

Using the review, the local team identified new behaviors, relationships, processes and actions that might enable local agents to achieve priority final outcomes. This understanding helped to outline a possible change process: Identifying changes that might help support local agents to achieve results for the project, and the capacity development activities that could help facilitate these changes.

Understanding the change process could help guide a collaborative planning process among stakeholders. The team also saw local activities could be tracked to check if they effectively supported a local agent in the reform process.

Using the review, the local team identified new behaviors, relationships, processes and actions that might enable local agents to achieve priority final outcomes. This understanding helped to outline a possible change process: Identifying needed results and how local agents must change to support these results would help the team plan activities more effectively. This change process could also support a collaborative local planning effort that engages CEWARU grantees, peace councils, committees and other agents.

Tables 15–17 show examples of a local plan to manage the changes needed for the project. These examples list the most important, or priority, constraints that came out of the diagnosis. By focusing on these priorities, the team can better plan capacity development activities that support local actors to advance changes that contribute to the goal.

Issues Raised in Review

While AACCSA generally accepted that the business community and government officials would support new behaviors, relationships, processes and actions toward the project’s results, the change process could be used to engage stakeholders in more participatory project planning. This deeper planning would allow for a mutual understanding around what was needed to support local agents and the specific roles of government officials and business leaders in driving change.

The AACCSA team also recognized:

- Actions and activities needed to support results may change during implementation. A periodic review of the implementation plan could be conducted to adapt activities that continuously support the most needed results.
- Project activities could be planned to bring about changes toward institutional capacity constraints or challenges.
- Capacity outcomes related to new behaviors, relationships, processes and actions, as well as final outcomes, could be reported to stakeholders and donors, to help them understand the project’s progress and results as well as ensure their continued support.

Lessons Learned

The team learned from the participatory review how a results-focused approach to capacity development could be used to:
Understand stakeholder interests to ensure local results
By taking the time to review the development goal’s meaning to each stakeholder and engaging them in focusing priorities, the team could align stakeholders’ diverse interests around the most feasible and desirable results in the longer term.

Conduct a thorough review of institutional capacities to improve planning and project staging
The team could use a comprehensive review to identify the institutional capacity constraints or challenges that the project and/or other efforts could address, to focus the capacity development on the most needed results. The diagnosis could also inform decisions on sequencing in terms of what to target at key stages of the project. A detailed diagnosis could help ensure a capacity development project is strategically coherent in what it intends to achieve, and that capacity development activities are appropriately focused to meet needed outcomes.

Recognize importance of stakeholder participation in setting priorities
Despite various efforts made by AACCSA to secure government support and participation at
every stage of project operation, the decision-making process in engaging with government and other leaders remained unclear. The team stressed the need to better understand the institutional capacity constraints or challenges in this area, how to navigate the political process, gain access to decision-makers and lawmakers and build a feasible strategy for the capacity development to achieve goals.

Identify local agents of change from the start
AACCSA saw identifying such agents at the project’s start enabled locally rooted results. It also provided for a collaborative local planning process based on mutual stakeholder understanding on how to manage local changes the project intended to support.

<table>
<thead>
<tr>
<th>Table 17. Example of Change Process for Organizational Arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority institutional capacities and final outcomes to support capacity development</strong></td>
</tr>
<tr>
<td><strong>Sample new behaviors, relationships, processes and actions to support change</strong></td>
</tr>
<tr>
<td><strong>Sample agents of change</strong></td>
</tr>
<tr>
<td><strong>Sample capacity development activities</strong></td>
</tr>
<tr>
<td><strong>Communications and stakeholder relations</strong></td>
</tr>
<tr>
<td><em>Needed final outcome:</em> Improved systems for business communication and needs assessment</td>
</tr>
<tr>
<td>• New communication strategy implemented</td>
</tr>
<tr>
<td>• Increased implementation know-how for conducting needs assessment</td>
</tr>
<tr>
<td>• Business associations</td>
</tr>
<tr>
<td>• Members</td>
</tr>
<tr>
<td>• AACCSA staff</td>
</tr>
<tr>
<td>• Communication strategy</td>
</tr>
<tr>
<td>• Production and dissemination of informational kits on key issues</td>
</tr>
<tr>
<td>• Member consultations</td>
</tr>
<tr>
<td><strong>Adaptability in anticipating and responding to change</strong></td>
</tr>
<tr>
<td><em>Needed final outcome:</em> Improved adaptability to incorporate new knowledge and innovation on reform issues</td>
</tr>
<tr>
<td>• New knowledge on reforms acquired</td>
</tr>
<tr>
<td>• Action steps formulated to integrate new knowledge in business programs and services</td>
</tr>
<tr>
<td>• Business associations</td>
</tr>
<tr>
<td>• AACCSA staff</td>
</tr>
<tr>
<td>• Expert identification</td>
</tr>
<tr>
<td>• Studies on key reform issues</td>
</tr>
<tr>
<td>• Participatory workshops and knowledge exchange</td>
</tr>
<tr>
<td>• Planning sessions</td>
</tr>
</tbody>
</table>

Design activities that address what is needed, not what is missing
Prior to the review, the project had focused on training as the main solution for capacity development. The team saw that capacity development is a strategic and transformational process to unblock constraints and help stakeholders achieve new, positive institutional capacities for reforms.

For capacity development to happen the team would need to specify needed outcomes at the institutional level and then think through how different types of innovative activities, not just training, could support changes towards these outcomes. More follow-up action was needed to discuss and plan appropriate activities.
For real institutional change to occur, the management of change and design of capacity development activities must address not what is missing, but what is needed.
Coalition Building To Enhance the Role of Non State in Development Strategies and Programs

Participatory Review of Capacity Development Project: Non-State Partnership Under the Cotonou Agreement

- African, Caribbean and Pacific (ACP) countries signed the Cotonou Partnership Agreement (CPA) with the European Union (EU), including provisions for partnership with non-state actors in development policy and strategy. In Ethiopia, it was important to build institutional capacity to improve the emergence of an active and organized non-state sector, to partner with the government and European Commission (EC) in a tripartite process.

- Through a participatory review using a results-focused approach to capacity development, the capacity development project team diagnosed institutional capacities and identified needed final outcomes and local agents of change to support the capacity development process and project planning.

- Findings identified local lessons to improve the effectiveness of capacity development activities; strategic planning; multi-stakeholder coordination; and local understanding of institutional capacity constraints and priorities.

Background

The CPA is a global policy framework that focuses on poverty reduction, sustainable development priorities and regional integration among 79 ACP countries and the EU. The CPA addresses three pillars of partnership: development, economic and political cooperation. Issues addressed within these areas include country fragility and security, challenges to meeting the Millennium Development Goals (MDGs), climate change, trade relationships, inclusive partnership from all sectors and aid effectiveness.

The CPA governs countries’ partnership with the EU on development issues. Its fundamental principles are: equality of the partners and ownership of development strategies; inclusive participation, with governments as the main partners and partnership open to non-state actors (NSAs); dialogue and the fulfillment of mutual obligations; and local differentiation within regional integration.

While Ethiopia signed the CPA, inclusive participation of NSAs—especially CSOs—remains weak in aid cooperation and development programming. A capacity development project began as part of non-state efforts to support CPA provisions that provide for NSAs to participate in a tripartite development dialogue with the central government and EC. The provisions enhance the role of NSAs in shaping national public policies to
support poverty reduction, signifying a shift from development driven by the state to a broader sharing of responsibilities.

The capacity development project builds on a range of knowledge and convening activities in East Africa and efforts by NSAs in Ethiopia to form a coalition. In 2003, NSAs in Ethiopia established an informal coalition to collaborate with the Ethiopian government and EU. The coalition focused on various activities concerning EU-Ethiopia development cooperation, mainly related to partnership in development policy and strategy and aid effectiveness. This informal coalition was the Cotonou Task Force (CTF).

In 2007, CTF initiated the capacity development project reviewed as part of efforts to create an official, autonomous Non-State Actor Coalition (NSAC) to further facilitate CTF’s engagements with the government and EC.

In 2009, WBI, CTF and Poverty Action Network of civil society in Ethiopia (PANE)—the CTF member hosting the project—began reviewing the project using the Capacity Development and Results Framework (CDRF). The CDRF provided a results-focused approach to build recommendations that could improve the overall effectiveness of the project and related efforts, including strategy, implementation and orientation of project planning toward the most needed results.

**Project Context**

**Development Goal**
The higher goal is to reduce and eventually eradicate poverty consistent with the objectives of sustainable development and to gradually integrate ACP countries into the world economy. Within this, the country goal is to improve the emergence of an active and organized non-state sector that contributes to advancing Ethiopia’s country priorities for EU development assistance. This goal is part of Ethiopia’s commitment to the CPA framework. The CPA envisions a substantial role for NSAs in the design and implementation of development strategies and programs.

**Project Objective**
The objective of the capacity development project is to enhance the role of non-state in the formulation, implementation and monitoring of economic, political and social policies. The project focuses primarily on NSAs that were involved nationally and/or regionally in different elements of poverty reduction work addressed by the CPA’s pillars and sector areas.

For the project to be deemed a success, the participatory approach of the CPA will have been translated into concrete action for NSAs in Ethiopia: a recognized coalition of NSAs that participates in negotiations with the EU and government and represents NSAs in policy formulation and M&E of implementation within the CPA framework. NSAs should be better able to identify a priority development issue, develop a project or strategy and work effectively with the EU.

**Component Objectives**
Objectives of the project’s components are to:
- Consolidate non-state participation in the identification of obstacles and opportunities for NSA engagement in the tripartite dialogue among the government, EC and civil society.
• Support civil society in promoting more effective NSA engagement on a given issue, project or strategy, as well as on how to work effectively with the EU.

Stakeholders

Implementing Agency
The coordinating body for the project is the CTF coalition of NSAs, now officially called NSAC. The coalition unites non-state members elected from a general assembly. It has significant geographical reach for wide representation across the country.

The coalition members include:
• Government-affiliated, regional-based membership organizations—Relief Society of Tigray, Oromo Development Association and Oromo Self Help organization
• Umbrella organizations—Network of Women Associations In Ethiopia and PANE
• Local NGOs—Tri Dimensional View, Association for Forced Migrants and Initiative Africa
• Accord Ethiopia, a national affiliate of an international NGO

PANE is the non-state CTF member responsible for the project’s financial arrangements. It focuses on engaging CSOs in policy processes related to poverty reduction. PANE has more than 50 Ethiopian resident and international CSOs as members.

Partners
An EU fund supports the capacity development of NSAs to participate in the implementation of the CPA; the Ethiopian EU office and National Authorizing Officer to the EU are key partners. The Ministries of Finance and Capacity Building are also involved in the design and M&E of the project.

Stakeholders
See table 18.

Level of Commitment
In the government’s view, the goal demanded innovative provisions that amount to a substantive change in process, that is, the consultation of civil society on economic, social and institutional reforms and policies. There was some hesitancy to include NSAs in such meaningful consultation.

The CTF coalition members led meetings of NSAs to discuss and agree on the project objective and how to support the goal. The NSAs were committed to more inclusive partnership and dialogue on development strategies, but they were concerned that the diversity of views among NSAs could affect common understanding around the goal and needed results.

Meetings about the project were generally organized under the auspices of the EU.

Issues Raised in Review
Local stakeholders were concerned the EU’s priorities would dominate the project because the development goal is part of the larger policy framework set outside of Ethiopia. They also remarked upon the challenges of engaging NSAs from different regions of the country for proper

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Challenges</th>
<th>Final Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment of political and social leaders</td>
<td>• Limited government support to provide significant role to NSAs in policy design, implementation and monitoring.</td>
<td>Strengthened government and EU commitment to long-term NSA partnership</td>
</tr>
<tr>
<td></td>
<td>• Limited financial commitment to support NSAs to play the roles foreseen for the CPA, such as facilitating national dialogue on development issues.</td>
<td></td>
</tr>
<tr>
<td>Stakeholder participation in setting priorities</td>
<td>• Lack of participation by NSAs in informing the priorities of the EU and government development programs in Ethiopia.</td>
<td>Enhanced NSA participation in the EU and government development dialogue</td>
</tr>
<tr>
<td>Compatibility of social norms and values</td>
<td>• Hesitancy of individual NSAs to participate in development debate amid concerns about losing funding or national position if their opinions are not accepted.</td>
<td>Improved willingness of individual NSAs and local leaders to voice issues at a collective level</td>
</tr>
</tbody>
</table>
Table 20. Capacity Area: Policy Instruments Characteristics/Challenges/Outcomes [Supply Side]

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Challenges</th>
<th>Final Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity in defining rights and responsibilities of stakeholders</td>
<td>• Weak guidance for EU country delegations, NSAs and government on ways to involve NSAs in CPA programs and dialogue and mechanisms for monitoring NSA input in the CPA.</td>
<td>Improved clarity on NSA rights and responsibilities to participate in the CPA at country level</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>• Dialogue between the EU and government on the CPA lacked NSA input as well as processes for information sharing with NSAs; NSAs believed information that may be important to local implementation was often not shared.</td>
<td>More transparent steps to share information on CPA decisions for non-state input</td>
</tr>
<tr>
<td>Consistency</td>
<td>• Possible inconsistency of Ethiopia’s CPA commitments at the international level with other national policy governing NSAs.</td>
<td>Greater stakeholder understanding of how CPA is supported by national policies</td>
</tr>
<tr>
<td>Incentives for compliance</td>
<td>• Non-state engagement under the CPA was seen as fragmented and non-representative; without incentives for meaningful partnership among NSAs, provisions for NSA input into the CPAs implementation would remain ineffective.</td>
<td>Improved incentives for collective and organized NSA participation</td>
</tr>
</tbody>
</table>

Table 21. Capacity Area: Organizational Arrangements Characteristics/Challenges/Outcomes [Supply Side]

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Challenges</th>
<th>Final Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity of mission</td>
<td>• Lack of vision or joint approach of NSA stakeholders for collective participation in CPA.</td>
<td>More coherent and representative NSA mission to support the goal</td>
</tr>
<tr>
<td></td>
<td>• Concern with sustainability of building a formal coalition arrangement.</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>• Difficulty in uniting interests of large number of NSAs nationally.</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Communications and stakeholder relations</td>
<td>• NSAs have weak partnerships to collectively participate in the arrangements described by the CPA, and to inform dialogue according to their knowledge area, sector or comparative advantage.</td>
<td>Expanded and aligned NSA networks to support the goal</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>• Weak operational capacity of NSA coalition’s secretariat to engage in CPA, in terms of expertise and knowledge management.</td>
<td>Improved operational capacity of NSA secretariat in supporting the goal</td>
</tr>
<tr>
<td>Financial viability and probity</td>
<td>• Coalition needs for business plan with financial model to sustain its efforts.</td>
<td>Better financial arrangements to support coalition and NSA activities</td>
</tr>
<tr>
<td></td>
<td>• Need for process to ensure that funds are fairly distributed to NSAs.</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
representation and bringing them together to collectively address issues.

Although commitment to the goal from implementing NSAs and the EU was strong, additional commitment by government offices, local public agencies and a wider spectrum of NSAs was important for NSAC’s success. Overall, the goal seemed to have a different local meaning for stakeholder groups, and more togetherness around the goal and what needed to be achieved was important for the best possible results.

Institutional Diagnosis

The local team reviewed challenges in terms of demand and supply side constraints across the institutional capacity areas. These challenges could be addressed by capacity development.

Stakeholder Ownership

How strong is it to support the goal?
The local team identified key social and political issues that affected stakeholder ownership—limited leadership commitment, low participation of NSAs in development dialogue and social norms and values related to the willingness of NSAs to engage in debates (table 19).

Policy Instruments

How efficient are they in guiding stakeholders’ behavior to achieving the goal?
There was a lack of clarity on how to engage NSAs and several concerns about the CPA provisions that guide NSA stakeholders to partner in development cooperation. These concerns about the CPA provisions included their legitimacy, inconsistency with other national policy, and incentives for stakeholders in terms of encouraging collective and organized input from NSAs (table 20).

Organizational Arrangements

How effective are they in achieving the goal?
The organizational arrangements for NSAs to support the goal faced key challenges: the mission of NSAs to address the goal as a coalition was weak; networking, partnership and communication arrangements among NSAs were limited; the operational efficiency of the coalition to formally engage in activities to support the goal was limited; and appropriate financial management of the coalition and non-state grants was needed (table 21).

Diagnostic Debriefing

The local team’s review of the diagnostic findings raised key considerations:

Use the diagnostic to better understand institutional capacities
The review helped the team to understand different institutional capacity constraints and key bottlenecks related to the goal, and how they could be used to improve future project planning and the design of capacity development activities.

Develop stakeholder ownership and incentive-related institutional capacities
Originally the project focused on the organizational capacities needed to develop a coalition. However, the team saw that future project activities needed to address inter-related institutional capacities of stakeholder ownership and incentives that are critical to enable non-state stakeholders to effectively support the goal. This was an unexpected finding for the local team.

Use the diagnostic to prioritize institutional capacity constraints
Considering the vast number of institutional capacity constraints revealed by the diagnostic and limited budget, the team needed to prioritize its focus. Top priorities for initial review included:
• Commitment of leadership
• NSA participation in CPA decision-making
• Clarity of rights and responsibilities of NSA stakeholders
• Consistency of CPA policy with other national policies
• Incentives for NSAs to partner and provide collective inputs
• Organizational capacities for NSAs to support the CPA, such as communications and stakeholder relations and appropriate financial management of the NSAC and secretariat

Develop a results framework specific to capacity development
The diagnostic highlighted the importance of a community-owned and -generated strategy, as well as indicators to measure how constraints in institutional capacities could be changed by the current capacity development project and/or future related efforts.
Final Outcomes Selection

The local team used the diagnostic findings to determine final outcomes important to the project's success (tables 19–21). This task addressed final outcomes needed to change each major institutional capacity constraint; possible indicators of these outcomes; and potential actions taken by the NSAC based upon the review of findings to improve the capacity development effort (figure 3).

Issues Raised in Review

The team realized it needed to develop a participatory framework for NSA strategic planning, M&E and reporting on the goal that could include:

- A set of final outcomes, objectives and indicators for NSA support to the goal, developed in conjunction with leading NSAs, sector experts, government, the EU and other stakeholders. The final outcomes, objectives and indicators should reflect institutional capacity constraints, focusing on the top priorities for the capacity development rather than every challenge.
- A process for participatory monitoring, measurement and review of changes in institutional capacities that is conducted jointly by NSAs and government.

Agents of Change

The project team identified local agents that could drive specific changes to achieve the project’s outcomes (table 22).

Issues Raised in Review

The team realized it was unproductive to engage local actors at mass in project activities. Rather, it was more cost-effective and efficient to support selected local agents who could develop unique potential to direct change. Select agents could promote strong community involvement and stakeholder participation as well as facilitate new learning and communication on the part of civil society, government and other stakeholders to influence willingness to act, opinions, knowledge and actions. There was also a strong feeling that peer-to-peer exchange could transform behaviors, relationships and actions to support the goal.

Management of Change

Using the review, the local team identified new behaviors, relationships, processes and actions that might enable agents to achieve priority final outcomes. This understanding helped to outline a possible change process: Identifying results needed from the capacity development to clear obstacles to the goal of CPA partnership; local agents that could support these results for NSAs; and types of changes or capacity outcomes that might be catalytic in the change process and need to be advanced by activities on the ground.

The team also better understood how to use limited funds to support timely and most needed results. Previously a large number of activities were planned that did not always help to move the capacity development toward the

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**Figure 3. Example of Final Outcome and Indicator for Stakeholder Ownership**

- Development goal: To improve the emergence of an active and organized non-state sector that contribute to advancing Ethiopia’s country priorities for EU development assistance
- Institutional capacity area: Stakeholder ownership
- Characteristic related to key challenges or institutional capacity constraint: Stakeholder participation in setting priorities
- Needed final outcome: Enhanced NSAs participation in EU and government development dialogue
- Proposed indicator: Percentage of annual CPA planning, implementation and monitoring meetings in which NSAs participated
### Table 22. Agents of Change and Their Roles

<table>
<thead>
<tr>
<th>Agents</th>
<th>How they are expected to support change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil society leaders</td>
<td>Advance role of NSAs in development agenda</td>
</tr>
<tr>
<td>Coalition coordinated by NSA Secretariat, now officially the NSAC</td>
<td>Engage NSAs collectively on desirable CPA issues</td>
</tr>
<tr>
<td>Parliamentarians, top civil servants, and elected officials working in development and good governance, particularly from Ministries of Finance and Capacity Building</td>
<td>Support NSA role in implementing CPA activities</td>
</tr>
<tr>
<td>Local experts with experience in the content areas</td>
<td>Have passion and knowledge on CPA issues, which can motivate and inform NSA engagement</td>
</tr>
<tr>
<td>Public opinion leaders, such a journalists, community heads, others</td>
<td>Influence opinions about CPA reforms through reporting and public dialogue</td>
</tr>
<tr>
<td>Ethiopia EU office and National Authorizing Officer to the EU</td>
<td>Support NSA role in implementing CPA activities</td>
</tr>
</tbody>
</table>

most needed new behaviors, relationships, processes and actions. The team could re-plan or consolidate these activities. New learning was also needed on types of activities that could be developed beyond training and technical support.

Tables 23–25 show examples of a local plan to manage the changes needed for the capacity development. These examples list the most important, or priority, constraints that came out of the review. By focusing on these priorities, the team can plan targeted capacity development activities to drive changes for results.

**Issues Raised in Review**

To date, non-state activities remain fragmented, but the NSAC is dedicated to advancing the goal. The review reinforced the need for NSAs to come together and organize their response to the range of institutional capacity constraints. Using a results framework to guide the collective action of NSAs was also seen as important to help NSAs, as well as government and other stakeholders, to learn about what works for developing institutional capacities that support the goal.

The team also recognized:
- The review could inform future planning and NSA activities related to the CPA.
- Initial project planning did not effectively acknowledge the importance of government as a co-agent of change, together with civil society.
- Local actions offered more practical starting points for engaging in activities to address the goal, rather than international best practices that did not fit the local context.

**Lessons Learned**

The team learned from the participatory review how a results-focused approach to capacity development could be used to:

**Better understand institutional capacity constraints**

By reviewing the goal and stakeholder commitment in the local context and how these relate to institutional capacity constraints, the team better understood complex institutional capacity constraints that might block non-state contribution to results at the country level. The team saw how such a diagnosis could help a project or whole sector to prioritize the capacity development.

**Understand institutional capacities comprehensively**

The project originally focused on organizational capacities needed to develop a coalition. Through the review the team saw they had missed other critical institutional capacity constraints, and future project activities would need to address ownership and policy-related constraints more thoroughly.

**Support multi-stakeholder strategies and planning**

The local team saw that a results-focused approach to capacity development supported a transparent
<table>
<thead>
<tr>
<th>Table 23. Example of Change Process for Stakeholder Ownership</th>
<th>Table 24. Example of Change Process for Policy Instruments</th>
</tr>
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<tbody>
<tr>
<td><strong>Priority institutional capacities and final outcomes to support capacity development</strong></td>
<td><strong>Priority institutional capacities and final outcomes to support capacity development</strong></td>
</tr>
<tr>
<td><strong>Sample behaviors, relationships, processes and actions to support change</strong></td>
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<tr>
<td><strong>Sample agents of change</strong></td>
<td><strong>Sample agents of change</strong></td>
</tr>
<tr>
<td><strong>Sample capacity development activities</strong></td>
<td><strong>Sample capacity development activities</strong></td>
</tr>
</tbody>
</table>

**Commitment of political and social leaders**
*Needed final outcome:* Strengthened government and EU commitment to long-term NSA partnership
- More confidence of leaders on NSA engagement in the CPA
- New steps to plan NSA partnership in the CPA

**Sample behaviors, relationships, processes and actions to support change**
- New motivation to engage with tripartite partners
- Expanded participatory process
- Improved consensus and teamwork among NSAs and government

**Sample agents of change**
- NSAC
- Top government officers
- EU representatives

**Sample capacity development activities**
- Tripartite meetings on CPA planning

**Stakeholders participation in setting priorities**
*Needed final outcome:* Enhanced NSA participation in the EU and government development dialogue

<table>
<thead>
<tr>
<th>Clarity in defining rights and responsibilities of stakeholders</th>
<th>Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Needed final outcome:</em> Improved clarity on NSA rights and responsibilities to participate in the CPA at country level</td>
<td><em>Needed final outcome:</em> Greater stakeholder understanding of how the CPA is supported by national policies</td>
</tr>
</tbody>
</table>

**Clarity in defining rights and responsibilities of stakeholders**
- New participatory process initiated on NSA guidelines
- New knowledge and understanding of the CPA
- Expanded stakeholder collaboration
- New guidance formulated on NSA engagement

**Consistency**
- Improved understanding on how policies apply in practice

**Sample behaviors, relationships, processes and actions to support change**
- New guideline proposed to streamline NSA inputs into the CPA
- New partnership arrangement supported

**Sample agents of change**
- Leader in NSAC
- Top government officers
- EU representatives

**Sample capacity development activities**
- Formation of subgroup
- Working group meetings
- Technical support and training to improve CPA guidance
- Consultations with NSAs

**Incentives for compliance**
*Needed final outcome:* Improved incentives for collective and organized NSA participation

**Needed final outcome:** Improved clarity on NSA rights and responsibilities to participate in the CPA at country level
- New participatory process initiated on NSA guidelines
- New knowledge and understanding of the CPA
- Expanded stakeholder collaboration
- New guidance formulated on NSA engagement

**Sample agents of change**
- NSAC
- Top government officers
- EU representatives

**Sample capacity development activities**
- Tripartite meetings on the CPA
- Discussion on how to provide for incentives in the CPA structure
and collaborative process to identify challenges, institutional capacities, capacity indicators, objectives and capacity outcomes. NSAs together with the government could use a local version of such an approach to improve strategic planning and results management for capacity development and plan roles for major stakeholders to contribute to institutional changes.

**Improve aid effectiveness and ensure effective planning of activities and platforms**

The review helped the team understand how to use limited funds to support results that were timely and most needed in key institutional areas. Using a results-focused approach at the start of any new planning process would ensure capacity development was well designed. A coherent plan would then guide activity and platform development, including new, diverse support for innovation, knowledge exchange, coalition building and other activities.

**Facilitate learning and knowledge management on capacity development**

The review showed the value of using results-focused capacity development tools to document project experiences and exchange knowledge on what works and does not work to achieve results in a specific context. Overall the team saw this as an effective and locally customizable tool that could be tested for systematic knowledge management on capacity development practices.
APPENDIX 1

Overview of Capacity Development Process

The CDRF provided the conceptual foundation for the participatory reviews of the three capacity development projects in East Africa. The key aspects of the CDRF are briefly described.

Definitions of capacity and capacity development
- **Capacity** is the availability of resources and the efficiency and effectiveness with which societies deploy these resources to identify and pursue their development goals on a sustainable basis
- **Capacity development** involves the empowerment of societal actors through learning, knowledge, information and innovation to effect transformational and sustainable change in institutions, which in turn supports the achievement of the development goal

Main elements of the framework
- Specific development goal that has stakeholder ownership and strategic relevance
- Stakeholder ownership, policy, and organizational related capacity areas and their contributing characteristics that can be used to assess capacity, develop objectives, inform design and measure results
- Change process, that is, the process by which knowledge empowers agents of change to bring about results toward a development goal
- Role of agents of change, that is, influential individuals, groups, networks or organizations that can initiate or drive the change process
- Measurable intermediate capacity outcomes that guide the design of activities and help identify when program adjustments are needed

Comprehensive approach to capacity
- Three broad institutional capacities are the targets of capacity development efforts.
  1. Strength of stakeholder ownership for development goal (demand institutions)
  2. Efficiency of policy and other formal incentive instruments that guide stakeholder behavior toward goal (supply institutions)
  3. Effectiveness of organizational arrangements established to achieve goal (supply institutions)

Change process
- Knowledge services help make progress toward development goals by empowering agents of change to affect capacity areas
- Agents of change can be empowered through transformational learning—the use of knowledge, information and innovation—not just through resource inputs
- Changes in capacity can stem from adaptation or innovation by individuals and organizations; changes in the behavior of political, social and economic actors; and shifts in belief systems, power balances, and societal relationships

Measured results
- Final results or impact is measured in terms of changes in institutional capacities using a standardized set of capacity indicators
- Six intermediate capacity outcomes are measured at milestones in a program or strategy; they measure changes in behaviors, relationships, processes and actions.
  1. Raised awareness
  2. Enhanced knowledge and skills
  3. Improved consensus and teamwork
  4. Strengthened coalitions
  5. Enhanced networks
  6. Increased implementation know-how
Each review included a series of guided discussion meetings and workout sessions to develop joint learning on results-focused capacity development. The CDRF’s results-focused approach guided the collaborative process.

The process consisted of sequenced questions and exercises that helped the project team review the design of the project through a results-focused lens. In particular, the review addressed how the project could best contribute to the management of capacity development and needed outcomes. Development practitioners could adopt a similar method for conducting their own review of a capacity development project.

Discussion 1: Review project context, stakeholders and development goal

The first meeting provided a rapid review of the context, stakeholders and goal, an important step to verify stakeholder commitment to the goal and align the project with local needs and priorities.

Discussion Questions
1. What is the context of the project? Include the main reasons for starting the project; challenges the project addresses; objectives; geographical area; implementing agencies and partners; and funding.
2. What development goal does the project help to advance?
3. How does the project relate to sector, country or regional priorities? What are other development activities that relate to the project?
4. What is the project expected to achieve? Could you describe what success looks like? What would you like to see at the conclusion of the project?
5. Who are the stakeholders? Why is their involvement important? What is their level of interest in or commitment to the project? Could you explain how the main stakeholders participated in the project’s development? For example, in meetings, consultations and other activities.

Could you also share any materials that will help us to further understand the project? Examples include concept notes, project documents and annual reports.

Discussion 2: Review institutional capacities

In this workout session the team reviewed the challenges addressed by the project and used them to understand institutional capacities and demand and supply side constraints that relate to the goal. Table 26 provides institutional characteristics to group challenges and guide this process.

| Table 26. Institutional Characteristics to Group Challenges and Identify Institutional Capacity Constraints |
|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| **DEMAND INSTITUTIONS**                       | **CONTRIBUTING TO THE STRENGTH OF STAKEHOLDER OWNERSHIP** |
| Contributing to the Strength of Stakeholder Ownership | • Commitment of political and social leaders | • Commitment of political and social leaders |
|                                               | • Compatibility of social norms and values   | • Consistency                                  |
|                                               | • Stakeholder participation in setting priorities | • Legitimacy                                  |
|                                               | • Demand for accountability                  | • Incentives for compliance                    |
|                                               | • Transparency of information to stakeholders | • Ease of administration                      |
|                                               |                                      | • Risk for negative externalities              |
|                                               |                                      | • Flexibility in addressing varying situations |
|                                               |                                      | • Resistance to corruption                     |
| **SUPPLY INSTITUTIONS**                       | **CONTRIBUTING TO THE EFFICIENCY OF POLICY INSTRUMENTS** |
| Contributing to the Efficiency of Policy Instruments | • Clarity in defining rights and responsibilities of stakeholders | • Clarity of mission |
|                                               | • Consistency                               | • Achievement of outcomes                     |
|                                               | • Legitimacy                                | • Operational efficiency                       |
|                                               | • Incentives for compliance                 | • Financial viability and probity              |
|                                               | • Ease of administration                    | • Communications and stakeholder relations     |
|                                               | • Risk for negative externalities           | • Adaptability in anticipating and responding to change |
|                                               | • Flexibility in addressing varying situations | |
Discussion 3: Review findings of institutional diagnosis

The team discussed diagnostic findings and reviewed which constraints the project needs to change. The team also identified how new understanding around constraints could inform stakeholders and improve the project's design and results.

Discussion Questions
1. Are the constraints revealed already addressed by the project?
2. What actions could be taken to deepen understanding around institutional capacities that relate to the project?
3. How could a better understanding of constraints help to improve the project?

Discussion 4: Review final outcomes for capacity development

This workout session addressed the needed final outcomes of the capacity development that is expected to change institutional capacity constraints. The team identified possible final outcomes and measures to determine success (including data sources) and actions that could adjust the project to address these outcomes more effectively.

Discussion 5: Review agents of change and local change management plan

In this workout session the team reviewed the agents of change, that is, the local actors that can drive specific changes to achieve the project's outcomes. The workout addressed the role of these agents; new behaviors, relationships, processes and actions needed for their success; and how activities can help them to drive change.

In all, the team examined elements needed to map the change process for a capacity development project, and how to use this step to improve implementation and results management.

Key Questions
1. What are the main challenges related to the goal and success of the project?
2. How do these challenges relate to demand and supply side institutional capacities?
   - Strength of stakeholder ownership (demand)
   - Efficiency of policy instruments in guiding stakeholder behavior (supply)
   - Effectiveness of organizational arrangements (supply)
3. How do these challenges relate to institutional characteristics and specific institutional capacity constraints?

Key Questions
1. What outcomes are needed for the project to change specific constraints?
2. What measures could be used to determine success? What data sources could be used?
3. Are the needed outcomes already in the project?
4. What actions could be taken to improve the project?

Key Questions
1. What leaders, groups or organizations need to be involved in driving changes to achieve the project's outcomes?
2. How are these agents expected to support change?
3. What new behaviors, relationships, processes and actions are needed for their success?
4. What capacity development activities are in the project, and how do they help local agents?
5. How might this understanding help to improve the management of change in the project? That is, how will planned activities help local agents achieve needed outcomes and changes in institutional capacities?
WBI held a consultative workshop on the capacity development projects in Ethiopia with leaders and practitioners from organizations engaged in the planning, delivery and M&E of capacity development programming in East Africa.

The collective input from this consultation, summarized below, offered preliminary recommendations from practitioners in the field on how results-focused capacity development tools could be applied to improve capacity development practice. Practitioners showed a sense of urgency to change practice and results as well as deep concern for the current lack of strategy and focus.

More focus on upfront visioning for capacity development
- Results-focused tools to help improve how we engage stakeholders in visioning around the goal from the start, in turn building stronger local commitment and understanding of what results are desired.

Integrated, results-focused tools for program management and planning
- Local tools to complement existing program management tools used in country and to assist teams in integrating institutional capacity diagnosis within the planning process.
- Local tools for multi-stakeholder and cross-sector planning, specifically to engage stakeholders from different sectors in developing collaborative national strategies for capacity development that identify priority results for development goals.

Improved program design and implementation
- Local learning on good practice steps for capacity development programs to address institutional change or institutional capacity constraints, rather than only training and learning activities that are not linked to higher-level changes.

Expanded focus on local agents of change
- Support for program managers to focus capacity development programs on identified leaders, groups, organizations and others that have the most potential to help bring about long-term changes in capacity.

Collaborative results frameworks and strategies for capacity development
- Results-focused tools that form a basis for national consensus building and dialogue (such as through coordinated national and sub-national forums), to develop indicators that assess and strategically align stakeholders to the most needed results at the national level.
- Common monitoring, evaluating and reporting methods for capacity development to record changes in outcomes and impacts, including methods to compare results and extract lessons learned.
- Agreement on national outcomes for capacity development that support local actors to more innovatively address these results and consequently increase their ownership and confidence in capacity development processes. Programs are often defined in terms of functions, which prevents local organizations to engage in new ways of meeting needed results.

Focused and strategic knowledge management and learning
- Results-focused tools to document existing capacity development experiences and identify lessons learned in a clear and systematic way.
- Results-focused tools that guide the review of capacity development projects, including identifying objectives and learning activities, so they more effectively address development goals and institutional capacity needs.
- Testing of capacity development programs and activities to determine what works and does not work to achieve needed outcomes and impact.
The World Bank Institute drew on its Capacity Development and Results Framework to conduct reviews of three distinct capacity development projects in East Africa with local project teams.

Through the reviews, local partners learned how the application of locally adapted, results-focused tools could help their capacity development projects achieve the most needed results. Development practitioners and partners can apply the lessons learned from these reviews to help improve the design and implementation of their own capacity development programs.