

Practical Guide to Capacity Development in a Sector Context

November 2011

This guide is a living document and will be regularly updated to reflect new developments. Queries, comments, and suggestions are welcome. Please send them to: capacitydevelopment@adb.org.

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
CD	–	capacity development
CDTA	–	capacity development technical assistance
CPS	–	country partnership strategy
ETSW	–	economic, thematic, and sector work
EuropeAid	–	European Commission
GACAP II	–	Second Governance and Anticorruption Plan
Lao PDR	–	Lao People’s Democratic Republic
OECD–DAC	–	Development Assistance Committee of the Organisation for Economic Co-operation and Development
PPTA	–	project/program preparatory technical assistance
RAMP	–	risk assessments and risk management plan
RSDD	–	Regional and Sustainable Development Department
TA	–	technical assistance
TOR	–	terms of reference
WRD	–	Water Resources Department
WUA	–	water users’ association

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PREFACE

This *Practical Guide to Capacity Development in a Sector Context* has been compiled to accompany ADB's Capacity Development Framework and Action Plan.¹ Its purpose is to provide ADB staff and other development practitioners with a set of tools and instruments that can be used to guide capacity development processes.

The range of tools and instruments compiled in this guide starts from a sector-wide perspective (political economy and governance features) then moves down to capture individual stakeholders' perspective. This guide also includes tips for change management and reform processes. The use of the guide and the tools in the country partnership strategy (CPS) preparation process and other ADB business processes is explained in the overview section. The tools are intended for use in governments' diagnostics and analytical work; pre-CPS analysis and assessments; and economic, thematic, and sector work (ETSW). The outputs are intended to feed into sector diagnostics and subsequent sector road maps.

The tools in this guide have to be used selectively based on sound judgment—they are not intended to be applied sequentially in a short and compressed period of time. The dynamics of a country-led dialogue, analysis, and formulation process related to capacity development must guide the use of the instruments.

As a complement to ADB's Capacity Development Framework and Action Plan, this guide includes tools and instruments developed by other organizations.

Although this guide is presented as "final," changes can still be made to reflect new developments in the field and/or changes in ADB business processes.

Comments on the use of the tools and suggestions for improvements are most welcome. Please send them to: capacitydevelopment@adb.org.

¹ ADB. 2007a. *Integrating Capacity Development into Country Programs and Operations. Medium-Term Framework and Action Plan*. Manila.

ACKNOWLEDGMENTS

In 2011, this *Practical Guide to Capacity Development in a Sector Context* was refined by Hans van Rijn and Jessica Ludwig-Maarroof to align it with ADB's Streamlined Business Processes.

The preparation of this *Practical Guide* was initiated in January 2007 and is the result of extensive consultations by the Capacity Development and Governance Division of the Regional and Sustainable Development Department (RSDD) with sector committees, sector focal points, and other sector staff. During these consultations, the sector staff acknowledged the importance of capacity development and the need for guidance on how to make this operational, both in ADB business processes and in the continuing cooperation with developing member countries.

This *Practical Guide* was drafted by Nils Boesen, staff consultant, under the direction of Claudia Buentjen, senior capacity development specialist, RSDD. A draft guide was presented in a learning event on Mainstreaming Capacity Development for Sector Operations for sector specialists in ADB, held in March 2007. Participants' comments have been valuable for the further development of the draft guide. This *Practical Guide* further benefited from comments provided by staff working at the headquarters and in resident missions during an extensive peer review from January to March 2008. In particular, we would like to acknowledge the comments provided by Sari Aman-Wooster, Emile Gozali, Wouter Lincklaen-Arriens, Suganya Hutaserani, Sandra Nicoll, Peter Robertson, Brajesh Panth, Stephen Pollard, Jouko Sarvi, Manju Senapaty, Anne Sweetser, and Axel Weber.

The development of this *Practical Guide* has been a joint process between ADB and the European Commission (EuropeAid), and has greatly benefited from comments provided by the staff of the European Commission. Final drafts have also been presented in workshops participated in by representatives from some 15 bilateral and multilateral agencies, held in Bruxelles in December 2007 and in Washington in March 2008.

OVERVIEW

A. Basic Concepts on Capacity Development

Capacity, Capacity Development, and Change

“Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully”²

1. Capacity is an attribute of people, individual organizations, and groups of organizations. Capacity is not something external to these units—it is internal.
2. Thus, capacity development (CD) is a change process internal to organizations and people. CD, as also defined by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC), is the “process whereby people, organizations, and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time.”
3. CD can entail changes in knowledge, skills, work processes, tools, systems, authority patterns, management style, and others. Like learning, CD takes place in people or organizations and, like learning, it cannot be forced upon them. People and organizations can have strong or weak incentives to change, develop, and learn—coming from the environment or from internal factors—but eventually, the change is an internal process that has to happen in people or organizations.
4. As a logical consequence, **external partners cannot “do” CD for others**. Partners can support CD processes and they may choose to manage that support, but they cannot undertake the actual CD of others (Box 1). This basic insight has two important implications, as follows:
 - CD must be owned by those who develop their capacity—otherwise, it simply does not happen.
 - External partners cannot design and implement CD. However, they can support CD processes or help create the right external incentives for CD processes.

Box 1 Ownership in Capacity Development

Capacity development (CD) must be owned (wanted and managed) by those whose capacity is undergoing development. External partners, such as funding agencies, cannot drive or push CD to happen—and this essential lesson also implies that partners must be leading and driving the assessment and formulation processes to achieve the desired level of CD.

² ADB. 2007a. *Integrating Capacity Development into Country Programs and Operations. Medium-Term Framework and Action Plan*. Manila.

When is Capacity Development Change Likely to Happen?

5. When is change and CD likely to take place? The following three essential ingredients must be present:

- *Dissatisfaction with the present situation.* Some actors inside and/or around an organization or sector must view the current capacity to be too low or misdirected. Since others may think that the present capacity and performance level is good enough, the dissatisfied actors must carry more weight than those who are satisfied.
- *A credible change process to bring the present situation to a future state.* The connection between the present unsatisfactory situation and the vision for the future is a credible change process. Those who are supposed to develop or change must have sufficient commitment, competence, and resources to effect such change. If change is poorly managed or prioritized, then the hope of getting to a better future quickly fades, even if everybody can see that capacity and performance could be improved.
- *A shared vision of the future.* Dissatisfaction, however acute, and good change management are not enough. If the people, organization, or sectors affected have no idea, belief, or realistic vision of a better future with enhanced capacity, then dissatisfaction will only lead to frustration and passivity.

6. *The sum of these factors will comprise the pressure to change*—and this pressure must be greater than the potential cost of change to those involved. Otherwise, a sensible risk analysis will induce actors to resist or be passive about change and CD.

7. *These three basic elements are dependent on each other*—and they must be balanced. If the dissatisfaction is present, but not very strongly felt, then a very ambitious vision may be beyond what actors will support. If capacity to manage change processes is limited, then even deeply felt dissatisfaction will not be transformed easily into an inspiring vision.

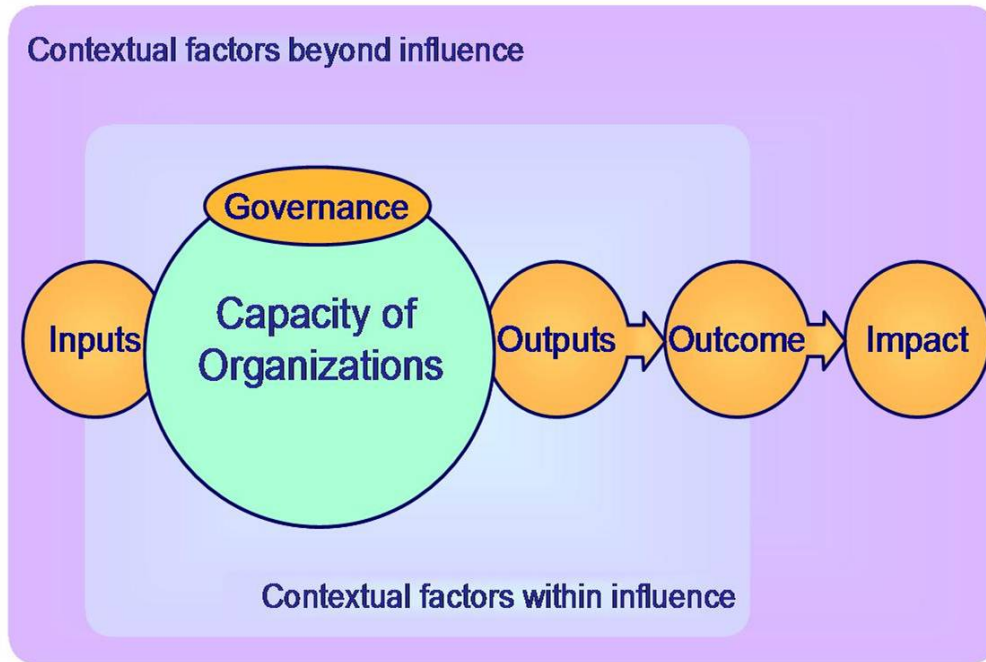
8. *The elements are not static*—and dissatisfaction can be nurtured, for example, by data on the existing situation. Most actors will be satisfied with some aspects and dissatisfied with others, and this will change over time. An overambitious vision can be reduced so that it becomes a realistic offer to those who need to support CD—and for change to happen. Local capacity to manage change processes can be strengthened through carefully crafted support.

9. The tools in this *Practical Guide* are structured to help diagnosis and planning around these three elements: dissatisfaction, change process, and vision. The next sections provide more details about these elements.

Dissatisfaction with the Present Situation

10. How can the present situation and the relative satisfaction and dissatisfaction with this situation be diagnosed, analyzed, or assessed? First, a framework for understanding organizations is presented, and then the issue of satisfaction versus dissatisfaction is discussed.

11. *Open systems approach.* Consistent with the broad definition of capacity earlier presented, the capacity of one or more organizations can be seen as an element in a wider system, as illustrated in Figure 1.

Figure 1 Analytical Framework—Organizations as Open Systems

Source: J. Ubels et al. 2010. *Capacity Development in Practice*. London, UK: Earthscan Ltd.

12. The framework underscores the following key points about organizations and capacity:
- *Organizations operate in a context.* Their capacity does not develop independent of the context in which they are embedded and with which they interact all the time, through formal and informal mechanisms.
 - *Performance leads to outputs.* There can be capacity without outputs (a car without gasoline cannot go anywhere)—but when capacity is in use (“performing”) it is at least intended to lead to certain outputs.
 - *Outputs lead to outcomes and impact.* Soap—an output—when demanded and used properly leads to improved hygiene (outcome) and may have an impact on health. But—and this is crucial—the chain of causality from “capacity” to “impact” is long and increasingly influenced by a host of other factors. From capacity, outputs are the immediate step in the chain and, therefore, a good proxy indicator for capacity.
 - *Capacity resides and develops internally—but if and how capacity develops may be determined largely by the “demand-side” or external factors.* The effectiveness of the governance of organizations (see Tool 4) and the corresponding strength of external demand for performance and accountability may provide the most important incentives or disincentives to CD.
13. The open systems approach is sometimes criticized for being “functional” in the sense that it assumes that organizations and capacity can be understood by looking only at official mandates and goals, formal procedures and structures, and other “technical” or functional aspects. Therefore, it is important to stress that organizations have both “functional” and “political” dimensions, as described in Table 1.

Table 1 Two Dimensions of Organizations

Change Element	Functional Dimension	Political Dimension
Main unit of analysis?	Focus on functional task-and-work system	Focus on power-and-loyalty systems
Driving forces?	A sense of norms, intrinsic motivation	Sanctions and rewards, incentives
Image of man?	Employees caring for the organization	Individuals caring for themselves
Change?	Participative reasoning, finding best technical solution, orderliness	Internal conflict, coalition with powerful external agents, unpredictable
Change efforts?	Internal systems, structures, skills, technology, etc.	Incentives, change of key staff, outsmarting opposition

Source: Adapted from Mastebroek. 1993. *Conflict Management and Organization Development*. Chichester, United Kingdom: John Wiley & Sons Ltd.

14. It is crucial that all organizations have both dimensions since both are needed in a well-functioning organization. The political dimension—power, incentives, tension, and conflicts—provides the energy that brings motion, purpose, direction, and change to an organization.

15. The challenge is to keep a balance between the two dimensions. If loyalty and narrow, vested interests dominate, then the organization may end up serving private rather than public goals. If individuals totally subsume their interests to those of the organization and in the extreme give up family, personal ambitions, and independence, then the organization becomes a psychic prison.

16. The functional and political dimensions of organizations blend with the formal and informal aspects, as well as with the hidden and disclosed aspects of organizational life (see Box 2 for an illustration from the Lao People's Democratic Republic). Again, all organizations have a formal and an informal side, and like people, no organization should disclose everything, internally or with outsiders. The key question is whether there is an adequate balance between what is formal and informal, hidden or disclosed. In cases where public organizations have been captured for the narrow purposes of a powerful elite, they may have a formal façade with a mission, vision, outputs, plans, budgets, structures, and systems, but the informal capacity behind the formal façade may serve purposes that are totally different, and produce hidden outputs that do not coincide well with the formal purposes of the organization.

**Box 2 Technical and Political Dimensions—Land Tenure and Concessions
in the Lao People’s Democratic Republic**

The Lao People’s Democratic Republic (Lao PDR) is between Thailand and Viet Nam and lies at the border of the People’s Republic of China, thus, the country has felt the massive commercial growth taking place in these countries. While agriculture used to be primarily a smallholder, subsistence-related activity, the increased demand for commodities such as rubber, coffee, maize for animal feed, sugar, and fresh fruits and vegetables has led to a massive infusion of capital into the sector and a major shift in its structure. However, the rush to acquire concessions, often to the detriment of local smallholders, necessitated a moratorium on new agriculture concessions.

The Asian Development Bank has supported capacity development (CD) at the national level in the Lao PDR with sound results, but capacities at the provincial level are still very weak. Nonetheless, the provincial governments are mainly responsible for developments within the sector and for managing the recent influx of external capital into the sector.

When assessing capacities and opportunities for CD and CD support at the provincial level, both functional and political dimensions of the capacity challenge are apparent: land use planning requires technical capacities in terms of systems, maps, geographical information systems, and many others—but making land use planning and control of concessions and capital influx effective will demand forging a coalition strong enough to impose order and balancing the political interests and power of smallholders, local authorities and strongmen, and domestic and foreign business interests.

Source: Interviews with Asian Development Bank staff members.

17. The open systems approach and the dimensions just outlined serve as a framework allowing practitioners to assess present capacity and the dynamics that explain present capacity and output levels. Simply stated, the framework has four dimensions, as shown in Table 2. To conduct an assessment, one would have to identify strengths and weaknesses in all four quadrants. If the purpose is to design a detailed change and CD strategy, then a much more detailed assessment may be required.

Table 2 The Four Dimensions Shaping Capacity

	Functional Dimension	Political Dimension
Internal Dimension	<p>Internal, functional dimension:</p> <p>Strategy, systems, structures, work processes, internal relationships, and others</p>	<p>Internal, political dimension:</p> <p>Leadership, power distribution, material and nonmaterial incentives, rewards and sanctions, possible vested interests, conflicts.</p>
External Dimension	<p>External, functional dimension:</p> <p>Legal framework, timeliness and adequacy of resources, results-based performance targets, oversight bodies, formal accountability requirements.</p>	<p>External, political dimension:</p> <p>Political governance, possible vested interests, pressure from clients and/or customers, competitors, media attention.</p>

Source: Author.

18. Assessing organizational performance requires looking at present realities and asking why this is right rather than why this is wrong.

19. In practice, however, capacity assessments often end up describing what is missing, rather than explaining why capacity is currently at an unsatisfactory level. Typically, assessments include findings such as

- lack of resources,
- lack of planning,
- poor monitoring, and
- lack of leadership.

20. At the surface, all of these may be correct “negative” observations: there may not be a plan nor monitoring when it comes to CD. The typical response from development partners is to introduce elements such as planning—complete with procedures, formats, and training—often to discover that despite the best intentions, plans have not been followed. The limited success may reflect that, due to the real authority structure, senior executives cannot and will not let themselves be tied to a plan (which is an instrument of formalizing control), because they need a very wide room for discretionary decisions to keep their place in the power game intact, both upward and downward. Technocratic planning exercises are unlikely to change such root causes to what appears to be “lack of planning.”

Analyzing Satisfaction and Dissatisfaction

21. The present performance level of a sector or an individual organization may benefit some but may punish others. An inefficient health system that could deliver only the very basic services in rural areas is likely to foster dissatisfaction among the rural poor, but poorly paid health staff may tolerate this if they need not work much for their meager salary and if they are allowed to sell private services on the side. Taxpayers—often a small group in developing countries—may prefer low taxes rather than better rural health care.

22. These stakeholder preferences or interests can be mapped based on the existing situation: Who is winning, who is losing in the current state of capacity and performance level? This is only the first step—a change in one direction will create a new scenario with new winners and losers, while a change in another direction will create another set of winners and losers. Therefore, stakeholder dissatisfaction, satisfaction, and preferences need to be mapped eventually based on a broad direction of possible change (Box 3).

Box 3 Summary—Assessing Organizations and Dissatisfaction

The Open Systems Approach entails five key elements for assessing one or more organizations, as follows:

- Focus on outputs as a proxy for capacity.
- Assess the context.
- Assess the internal capacity.
- Assess both functional and political dimensions.
- Focus on stakeholders and their interests in change.

Tools 1–5 addresses the assessment of organizations in their context, including the crucial stakeholder analysis that gauges their interests in changing or maintaining the present situation.

Source: Author.

Change Processes and Change Management

23. Assessing present capacity and the push for and resistance to change comprise only one-third of the equation. The second part is change management: Is there a credible change process that can convince skeptics, overcome resistance, accommodate losers, seek win-win situations, forge alliances, keep CD on the agenda, drum up additional financial support, ensure adequate technical quality, and manage the daily business of implementing CD or reforms? Do the people who will be in charge of the CD process have the capacity to manage the process?

24. Such questions, all too often, are not asked by development partners seeking to support CD in a sector. Is a project implementation unit a feasible way of ensuring buy-in, oversight, and strategic guidance from higher levels, or will it isolate the change agents from those whom they should help change? Alternatively, should a high-level line manager stay firmly at the helm on a daily basis? Who and what will appease public officials standing to lose influence, or even jobs? Who will ensure that a powerful senior minister will be informed and continues to support a CD process? These and other relevant issues need to be asked and looked into.

25. Linked to the crucial task of detailing change management is the question of the role of local and external partners. This includes but is not limited to development partners and technical assistance with contractual links to development partners: How much should they push, suggest, decide, and control? Should they keep themselves at arms' length even when things do not go as planned or when progress is less than impressive? At what point do they undermine ownership? When will they be perceived and accepted as trusted partners?

26. As indicated in Box 4, these questions have to be discussed and addressed up front and factored in right from the beginning.

27. Users of this guide will find that Tool 6 addresses the change management challenges of CD.

Box 4 Capacity Assessment and Change Management in Indonesia

The Asian Development Bank (ADB) supports integrated water resources management in Indonesia. Based on a request from the government, ADB provided technical assistance (TA) for a capacity diagnosis in 2007.

From the beginning, it was clear to all that the diagnosis would be the first step in a change management process. To anchor this process firmly in the Directorate General of Water Resources, they all agreed to form a change management team right at the outset. The team, comprising six senior and middle managers, is to conduct the diagnosis process with the ADB-funded TA project playing a facilitating role. The team is also responsible for preparing the action plan, and will assist the executive management in implementing the action plan.

The TA project provided the team with tools for organizational assessments, including a stakeholder matrix; a leadership questionnaire; assessment of strategies, structure, and systems; and a results framework. In addition, the TA team provided guidance and facilitation.

Source: Government of Indonesia. Ministry of Public Works, Directorate General of Water Resources. 2007. *Diagnostic Report for Balai Besar Wilayah Sungai Ciliwung-Cisadane*. Jakarta.

Vision and Design of Capacity Development Processes

28. The final element in the change equation is the vision for CD, and the more detailed design of CD processes.

29. How comprehensive and ambitious should the vision be? How should it be expressed? What should be the timetable? Can CD be viewed as a number of successive platforms to be reached, increasingly addressing more complex or controversial issues?

30. No blueprints are yet available to help governments and other stakeholders plan a CD process. However, the preceding steps in the analysis—the level of dissatisfaction and the power behind this, and the change management capacity—are some of the essential factors to consider when formulating a medium-term CD strategy.

31. Once a broad scoping and sequencing of a CD process has been formulated—the next challenge is to make the CD process operational and for the potential development partner to support this process so that funds and resources can be assigned, activities managed, and progress monitored.

32. It is recommended that a planning approach should

- start with the objective of the CD process by defining the organizational changes or outputs that will be achieved, and then working backward to the activities and inputs, rather than starting with the inputs; and
- plan the CD process and eventual external support as one process, and specify the local leaders, change management team, and other inputs (staff time, etc.) required. Up-front planning will result in a realistic plan and will make commitments to the CD process visible and operational.

33. Users of this guide will find Tools 7 and 8 helpful in these steps. However, the tools will not lead by themselves to the “right” answers; they may, at best, help CD actors to consider a

fuller range of data and issues in a structured manner as inputs to their decision making process (Boxes 5 and 6).

Box 5 Success Factors in Designing Capacity Development Assistance

A special evaluation study by the Operations Evaluation Department of the Asian Development Bank (ADB) found that the following factors were driving the successful design of capacity development (CD) support:

- Presence of a clear results framework or capability of being evaluated for CD to be measured and monitored;
- Strategic direction with realistic CD objectives;
- Adequate diagnostic baseline assessments at all CD levels (individual, organizational, network, and contextual);
- Long-term continuity to institutionalize CD, careful phasing and/or sequencing, and exit strategy;
- Appropriate mix of modalities;
- Mainstreaming of project implementation and management units' activities into target agencies' normal operations;
- Adequate staff time and skills, and financial resources;
- Inclusive participatory approach, with strong commitment of and ownership by target agencies; and
- Cooperation and harmonization with other development partners.

Source: ADB. 2008c. *Special Evaluation Study on Effectiveness of ADB's Capacity Development Assistance. How to Get Institutions Right*. Manila.

**Box 6 Government Ownership as a Key Success Driver
for Capacity Development in the Pacific**

A regional study to assess capacity development (CD) performance in 21 cases in 11 countries in the Pacific region found that key factors influencing CD success include the following:

- (i) government participation and ownership;
- (ii) leadership and vision;
- (iii) capacity of local stakeholders to direct or demand CD measures;
- (iv) relevance, readiness, and receptivity;
- (v) investing in understanding;
- (vi) getting the incentives right;
- (vii) an enabling environment;
- (viii) flexibility and adaptability;
- (ix) effective use of technical advisers;
- (x) provision of sufficient time;
- (xi) use of a systems approach;
- (xii) harmonization and coordination; and
- (xiii) political economy considerations.

The implications of these findings are that future Asian Development Bank (ADB) CD-related loans and technical assistance should (i) include demand-driven pilot initiatives in key ADB sectors and thematic areas, (ii) provide inputs to facilitate new approaches (e.g., stakeholder analysis and capacity assessments), (iii) strengthen participatory approaches to enhance the ownership and effectiveness of CD programming, (iv) make informed programming decisions based on a strategic analysis of capacity options, (v) place increased emphasis on the capacity for demand and local accountability, and (vi) examine the possibilities of CD using local and indigenous resources.

Source: ADB. 2008b. *Pacific Capacity Development Study*. Final Report. Manila.

B. Using the Tools in the Context of ADB Business Processes

The Tools are Not the Starting Point

34. The tools are not usually useful for starting a joint process dealing with capacity issues. The tools will normally require an open-ended dialogue on the strengths and weaknesses of the present capacity, and the interest of the CD actors to strengthen this capacity. The tools may be successfully used after this phase of agenda setting.

35. The tools, therefore, are not intended to drive or predetermine a process on capacity issues. To be helpful—in most cases, on a selective basis—the tools are used during processes that have already been initiated and where partners have had a genuine chance to voice their concerns and aspirations on the issue of capacity and CD.

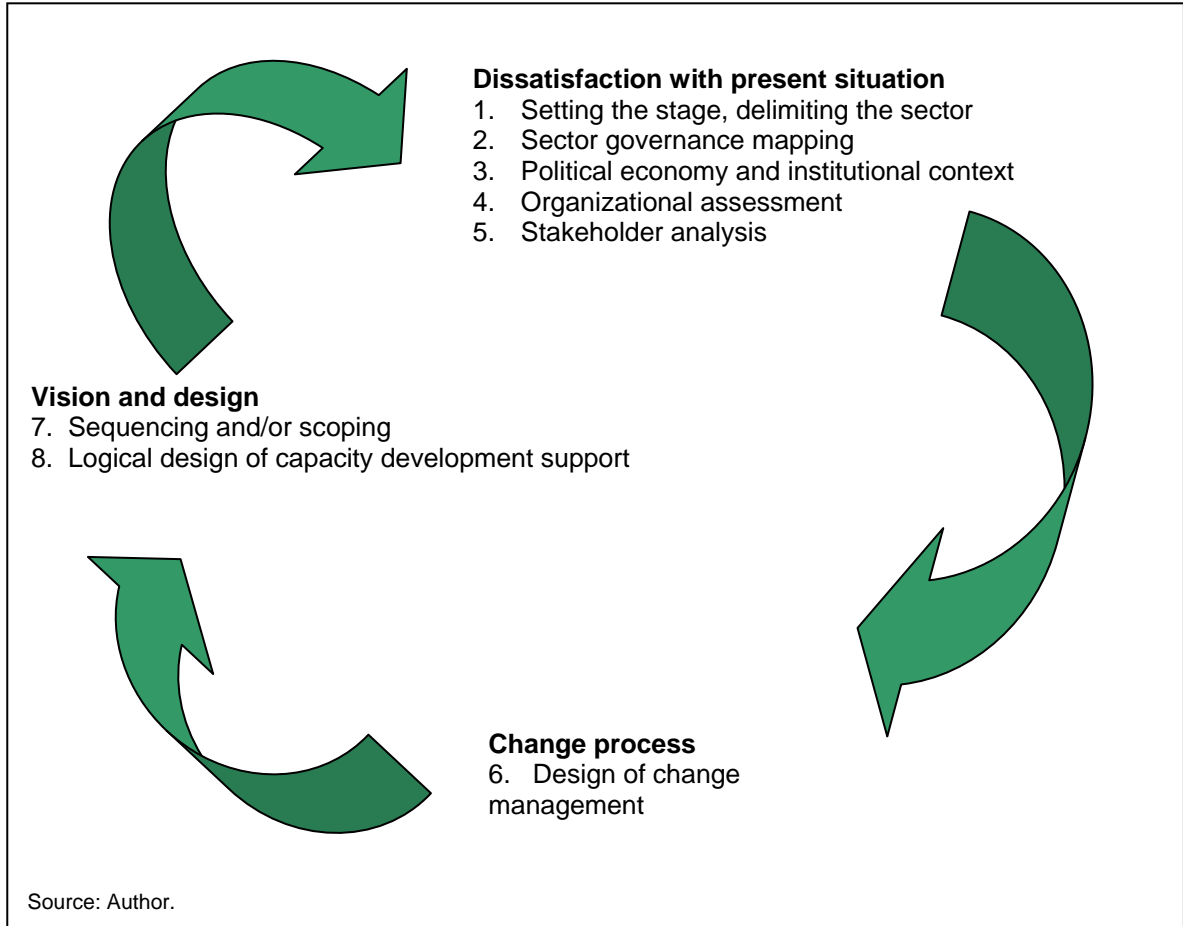
Overview of the Tools

36. This *Practical Guide* includes eight sections with tools for diagnosis, dialogue, and planning, and one appendix with additional guidance. The eight sections and their tools are presented in the order of the three dimensions that underpin a successful CD: dissatisfaction, change process, and vision.

37. The sections and tools are listed in the order of the cycle illustrated in Figure 2. However, the tools cannot be applied in a linear fashion. Users have to go from one tool to

another, go back, and jump forward until a balanced overall picture emerges. In some cases, it may be best to discuss the vision before detailing the change process—but an iterative process should be expected.

Figure 2 Capacity Development Tools



38. The sections and tools are briefly described in Table 3.

Table 3 Sections, Tools, and Appendix

No.	Section Name	Function
A.	Setting the Stage: Delimiting the Sector	This tool is used for an initial mapping of the sector organizations that would be involved in a capacity development (CD) process. It helps avoid the inclusion of a too narrow—or too broad—set of organizations.
B.	Sector Governance Mapping	Sector performance and capacity depends critically on adequate governance, accountability, and transparency. This tool maps the existing governance arrangements.
C.	Scanning the Institutional and Political Economy Context	This tool supports an analysis of the context factors that will drive or constrain CD in a sector or an organization. It intends to provide inputs for the strategic-level decision making.
D.	Assessing Organizational Capacity	This tool helps check if critical assessment areas have been considered. Funding agencies and partners may often agree to assess organizational capacity. A guide for making the terms of reference for such an assessment is included in Appendix 1.
E.	Stakeholder and Actor Analysis— Capacity Development Readiness	The level of dissatisfaction with the present situation and the perception of costs involved in CD and change depends on the interests, the power, and the voice of different stakeholders and actors. This tool maps these interests and resources, and facilitates strategic decision making.
F.	Management Design of Capacity Development Change	For planning, this tool enables users to detail typical tasks and responsibilities in change processes. It is helpful at the operational level by prompting users to identify the people who will be in charge of the different aspects of CD processes.
G.	Sequencing and Scoping of Capacity Development and Reform	It is difficult to generalize about how best to sequence and scope CD processes, but a number of factors must be considered. These factors reflect the strategic scenario, which some of the previous tools have helped clarify. This sequencing and/or scoping tool brings all of this together.
H.	Logical Design of Processes and Support to Capacity Development	The well-known logical framework approach is adapted to the logic of output-oriented CD. This tool helps avoid the limited focus on inputs that has plagued many CD efforts. It also allows the operational formulation of specific CD processes and provides support to these processes.
Appendix		
	Terms of Reference for Capacity Assessment	This section provides detailed guidelines in preparing the Terms of References for capacity assessments.

Using the Guide under Different Country Circumstances

39. The context for CD differs radically among countries. Strong performers in terms of broad-based growth are likely to experience CD that is parallel to their growth, fueled by the demands of economic actors and citizens requesting for a better quality business environment and better social services. A relatively strong “capacity to develop capacity” is likely to be

present and development partners may be most helpful by providing access to, for example, world-class advice and knowledge.

40. In weakly performing countries and those in fragile situations, the context for CD is likely to include several binding constraints, and domestic capacity to make capacity assessment, design CD processes, and manage change is likely to be limited. That CD is desirable under such conditions is very clear—but it does not mean that CD is feasible. It is important not to push for CD and reform beyond what is realistic in the short term. In such circumstances, support to more thorough assessments of constraints and opportunities may be the appropriate first step.

How to Use the *Practical Guide* in ADB Business Processes

41. Tables 4, 5, and 6 describe how the guide and individual tools, can be used in three core ADB business processes: (i) preparation of the country partnership strategy (CPS); (ii) loan processing from project/program preparatory technical assistance (PPTA) to implementation; and (iii) processing of other TA projects, including the capacity development technical assistance (CDTA) and policy advisory technical assistance.

Table 4 Use of the *Practical Guide* in the Country Partnership Strategy Process

Business Process	Reference^a	CD-Related Purpose	Output	Process and Tools	Observations
Government's national development plans and diagnostics	OM Section A2/OP (B 1.a)	To support client countries' diagnostic reviews of capacity, with results feeding into the CPS	Client-owned capacity assessments at sector level or cross-cutting, with main findings reported in CPS and sector road maps	Government-led process, ideally supported jointly by a group of development partners. For diagnostics, Tools 1–5 are most relevant, while Tools 6–8 address design and planning issues.	Support to government CD dialogue and diagnostics should be an ongoing process, allowing appropriate time frames. It can be initiated at any point when demand and/or opportunity is clear, thus, it is not necessarily linked to CPS calendar.
Pre-CPS analyses and assessments	OM Section A2/OP (B 1.a)	Results of capacity assessments to feed into the CPS and sector road maps	ADB-generated or joint assessments at sector level or cross-cutting, with main findings reported in CPS and sector road maps	For diagnostics, Tools 1–5 are most relevant, while Tools 6–8 address design and planning issues.	As underlined in the CPS guidelines, main findings from assessments should be available before the CPS initiating process.
CPS formulation mission	OM Section A2/OP (B 1.c)	Drawn conclusions on capacity issues to be included in the CPS	Text for CPS on institutional and capacity issues, to serve as possible support to deepen diagnostics during CPS implementation	Synthesize findings from pre-CPS diagnostics, agree on joint general storyline. Identify possible pipeline actions.	The governance risk assessment can be used to identify key governance and institutional weaknesses. This should be preceded by an open dialogue on the importance of capacity issues as seen by the country's stakeholders.
Sector road maps	OM Section A2/OP (B 1.c)	To underpin sector interventions by assessing institutional arrangement and sector capacity	Detailed assessments with interventions for policy reform, institutional development and investment; summary in sector road map	As a cooperative process, it works best if supported jointly by recipient government and development partners. For diagnostics, Tools 1–5 are most relevant, while Tools 6–8 address design and planning issues.	Assessments would have to be prepared before the CPS and, in most cases, would result from previous ADB engagement in the sector. In sectors new to ADB, assessments that are more comprehensive may be required.

^a References are made to relevant sections of ADB's *Operational Manual* and/or templates for Board documents.

CPS = country partnership strategy.

Source: ADB. 2007b. *Country Partnership Strategy Guidelines*. February. Only business processes where the use of the *Practical Guide* is relevant are included.

Table 5 Use of the *Practical Guide* in Project/Program Preparatory Technical Assistance and Loan Processing

Business Process	Reference: ADB Operations Manual	Purpose	Output	Process and Tools	Observations
Preparation and actual conduct of PPTA fact finding	OM Section D11/OP (B.3)	To identify major issues and areas for assessment, and to identify stakeholders	Make CD support design part of PPTA. TOR for possible CD specialist inputs in the PPTA.	Tools 1 and 5 may be helpful in the preliminary discussions. Appendix 1 is helpful in the preparation of TOR.	Project-level assessments should draw on available country- and sector-level diagnostics
Project design phase	OM Section D11/OP (B.3)	To reach joint understanding of capacity situation and CD options, and assist in the design of CD and CD support	Project design for CD components and elements with results frameworks, and/or TA paper for CDTA or other delivery mechanisms parallel to the project.	Client ownership of the CD assessment and design is essential, with thorough involvement and active endorsement as a minimum requirement. All tools are relevant.	Although clear results must be identified, there must be flexibility to modify processes and outputs, particularly if the preparation phase is compressed.

BP = business processes, CD = capacity development, PPTA = project/program preparatory technical assistance, TA = technical assistance, TOR = terms of reference.

Table 6 Use of the *Practical Guide* in Preparing and Implementing Capacity Development Technical Assistance

Business Process	Reference	Purpose	Output	Process and Tools	Observations
Preparation for, and actual CDTA fact finding	OM Section D12/BP (C, D1.a—paragraph 19) OM Section D12/OP (B2.a-c)	Identify major issues and areas for assessment, identify domestic change agents and change sponsors, assist in the design of CD process and ADB support to this process	CDTA report	Client ownership of CD assessment and design is essential, with thorough involvement and active endorsement as a minimum requirement. All tools are relevant, depending on the scope of the CDTA. Tools 6 and 8 are particularly important.	In line with the recommendations of Tool 8, it is essential that the CDTA specify the inputs to the CD process from client agencies that will be in charge of the CD process.
Implementation of CDTA	AO No. 1.03 PAI No. 1.05	Adjustment of operations, learning for future CDTAs	BTORs, TPRs, adjusted plans for the CDTA, TA outputs, TA completion reports.	All tools can be relevant, depending on the scope and objectives of the TA project.	

BTOR = back-to-office report, CD = capacity development, CDTA= capacity development technical assistance, TA = technical assistance, TPR = technical assistance performance report.

Sources: ADB. 2008a. *Increasing the Impact of the Asian Development Bank's Technical Assistance Program*. Draft policy paper. Manila. February; ADB. 2003. *ADB's Operations Manual*. Manila. See section on Operational Procedures (revised draft) pertinent to processing technical assistance.

WORKING WITH THE TOOLS

A. Setting the Stage, Delimiting the Sector

What Is the Purpose of the Tool?

42. This tool aims to clarify capacity development (CD) priorities at sector or subsector levels. This is done by helping users to identify the

- (i) **core public, private, and civil society organizations** with a significant, direct role in delivering a set of outputs considered essential to current and future policy outcomes in a sector;
- (ii) **contributing organizations** with an important but not significant direct role; and
- (iii) **outer-layer organizations**, which have a less important and less significant role.

When and Who Should Use the Tool?

43. The tool is most relevant at the early stages of sector assessment, capacity diagnostics, and during dialogues on possible CD processes and support to CD. In later phases, the tool can be used to review the directions and scope of CD priorities.

44. The following can use the tool:

- **Local actors**—who can use the tool to clarify strategic options on which organizations to target for priority CD action.
- **Development partners**—who may use it in country strategy programming processes.
- **Local stakeholders and development partners**—who can use it during their dialogues.

How to Use the Tool

45. The tool provides a simplified graphic presentation of the sector. The following steps must be followed:

- (i) Identify the broad current or desired policy impact and outcome to which CD should eventually contribute.
- (ii) Identify the key current outputs, and potential additions, required to achieve the outcomes.
- (iii) Identify the core organizations with a significant role in delivering the key outputs; the contributing organizations with an important but not significant, direct role; and the outer-layer organizations with a less important and less significant role.
- (iv) Consider the following types of organizations:

- a. Civil society organizations and interest groups, representing “voice” and “demand” for services, or to whom accountability is or should be important;
 - b. Frontline agencies and units that actually deliver services, both public and private suppliers;
 - c. Central level agencies with roles in policy making and in the governance of subsidiary levels;
 - d. Organizations that perform checks-and-balances to keep the “operating system” to task; and
 - e. The political system.
46. Users of this guide need to locate the organizations graphically, and insert key explanatory text on outcomes and outputs (Figure 1).

Background and Details

47. The tool identifies the organizational boundaries of the sector or subsector where CD is being considered (Box 8). It applies a logic—moving from policy impact and outcomes, and backward to the key outputs (services, products, and regulations) required to achieve the outcomes and the impact. From here, the core, contributing, and outer-layer of organizations are identified. Different categories of organizations are considered (frontline agencies, central-level agencies, bodies that perform checks-and-balances, the political system, and civil society organizations representing voice and demand for services).

Box 8 Organizations to Consider—Transport Sector Example

Civil society organizations and interest groups: Transport associations, road users (if organized), environmental groups, unions of drivers, and suppliers of goods and services to the sector.

Frontline agencies and units actually delivering services: Public and private road maintenance or supervision units, police units, and toll station operators.

Central level agencies: Transport ministry, public works ministry, central police authority, and environmental authority.

Organizations that perform checks and balances: Offices of the auditor general and ombudsmen, complaint and redress system, and the judiciary.

The political system: Transport and environmental committees in parliament, finance committee, and infrastructure committee.

Source: Author.

48. The tool helps to reduce complexity in three ways:
- First, outcomes may be identified at a subsector level. In transport, for example, the focus could be on the primary road network. Policies, budgets, and other sector management instruments could encompass a wider set of outcomes, but narrowing the outcomes may be necessary to ensure the operational efficiency of CD processes. This is to be done if the narrower set of outcomes depends eventually on key outputs from organizations that specialize in delivering these outputs (e.g., a road fund might only cover the primary road network). However, it is more problematic to narrow outcomes if that eventually means partially addressing the CD needs of an organization (e.g., if

primary and lower secondary schools are integrated, but will use the same schools, same teachers, etc., then a focus on primary education outcomes alone would likely create more problems).

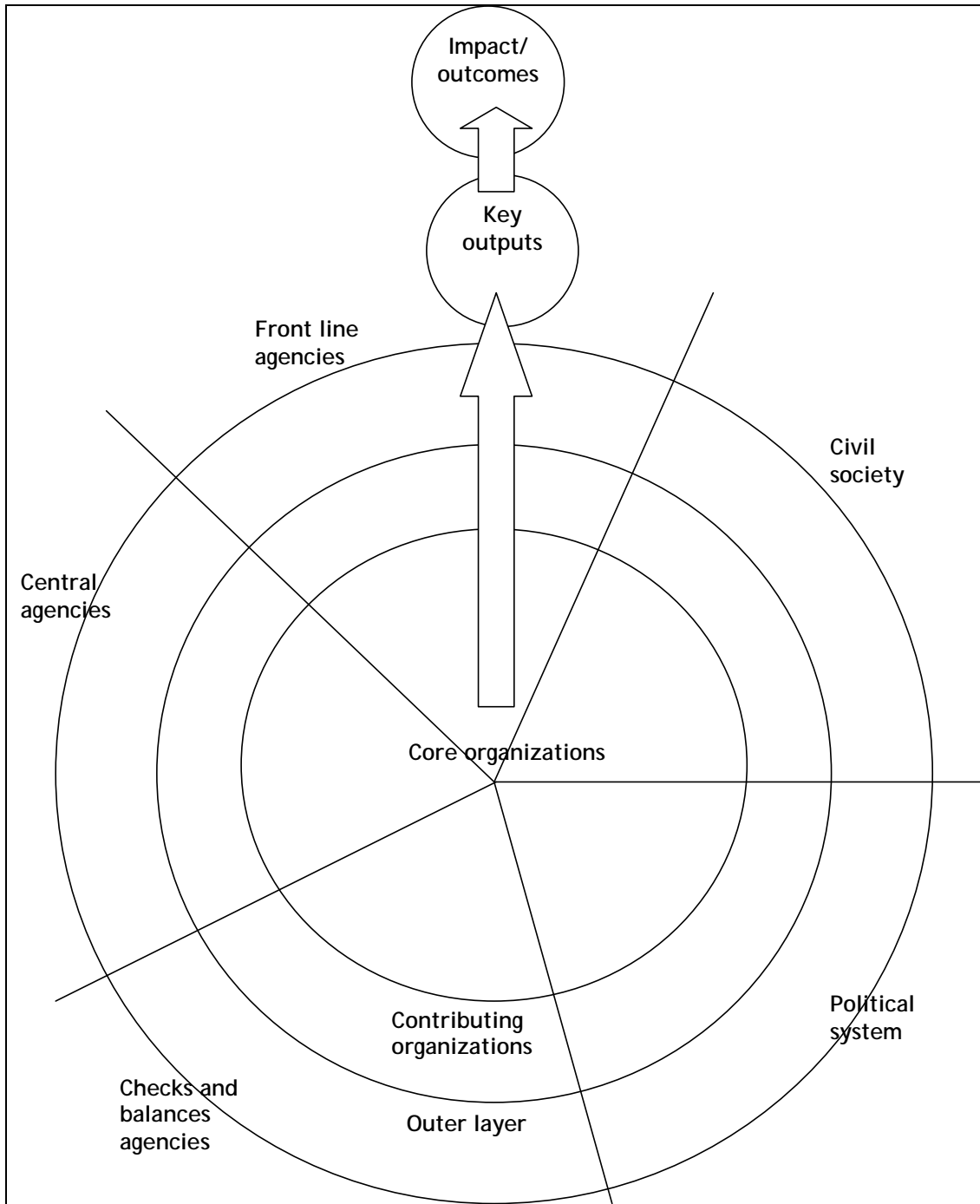
- Second, by focusing on key outputs, some less crucial outputs may be omitted. For example, ensuring that the road weights controlling axle loads are regularly verified and approved by the weight and measurement control agency may not be a crucial output in the short and medium term. Focusing on selected outputs only will lead to the exclusion of organizations in the subsequent step.
- Third, distinguishing among the core, contributing, and outer-layer organizations will facilitate a focus on the key organizations.

49. The tool builds on the assumption that sectors have to be understood in a holistic and comprehensive manner because relationship inside the sector and with external factors is crucial for sector dynamics. As a result, policies may often have to incorporate a broad view (and specific subsector policies must reflect this). However, when trying to make policies operational in programs (and in this case, in CD initiatives), it is often necessary to package actions in a way that subprograms benefit from a clear institutional anchoring.

50. **Advice.** Going through this simplification process at the beginning of a dialogue process or analytical phase is obviously risky—and this emphasizes that the tools cannot be used sequentially. Users have to go back and forth until the desired combination is clear and satisfactory.

51. **Links.** This tool is closely linked to Tool 2, which assesses sector governance relationships, and Tools 5.1 and 5.2, which pertain to stakeholder and actor analysis. The latter tools both offer a more detailed assessment of the organizations and actors that have been identified as important, by using Tool 1.

Tool 1 Setting the Stage, Delimiting the Sector



Source: Author.

B. Sector Governance Mapping

What Is the Purpose of the Tool?

52. This tool is used for taking stock of the broad governance relations in the sector, thereby prompting a dialogue on options for enhancing the governance capacity. A dialogue is crucial for understanding the present capacity and possible CD needs of the sector organizations. Box 9 discusses the relationship of ADB's governance and anticorruption plan and this *Practical Guide*.

**Box 9 ADB's Second Governance and Anticorruption Plan
and the Sector Governance Mapping Tool in the *Practical Guide***

The purpose of the Second Governance and Anticorruption Plan (GACAP II) is “...to improve ADB's performance in the implementation of the governance and anticorruption policies in the sectors and sub-sectors where ADB is active...and... to design and deliver better quality projects and programs...”.

To achieve that purpose, GACAP II introduced the mandatory preparation of governance risk assessments and risk management plans (RAMPs).^a The RAMPs are focused on three governance themes that are viewed as critical to poverty reduction and development effectiveness: public financial management (PFM), procurement, and combating corruption. It is essential to understand the risks associated with the use of those systems, and to identify the risk mitigation measures when making decisions on investment levels and sector composition. RAMPs are prepared to inform country partnership strategies, and the design of projects and programs.

The Sector Governance Mapping tool in this *Practical Guide* has a broader focus—including the total set of governance and accountability mechanisms and actors in the sector. It can inform and be informed by the mandatory risk assessment—but cannot replace it.

It should be noted, however, that governance risk assessments, with their focus on key public sector systems, are increasingly used as the starting point for more detailed sector and/or project-specific capacity assessments. The benefits of this approach are that (i) it helps in focusing ADB's capacity development interventions by linking them to key areas of governance and to wider institutional risks in ADB's sector and project operations, and as a result, (ii) it optimizes the use of scarce ADB resources and staff time.

^a General and selected sector-specific guidelines for the preparation of governance risk assessments are available in ADB's governance website: <http://beta.adb.org/themes/governance/action-plan>

Source: ADB. 2008. *Guidelines for Implementing ADB's Second Governance and Anticorruption Plan (GACAP II)*. Manila.

When and Who Should Use the Tool?

53. The tool can serve at any time to prompt a dialogue on the broad governance issues in a sector, the results of which would feed into the design of activities to enhance governance as part of enhancing sector capacity. The following provides some examples:

- Local CD actors can use the tool to get an overview of existing governance and accountability relations in a sector, and to discuss desired changes.
- Development partners can use the tool to inform country strategy programming processes, as background for a dialogue with local CD actors, and to inform decision making about specific support to that sector.

- The tool can also be used in the dialogue between local stakeholders and development partners.

How to Use the Tool

54. The tool consists of a checklist-type matrix with questions that can be considered. Not all questions may be relevant, and the matrix may simply be used as a primer for discussion, or a separate form of data and assessment may be written.

Background and Details

55. Broadly in line with the definitions of other development agencies, ADB defines governance as “the manner in which power is exercised in the management of a country’s economic and social resources for development.”³ Sector governance thus encompasses the “rules of the game” in the sector: who decides priorities; how are resources distributed; how is authority exercised; who, formally or informally, are accountable to whom? Those governing (often called as principals) must be able to call those governed (often called as agents) to account. In liberal democracies, elections are meant to be the ultimate mechanism where voters hold governments accountable; in one-party systems, party members are assumed to hold the party leadership accountable. In an organization, a governing board will demand that the executive managers be accountable to them. In informal patronage networks, the clients are accountable to the patrons, but the patrons may also be partly accountable to the clients.

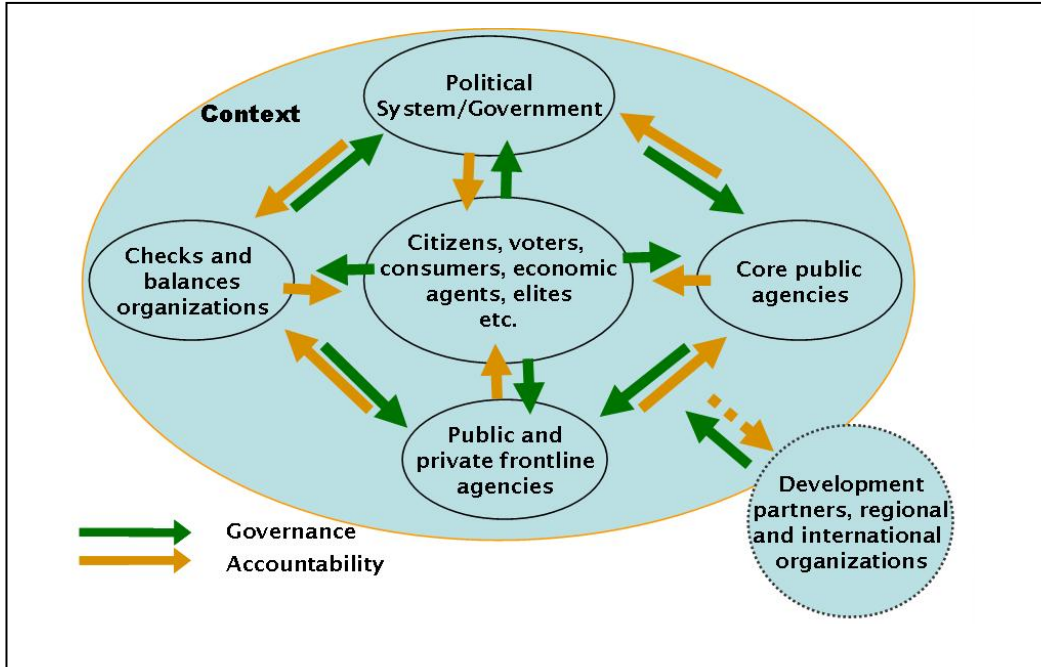
56. The sector governance assessment framework (Figure 3) presents the main elements that count when assessing governance in a particular sector. This framework calls for a focus on two issues that are keys to assessing governance in a sector.

57. **Actors.** Who are the key players in governance at sector level? What are their powers and authorities, their interests, and their incentives for maintaining the governance status quo or for initiating a change?

58. **Governance and accountability relations.** What are the characteristics of the governance and accountability relations among actors in the sector? Are formal or informal mechanisms dominant? How strong is rule-based governance compared to person-based governance? How transparent are the governance relations? Who are linked to whom, who disagrees with whom, and by what means?

³ ADB. 1995. *Governance: Sound Development Management*. Manila.

Figure 3 Sector Governance Assessment Framework



Source: EuropeAid. 2008. *Addressing and Analyzing Governance in Sector Operations*. Brussels. http://ec.europa.eu/europeaid/infopoint/publications/europeaid/149a_en.htm

59. The framework locates sector governance in a wider context that enables and constrains both actual governance and possibilities for introducing change. It further focuses on the governance and accountability mechanisms and relations.

60. **Assessing governance and accountability relations.** Governance in a sector can be exercised by different mechanisms. A governance mechanism governs the relationship between those governing and those governed (the principal and the agent). Four governance mechanisms are often at work in a sector.

- **Governance by hierarchy.** In a hierarchy, subordinates are dependent on decisions made at the higher level where formal power has been bestowed. Subordinates are accountable to their superiors. This is the formal, rule-based governance mechanism assumed to be dominant in public sectors.
- **Patrimonial governance.** This is based on loyalty to the patron who normally commands wide discretionary powers simply because he or she is the patron. The patron can count on the loyalty of the clients, who are dependent on the resources and patronage of the patron.
- **Market governance.** This is known as the “invisible hand,” ensuring governance through the forces of supply and demand. In sector governance, this mechanism is often strengthened through outsourcing and quasi-competition because it is believed to compensate for some of the weaknesses of governance by hierarchy or patronage.
- **Governance in voluntary networks.** This takes place when there is no apex authority and the governance mechanism is predominantly based on trust and mutual adjustment.

With increasing complexity and multiple organizations and actors in sectors, network governance often assumes increased importance. However, it is also very difficult to maintain, as exemplified by coordination processes among funding agencies in a sector, which are characterized by network governance.

61. When looking at sector governance relations, the following five aspects are generally considered:

- (i) **The “mix” of governance mechanisms.** The mix determines the functioning of a sector. In assessing this “mix,” one needs to ascertain the relative strength and importance of patrimonial, hierarchical, market, and network mechanisms. A mixture of all four mechanisms is usually present.
- (ii) **Information about and clarity of sector governance.** Are the “rules of the game” in the sector fairly clear, comprehensive, and available? Are these known to the actors? Are decisions made as to when, how, and by whom clear and transparent? Are the remits for decision making for different actors fairly well defined?
- (iii) **Responsiveness of governance.** Are actors and agencies subject to fairly predictable central guidance in line with formal policies, or is decision making more arbitrary, discretionary, and ad hoc?
- (iv) **Accountability set-up and responsiveness.** What are the mechanisms that prevent people entrusted with power from abusing that power, and to what extent is oversight effective? Does the presentation of accounts have any consequences for those held accountable? Do accountability systems have any impact on the duty behavior of power holders?
- (v) **Capacity for governance and accountability.** Are resources and capacity available in the quantity, quality, and timeliness necessary to enable agents to follow governance directives and to meet accountability obligations? Are resource flows and management transparent?

62. The assessment of these five aspects can be brought together in a summary matrix (Tool 2). The matrix is not a “scorecard,” nor does it prescribe how enhancement should take place, how far it should change the current situation, or how quickly it should accomplish change. Its purpose is mainly to help people engaged in enhancing governance to identify feasible and realistic options for practical change. For example, increasing transparency on specific aspects of decision-making processes (e.g., explicit and formally recorded decisions could increase governance effectiveness in an organization), or introducing some measures of competition in the production of services (e.g., outsourcing of information technology maintenance or management in government sector agencies, assuming that there is a competitive offer of suppliers and a procurement process putting a premium on value for money).

63. **Advice.** Governance relations reflect and underpin power relations, which are often not subject to easy or quick changes.

64. **Links.** Tool 2 should be seen in connection with Tool 1, which sets the stage and delimits the sector; and Tools 5.1 and 5.2, which undertake stakeholder analysis for CD readiness. While Tool 1 is designed to provide an initial overview, Tool 2 focuses on governance relations and mechanisms among actors, and Tools 5.1 and 5.2 help analyze their specific interests and influence.

Tool 2 Assessing Sector Governance Relationships

Parameters	Issues	Assessment (Give details of the key actors referred to)
Mix of governance mechanisms	<p>What are the roles of patrimonial, hierarchal, market, and network mechanisms in the key governance relationships?</p> <p>To whom should key agents primarily owe their loyalty? Their superior, patron, funding agency, goal of the organization, or external agents (e.g., professional association, trade union, or political party)?</p> <p>Is it clear to all who exercise formal governance?</p> <p>Are formal governance mechanisms stronger or weaker than informal mechanisms?</p> <p>Do informal governance mechanisms complement or compete with formal governance?</p>	
Information on governance	<p>Are governance directives provided for the sector clear, comprehensive, and detailed?</p> <p>Is there a timely and ongoing inflow of governance directives?</p> <p>Are governance directives publicly available and relevantly shared in the organization?</p>	
Responsiveness of governance	<p>Is the actor or agency subject to predictable central guidance or to arbitrary and/or discretionary orders and control?</p> <p>Are the governance directives in line with overall formal policies?</p>	
Capacity for governance	<p>Are resources and capacity available in adequate quantity, quality, and timeliness to enable agents to follow governance directives?</p> <p>Are resource flows and management transparent?</p>	
Accountability setup	<p>Is the accountability system (responsibilities, frequency, format, and processes for presenting accounts) congruent with governance mechanisms?</p> <p>Do governors implement and enforce sanctions, rewards, or other measures based on the presentations of accounts?</p>	
Information on accountability	<p>Is information on the accountability function publicly available and appropriately distributed to relevant stakeholders in and outside the public sector?</p> <p>Is accountability-related information available in a timely manner?</p>	
Accountability responsiveness	<p>Is accountability responding to the key governance directives, allowing the assessment of the fulfillment of the directives?</p> <p>Does accountability cover inputs, processes, and results?</p>	
Capacity for accountability	<p>Are resources and capacity adequate to fulfill accountability obligations?</p> <p>Are the resources and capacity dedicated to accountability enough or in proportion with overall resource availability?</p>	

C. Scanning the Institutional and Political Economy Context

What Is the Purpose of the Tool?

65. The tool aims to enhance the realism and pertinence of CD ambitions and interventions in a sector. The tool does so through a quick scanning of significant factors that enable and/or constrain the capacity and performance of sector organizations.

When and Who Should Use the Tool?

66. The tool is most relevant at the early stages of sector assessment, capacity diagnostics, and dialogue on possible CD processes and support to CD.

The tool can be used by the following:

- **Local actors**—who may often know the institutional and political playing field. The tool can help clarify issues (e.g., among a group of reform-minded actors), and stimulate strategic-level thinking about reform opportunities and dead ends.
- **Development partners**—who may use the tool to inform country strategy programming processes, as background for dialogue with local actors, and to inform their decision making on strategic reform opportunities and constraints.
- **Local stakeholders and development partners**—who may use the tool during their dialogues.

How to Use the Tool

67. The tool consists of the following two matrixes:

- Tool 3.1—an analytical matrix to identify institutional and political economy factors that shape sector performance, and
- Tool 3.2—a summary matrix that enables users to draw strategic conclusions from the analysis.

68. Information for the analytical matrix can be drawn from one's own knowledge, key informants, and special studies. The history of previous CD or reform attempts may also inform the second matrix.

69. The analytical matrix can either summarize the results of a proper analysis or serve as a pointer to the need for a more thorough analysis.

Background and Details

70. The tool focuses on how the capacity of key sector organizations to perform key functions is influenced positively or negatively by broader institutional and political economy factors, which extend beyond the sector. It focuses on middle- to longer-term factors, and not on individual actors and stakeholders (which is the focus of Tool 5). The tool helps to answer the question: Which context factors explain the current capacity and why?

71. **Analytical matrix.** Each row includes an area that can usefully be considered in a broader diagnosis of the sector's performance, such as education or agriculture. The areas indicated are drawn from experiences from sector-wide approaches where they often form a core part of the dialogue between local sector stakeholders and external development partners. The columns consider institutional and political economy factors.

72. **Institutional factors.** "Institutions" generally refer to "the rules of the game in a society." Some are formal (e.g., codified in laws or in organizations, which have become institutions); others are informal (e.g., customary land rights). Most institutional factors only change slowly (e.g., the legal and organizational settings in which an organization operates); others may change quickly. The focus should be on institutional factors that are changing, which include the following:

- (i) **Formal and informal rules** that shape the performance of sector organizations, including the formal legal framework for the public sector, and the degree of compliance and/or enforcement of this framework. For example, are laws in general enforced and respected by citizens? Are oversight bodies and the judiciary providing effective checks and balances? Are informal rules dominating the formal rules?
- (ii) **Cross-cutting and public sector-wide incentives for civil servants**, competition with the private sector for scarce skills, the character of recruitment processes; and
- (iii) Other **cross-cutting policies**, systems, and factors on which sectors depend (e.g., government political platforms, poverty reduction strategies, public financial management, decentralization, and other cross-cutting administrative reforms such as privatization and outsourcing).

73. **Political economy factors.** Such factors are broadly related to the legitimate and illegitimate pursuit of private or group interests, whether through formal or informal channels and means. Interests can include acquiring or keeping resources, power, and/or status. "Politics" is used in relation to interests because politics determines "who gets what."

74. It might be useful to distinguish between political economy factors:

- (i) **Political or "public" interests** include pursuing regional, sector, political party, or constituency goals through the use and/or abuse of the public financial management system, including grants to constituencies during election period and expanding government employment. Both can be perfectly legitimate and good for the economy (infrastructure constructed to attract voters from a region may serve them and their economy well; public employment may expand demand for private sector goods). However, these can also be harmful.
- (ii) **Private gain (rents or power)** may be pursued by individuals and groups, in the form of influence and privileges (that may be granted to trade and farmers' unions and employers' associations), direct rent-seeking, and corruption. This can be part of a patronage system that actually underpins the power structure, and thus include, for example, "ghost workers" on the payroll. Again, this can be legitimate (e.g., lobbying for own interests) or not, and mostly beneficial or mostly harmful.

- (iii) **Bureaucratic interests** include, for example, the relative power of sector ministries versus the finance ministry, and central versus local governments in budget allocation processes; and the power of budget, accounting, and internal audit units in allocation processes. The power a sector ministry may struggle to maintain vis-à-vis the ministry of finance may be used for good purposes (e.g., an overzealous ministry of finance wanting to introduce rigid performance measurement in schools may do education a disfavor), or not so good purposes (e.g., through overspending of budget and uncontrolled reallocations of funds).

75. Examples of a completed matrix and a summary table are given in Tools 3.1 and 3.2.

76. **Advice.** The results of an analysis of institutional and political economy factors may be contested and could evoke negative reactions, particularly if the analysis was done by external development partners. Before performing the analysis, consider whether it is intended to be shared with others or as part of the internal preparation for strategic decision making, and whether it should be conducted by a sector organization or by a funding agency.

77. **Links.** Tools 5.1 and 5.2, which is for analyzing stakeholder readiness (i.e., identifying concrete “carriers” of interests and influence); and Tool 7, which is for sequencing matrix for CD and/or reform intervention, should be informed based on the strategic and tactical summary conclusions reached.

Tips

- Leave cells blank when there is nothing important to write. You should control the matrix—not the matrix controlling your inputs.
- Do not worry about which column a factor should go in. The purpose of the matrix is to invite broad thinking on important contextual factors; it does not matter much in which cell a factor is put in.

**Tool 3.1 Context Factors That Explain and Influence
the Current State of the Education Sector Capacity: An Example**

Sector Capacity Area	Institutional Factors	Political Economy Factors
A. Wider context influencing policy making	<p>Formal sector policies, in general, are not endorsed upward by the Cabinet and the Parliament.</p> <p>Formal policies tend to be symbolic and are not effectively driving behavior.</p> <p>Change, most often, is driven by a team of people rather than by formal policies transformed into plans.</p>	<p>Middle class and/or the elite protect high university spending.</p> <p>Teachers' unions have effective veto power.</p> <p>Indigenous groups press for reforms, increased primary access, and bilingual education.</p> <p>Education is not very high on the President's agenda.</p>
B. Wider context influencing sector resources, budget allocation mechanisms, and public financial management	<p>Cash budget management makes budgets largely illusionary.</p> <p>No effective forecasting and no sustainable sector funding levels are imposed by the ministry of finance.</p> <p>Investment and recurrent cost budgeting processes is fragmented.</p>	<p>Considerable leakages and diversion of funds exist.</p> <p>"Ghost" workers are purged from payroll, thanks to a central computerized data system.</p> <p>Public financial management system is used to sustain a political party patronage system.</p>
C. Context factors shaping organizational implementation capacity (including civil service reform and decentralization)	<p>There is a tradition of semi-authoritarian leadership with centralized power and weak consultation with staff.</p> <p>Systems and planning have little room in the prevailing culture.</p> <p>Civil service reform is stalled.</p> <p>Decentralization also enhanced local anchoring of the school system.</p>	<p>Teachers often have to buy a teaching position; headmasters are politically appointed.</p> <p>Civil servants are changed along with changes in government regimes.</p> <p>High level of discretionary power exists at different levels as part of a patronage system.</p>
D. Wider framework for accountability and monitoring (including demand-side pressure for improved performance)	<p>National institute of statistics delivers outcomes of high-quality studies. Limited tradition of using evidence from such studies to press the education sector to perform.</p>	<p>Some parents' associations hold headmasters to account; others use power to extract rent for admission of students.</p> <p>Parliament does not call the executive branch to account for policies in any systematic manner.</p>
E. Networking and relations with critical stakeholders and development partners	<p>Ministry of planning is not effectively steering aid funds while sectors "go fishing" and funding agencies follow.</p> <p>Inward-looking focus in government agencies is strong.</p>	<p>Sector ministries are "handed out" to political parties as part of prize for supporting the majority coalition; few political incentives are offered to improve networks.</p> <p>Important development partners pursue their own foreign policy agendas.</p>
F. Others		

Source: Author.

Tool 3.2 Example of Summary Conclusions

Sector Capacity Area	Strategic Implications and Broad Directions—Potential Avenues and Likely Dead Ends for CD/Reform	Tactical Implications—Shorter-Term Means to Strengthen Balance in Favor of CD/Reform	Other Conclusions, Information Needs, and Communication Needs
A. Wider context influencing policy making	<p>University reform is not feasible in short term.</p> <p>Build indigenous peoples' demands.</p> <p>Stimulate education debate among political parties.</p>	<p>Seek alliances with the urban middle class for improved quality of education.</p> <p>Engage segments of teachers' unions in policy debate.</p>	
B. Wider context influencing sector resources, budget allocation mechanisms, and public financial management	<p>Increase the transparency of flows of non-salary budget to the school level.</p> <p>Bring sector affordability to the political agenda within 2–3 years.</p>	<p>Pilot-test new models (citizen report cards, voucher systems, and tracking exercises) in stronger municipalities.</p> <p>Bring in regional experiences.</p>	<p>Seek more information on promising regional approaches to ensure minimum funding of operating costs at school level, and increased transparency.</p>
C. Context factors shaping organizational implementation capacity (including civil service reform and decentralization)	<p>Include merit as criterion in headmasters' selection.</p> <p>Introduce tradition for orderly transfers during political regime changes.</p> <p>Give incentives to rural bilingual teachers.</p>	<p>Strengthen contacts with indigenous movements and urban middle class to increase pressure for improved performance.</p>	
D. Wider framework for accountability and monitoring (including demand-side pressure for improved performance)	<p>Strengthen local demand for data from universities, think tanks, and media.</p>	<p>Organize "moving data exhibition."</p> <p>Feed political parties with key data.</p>	<p>Explore relevant similar attempts to get data "from data tables to policy tables."</p>
E. Networking and relations with critical stakeholders and development partners	<p>Work on a minimum policy coherence in the sector, but keep separate programs with focus on a reduced number of issues.</p> <p>Get the five major development partners aligned.</p>	<p>Focus on opportunities for increased donor harmonization, e.g., by initiating joint missions</p>	
F. Others			

CD = capacity development.

Source: Author.

D. Assessing Organizational Capacity

What Is the Purpose of the Tool?

78. The tool aims to ensure that the most critical areas of organizational capacity are considered when planning an assessment.

When and Who Should Use the Tool?

79. The tool is relevant when competent actors have decided that a more formal and concentrated assessment or self-assessment of organizational capacity should be carried out. This tool is used when local stakeholders with sufficient power and concern for the sector are committed to foster CD.

80. The tool can be used by the following:

- **Local actors**—who may use the tool to specify the scope of an assessment that would identify priority areas for CD in one or more organizations.
- **Development partners**—who may use the tool to specify the scope of assessments to inform country strategy programming processes, as background for their dialogue with local actors, and to inform decision making on strategic reform opportunities and dead ends.
- **Local stakeholders and development partners**—who may use the tool in their dialogues.

How to Use the Tool

81. Two tools are provided in this guide for the users. These are

- **Tool 4**—which is a checklist of issues used to help determine if and how thoroughly the organization(s) should be assessed; the checklist can also be used to verify if a previous assessment has included the issues recommended; and
- **Appendix 1**—which is a guide for preparing the terms of reference (TOR) for an assessment of organizational capacity. This addresses additional considerations on when and how to make assessments, who should make them, and for what purpose.

Background and Details

82. Once checklist is completed, the results should be reflected in the TOR, with the scope of work, for the capacity assessment. The checklist, thus, helps ensure that an assessment of capacity of an organization is focused on the critical issues important for any subsequent CD efforts.

83. This tool does not advise on how the key issues can or should be assessed, which can be done in many different ways. The people directly involved in the assessment process should base their choices of assessment instruments on professional judgment.

Tool 4 Checklist

84. This checklist focuses on the following assessment areas:
- Organizational outputs (services and products, including regulatory services and/or products)
 - Inputs (monetary, human, and physical and/or technical resources).
 - Leadership
 - Motivation and incentives
 - Balance between functional and political dimensions of the organization(s)
 - Fit between the formal and informal organization(s)
 - Networking capacity
85. Assessment tools with special reference to developing countries are also discussed by Lusthaus et al. (2002).⁴
86. **Appendix 1 Guide in Preparing the Terms of Reference for Capacity Assessments.** This guide appendix helps in identifying the “why” and gives additional detail on how to make a capacity assessment.
87. **Advice.** Assessment by “others” is a very sensitive and delicate matter. Paying attention to content only and seeking an “objective” answer without considering how to involve the staff and management is a recipe for failure, hostility, breakdown of trust, and increased resistance to change.

Tool 4 Checklist for Organizational Assessment

A. Assessment Area: Outputs of the Organization(s)	Cover	Cover in Detail	Do Not Cover	Notes
Past and present levels of key outputs (coverage, quality, quantity, etc.)				
Past and present customer satisfaction				
Past trends in key output delivery				
Availability and quality of data of produced outputs				
Availability and quality of data on consumer satisfaction				
Focus on outputs among staff and management				
Relationship between past output targets and actual production				
Perceived realism of future output targets				

⁴ Lusthaus, C., M.H. Adrien, G. Anderson, F. Carden, and G. P. Montalván. 2002. *Organizational Assessment. A Framework for Improving Performance*. Washington DC: Inter-American Development Bank. A

B. Assessment Area: Inputs and Resources	Cover	Cover in Detail	Do Not Cover	Notes
Past and present levels of budgeted resources, and sources				
Past and present levels of actually available resources, and sources				
Predictability of resource availability in time and/or quantity				
Degree of flexibility of resource allocation (e.g., salaries, operating costs, and investment)				
Possible bottlenecks and/or unbalances in resource availability				
Match between goals and targets and actual resource availability				
Supply-side situation (staff, materials, information, and capital goods)				

C. Assessment Area: Leadership	Cover	Cover in Detail	Do Not Cover	Notes
Leadership characteristics (style, culture)				
External leadership effectiveness compared to peers				
Internal leadership effectiveness compared to peers				
Effectiveness and practices of delegating authority				
Predictability of senior-level decision making				
Internal and external consultation practices				
Effectiveness of internal communication from leaders				
Effectiveness of motivating staff and in solving conflicts				
Openness about leadership issues				

D. Assessment Area: Motivation and/or Incentives	Cover	Cover in Detail	Do Not Cover	Notes
Clarity of tasks and purpose				
Match between tasks and individual capabilities				
Delivery of means and support for performance by the organization and by leaders and/or managers				
Fair, adequate, and non-distorting material compensation package				
Credible threat of sanctions for wrongdoings and for not acting on these				
Credible praise and recognition based on performance				
Adequate status and career opportunities with appropriate merit counting				

E. Assessment Area: Balance between Functional and Political Dimensions of the Organization(s)	Cover	Cover in Detail	Do Not Cover	Notes
Balance between pursuit of formal goals and goals not related to organizational performance				
Checks and balances on the use of power inside the organization				
Balance between importance of personal loyalties and performance of formal tasks				
Degree of dependence on external power structures				
Actual criteria for hiring, firing, promotions, and demotions				
Appropriateness of concentration and/or fragmentation of power in or between organizations				
Culture and climate in the organization in relation to power holders and sources				

F. Assessment Area: Fit Between Formal and Informal Organization(s)	Cover	Cover in Detail	Do Not Cover	Notes
Is there a broad goal agreement?				
Is work actually done following the formal structures, or are they systematically bypassed "to get things done"?				
What is the balance between formal and informal communication channels?				
What kind of networks is used for informal communication and exchanges?				
What are the implicit, informal rewards, and how do they weigh compared to formal ones?				
What is the balance between formality and informality of actual leadership and management functions?				
What are the actual uses of the formal systems (e.g., budget, information technology, planning, and control)?				
Are formal systems subverted? If so, how?				

G. Assessment Area: Networking Capacity	Cover	Cover in Detail	Do Not Cover	Notes
Scope of contact and outreach to significant external partners and stakeholders				
Degree of formalization and stability of networks				
Adequacy of degree of centralization of contacts and/or network access				
Degree of proactive and/or reactive use of networks				

Source: Author.

E. Stakeholder and Actor Analysis of Capacity Development Readiness

What Is the Purpose of the Tool?

88. Tool 5 can help change agents to assess the likely support for and resistance to CD, to devise means to strengthen support and overcome resistance, and to design CD that is realistic given positions of stakeholders.

When and Who Should Use the Tool?

89. The tool is relevant at all stages of sector development processes, but is particularly crucial when major CD initiatives are considered.

90. The tool can be used by the following:

- **Local actors**—who may use the tool to enhance their strategic and tactical approach when fostering CD processes.
- **Development partners**—who can use the tool to gain understanding of the playing field, and as background for a realistic dialogue with local actors on CD and CD support opportunities.
- **Local stakeholders and development partners**—who may use the tool in their dialogues.

How to Use the Tool

91. The tool consists of two parts, as follows:

- **Tool 5.1 Actor Assessment Matrix and Stakeholder Analysis.** The matrix invites the user to consider possible stakeholders, their interests, and resources. Not all stakeholders may be relevant or important in all sectors and/or contexts. The matrix is useful for making detailed analysis.
- **Tool 5.2 Circle of Influence Graphic.** This tool provides a visual overview. It builds on the details from the Actor Assessment Matrix.

Background and Details

92. The tools provide a simple mapping of the key actors or stakeholders who will influence the success of any CD or change process. Without the active support and involvement of key players, the CD or reform process will not succeed. If powerful actors will work against the CD, actively or passively, then it will not work.

93. The picture of support for and resistance against CD or change is not static. The map created using this tool is likely to change over time, and it can be influenced. If the map is created in a participatory process, participants are likely to have varied perceptions of the interests of stakeholders.

94. The tool allows a dialogue on the CD readiness of people with interests and voice or power related to the CD. The readiness is obviously influenced by the objectives and the scope of the CD.
95. Therefore, the tool cannot be used in abstract—it must refer, at least, to a broad indication of the direction of change. Repeated analysis is likely be required to assess, in a more precise manner, when and where the balance would tilt in favor of CD and change. Some CD elements may evoke more resistance than others, and may therefore have to be postponed until momentum is built up through less controversial steps.
96. Tools 5.1 and 5.2 do not detail how to get accurate information about the interests, positions, and power resources of stakeholders.
97. While an initial picture can be built in a workshop setting based on perceptions and anecdotal evidence, qualitative data collection methods must be applied to get to a more accurate estimate. For comprehensive CD and reform efforts, qualitative data must be collected and analyzed by people with intimate knowledge of the actors.
98. This tool is designed to map the situation as it is, not as it should be.
99. **Tool 5.1 Actor Assessment Matrix.** This tool consists of a matrix with five columns and as many rows as necessary to cover all significant stakeholders.
100. Actors can be organizations (e.g., ministry of finance, employers associations), but this level of generalization is often too high. The analysis should extend to relevant individuals and/or positions, or small groups (e.g., “reform-minded parliamentarians from the ruling party”). In the matrix, several stakeholder groups are suggested, which might be relevant from a sector perspective—this is purely indicative and is only included to invite broad thinking about potentially important stakeholders.
101. The following are the issues to be considered:
- **Interests pursued.** Why does the actor have stakes in CD and change? What interests do the actor(s) pursue, what aims are they striving to achieve? Note that most actors may pursue a mixture of conflicting interests. Initially, the interests mapped may cover what is broadly at stake for the actor in the policy arena of CD and reform in the sector. When CD and/or reform objectives are specified, the support or opposition to change from the actor may change and have to be reassessed. The analysis of actors’ interests may be summarized on a three-point scale: supportive (+1), undecided/neutral (0), or opposing (–1).
 - **Resources and/or power for influencing.** Resources for influencing include (i) formal authority (a primary secretary can issue orders to subordinates), (ii) formal rights (parliamentarians can vote), and (iii) formal access (to the Cabinet, to the head of civil service, and others). Resources also include informal networks, alliances, and patron–client relationships (around a political party, an ethnic group, or an “old boys’ network”). Knowing who knows whom, why, and how may be essential to understand the patterns of influence.
 - The relative power of stakeholders for influencing can be summarized on a three-point scale: high (3), medium (2), and low (1). Stakeholders with no resources would

effectively have no stake (0) and should thus not enter in an analysis of the current situation—but they could become important actors in the future if empowered in some way.

- **Importance of the issue.** Stakeholders may have interests in the outcome of CD processes, and they may have considerable resources, but they may assign higher or lower importance to the issue and thus be more or less engaged in pushing for the CD and/or reform to move ahead. This column serves to indicate the salience that a stakeholder attaches to the issue, again on a three-point scale: high (3), medium (2), or low (1).
- **Summary of stakeholder's score.** The summary score combines the interests, power, and salience for each stakeholder. Multiplying the scores in each of the other columns will combine into a single digit between
 - +9 (high power, high salience in favor of CD and/or reform),
 - 0 (not effectively a stakeholder), and
 - –9 (high power and high salience against CD and/or reform).
- **The score—and summing up for all stakeholders.** This will give an idea on both the overall balance for or against CD and/or reform, and the controversy levels to be expected (i.e., high scores both for and against reform would indicate likely high levels of conflict or controversy). Obviously, a stakeholder analysis would unlikely be precise enough to be summarized in one digit, showing the overall balance—but looking at that one digit when adding the scores for all stakeholders may indicate the chances of success for CD and/or reform.

102. **Tool 5.2 Circle of Influence.** This graphic creates a useful overview of the more detailed analysis. Stakeholders are located closer to or further from the center, according to the ranking. The circle has the advantage of depicting the “undecided,” a group that may come to a position and make or break a CD process. Thus, influencing these stakeholders may be crucial.

103. **Advice.** Stakeholder analysis is not an objective science. Although most stakeholders have legitimate reasons for being for or against CD and change, an analysis may be contested and considered controversial. Stakeholder analysis can also risk becoming trivial and superficial, particularly if made in a short time in a workshop setting. Key players operating at senior level in a sector often have a tacit, but very nuanced stakeholder analysis and may not find it in their interest to share this analysis with others, and they may not agree in their analysis either.

104. **Links.** The stakeholder analysis details the position of actors identified in Tools 1 and 2. The analysis feeds into Tool 6, CD change management design, where actions to manage different stakeholders will have to be specified, and Tool 7, focused on the sequencing of CD and/or reform.

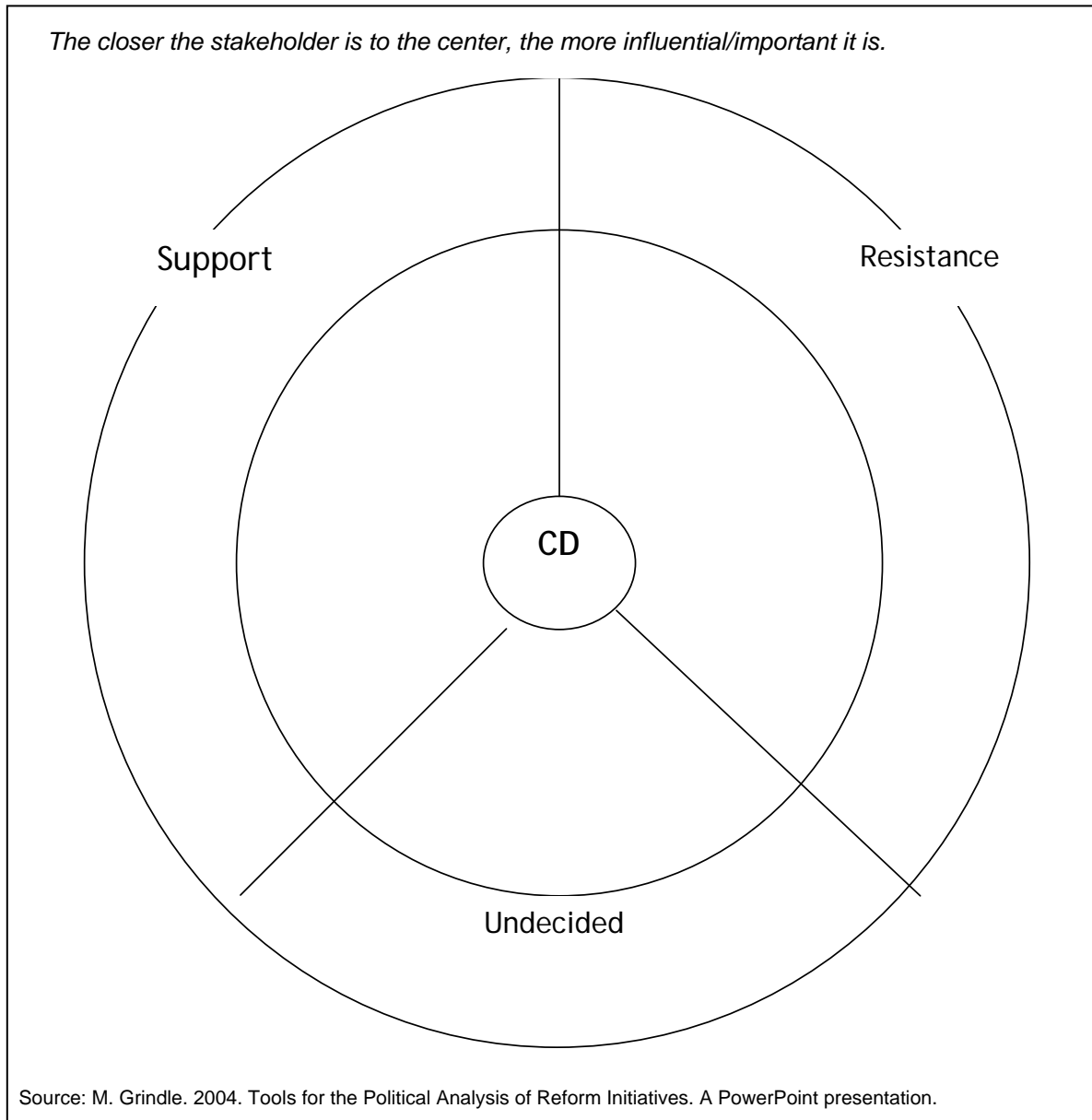
Tool 5.1 Actor Assessment Matrix

Capacity Development and/or Reform Issue or Element

Actors by Category ^a	Interests Pursued	Resources and/or Power for Influencing	Importance and/or Salience of Issue	Score
Legislative and political parties				
The executive and top echelons				
Finance, planning, cross-cutting entities				
Executive and civil service in the sector				
Frontline agencies				
Bodies that perform checks and balances, legal system				
Labor unions, professional and/or industrial associations				
Popular, social, ethnic, religious movements				
Academics, media, nongovernment organizations (NGOs)				
Informal economic elites and/or groups				
Local power holders				
Funding agencies				
Regional and international actors				
Others				

^aThe actor categories are provided as examples only. One or more concrete actors should be specified in the relevant categories.

Sources: M. Grindle. 2004. Tools for the Political Analysis of Reform Initiatives. PowerPoint presentation. G. Hyden. 2006. Beyond Governance: Bringing Power into Policy Analysis. *Forum for Development Studies* 2(33); B. Nunberg. 2004. Operationalizing Political Analysis: The Expected Utility Stakeholder Model and Governance Reforms. *PremNotes No. 95*. Washington DC: World Bank.

Tool 5.2 Circle of Influence

F. How to Manage the Design of Capacity Development Change

What Is the Purpose of the Tool?

105. Tool 6 aims to help key change agents define functions and distribute responsibilities for important elements of change management.

When and Who Should Use the Tool?

106. The tool can be used for planning change management functions. As an overview tool, it may require that more detailed action plans be made separately.

107. The tool can be used by the following:

- **Domestic change agents or change sponsors**—who can use the tool to define their own roles.
- **External partners and process facilitators**—who can use the tool to assist those in charge of the change management in specifying their roles and functions.

How to Use the Tool

108. Users are to insert specific tasks in the cells in the matrix, and the names of people responsible for performing the tasks. As necessary, transform the matrix to a time-bound action plan and bar chart.

Background and Details

109. The tool invites users to discuss and plan how the key process issues relevant for successful CD and reform will be managed. Each cell in the matrix allows users to answer two questions: What needs to be done? Who can and/or should do this?

110. **The columns** of the matrix detail the dimensions in CD, reform, and implementation processes. The dimensions are not sequential or clearly delineated. Rather, they are to be dynamically interdependent as the CD and/or reform process unfolds and requires renewed agenda-setting, change of design-parameters, and others.

- **Agenda setting.** CD needs to be included in a domestic political agenda. This includes more political aspects (e.g., nurturing dissatisfaction by key actors with the existing state of affairs) as well as more technical aspects (e.g., providing evidence on the poor performance or convincingly demonstrating that progress is possible).
- **Formulating or designing the CD and/or reform.** This includes technical aspects, such as scoping and sequencing. This also serves as a communication, a political exercise, and a way to ensure that the CD and/or reform, once approved, can be implemented.
- **Approval.** This includes public commitment to the CD and/or reform at the appropriate level. The more comprehensive the reform, and the more it affects well-established interests and norms, the higher the level and the stronger the commitment that it requires.

- **Implementation.** This stage includes technical aspects, such as maintaining the momentum necessary to achieve and consolidate CD results, to overcome resistance as it emerges, to herald victories, and to harness supporters.
- **Completing a phase, cooling down, and/or pausing.** Successful CD and change processes are likely to have intensive periods and times when activities are minor. Full-stop periods may be required if resistance or fatigue is temporarily overwhelming. Such periods must be managed, rather than allow them to “just happen”—when a reform dies by itself, it is very difficult to start up again.

111. The rows specify a number of tasks, which may have different weights at different stages. The following tasks require specific attention:

- **Managing and communicating with stakeholders.** Among all CD and/or reform stages, this could be the most important stage for planning. A poor technical design, insufficient funding, or poor management of the process will undermine support. However, even an excellent design, funding, and management of the technical aspects of implementation will not create support or diminish resistance.
- **Getting content right.** The first column covers marketing functions and the second focuses on the quality of the products required to enable credible and meaningful marketing. It is important to ensure that product and marketing personnel should not be the same people.
- **Ensuring overall change management.** Change needs adequate management of processes, staff, and stakeholders. Questions should include the following: How will the CD process be implemented, and who will lead it? Does it require short-term organizational changes? Will it be best served by an independent CD and/or reform unit or a task force that draws only partly on members’ time? To whom will such unit or task force report? How will it coordinate with other actors?

112. **Advice.** Many CD efforts supported by external partners suffer from over-specification of technical inputs to “get content right,” and under-specification of the change management tasks and functions. It is often overlooked that a comprehensive change demands considerable leadership resources (including time and capacity) and support from higher levels.

113. **Links.** This tool links particularly to Tools 5.1 and 5.2, when assessing stakeholder readiness for change. The combined assessment results of the resistance to and support for change, change capacity, and change management design contribute to scoping and sequencing decisions (Tool 7), and to the logical design of CD processes and support (Tool 8), which must detail the change management set-up.

Tool 6 Change Management Design of Capacity Development

Note: Users must specify the tasks and the people responsible for handling them.

Task Groups Dimensions of Capacity Development (CD) Processes	Managing and Communicating with Stakeholders Mobilizing and maintaining support, managing opposition, ensuring relevant formal and/or informal participation, conducting consultations	Getting Content Right Feeding evidence, data, and appropriate knowledge into the process	Ensuring Overall Change Management Functions Leadership, decision making, and coordination.
Agenda setting Get and/or keep relevant agendas in an adequate and timely manner (political agenda, agenda of minister[s], civil servants, lobby groups, media, and others)			
Formulation or design of CD and/or reform elements Scoping and sequencing, planning of details to an appropriate level, costing, negotiating possible external support, and risk analysis			
Approval Ensuring formal and informal support or acceptance from power or authority holders, ensuring appropriate publicity on the approval of the CD reform			
Implementation Including team building, appropriate visibility, monitoring and feedback, and adaptation to changed conditions			
Phasing out or pausing Preparing for cooling down if required, or closing the process in a manner that enables a future restart			

Source: M. Grindle. 2004. Tools for the Political Analysis of Reform Initiatives. A PowerPoint presentation.

G. Sequencing and Scoping of Capacity Development and Reform

What Is the Purpose of the Tool?

114. Tool 7 aims at ensuring that CD and reform efforts are properly sequenced and scoped.

When and Who Should Use the Tool?

115. The tool should be used when a CD or reform process is coming close to the operational stage, as an input to the decision making on the scope of change; sequencing of change; and possible packaging of change in discrete steps, platforms, or stages.

116. The following can use the tool:

- **Policy makers, senior managers, and change agents—who** can use the tool to analyze options for sequencing and scoping.
- **External partners and process facilitators—who** can use the tool to assist domestic stakeholders when they analyze their options.

How to Use the Tool

117. The tool consists of a summary matrix that allows the creation of a broad overview of key characteristics of proposed CD interventions (and their relative difficulty), based on previous analysis done using other tools. Based on these characteristics, users are invited to define the stage, phase, or platform to which the intervention should belong.

Background and Details

118. Tool 7 builds on the previous assessments, and invites practitioners to consider the following:

- The **areas for CD and/or reform** in the sector or the organization(s), which are needed mostly to enhance service delivery and/or regulatory effectiveness (this will emerge from Tool 4);
- **The strategic-level conclusions** on the drivers and constraints to CD and reform emerging from the analysis of the institutional and political context (Tool 3);
- The possible convenience of adopting a “**basic firsts**” **approach** to CD and/or reform;
- The inherent **complexity** of capacity
- The different, nonexclusive **options for promoting change** and CD;
- The **dissatisfaction** with the present situation and power behind (and resistance against) CD and/or reform elements (Tool 5);
- The **change management design** (from Tool 6); and

- The resulting **sequencing and scoping** expressed in possible stages or platforms for CD and/or reform.

119. Tool 7 is an overview table, which may help ensure that sequencing and scoping are more explicit and transparent.

120. Getting sequencing and scoping right is an iterative process of a more refined analysis of CD needs, drivers and constraints, technical complexities, and patterns of support and resistance. Eventually, however, an overview table may not do justice to the nuances of such considerations.

121. **Capacity is not likely to develop in big leaps.** Sustainable capacity in the public sector is likely to develop only in parallel with the development of capacity among non-state actors, or as economic agents and citizens increase their capacity to produce and to demand a capable and responsive state.

122. Making CD objectives consistent with the commitment and capacity to change may imply doing less than desired—but if done well, this may be the best option (Box 9).

Box 9 “Basic Firsts” in Sector Capacity Development

Experience in public financial management has shown that attempts to leapfrog from weakly performing systems to the most advanced approaches tested by a few industrialized countries do not work.^a In a broader capacity development perspective, a “basic firsts” approach implies a focus on small, incremental steps. These steps may comprise the following:

- Work on a sound management of and accountability of inputs and procedures before making managers accountable for results.
- Strengthen external controls, and the checks and balances before relying on managerial accountability.
- Seek to formalize informal leadership and management practices gradually, rather than attempting to replace them by formal approaches in one strike.
- Increase the basic transparency of how an organization operates, targeting people with a direct interest in the matter (e.g., employees and key stakeholders), rather than everybody.
- Strengthen emerging domestically rooted demand for performance. Such demand may not come most strongly from the poor, but pro-poor alliances with powerful groups may be possible on certain issues.
- Strengthen the role of the political system as oversight of the executive, but do not focus exclusively on the executive.
- Get merit as additional criteria when basic selection is based on loyalty and patronage, rather than seeking to replace loyalty-based with merit-based recruitment.
- Work on increasing predictability, gradually reducing discretionary behavior before introducing comprehensive and integrated planning and monitoring systems.
- Work on enforcing formal contracts in the market sector before introducing performance contracts in the public sector.
- Create opportunities for the user groups to have “voice” on the quality of the services provided in the sector.

^a Organisation for Economic Co-operation and Development–Development Assistance Committee (OECD–DAC). 2006a. *Harmonising Donor Practices for Effective Aid Delivery: Budget Support, Sector-Wide Approaches and Capacity Development in Public Sector Management. DAC Guidelines and References Series 2*. Paris; Schick, A. 1998. *Why Most Developing Countries Should Not Try New Zealand Reforms*. The World Bank Research Observer. 13 (1).

123. **Assessing the complexity of capacity.** CD is done for a specific purpose, such as improving the capacity to conduct a sound fiscal policy, capacity to manage a school-lunch program, or capacity to deliver quality education in the classroom.

124. Some of these capacity are less demanding, others may demand more. Services and outputs can be analyzed along two dimensions that will indicate how much capacity they demand for their production, as shown in Table 7, which shows the inherent complexity of the service and/or product, and the frequency and scope of contacts with users required to deliver them.

125. The following provide some examples of complexity and their contact level:

- Basic fiscal and monetary policy, although complex, can be formulated and conducted by a small team of high-powered economists.
- A school-lunch program or a vaccination campaign is not complex in itself, even if it involves thousands of operators and demands good organization and logistics. Critically, the interaction between the service provider and the citizen is simple: serving the lunch or injecting the vaccine does not require highly individualized treatment.
- A computerized payroll system is technically simple and does not require frequent interaction with thousands of users.
- However, the interaction is highly complex when dealing with quality of education in the classroom. Thousands of teachers need to have the right skills, the right tools, good supervision—and children with basic motivation and support from their parents.

Table 7 Complexity and Contact: What Changes Easily and Less Easily

Contact Level	Low Complexity, High Specificity of Services	High Complexity, Low Specificity of Services
Little contact with users required	Computerized teacher payroll system	Fiscal and/or monetary policy management
Intense contact with users required	School-lunch program; immunization campaign	Classroom teaching quality, agricultural extension services

126. When scoping and sequencing CD interventions, the complexity of the capacity to be developed can be assessed using the parameters in the matrix as provided in Table 7, (as well as other parameters). In general, the advice would be that CD should start with complexity and contact levels that do not greatly surpass what is already fairly well managed in the sector.

127. **CD and change intervention options.** Traditionally, CD has been seen as a very technical process that is internal to an organization, which development partners have supported through technical assistance and training. Such a narrow focus on CD is unlikely to yield results—in most cases, it will be important for a CD process to count on a number of simultaneous, parallel interventions.

128. The change matrix (Table 8) gives four nonexclusive options for CD and change interventions.

129. Even with options overlap, the important thing to consider is whether a CD intervention has an adequate mix of options, and not if a possible intervention is located in the right box.

Table 8 Four Complementary Options for Capacity Development Interventions

Supply/Demand side	Predominantly Functional–Rational Perspective	Predominantly Political Perspective
Internal elements, supply side	Focus on getting the job done <i>Examples:</i> Change structures, procedures, processes, technology, and skills	Focus on getting power, loyalties, and incentives right <i>Examples:</i> Ensure promotions, firing, support to groups of reformers, sanctions against “rent-seeking,” and performance-based benefits
Context or external stakeholders and factors, demand side	Focus on creating an enabling regulatory and supervisory environment <i>Examples:</i> Modify resource envelope, legal mandate, supervisory agencies, external audits, and formal governance	Focus on increasing external pressure for performance <i>Examples:</i> Use pressure for accountability; strengthen advocacy and lobby groups; train politicians, journalists, and media; build network for change; and provide knowledge products

130. **Example of a platform approach.** A platform approach in CD (Figure 4) will help define the broad sequencing (“platforms”) and provide a more detailed scope and sequencing for each intervention area (“broad activities”). The figure is an example of a platform approach in public financial management that was developed in Cambodia.⁵

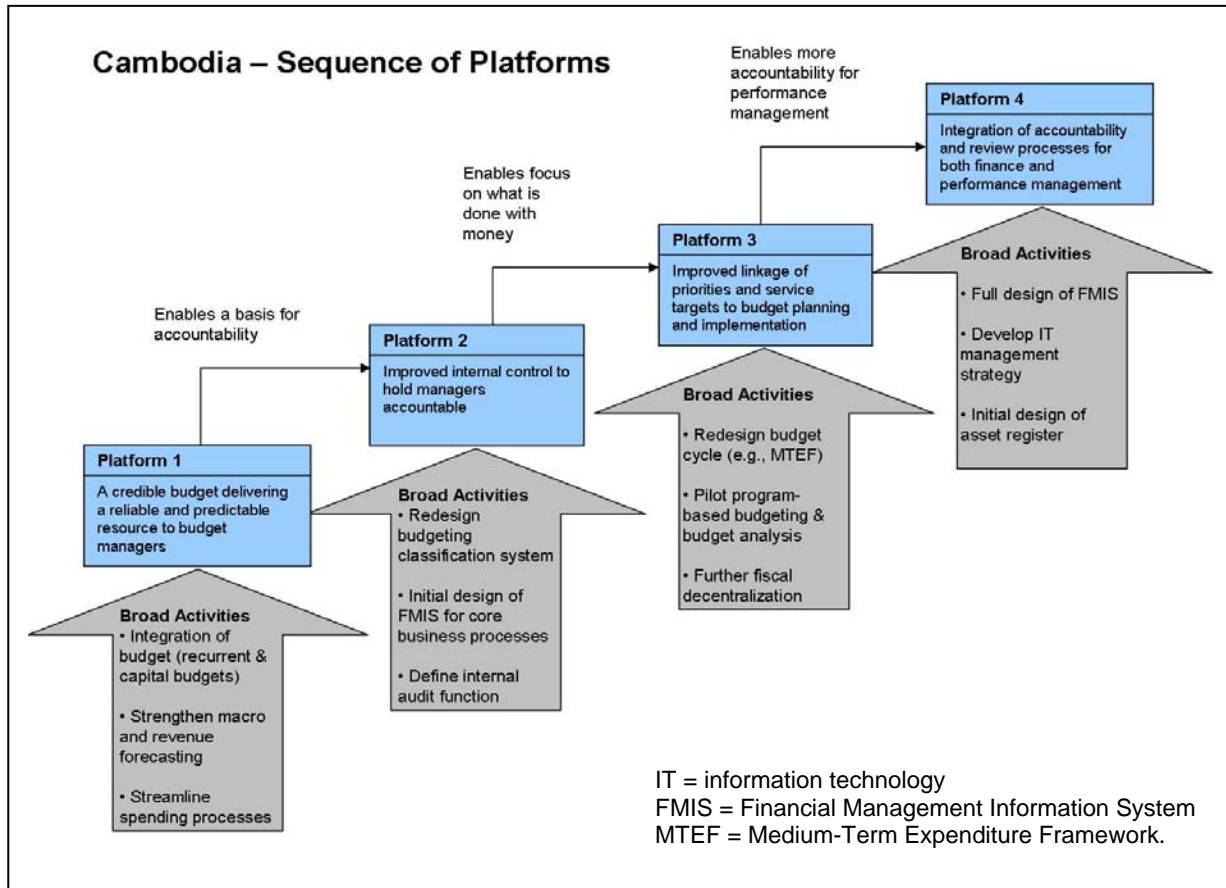
131. Thinking in terms of stages or platforms will help ensure that due consideration is given to keeping a realistic short-term agenda in a longer-term perspective.

132. **Summary matrix.** The Tool 7 matrix brings together the analytical steps outlined in previous tools, and in the foregoing text, thereby allowing a dialogue on realistic scoping and sequencing options. The first column describes the priority CD interventions identified. The remaining columns allow an assessment of the intervention according to the criteria just outlined. The final (right-hand) column is for the conclusions about the stage or phase where an intervention belongs.

133. **Advice.** The international experience with externally supported CD demonstrates that design is often overambitious and not appropriately sequenced over an extended period of time. Tool 7 can be useful because it helps organize an analytical process that by itself is complex. However, with or without using the tool, informed decisions on scoping and sequencing have to be made.

⁵ Department for International Development (DFID). 2005. *A Platform Approach to Improving Public Financial Management*. London.

**Figure 4 Sequencing of Capacity Development Interventions
—Stages, Phases, or Platforms**



Source: Department for International Development (DFID). 2005. *A Platform Approach to Improving Public Financial Management*. London.

H. Logical Design of Processes and Support to Capacity Development

What Is the Purpose of the Tool?

134. Tool 8 aims at ensuring the logical design of CD processes and support to such processes.

When and Who Should Use the Tool?

135. The tool should be used when a CD process is best served by being made explicit and operationally specific, normally at the end of a design phase.

136. The tool can be used by the following:

- **Local stakeholders**—who can use the tool to specify the change process they are committed to undertake and to ensure that they maintain a leadership role, even with external support provided to the CD process.
- **External partners and process facilitators**—who can use the tool to assist local stakeholders to specify in operational terms their CD process and possible external support.

How to Use the Tool

137. Tool 8 is a results framework consistent with ADB's *Guidelines for Preparing a Design and Monitoring Framework*.⁶

Background and Details

138. Tool 8 applies the logical framework approach to CD interventions and to external support to CD.

139. A key feature of the logical framework approach is that it requests intervention designers to start with outcomes and then work backward through outputs and activities to inputs. In a CD perspective, this requires answering the following questions:

- Which organizational outputs can and should be achieved on a sustainable basis by one or more sector organizations when the intervention is over?
- Which capacity elements will have to be developed to achieve these outputs?
- Which change and change management activities will have to be carried out to develop this capacity?
- Which inputs are required to perform the change and change management activities?

140. These are the general questions in the design of results frameworks. They address how the operational design of **CD outcomes** (which should be specific changes in **sector outputs**

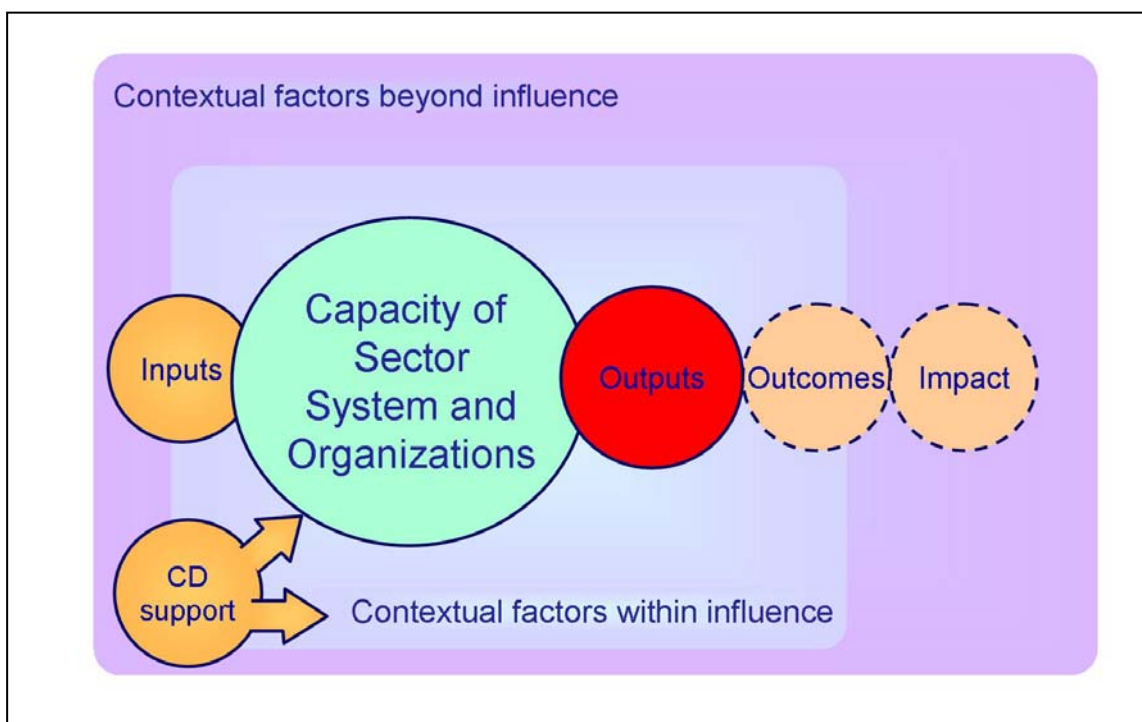
⁶ ADB. 2007c. *Guideline for Preparing a Design and Monitoring Framework*. Manila. <http://www.adb.org/documents/guidelines/guidelines-preparing-dmf/guidelines-preparing-dmf.pdf>

or organizations) and **CD outputs** (phrased as specific changes in internal capacity elements or in external elements, which are assumed to lead to CD). Figure 5 illustrates the results framework for CD design.

141. **Clarification:** Outputs from the organization—services, products, and regulations—are the specific outcomes of the CD process.

142. This may sound confusing—how can an organizational output be an outcome of a CD process? This is possible because two logics operate at different levels: the logic of sector organizations producing outputs, which leads to outcomes and impact; and the logic in CD processes. The capacity of sector systems and organizations is the output of a successful CD, and the outcome of this is services, products, and regulations. Thus, two logical chains overlap—one for the sector organization(s), and one for the CD process.

Figure 5 Results-Based Capacity Development






143. **An example.** An accountant trainee who was trained in double entry bookkeeping (the CD activity) hopefully has new skills (i.e., the ability to keep books with double entries). This is the **output** of the CD activity. The **outcome** of the CD activity is, obviously, that double-entry accounts are prepared correctly. The **impact** of the CD activity is that managers and external supervisors have an accurate picture of the financial situation.

144. The matrix in Table 9 describes the logical elements and links between changes in sector performance and results-focused CD support.

145. Historically, most CD projects have only defined inputs of external funding partners, thus giving the impression that local client agencies were not involved in the design of the support.

146. Table 9 provides a case example that illustrates how CD support can be summarized following the logic of a design and monitoring framework.

Table 9 Capacity Development Intervention Planning—Combining Logics

Open System Logic—The Desired and Feasible Vision of the Situation in the Sector		CD Intervention Results Framework
<p>Sector impact</p> <p>This level of longer-term objectives focuses on overall sector policy goals, e.g., Millennium Development Goals.</p>		<p>While this will eventually contribute to impact, this would be beyond the scope of CD interventions.</p>
<p>Sector outcomes</p> <p>This level focuses on satisfying the priority demands of citizens.</p>		<p>CD impact</p> <p>The purpose of the CD interventions is to contribute to sector outcomes. CD impact should be at the level of sector outcomes.</p>
<p>Sector outputs</p> <p>This is the supply side of sector performance, detailing the concrete service levels, quantities, and qualities, and/or the regulatory framework.</p>		<p>CD outcome</p> <p>This level asks which specific and tangible changes CD will lead to in the outputs (services, regulatory products, etc.) of organization(s) at which the CD is directed. A baseline (present outputs) and a target (realistic future outputs) is required for effective accountability and learning during the CD process.</p>
<p>Sector capacity</p> <p>Sector capacity comprises the internal elements of individual organizations, their governance and accountability arrangements, their networking capability—as shaped by the context of drivers and constraints on capacity. The “sector machinery” will deliver the sector outputs.</p>		<p>CD outputs</p> <p>The outputs of CD interventions are measured in specific changes in the capacity of the organization(s) going through a CD process.</p>
<p>Sector inputs</p> <p>These are the required steady and regular inputs, in terms of capital and operating funds, entry-level skills, technology, and others.</p>		<p>CD activities</p> <p>The activities will include CD and/or change management setup (defining structures, roles, and processes), and specific CD processes (preparing and conducting a workshop, coaching line staff in developing new procedures, courting and informing key stakeholders in the supporting coalition, and sidelining opposition).</p>
		<p>CD inputs</p> <p>This must include the key inputs from the organizations undergoing planned CD, external resources from other government agencies, resources acquired by the organizations, and those made available by development partners.</p> <p>A CD intervention only specifying inputs from external funding agencies maybe based on poor diagnosis and cannot be expected to be owned by local stakeholders, and is likely not to achieve a lasting impact.</p>

CD = capacity development.

Tool 8 Case Example: Capacity Development for Irrigation Management

147. In this example, only the “CD logic” from CD impact, outcome, outputs, activities, and inputs are mentioned. Capital investments (e.g., in new irrigation schemes) would lead to other sector outputs. A joint matrix for CD and non-CD sector development processes should be prepared if an intervention has both CD and non-CD support.

Note: The matrix is not complete and is only illustrative.

Design Summary	Performance Targets, Indicators, and Means of Verification	Assumptions and/or Risks
<p>Sector outcomes and/or CD impact Irrigation systems provide users with reliable water to enable diversified cropping.</p>	<p>Sample area monitoring surveys show 95% of downstream users have reliable supply for irrigation during peak periods.</p>	
<p>Sector outputs and/or CD outcome Effective maintenance, rehabilitation, and upgrading services to users.</p> <p>Water users’ associations (WUAs) serviced with training and advisory support by Water Resources Department (WRD).</p>	<p>Performance monitoring shows 90% of scheduled maintenance tasks completed on time.</p> <p>Sample third-party inspections confirm quality of design and construction works.</p> <p>Annual client survey confirms 80% of WUAs satisfied with WRD support.</p>	<p>Commitment to improved service is confirmed by incoming new government.</p> <p>High general demand for private sector construction services will not lead to price increases beyond 7% annually.</p>
<p>Sector capacity and/or CD outputs WRD has functioning units for participatory irrigation management, social development, dam design, and safety.</p> <p>WRD provides annual accounts on key results to WUAs and WRD minister.</p> <p>Results-oriented and participatory management and leadership exist in WRD.</p>	<p>Functional units (staff, systems, business processes, management, and coordination with other units) confirm basic capacity in self-assessment after 2 years, and further increased capacity over years 2–5.</p> <p>Sample WRD staff assessed management and leadership to be more results-focused and participatory.</p>	<p>Possible new minister maintains focus on making WRD efficient and customer-oriented.</p> <p>Ministry of Finance approves special salary scale for the recruitment of structural engineers.</p> <p>Peers from other agencies who have been through management development will come to WRD to share lessons.</p>
<p>CD activities with milestones</p> <ol style="list-style-type: none"> 1. WRD and/or planning division forms and trains change team and customer sounding board (Year 1/Quarter 1) 2. Change process, management plan, and high-level commitments communicated to staff and external stakeholders (Year 1, Quarter 2) 3. Internal and external recruitment to new units prepared (Year 1/Quarter 2) 4. Business processes for new units developed by appointed managers and staff 5. Management development undertaken 6. On-the-job training, exposure to peer experience, and coaching of staff 7. Development, piloting, and rollout of self-assessment and client feedback systems 	<p>CD inputs (all sources)</p> <p>Director of Planning (half time), 3 change team members (3/4 time)</p> <p>22 staff months annually over 4 years, drawn from about 50 senior and middle-level staff.</p> <p>20-month intermittent facilitation consultant.</p> <p>48 months specialist/technical consultants.</p> <p>Geographical Information System software and equipment.</p> <p>Government budget (50%) and external funds (50%) for operating cost.</p>	

CD = capacity development, WRD = Water Resources Department, WUA = water users’ association.

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APPENDIX: TERMS OF REFERENCE FOR CAPACITY ASSESSMENT

A. Context of the Assessment

The first section of the terms of reference (TOR) can address the following issues:

- The key reasons why capacity assessment (CA) is needed (see also the subsection on objectives).
- Brief background information on the sector, the key organizations, and the network to be assessed. Recent assessment and other key history issues, if any, can be mentioned.
- Brief description of the wider process of which the CA is part (e.g., a broader sector review in the context of a sector-wide approach, or a public sector-wide initiative to assess capacity issues).
- Rationale why specific organizations have been selected for assessment, if selection has been made. Organizations selected for assessment should be the key to delivering the agreed services and/or outputs required by the sector policy and/or program. If the scope of organizations to be assessed can be modified as the assessment process moves forward, this should be stated.
- Brief description of key stakeholders whose relation to the key sector organizations should be part of the assessment. This could include, for example, cross-cutting ministries (typically the ministry of finance), civil society organizations, user associations, oversight bodies, and media (Tool 1 can help identify which organizations to consider).

The Overall Organization of the Assessment

Critical issue. A clear statement should be included if the assessment is made by the funding agency to inform its internal decision making, or by the sector authorities, or by the management and/or boards of particular sector organizations. For example, “This assessment is conducted by the [sector authority][funding agency(ies)] with the [support of][participation of] [funding agency(ies)][sector authorities][etc.]“

Objectives of the Institutional and Capacity Assessment

What will be done with the results of the exercise? The objective of the CA describes the decision makers’ use of the CA results. How will the decision makers (e.g., the management and/or funding agencies) use the results of the process? Which strategic decisions, and which tactical and/or operational decisions will the CA inform?

For the **description of the purpose of the assessment**, or the reason why the assessment will take place, the following are some examples:

- To enable sector authorities and/or funding agencies to decide on the feasibility, scope, and size of a sector program; and the external support to this sector program (or a project within the program) so that it is commensurate with the implementation capacity in the sector;
- To enable funding agencies to decide whether to finance a next phase;
- To inform policy dialogue among sector partners, thereby achieving a better policy foundation; and
- To enable authorities to design and prepare a CD plan, including support from development partners, as relevant.

The objective of the assessment will determine the appropriate approach to the CA. The more a CA is to serve as an input to future CD efforts, the wider would be its scope since the CA is about assessing the present capacity, and finding if and how it can be developed, how much, and in which direction.

Process aspects will become even more important when the purpose is in the direction of CD and change. The CA must be conducted so that those who will afterward lead and manage change have a better chance of success, hence implying that they must be closely involved in leading and managing the CA.

The CA process will also aim to create enthusiasm for subsequent CD and change, and to identify ways of dealing with resistance to change.

Expected Results

This section describes the tangible results that have to be delivered by people implementing the CA. The results are necessary, but unlikely to be sufficient on their own to achieve the objectives.

It is often believed that the result of the CA is just a report. Hence, it is important to point out the tangible outputs, and have them specified when relevant, such as the following:

- A final workshop for the core group and/or key stakeholders;
- Orientation event(s) for external stakeholders;
- A debriefing event for senior executives;
- Debriefing event(s) for staff members;
- A summary 2-page overview in easily accessible form for wider circulation;
- Confidential papers and/or reports on special issues;
- Draft reports circulated as specified;
- A final report (with specified maximum length and, as required, provision for appendixes), distributed according to a list;
- CD-ROM versions of final reports and appendixes distributed as agreed; and
- Web posting and/or publication of final reports, and others.

B. Content of the Assessment and/or Scope of Work

This section of the TOR should outline the organizations, networks, and relationships to be included in the assessment, as well as the contents of the assessment (what to assess in relation to the sector network and the organizations included). Following the approach outlined in this guide, key points will include the following:

- **The organizations** to be included (see “Context of the Assessment”), as appropriate, explaining why they are key to the success of envisaged or ongoing support to the sector;
- **Data collection** on past and present outputs, their relevance, quality, and quantity (services, products, and regulations) from the sector, subsector, or specific organizations included in the CA.
- **The sector context**, including (i) structural factors relevant to capacity (e.g., extended territory and limited public resources that are likely to have an impact on the ability to fund and deliver items, such as health and education services territory-wide); (ii)

institutional factors (including, but not limited to, the legal framework and how this is observed and enforced; (iii) public sector-wide factors related to civil service conditions, and others; (iv) decentralization; (v) patronage and/or client systems affecting the public sector's performance; and (vi) effectiveness and modalities of sector governance and accountability mechanisms;

- **Inputs and resources available** to the sector and organizations, including the balance between funds for different purposes and past trends in areas, such as spending on maintenance, operational costs, salaries, and staff numbers;
- **The internal elements** of the organizations under assessment (leadership, strategy, structures, rewards and incentives, internal relationships, and helpful mechanisms—several good ways of decomposing the internal capacity are available, and the choice may best be left to those performing the assessment and/or the organizations under assessment); and
- The sector **networks** and relationships with external networks, including the setup of sector governance.

Methodology and Approach

The overall methodology and approach will address how stakeholders, clients, and staff will participate; data collection methods and sources are to be used; and the overall sequencing of the process will be arranged.

The number of stakeholders and staff members in the organizations to be involved in the CA will also have to be delimited according to the objectives, scope, and the resources invested in it.

The long list could include the following:

- Citizens, users, or clients—or people using the sector's services, or who should adapt their behavior according to sector regulations;
- People exercising formal or informal sector or organization governance (e.g., Parliament, ministers, senior civil servants in key ministries, including ministry of finance and planning); supervisory bodies (e.g., superintendence agencies and supreme audit institutions); and influential lobbyist and interest groups;
- Key staff involved in cross-sector reform initiatives shaping drivers of and constraints on sector capacity (civil service reform, public financial management reform, and governance reforms);
- Management;
- Professional staff;
- Support staff;
- External experts (sector researchers from think-tanks and universities);
- Media representatives (who may be able to furnish good descriptions of power issues in the sector); and
- Funding agency staff with special sector knowledge or knowledge of cross-cutting issues.

The Methods and Tools of Data Collection and Self-Assessment should be indicated, such as

- documents and web sources; “data mining”—finding underused information—often yields significant results (both in terms of information and analysis of why the information was buried), but also a very time-consuming process;
- broader surveys (e.g., self- or externally administered questionnaires and open and/or multiple choice approaches);
- focus group interviews;
- individual interviews;
- observation of work processes and meetings;
- facilitated self-assessment processes;
- self-assessment processes organized by those assessing themselves;
- flowcharts of key business processes central to the value-addition chain; and
- the sequence in which the activities should take place, with stock-taking exercises along the way.

Roles and Responsibilities in the Management of the Assessment Process

This section should describe the operational managerial framework for the assessment process, giving the implementing team a clear framework within which to operate, and detailing the essential tasks that others have to perform to enable the CA to take place.

Required Team Competencies

The content of this section depends on the purpose and scope of the CA. The section describes the necessary qualifications of the CA team. Details on the team will include the number of team members and their functions (e.g., team leader, human resources specialist, and others).

If the CA team is internal to the organization(s) being assessed, this section will list the people appointed to the team and detail their specific functions (e.g., team leader, financial specialist, human resources specialist, and others).

If the team also (or only) includes TA, and if the TOR are to be used as a basis for competitive bidding from contractors, then the qualifications required for the consultants should also be applied in the bid evaluation process.

In major CA exercises, it is probably often advantageous to combine CA and/or CD and sector expertise, but the latter has to be policy-level or sector-holistic expertise. Narrow technical specialization within the sector is normally of little relevance.

Length and Timing of Work

This section indicates the time assigned (days, weeks, or months) for different stages of the work and provides the information the team needs to be able to plan properly.

Issues that can be important, and a timetable indicating sufficient time for the activities, are as follows:

- **Preparation:** Selection and availability of team members and field work required;

- **Execution:** Time needed to achieve results and purpose of the assessment, correct distribution (including debriefing) of time in relation to the involved organizations and stakeholders, and field visits outside capitals to assess local-level capacities or special regions with particular capacity problems;
- **Reporting:** Deadlines for draft and final versions of the report, a list of all stakeholders who will receive the report, and procedures for commenting on the draft(s);
- **Visits** to be made (relevant authorities, institutions, and beneficiary groups);
- **Availability** of the resource persons (also, and particularly, inside the host organization);
- **Practicalities** on logistics that can influence the timing of visiting the necessary stakeholders, such as road conditions, weather, local festivals, elections, and seasons.

Bibliography

The last section of the TOR should provide information on the key documents the team will need to study (e.g., previous assessments, annual reports, organization charts, publications of the organizations to be assessed, relevant information on the sector, and the context).