



# **EVALUATION OF THE ESF SUPPORT TO CAPACITY BUILDING**

## **FINAL REPORT**

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# SUMMARY

## 1 AIM AND CONTENT OF THE PROJECT

In future ESF programs capacity building will play a more important role than in the past ones. The reason for this is the accession of the ten new countries a few years ago and the expected accession of a few more countries in the next years. These countries, which are in need of support through the Structural Funds most, lack the necessary capacity for an optimal use of the Structural funds. More generally, governance in these countries is hampered by a limited capacity of the governments and other actors involved in policy development and implementation. There is clear evidence that good governance enhances a country's economic development and the happiness of its population. From that point of view it is highly relevant that capacity building projects are part of the operational programs. In fact, this is already the case.

The lack of sufficient capacity finds expression on several points like insufficient skills of civil servants, poor management structures, legislation that does not meet EU standards or, when it does, is not properly enforced, poor institutions, lacking cooperation structures, and insufficient infrastructure and equipment. The fact that these factors are all intertwined further complicates the problem. Training of civil servants is, for example, an important aspect of capacity building, but it is not at all obvious that civil servants can apply the skills acquired through training in their work. That depends on the openness to change of the political level and the management in government organizations and the ability to improve the organizational structure of these organizations. Also the availability of sufficient equipment is often a pre-condition. Hence, several things must be changed at the same time.

The main purpose of this study is to learn from existing experiences how the capacity building components in future ESF programs can be designed in such a way that they are most likely to improve the quality of governance. To that end the study has:

- a. made a review of the literature on capacity building;
- b. developed a methodology for the assessment of capacity building programs;
- c. made a comparative analysis of 11<sup>1</sup> capacity building programs from various policy fields and with different donors involved.

The main focus in the literature review and the case studies was to identify factors that either contribute to the success of capacity programs (success factors) or affect these programs negatively (risk factors).

The methodology was developed for the case studies, but also has significance in itself. As we will argue further on, evaluation (in combination with monitoring) is an important

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<sup>1</sup> Initially the plan was to develop 10 case studies, but the assignment for Greece included two different operational programs, resulting in two separate case descriptions.

tool in ensuring good quality of capacity building programs. The latter are in that sense not different from any type of policy program. We think that the methodology offers a good starting point for evaluations of future capacity building programs.

## 2 LITERATURE SURVEY

Capacity building has a long history in development aid to third world countries. The term capacity building was introduced in the late 1980s but builds on previous concepts starting from the concept of institution building in the 1950s. In between several aspects have been added like human resources development, the need to take the interdependence between the various aspects of capacity building into account, the importance of sustainability, etc. The various aspects are reflected in the widely used OECD definition of capacity building:

*Capacity building is the process by which individuals, groups, organizations, institutions and societies increase their abilities to: (1) perform functions, solve problems and achieve objectives, and (2) understand and deal with their development in a broader context and in a sustainable manner.*

In practice, approaches to capacity building often emphasize a particular dimension like investment in the human capital of individuals, group-oriented development, organizational development or institutional development. It is not always that clear what is understood by institutions. It often refers to mechanisms (regulations, laws, norms and incentives) by which the behaviour of individuals and organizations can be influenced. But also organizations that play a role in enforcing regulations are sometimes called institutions.

The systems approach acknowledges that improved abilities of some individuals, groups, organizations or institutions may not give the expected results as all of them are interrelated. So, it may be necessary to improve the abilities in several parts of the system at the same time. From this perspective capacity development is a dynamic process whereby different actors on different levels try to improve their abilities in relation to each other. However, societies are very complex systems and therefore a systems approach may also become highly complex leading to over-ambitious projects.

Capacity building projects often involve a strong involvement of experts from outside. If the outsiders play a dominating role there is the typical danger that projects stay a temporary thing besides the old routine. And there is real danger that after the project the old routine continues and that little remains of the project. The participatory approach implies that the beneficiaries are in charge of the process and consider themselves the owners of the project. It is crucial that the project is relevant for the beneficiaries, but also that that latter feel that way, are motivated and play an active role in shaping the project. This is closely related to the concept of empowerment. A participatory approach seems to be crucial for reaching sustainable results.



Different types of interventions may be used in capacity building project and programs. The OECD definition mentioned earlier, points first of all to transfer of knowledge and skills. These may refer to such things as policy options to deal with a specific problem, the international experiences concerning the costs and benefits of the options, the ability of civil servants and NGO staff to perform certain tasks, legislation in other countries, ways to enforce laws, etc. However, capacity building may also include the development of tools and investment in equipment, particularly ICT-related equipment. Moreover, there is evidence that knowledge, skills, tools and equipment are at least to some extent complementary.

In the literature a large number of factors have been identified that influence the degree of successfulness of capacity building programs. We distinguish between context and implementation factors. Context factors relate to the surroundings of a program, while implementation factors to a program itself. We mention the following selection of factors found in the literature:

|   |
|---|
| <p>Context factors</p> <ul style="list-style-type: none"><li>– Institutional instability</li><li>– Lack of stakeholder involvement</li><li>– No goal-alignment between the involved actors</li><li>– Bureaucracy in the donor country</li><li>– Ineffective cooperation between actors involved</li><li>– Insufficient attention to democratic processes in the donor country</li></ul> <p>Implementation factors</p> <ul style="list-style-type: none"><li>– Vague objectives</li><li>– Over-ambitious objectives</li><li>– Absence of a feasibility study</li><li>– Objectives are not supported by relevant outputs</li><li>– No use of indicators or use of inappropriate indicators</li><li>– No use of monitoring and evaluation</li><li>– Lack of attention for sustainability</li></ul> |
|---|

All factors are described as risk factors, but they can, of course, also be success factors. If institutional instability is a risk factor, then institutional stability is likely to be a success factor.

There is no evidence of factors being specific for certain policy fields. Perhaps, capacity building is more complicated when it concerns an issue (such as environmental protection) that is intersecting many other policy fields. One could also argue that an

issue such as environmental issues is relatively new, implying that existing institutions were simply not yet developed to cope with it.

It should be noted that a considerable part of the literature deals with capacity building in developing countries. In the new EU countries the context for capacity building (in terms of educational level, for example) seems to be better than in the former countries.

### **3                    METHODOLOGY FOR CAPACITY BUILDING PROGRAMS**

The methodology for evaluating capacity building programs is not too different from that for other policy programs. When evaluating capacity building programs there are, however, a number of points that deserve special attention.

In case of capacity building programs the relationship between the interventions and the ultimate objectives is often very indirect. These programs aim at better governance, but leaving it at that leads to vagueness about the objectives. Furthermore, better governance is not an end in itself but is a means to finding better solutions in society and better preventive strategies. Therefore, it is highly important to be specific about:

- a.*     the problems in society that need to be solved by better governance;
- b.*     the shortcomings in the available capacities and the mechanisms by which these shortcomings lead to problems in society or to an inability to solve these problems.

This usually leads to a distinction between objectives on several levels, namely specific objectives with respect to capacities that are directly related to the interventions (a better performance of staff, better performing organizations, better institutions, etc.), intermediate objectives (better outcomes in the field of intervention) and global objectives (often the ultimate policy objectives such as enhancing economic growth, the level of the population's happiness, etc.).

It is important to develop a policy theory that explains how the intervention applied in a capacity building may eventually, through a causal chain of relationships, lead to reaching the objectives. It must be likely that the outputs of the interventions lead to better capacities, that these better capacities lead to better results in the involved policy field and that this serves the wider objectives. Without such an intervention logic it might be unclear what the capacity building program is trying to achieve and, as far as this is clear, whether the objectives are realistic.

In many policy programs interventions are continuously repeated and produce a flow of outcomes. When such a program stops, also the effects will stop. Capacity building programs, however, aim at improving abilities that will lead to better designed and implemented policies over a range of years. These programs are basically investment programs the returns of which must be determined over a longer period. Therefore, the sustainability of the results is a crucial evaluation criterion for the latter programs. So, this criterion must be added to the standard list of evaluation criteria, leading to the following list of criteria: relevance, efficiency, output, effectiveness and sustainability.

Contextual factors are likely to be of more importance in case of capacity building compared to other types of programmes. The former often implies a different way of

working by the government, which will depend, among other things, on the political support given to the project. Capacity building also implies that new types of interventions and new implementation strategies are applied that lie outside the normal routine of the benefiting organizations. The management of such changes is an important focus point in capacity building.

Evaluation of capacity building programs should be applied both ex-ante and ex-post. Ex-ante evaluation is closely related to developing the intervention logic. It should answer questions like: a) what is the problem in society that needs solving; b) to what extent are shortcomings in governance responsible for these problems; c) how could capacity building improve the situation; d) which capacity building interventions are likely to be effective; etc. The ex-ante evaluation should rely both on theoretical reasoning and empirical evidence.

In ex-post evaluations of capacity building programs it will often be impossible to assess the impact on the wider objectives. It is, however, often possible to determine the outputs of the interventions and the effects on the performance of individuals, organizations and institutions. Although outputs and effects are often of a qualitative nature, it is usually possible to develop indicators for impact assessment and to collect the necessary information through surveys and interviews. If during the ex-ante phase similar information was collected about the situation before the intervention, a before-after comparison could be made, which may give an approximation of the net impacts. A limitation of this approach is that since the start of the program other changes may have occurred that also influence the outcomes. In some cases it might be possible to introduce the capacity building in two phases. The first phase could then be a kind of pilot in which the program is only applied in some parts of a country. Then the results in the pilot regions could be compared with the results in the other parts of the country, making it possible to combine a before-after comparison with a kind of control group approach. However, in practice it will not be possible to wait for the outcomes on longer term. Therefore, in this example the decision to replicate the program in the other parts of the program will have to be based on the short-term results and on expectations concerning the results on longer term.

In the report we give a number of examples of how capacity building programs may be evaluated. The approach to the case studies also provides some guidance for future evaluations of capacity building programs. Particularly, the questionnaire that was developed might be of help. It should be noted that within the framework of this study full-blown evaluations were not possible.

## **4 RESULTS FROM THE CASE STUDIES**

### ***Intervention logic***

Of most of the 11 capacity building programs studied in this project the intervention logic (IL) shows serious flaws. The following points can be mentioned:

- a. In some cases it is not clear what the problem in society is that should be solved or mitigated by the program. These programs are vague and broad and mainly provide training without a clear picture of what should be achieved with it.

- b. In some of the other cases the objectives are specified, although not always very explicitly, but a policy theory is missing.
- c. In only few of the cases good ex-ante evaluations have been made that provide a solid basis for the intervention logic.
- d. Sometimes detailed quantitative indicators are given with respect to wider objectives, while it is obvious that the effects of the program on these objectives cannot be measured. These indicators do not play any role in practice. On the other hand indicators with respect to specific objectives, which would be useful, are often not given.

Although a poor intervention logic does not automatically lead to poor results, it is certainly a risk factor, in particular when the program lacks a clear focus in its objectives. The worst performing programmes are also the ones with the poorest intervention logic and the most vague objectives. However, also in other cases with a poor intervention logic there is evidence of negative effects on the results.

### ***Context and implementation***

The accession process has been an important positive factor in some of the cases, particularly where legislation had to be brought in line with EU standards. It led to specific objectives and motivated the countries and the participants involved. A disadvantage was that it tended to put the emphasis too much on the judicial aspects of the legislation and less on aspects such as law enforcement (which relates to organizational and implementation aspects).

Other conclusions with respect to the context are that:

- a. In many of the programs studied, even the relatively successful ones, stakeholder involvement could have been better.
- b. The programs differ as to the role of a participative approach and in three relatively successful cases this approach played an important role.

Although training is a popular type of intervention in the cases studied the added value of it is not obvious from the outcome. The programs with a focus on training perform relatively unsuccessful. But also in the other cases, where training plays a supporting role, the effects of it are often unclear. This re-enforces the conclusion from the literature study that training is only useful within the framework of capacity building when it is connected to the performance of organizations and institutions.

Other conclusions with respect to implementation are:

1. the organizational aspects are only weakly represented, not only in the programs focusing on training, but also in most of the other cases;
2. in those cases where the emphasis is on legislation the results are relatively satisfactory;
3. ICT often plays a role in the programs, but in many cases the results are not convincing on this point;

4. monitoring and (particularly) evaluation components are only weakly developed in most programs.

### ***Program performance***

On the basis of the available information we conclude that two programs are relatively successful and two others relatively unsuccessful, with the other programs somewhere in between.

The cases were judged on the basis of the following criteria: relevance, efficiency, effectiveness and sustainability. It is important to note that even on the basic criterion of relevance some of the programs have a poor rating. The efficiency of the programs is difficult to judge. In the cases involving twinning and external experts, the general impression is that the quality of the inputs is satisfactory. The same is true with respect to tools or instruments developed under the programs. Delays are often mentioned and sometimes lead to difficulties in the program (even to the extent that intended activities cannot be implemented). In some cases the delay already occurred in the inception phase.

With respect to cost-effectiveness the evidence is not clear-cut enough to discriminate programs on the basis of it. There is one interesting example among the cases involving an implementation structure that is designed to promote cost-effectiveness. In this case trainees obtain a training voucher, which they can exchange for a training course. A specific type of training is offered by different providers and trainees are free to choose between these providers. So, providers have to compete for clients, which is supposed to have positive effects on the quality of the training.

Quantitative indications of results only exist with respect to direct outputs such as the number of people trained. A concrete tool (like an electronic monitoring system) developed under a project, is of course also a tangible result. Net impacts, however, have not been measured. With respect to effectiveness we have to rely on available evaluation reports (of which the methods used are often unclear) and on individuals involved in the programs. Mostly, the judgments reflect perceptions. In only two cases there are clear indications for positive effects beyond the direct outputs and in two other cases the lack of effectiveness; in the remaining cases the effectiveness is mixed, limited or unclear.

The two programs labelled as relatively effective also show clear signs of sustainable results that last after the program has been completed. In most cases, however, sustainability is doubtful. For capacity building programs this is a poor result as sustainability is what they should aim at.

### ***Success and risk factors***

Capacity building projects are more likely to be successful when they have a high relevance and specific objectives. Also the quality of the intervention logic is important. To some extent these points are inter-related. In most of the case one or more of these factors played a decisive role. The relevance of the project played a dominating positive role in four cases, while the absence of specific objectives played a negative role in two cases. The quality of the IL was a decisive positive factor in two cases, while a poor IL caused problems in the program in one case.

Several context factors were identified as decisive context factors, namely: a) the connection with the accession process, b) the willingness to promote major policy changes, c) a high commitment of the involved organizations (all these cases positive) and d) support from the national authorities (negative owing to a lack of support).

Decisive implementation factors that are mentioned are: (i) the quality and the flexibility of the implementation structure and the activities and (ii) the cooperation/coordination between the stakeholders.

Other factors that are mentioned relatively often are:

- a lack of follow-up activities (by definition always negative; important in view of sustainability);
- high staff turnover activities (by definition always negative; important in view of sustainability));
- stakeholder involvement and commitment (always positive where it is mentioned.
- bureaucracy at different levels in the recipient country (always negative when mentioned);
- existing legislation and regulations in the recipient country (sometimes negative, sometimes positive, when mentioned).

Poor monitoring and evaluation is mentioned only few times (in both cases as a risk factor). However, we tend to attach more weight to this factor than the existing evaluation reports and the interviewees. Monitoring and evaluation are poorly developed in most cases, but could play an important role in the design and implementation of capacity building programs.

There is no evidence suggesting that the success and risk factors depend on policy field or the type of interventions.

## 5 RECOMMENDATIONS

On the basis of the conclusions we make the following recommendations:

1. The objectives of a capacity building program should be specific and realistic. This is particularly important in case of a broadly oriented capacity building program, which will often be the case within the framework of ESF. Vague objectives are a considerable risk factor.
2. Program design should start from a policy theory indicating why and how the interventions will lead to the desired outcomes. Only then a useful intervention logic can be developed offering good guidance for the program design.
3. The policy theory underlying the capacity building program should be tested as much as possible prior to the program.
4. Objectives should be quantified as much as possible with targets attached to them. However, what capacity building tries to achieve is often qualitative by nature. Furthermore, it is often impossible to assess the impact of the program on the wider objectives. So, quantification is often not possible or only partly possible and should not become an end in itself.
5. Capacity building programs should be evaluated properly using standard evaluation methodology such as a before-after comparison and a control group approach. The latter is possible if the capacity building program is introduced phase-wise.
6. Capacity building should take account of context factors that are likely to affect the outcomes. Such context factors may relate to the political context but also to practical factors such as the availability of people with specific skills needed for interventions (specialists needed for software development or for effectively using tools developed in the program).
7. The delivery system should receive special attention. Particularly when large numbers of people need to be trained (which will often be the case in capacity building within the framework of ESF), the delivery system must be flexible in order to avoid delay and problems associated with insufficient training capacity. A market-oriented delivery system using training vouchers may then be a good option.
8. The organizational level should receive sufficient attention. Particularly in case of training it is crucial that the skills taught are useful for the employers of the trainees and are actually used in their work.
9. With respect to specific interventions we recommend that:
  - training should be judged on its added value. Training is highly popular but that is not in itself a good justification for it;
  - ICT components in capacity building programs, particularly funding for ICT hardware, should be judged critically. De danger of deadweight loss and the chance of use for other purposes are considerable;
  - in case of development of new legislation sufficient attention is paid to the law enforcement aspect;
10. The new EU countries should get support in the design and evaluation of capacity building programs. Design and evaluation of capacity building programs are quite complicated and require the input of specialized experts. For at least some of the

countries this requires external support. The development of the specialized skills needed could be part of the capacity building efforts.



# 1 INTRODUCTION

## 1.1 BACKGROUND AND OBJECTIVE OF THE STUDY

In the current programming period of the European Social Fund (ESF) assistance to persons has been complemented by support to systems and structures. The need to invest in administrative capacity has taken another dimension since the last enlargement. (The lack of) administrative capacity was identified as the main bottleneck to implement the Acquis Communautaire and EU policies during the pre-accession period. The need to invest in institutional and administrative capacity was already underlined in the first round of Structural Funds implementation in the new Member States.

*The Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund (article 3.2) states that the ESF in the next programming period shall support, within the framework of the convergence objective, actions strengthening institutional capacity and the efficiency of public administrations and public services at national, regional and local level to embrace reforms and good governance especially in the economic, employment, social, environmental and judicial fields.*

The objective of the current evaluation study is:

*To draw lessons from different experiences of the capacity building in contributing to better policy development and implementation of policies*

The study provides a literature review in the field of capacity building and assessments of 10 existing examples of programs for administrative capacity building ('the cases'), in order to provide elements of guidance to all stakeholders during the ESF-programming for the next period. The cases are selected in such a way that only capacity building interventions are studied that are or seem to be relevant for the ESF in the coming programming period. Within the ESF support can be given to institutions of public administration at all levels, as well as social partners and NGO's. Activities in the coming programming period will focus on:

- Mechanisms to improve good policy and programme design, monitoring and evaluation.
- Capacity building in the delivery of relevant policies and programmes.

Capacity building activities that particularly are foreseen within ESF in the future programming period are, for example:

- managerial and staff training;
- specific support to key services, inspectorates and socio economic actors;
- studies, statistics and expertise to improve good policy and programme design, monitoring and (ex-ante, interim and ex-post) evaluation;
- support to interdepartmental coordination and dialogue between relevant public and private bodies.

## **1.2 EVALUATION QUESTIONS**

The study has three key questions that concern intervention logic(s), context and mechanisms, and effectiveness. As regards the key question about effectiveness the focus is, given the background and the objective of the evaluation, on identifying the critical factors that have, either positively or negatively affected the results. These factors may have to do with policy design, policy implementation and mechanisms for monitoring and evaluation. However, positive factors can more easily be interpreted in case of successful programs, while negative (or risk) factors come to mind first in case of unsuccessful programs. The successfulness of programs can be judged using standard evaluation criteria like relevance, efficiency, effectiveness and sustainability.

The following evaluation questions have been addressed:

### ***What is the intervention logic of the capacity building interventions?***

- What is the intervention logic of the capacity building interventions in the individual case studies? Were good ex-ante evaluations made ensuring a certain likelihood on beforehand for the programs to be relevant and effective?

### ***In which context has the capacity building operated and what were the mechanisms used?***

- What is the context of the examined capacity building interventions (political and strategic, administrative and financial)?
- What types of interventions have been applied (twinning projects, trainings, seminars, coaching, external advising, studies and statistics, et cetera)? How were the instruments coordinated with each other?
- What mechanisms of delivery have been applied (implementing rules, co-financing arrangements, arrangements of administration, evaluation and management, formal and informal interaction between various stakeholders, partnerships, etcetera)?
- What kind of monitoring mechanisms have been applied (including indicators for monitoring)?
- What types of interventions were conducted (investment in human resources, physical investment, investments in new legislation)? How were these investments coordinated with each other?

***What were the factors of effectiveness of capacity building in contributing to better policy development, better policy implementation and improved monitoring and evaluation?***

- What effects have been produced on the respective administrative structures?
- What impacts on relevant policy development and implementation have been produced?
- What are the factors that condition the effectiveness of capacity building in contributing to good governance and better design and implementation of policies?
- What European added value, when relevant, can be attributed to capacity building in developing and implementing national policies or reforms of administration?

### **1.3 APPROACH FOLLOWED**

The literature survey will be broadly executed. We will look at existing evaluations of capacity building programs from different donors and from different policy fields. However, also studies that try to use the experiences from several programs to draw more general conclusions about critical success and risk factors are treated.

Also the 10 cases will be taken from different donors and policy fields. These case studies will be based on the following information sources:

- c.* existing documentation about the cases (all cases);
- d.* face-to-face interviews (four cases);
- e.* telephonic interviews with respondents playing a key role in the projects (all cases);
- f.* a written survey among actors involved in the programs (all cases).

### **1.4 STRUCTURE OF THE REPORT**

The report is structured as follows. Chapter 2 contains the results of the literature review. In chapter 3 we develop the evaluation methodology that will be used for the case studies. It may, however, also provide a good basis for the evaluation of future capacity building programs. Chapter 4 contains a comparative analysis of the cases. The detailed descriptions of the cases are included in annex 3.



## **2 RESULTS OF THE LITERATURE REVIEW**

### **2.1 INTRODUCTION**

The general purpose of this chapter is to draw upon the literature for defining the concept of capacity building and for getting a list of possible factors influencing the success of capacity building projects. The chapter is structured as follows. In section 2.2 we present the main thoughts and theories concerning administrative capacity building. Then section 2.3 discusses to what extent the literature provides empirical support for the proposition that capacity building affects economic development positively. The relationship between capacity building and investment in ICT is discussed in section 2.4. This is followed by a presentation in section 2.5 of the main conclusions of that part of the literature that studies the impact of contextual factors such as strategic, political, administrative and financial factors on the successfulness of capacity building projects and on their impact on the quality of policies. In the final section (2.6) we discuss how we use the findings in this chapter for this study (the development of the methodology for the cases). This section also contains some general recommendations for the Commission in dealing with future capacity building programmes and projects.

### **2.2 MAIN THOUGHTS AND THEORIES CONCERNING ADMINISTRATIVE CAPACITY BUILDING**

#### **2.2.1 THE CONCEPT AND DEFINITIONS**

Capacity building (and related concepts like capacity strengthening, capacity development) is a relatively new concept; it emerged in the 1980s<sup>2</sup>. Capacity building/development is seen as complementary to other ideas that dominated development thinking (and still play an important role) over the past four decades. The next box summarizes the conceptual predecessors to capacity building/development.

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<sup>2</sup> An important part of this sub-section is based on Charles Lusthaus, Marie-Helène Adrien, Mark Pestinger, *Capacity Development: Definitions, Issues and Implications for Planning, Monitoring and Evaluation*, Universalialia Occasional Paper, No. 35, September 1999, and on Peter Morgan, *Some observations and lessons on Capacity Building*, Chapter 2 in: Roger Maconick and Peter Morgan, *Capacity-Building Supported by the United Nations: Some Evaluation and Some Lessons*, United Nations, New York, 1999.

Box 2.1 The concept of capacity building and its predecessors

| TERM                                     | EMERGENCE AS DEVELOPMENT THEME | ASSOCIATED MEANING  |
|--|--------------------------------|---|
| Institution building                     | 1950s and 60s                  | <ul style="list-style-type: none"> <li>- Objective was to equip developing countries with the basic inventory of public sector institutions that are required to manage a program of public investment</li> <li>- Focus was on the design and functioning of individual organizations, not broader environment or sector</li> <li>- Imported or transplanted models from developed countries were often used</li> </ul> |
| Institutional strengthening/ development | 1960s and 70s                  | <ul style="list-style-type: none"> <li>- Shift from establishing to strengthening institutions</li> <li>- Focus was still on individual institutions and not a broader perspective</li> <li>- Tools were expected to help improve performance</li> </ul>  |
| Development management/ administration   | 1970s                          | <ul style="list-style-type: none"> <li>- Objective was to reach special public or target groups previously neglected</li> <li>- Focus was on delivery systems of public programs and capacity of government to reach target groups</li> </ul>   |
| Human resource development               | 1970s, 80s                     | <ul style="list-style-type: none"> <li>- Development is about people</li> <li>- Stresses importance of education, health, population</li> <li>- Emergence of people centred development</li> </ul>  |
| New Institutionalism                     | 1980s, 90s                     | <ul style="list-style-type: none"> <li>- Focus was broadened to sector level (government, NGO, private) including networks and external environment</li> <li>- Attention to shaping national economic behaviour</li> <li>- Emergence of issue of sustainability and move away from focus on projects</li> <li>- Emerged in 1970s through field of institutional economics</li> </ul>                                    |
| Capacity development                     | Late 1980s and 1990s           | <ul style="list-style-type: none"> <li>- Emerged in the 1990s as an aggregate of many other development approaches</li> <li>- Re-assessed the notion of technical cooperation (TC)</li> <li>- Stresses importance of ownership and process</li> <li>- Has become “the way” to do development</li> </ul>   |

Source: Lusthaus et al. (1999).

Capacity building/development contrasts with its conceptual predecessors on a number of points. First of all, capacity building issues began to take a more ‘macro reform’ perspective in the late 1980s and 1990s; the perspective was expanded more to the macro level. Secondly, more attention was paid to the broader environment in a country (or a sector or a region) in the building of capacity. The broader institutional and social patterns of a country were ‘the rules of the game’ (the conditions) within which the ‘players’ had to function. Thirdly, because organisations often are interdependent actors whose activities are embedded in larger systems of networks, a more multi-sectoral and systematic approach began to emerge. The management of

relationships between actors, and between levels began to matter more. More efforts were put in areas as partnerships, linkages, networks, stakeholder involvement, integrated planning and inter-organisational coordination. Also, capacity processes were seen to involve complex processes of human behavioural change whose influence governed the more technical considerations with regard to organisational structure and systems. Therefore, the idea of capacity building as a dynamic or a process set in motion came to the front. Finally, capacity building came to be seen as an activity driven mainly by the skills, knowledge, energy and commitment of national participants. The process has to be owned and driven by a coalition of national participants and had to be accepted by them as being in their own interests. Without that commitment and sense of control and ownership, capacity building was simply not viable or sustainable.

There are several definitions for capacity building circulating in the literature. The most commonly used definitions are summarized in Box 2.2.

**Box 2.2**      *Definitions of capacity building*

| NO. | DEFINITION  |
|-----|---|
| 1   | "Capacity building is the ability of individuals, groups, institutions and organizations to identify and solve development problems over time." (Peter Morgan, 1996)  |
| 2   | Capacity building encompasses 'a variety of strategies that have to do with increasing the efficiency, effectiveness and responsiveness of government'. (Grindle, 1997) <sup>3</sup>  |
| 3   | "capacity building . . . relates strongly to promoting and strengthening community-based partnerships. The underlying purpose is to tackle social exclusion and empower people. This then helps draw people back in from the margins, enabling them to . . . be involved in the wider processes of social – as distinct from economic – regeneration." (Young, 1996)  |
| 4   | Capacity development is a concept which is broader than organizational development since it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact (and not simply a single organization). (UNDP, 1998) <sup>4</sup>   |
| 5   | Capacity development is "... any system, effort or process... which includes among its major objectives strengthening the capability of elected chief executive officers, chief administrative officers, department and agency heads and programme managers in general purpose government to plan, implement, manage or evaluate policies, strategies or programs designed to impact on social conditions in the community." (Cohen, 1993) <sup>5</sup> |
| 6   | "...capacity is the combination of people, institutions and practices that permits countries to reach their development goals ... Capacity building is... investment in human capital, institutions and practices" .(World Bank, 1998) <sup>6</sup>   |
| 7   | Capacity building is any support that strengthens an institution's ability to effectively and efficiently design, implement and evaluate development activities according to its mission. (UNICEF Namibia, 1996) <sup>7</sup>   |

<sup>3</sup> Grindle, M.S., ed. (1997) *Getting Good Government: Capacity Building in the Public Sectors of Developing Countries*, Harvard Institute for International Development, Harvard University Press, Boston, MA, p. 5.

<sup>4</sup> UNDP (1998). *Capacity Assessment and Development*. New York: UNDP.

<sup>5</sup> Cohen, J.M. (1993). *Building Sustainable Public Sector Managerial, Professional and Technical Capacity: A Framework for Analysis and Intervention*. Cambridge, Mass: Harvard Institute for International Development.

<sup>6</sup> World Bank. (1998). *Assessing Aid: What Works, What Doesn't, and Why*. Oxford: Oxford University Press.

<sup>7</sup> UNICEF (1996). *Sustainability of Achievements: Lessons Learned from Universal Child Immunization*. New York: UNICEF.

| NO. | DEFINITION  |
|-----|---|
| 8   | "Capacity building is a process by which individuals, groups, institutions, organizations and societies enhance their abilities to identify and meet development challenges in a sustainable manner. (CIDA, 1996) <sup>8</sup>  |
| 9   | Capacity development: "The process by which individuals groups, organizations, institutions and societies increase their abilities: to perform functions solve problems and achieve objectives; to understand and deal with their development need in a broader context and in a sustainable manner". (UNDP, 1997) <sup>9</sup>     |
| 10  | "Capacity development is the process by which individuals, groups, organisations, institutions and societies increase their abilities to (i) perform core functions, solve problems, define and achieve objectives; and (ii) understand and deal with their development needs in a broad context and in a sustainable manner". OECD |
| 11  | Capacity strengthening is an ongoing process by which people and systems, operating within dynamic contexts, enhance their abilities to develop and implement strategies in pursuit of their objectives for increased performance in a sustainable way". (Lusthaus for IDRC, 1995) <sup>10</sup>                                    |

Source: partly borrowed from Lusthaus et al. (1999).

In definitions 8-and 9, capacity development has at least three levels with different dimensions<sup>11</sup>, in each of which the achievements of institutional development may be seen:

1. The system or societal level. For initiatives that are national in context the system would cover the entire country or society and all subcomponents that are involved. For sectoral initiatives the system includes only those components that are relevant. The dimensions of capacity at this level may include a number of areas such as an appropriate national policy framework, planning, improved legislation and regulations, a changed perspective on management and accountability, (other) conceptual innovations and the resources available.
2. The entity/organisational level. At this level all dimensions of capacity should be examined including its interaction within the system, with other entities, stakeholders and clients. The dimensions of capacity at organisational level includes areas like mission and strategy, culture and competencies, human resources planning and management, technical and management processes, reorientations of government agencies, processes of decentralisation, external relations, resources and infrastructure.
3. The group-of-people or individual level, which addresses the need for individuals to function efficiently and effectively within the entity and within the broader system. One could speak of Human Resources Development assessing the needs and addressing the gaps through adequate measures, for instance education and training. The dimensions at individual level will include the design of educational and training programmes and

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<sup>8</sup> CIDA, P. B. (1996). Capacity development: the concept and its implementation in the CIDA context. Hull: CIDA.

<sup>9</sup> UNDP (1997). Capacity Development. New York: Management Development and Governance Division, UNDP.

<sup>10</sup> Lusthaus, C. (1995). Institutional Assessment: A Framework for Strengthening Organizational Capacity for IDRC's Research Partners. Ottawa: IDRC.

<sup>11</sup> See for example: S.E. Kruse, *Development through institutions, A review of Institutional Development Strategies in Norwegian Bilateral Aid*, Oslo, 1998 and Stig Enemark, *Understanding the Concept of Capacity Building and the Nature of Land Administration Systems*, Paper for the FIG Working Week 2003, Paris, France, 2003.



courses to meet the identified gaps within the skills base, training of trainers and the number of qualified staff to operate the systems.

So, capacity and also capacity building should be defined not too narrow, but relatively broad<sup>12</sup>.

The conventional concept of capacity building was very closely related to education, training and human resource development. It has changed over the years towards a broader and more holistic view, covering both institutional and system initiatives. This is in line with the OECD definition of capacity building/capacity development (see definition 10) that is widely adopted by donors. This definition includes the three levels of capacity mentioned above. At the same time it includes the objectives of capacity building strategies and it underlines the importance of sustainability.

Capacity assessment is an essential basis for the formulation of coherent strategies for capacity development. Capacity assessment is a structured and analytical process within the broader systems context, in which the capacities of specific entities and individuals within the system are also evaluated to identify gaps and fields for improvement.

Some authors believe that “a common definition of, or approach to, capacity building is only possible at a high level of abstraction”<sup>13</sup>. Harrow (2001) emphasizes the need for clarification of the concept’s multiple meanings, so that the chances of useful evaluation of publicly funded capacity building programs may be enhanced<sup>14</sup>.

Trostle et al. (1997) prioritizes the human resources component of increasing governmental capacity, with a preferred emphasis on capacity *strengthening* rather than capacity *building*<sup>15</sup>. In the context of developing countries, they state that: ‘...capacity can often be increased more effectively by reinforcing existing structures than by building new ones’ (Trostle *et al.* 1997: p. 63).

Within the many definitions, there seems to be an emerging consensus that capacity development involves the long term, contributes to sustainable social and economic

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<sup>12</sup> See Stig Enemark, *Understanding the Concept of Capacity Building and the Nature of Land Administration Systems*, Paper for the FIG Working Week 2003, Paris, France, 2003.

<sup>13</sup> See Peter Morgan, Some observations and lessons on Capacity Building, Chapter 2 in: Roger Maconick and Peter Morgan, *Capacity-Building Supported by the United Nations: Some Evaluation and Some Lessons*, United Nations, New York, 1999.

<sup>14</sup> Harrow, J., 2001, ‘Capacity Building’ as a Public Management Goal: Myth, Magic or the Main Chance?, *Public Management Review* 3(2): 209-230.

<sup>15</sup> Trostle, J. A., Sommerfeld, J. U. and Simon, J. L. (1997) ‘Strengthening Human Resource Capacity in Developing Countries: Who Are the Actors? What Are Their Actions?’ in M. S. Grindle (ed.).

*Getting Good Government: Capacity Building in the Public Sectors of Developing Countries*. Harvard Institute for International Development, Harvard University Press, Boston, Ma.

development, and is or should be demand driven (Alley & Negretto, 1999)<sup>16</sup>. Capacity development also suggests a shift towards enhancement and strengthening of existing capacities.

### 2.2.2 APPROACHES TO CAPACITY BUILDING

The literature can be categorized into four approaches (schools of thoughts) to capacity development: (1) organizational approach; (2) institutional approach; (3) systems approach; (4) participatory process approach<sup>17</sup>.

The *organizational approach* sees an entity, organization or even set of organizations as the key to development. The organizational development literature is a mixture of closed and open systems approaches. The *closed system* approach focuses on the internal workings of the organization to improve capacity. The *open system* approach also focuses on an organization's relationship to influences from its external environment: institutions, social values, and the political and economic contexts. In the closed system approach it is much easier to plan, monitor, and evaluate an intervention. The advantage of the organizational approach is that it has much in common with the well-established field of organizational theory and change. Consequently, it is relatively focused and the unit of change is clear. The way how to change organizations remains to be learned though. McKinsey & Company developed a capacity assessment grid for non-profit organizations (see Venture Philanthropy Partners, 2001)<sup>18</sup>. This tool helps non-profit leaders and staff gauge where they are in their organizational lives and identify for themselves their capacity building needs. This tool asks the reader to score the organization on seven elements of organizational capacity<sup>19</sup>, by selecting the text that best describes the organization's current status of performance.

The *institutional approach* makes a distinction between institutions and organizations. According to this approach changes of institutions are the key to development. North (1994) defined institutions as the formal and informal "rules of the game"<sup>20</sup>. As norms, cultural values, incentive systems and beliefs underlie most development problems, this approach is in particular relevant.

The *systems approach* to capacity development is a multidimensional idea. The systems approach refers to a global concept that is multilevel, holistic and interrelated, in which each system and part is linked to another. Capacity development is a complex intervention that encompasses multiple levels and actors, power relationships and linkages. The systems approach suggests that capacity development should build on what exists in order to improve it, rather than to build new systems. From this perspective capacity development is seen as a

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<sup>16</sup> Alley, K., & Negretto, G. (1999). Literature review: Definitions of Capacity Building and Implications for Monitoring and Evaluation.

<sup>17</sup> Fragments of the description of the different approaches are taken from Lusthaus et al. (1999).

<sup>18</sup> Venture Philanthropy Partners (2001), *Effective Capacity Building in Nonprofit Organizations*, Prepared for Venture Philanthropy Partners by McKinsey & Company.

<sup>19</sup> Three higher-level elements – aspirations, strategy, and organizational skills- three foundational elements – systems and infrastructure, human resources, and organizational structure – and a cultural element which serves to connect all the others.

<sup>20</sup> North, D. C. (1994). Economic Performance Through Time. *The American Economic Review* 84(3).

dynamic process whereby intricate networks of actors (individuals, communities/groups and organizations) seek to enhance their abilities to perform what they do, both by their own initiatives and through the support of outsiders. The main problem with this approach is that it might lack focus. The high level of abstraction may result in vague language.

The *participatory process approach* to capacity development emphasizes the importance of the means used to achieve the goals of development. The goal to develop an institution should not result in the imposition of a foreign model but instead attempts should be made to identify and use local expertise, and develop a grassroots, domestic model (Upoff, 1986)<sup>21</sup>. This approach is closely linked to empowerment. Wallerstein (1992, p. 198) refers empowerment to "a social process that promotes participation of people, organizations and communities towards the goals of increased individual and community control, political efficacy, improved quality of community life and social justice"<sup>22</sup>. The concept of participation can be divided into categories of different "types" according to the level of participation<sup>23</sup> (see Løndholdt et al., 2004)<sup>24</sup>. The advantages of this approach to capacity development are that it has a narrowly defined scope that clarifies what is included and excluded: i.e., development activity should be participatory.

### 2.2.3 EVALUATION OF CAPACITY BUILDING INTERVENTIONS

Kenneth Wing (2004) discusses the question of how the effectiveness of capacity-building efforts should be measured<sup>25</sup>. He comes to a number of conclusions. First of all, because of the diversity of the term capacity building, there is not one answer to the above question: there will be many answers to a great many very different concrete situations. This means that the evaluation should be situation-based. Ideally, both the evaluation demanding donors and the beneficiaries should be able to specify the concrete improvements that are the intended outcomes of work. Second, if performance improvement cannot be measured directly, then it should be measured indirectly. A human judgment should then be made of what other improvement is the best proxy. Third, there should be goal alignment between all participating parties (funder, funded agencies, consultants, etc.). A lack of goal alignment usually spells trouble for the capacity building project but also raises an evaluation question: Against whose goals is the effectiveness of capacity building to be measured<sup>26</sup>? Fourth, one should realize that there may be a delay between the time that a capacity-building intervention happens and the

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<sup>21</sup> Uphoff, N. (1986). *Local Institutional Development: an analytical sourcebook with cases*. West Hartford, CN: Kumarian Press.

<sup>22</sup> Wallerstein, Immanuel. (1992). *Creating and transforming households: the constraints of the world economy*. Cambridge: Cambridge University Press.

<sup>23</sup> The categorisation describes a view on how to recognise different types of participation.

<sup>24</sup> Lønholt, Jens; Andersen, Lars Skov; Bregnhøj, Henrik; Jacobsen, Michael; Jørgensen, Per Elberg; Kristensen, Gert Holm; Lund, Søren; Schouw, Nanette Levanius. *Water and Wastewater Management Projects in a Tropical Context – a guidebook for engineers in ensuring appropriate projects*, Environmental Management in the Tropics, Department for Environment and Resources, Technical University of Denmark 2004.

<sup>25</sup> Kenneth T. Wing, "Assessing the Effectiveness of Capacity-Building Initiatives: Seven Issues for the Field" – *Nonprofit and Voluntary Sector Quarterly*, Vol. 33, No. 1, pp. 153-160, 2004.

<sup>26</sup> In Wing's evaluation experience it is not uncommon to find multiple sets of goals in a capacity building project.

time when the organization internalizes that intervention and learns to perform effectively at a higher level. This means that an evaluation carried out during or right after the intervention cannot fully take account of benefits that only appear some time after the intervention. This applies in particular to the impact on societal objectives. On the other hand, it is possible that some impacts will decrease after intervention (the possible evaporation of impacts of training, for example). Fifth, when measuring the effectiveness of capacity building, one has to look at people, systems, and how they relate and reinforce each other. Evaluating the two independently is not sufficient. Focussing on people alone is not enough as staff who were trained may leave for another job. Focussing on the system alone is also not enough as systems may have zero influence on what employees actually do. Sixth, one should realize that there are real limits to evaluations. In Wing (2004) a nice example is given to illustrate this. Consider an agency where the problem is an overworked executive director with too many direct reports. There are many possible reasons one may think of: the organization is not well structured, the director is not able to delegate, or the executive director does not trust the capability of his or her managers. For all these reasons a different solution should be taken. Evaluation researchers are usually not deeply enough involved to capture the depth and complexity of reality.

Capacity building is often seen as a second order means to first order development objectives such as better education and improved child health (which means that capacity building instruments like education and training are a means to an end). From another perspective, however, capacity building can be seen as a development objective in and of itself that needs separate and explicit attention<sup>27</sup>. Capacity building should command its own resources, management attention and evaluation standards much along the lines of gender, education, employment or the environment. Otherwise, little sustained progress will be made. Most approaches to capacity building from international development agencies contain both perspectives. These mixed incentives with respect to capacity building are among other things based on a) the fact that most cannot persist for the long haul of implementation associated with capacity building and b) participants at the community level usually have little patience with capacity building programmes that deliver little in the way of substantive benefits in a reasonably short period of time.

The real question with regard to capacity building projects is their impact on the broader system of which they are part. Projects can be well-managed, produce substantive outcomes and have no lasting impact in terms of new knowledge or changed behaviour. The other way around, a project can fail in conventional terms but have a broad and lasting systematic impact. With the evaluation of capacity building spill-over effects and other external impacts matter. Therefore, some evaluation indicators have to be relatively broad.

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<sup>27</sup> Peter Morgan, 1999.

## 2.3 DOES GOOD GOVERNANCE ENHANCE ECONOMIC DEVELOPMENT?

It has become a truism to say that ‘good governance is essential for successful development’. This simply begs the question what is good governance? There are many definitions of good governance. According to the World Bank, governance is "the manner in which power is exercised in the management of a country’s economic and social resources for development." Many definitions of ‘good governance’ encompass notions like institutions, democracy, equality before the law and legal security. For each of these four notions we briefly say what the literature says about their impact on economic development/growth.

Economic historians such as North have made a strong case that institutions are vital to the long-term economic development of any society<sup>28</sup>. Recent empirical works of the East Asian development experience have reached similar conclusions. OECD (2003) gives an overview of studies that analyze the impact of institutions on development outcomes<sup>29</sup>. According to this study there is an overall acknowledgement that institutions matter and have a direct impact on growth. For example, Rodrik *et al.* (2002) found in a recent study that the “estimated direct effect of institutions on incomes is positive and large” (p. 11)<sup>30</sup>. Besides an observed direct impact, most studies also acknowledge an indirect impact on growth and economic development. Institutions can lead to an increase in investment, to a better management of ethnic diversity and conflicts, to better policies and to an increase in the social capital stock of a community. All these factors have a recognized positive influence on growth. Therefore, most of the studies suggest a strong and robust relationship between institutional quality and growth and development outcomes.

The influence of democracy and economic development is interesting too. The phenomenal success of the East Asian economies – Hong Kong, Singapore, South Korea, Taiwan, and mainland China – none of them having democracies in a substantive sense during their miracle years, has created for some a sense that democracy is inconsistent with development. On the contrary, many undemocratic countries in Africa have shown disastrous performances. Also, if the developed countries are considered instead, the democracies have done immensely better than the Soviet bloc dictatorships. Bhagwati (2002) analyzes the relation between democracy and development<sup>31</sup>. He comes to the conclusion that there is no necessary trade-off between democracy and development, but also no reason to believe that democracy is necessarily better for development. Only when combined with markets and openness does democracy offer the best prospect of achieving the efficient, dynamic society that allows development to thrive.

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<sup>28</sup> See Douglas North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, 1990.

<sup>29</sup> Johannes Jütting, *Institutions and Development: A Critical Review*, OECD Development Centre, Working Paper No. 210, July 2003.

<sup>30</sup> RODRIK, D, A. SUBRAMANIAN and F. TREBBI (2002), “Institutions Rule: The Primacy of Institutions over Integration and Geography in Economic Development”, *IMF Working Paper*, WP/02/189, International Monetary Fund, Washington, D.C..

<sup>31</sup> Jagdish N. Bhagwati, *Democracy and Development: Cruel Dilemma or Symbiotic Relationship?*, *Review of Development Economics*, 6(2), 151–162, 2002.

Democracy without markets is unlikely to deliver significant growth. Even if a country's democratic institutions facilitate the creation of new ideas and new technologies, the ability to translate those ideas and know-how into effective innovation and productive efficiency is handicapped by the absence of markets.

It is well established that equality before the law (together with secure property rights and free markets) promote rapid economic growth. The Fraser Institute's 'index of economic freedom in the world' (Gwartney-Lawson, 2002) which is the most convincing measure of these qualities, shows a clear correlation between economic freedom and income growth during the 1990s<sup>32</sup>. Jones (2002) underlines the importance of political pluralism, the rule of law (equality before the law) and a free press for sustained intensive growth<sup>33</sup>. Only under such an institutional regime can systematic economic and political errors be critiqued and corrected.

Legal security is today regarded as a basic requirement for economic growth. Estimating the macroeconomic impact of the cost of judicial barriers, Wagner (1995) has shown that legal security is a major factor in economic growth, and the absence of legal security leads to economic slow-down<sup>34</sup>.

The importance of capacity building on economic development can also be inferred from the economic literature on the role of trust. In these studies trust is measured on the basis of surveys held among the population in a variety of countries. In the surveys questions are asked about the trust of people in their fellow men and in the existing institutions. There are also examples of studies in which trust is measured by experiments. An example of such an experiment is one in which wallets were put on the street in several countries and the numbers of cases recorded in which they were brought back (Temple, 2001)<sup>35</sup>. In another example the experiment implied that permits or licenses were asked from government agencies in order to measure the degree of corruption. The hypothesis put forward in these studies is that if people can trust their fellow men (people they have to deal with in the economic process, civil servants, etc.), then transaction costs will be lower and thus economic growth higher. Some studies indeed find significantly positive effects of indicators of trust on economic variables such as output per capita (La Porta et al, 1997 and Knack and Keefer, 1997)<sup>36</sup>. This would mean that if capacity building through its impact on the functioning of institutions creates more trust in society it enhances economic development at the same time.

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<sup>32</sup> Gwartney, James and Robert Lawson. 2002. Economic Freedom of the World: 2002 Annual Report. The Fraser Institute. Available at: <http://www.freetheworld.com>.

<sup>33</sup> Eric L. Jones, *The Record of Global Economic Development*. Cheltenham, UK and Northampton, MA: Edward Elgar, 2002.

<sup>34</sup> Cfr. Wagner H. "Macroeconomic Analysis of the Cost of Judicial Barriers for consumers in the Single Market" in von Freyhold, Gessner, Vial and Wagner (eds) "Cost of Judicial Barriers for consumers in the Single Market" A report for the European Commission, Brussels, 1995. Quoted in von Freyhold, Vial & Partener Consultants (1998), p. 276.

<sup>35</sup> Temple, J., Growth effects of education and social capital in OECD countries, CEPR, 2001.

<sup>36</sup> La Porta, R., F. Lopez-de-Silanes, A. Schleifer and R. Vishny, Trust in large organizations, *American Economic Review*, 1997, pp. 333-338; Knack, S. and P. Keefer, Does social capital have an economic pay-off? A cross-country investigation, *The Quarterly Journal of Economic Statistics*, 1997. pp. 1251-1288.

## 2.4 THE LINK BETWEEN INVESTMENT IN INFRASTRUCTURE (SUCH AS COMPUTERS AND ICT-SYSTEMS) AND INVESTMENT IN HUMAN RESOURCES

As regards the predecessors of the concept of Capacity Building in the 70's and 80's of the previous century was on human resource development. As indicated, Capacity Building as it is understood nowadays implies a wider perspective, taking into account the broader environment in the country and the management of relationships between actors and the different levels (partnerships, networks, stakeholders involvement, etc.). Furthermore, the modern concept stresses the importance of ownership, commitment and sense of control from the side of the national participants (beneficiaries). Furthermore, capacity processes are seen to involve complex processes of human behavioural change whose influence governs the more technical considerations with regard to organizational structure and systems. The latter implies that in Capacity Building interventions sufficient attention should be given to investment in human resources, which should when necessary also be aimed at changing the behaviour of people.

However, a project only aiming at individuals or a group of individuals will often not be very effective, because constraints at the organizational and system level may prevent staff to use the new skills appropriately. Hence, focussing on people alone may not be inadequate because:

- staff who were trained may leave for another job;
- trained individuals may not find an environment to use their knowledge, skills and attitudes<sup>37</sup>.

The latter concerns, for example, conditions regarding the computer and ICT-infrastructure in the relevant organizations. In some cases it will therefore improve effectiveness when improvements in the skills of people are supported by investments in computers and ICT-systems that help people to improve the outcome of their work. However, the necessity of it will depend amongst other things on the subject of the intervention and the specific situation. So, it should be determined (ex-ante, in the problems and needs assessment) on a case by case basis whether investments in computers and ICT are necessary to complement the investments in human resources<sup>38</sup>.

Morgan concludes that the results of the evaluations thus reinforce a basic conclusion about the value of training as a capacity building strategy. Attempts to change people's organizational

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<sup>37</sup> D. Horton et al, *Evaluating Capacity Development; Experiences from Research and Development Organizations from around the World*, Institutional Service for National Agricultural Research, ISNAR, CTA and IDRC/CRDI, 2003, page 13.

<sup>38</sup> There is empirical evidence that investment in ICT and investment in human capital are highly complementary (see for example: Julie Turcotte and Lori Whewell Rennison, *The Link Between Technology Use, Human Capital, Productivity and Wages: Firm-level Evidence*, *International Productivity Monitor*, 2004). One could argue that if such a relationship exists for firms, it will also hold for public service activities. It should be noted, however, that it is very difficult to disentangle the causal relationship between ICT and human capital (see: L. Chennells and J. van Reenen, *Has Technology Hurt Less Skilled Workers? An Econometric Survey on the Effects of technical Change on the Structure of Pay and Jobs*, *IFS Working Paper W99/27*, 1999).

behaviour and performance by improving their knowledge and skills were usually only effective when the incentives, support structures and organizational context acted in the same direction. By itself, training was not always an effective process in support of capacity building<sup>39</sup>. The support structure and organizational context may include, amongst other things of course, the environment in terms of ICT and other equipment. But again, this has to be assessed in each specific case.

In the selected case in the Slovak Republic concerning the fight against corruption, for example, it seems that before the intervention the effectiveness of the General Prosecutor's Office was limited by obsolete technology. So, equipment was purchased to improve the efficiency of the exchange of information and of the investigations of cases of corruption. People were also trained to use the new equipment. Also in the Worldbank project on Public Finance Management in Hungary the purchase of equipment was crucial (hardware and specific software for the treasury).

On the other hand: like staff ICT-equipment can "walk away" too. So there should be guarantees that the equipment will be used for the purpose it was purchased for, during and after the intervention.

What seems very important is that the interventions address the system's or organization's priority needs<sup>40</sup>. Furthermore, the focus should not be on support that allows individuals to their work but on support that is focused more on the outcome of their work.

## **2.5 EMPIRICAL STUDY: FACTORS AT STAKE**

### **2.5.1 GENERAL OVERVIEW**

Which factors make that capacity building projects are a success or a failure, or at least seem to have an influence on the contribution of capacity building interventions on policy design and policy implementation?

One may think of many ways how to classify the success and risk factors. We have chosen to classify them according to whether they are context factors or process/implementation factors. Context factors are success/risk factors that are primarily related to the (strategic, political, administrative, financial) context. Process/implementation factors are success/risk factors that are primarily related to the programme itself. As success factors are most often just the mirror image of risk factors (e.g. institutional stability is a success factor and institutional instability a risk factor), we will only use either one of them. Next to the distinction between context and process/implementation factors, we also classify the success/risk factors according to how often they are identified in the literature. We will use a three-fold classification: factors that are often mentioned in the literature, factors that are regularly mentioned and factors that are mentioned only a few times. Of course this classification is selection biased to the particular reports/papers we have analysed, however it is just intended to give a preliminary indication. The next box

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<sup>39</sup> See Morgan in his earlier cited publication.

<sup>40</sup> D. Horton et al, *Evaluating Capacity Development; Experiences from Research and Development Organizations from around the World*, Institutional Service for National Agricultural Research, ISNAR, CTA and IDRC/CRDI, 2003, page 12.



summarizes the success/risk factors we have found in the (empirical) literature categorized according to the criteria just mentioned.

**Box 2.3** *Success/risk factors categorized according to the type of factor and the number of times identified in the literature; success factors are indicated by (S) and risk factors by (R)*

|             | CONTEXT FACTORS   | PROCESS/IMPLEMENTATION FACTORS  |
|-------------|---|---|
| OFTEN       | <ul style="list-style-type: none"> <li>- Institutional and political instability (R)</li> <li>- Imbalance between partners; no stakeholder involvement (R)</li> </ul>   | <ul style="list-style-type: none"> <li>- Objectives are vague (R)</li> <li>- Objectives are over-ambitious (R)</li> <li>- Objectives are not supported by relevant activities (outputs) (R)</li> <li>- Absence of an impact evaluation and a mechanism to measure impact (R)</li> </ul>   |
| REGULARLY   | <ul style="list-style-type: none"> <li>- Political commitment (S)</li> <li>- Budget crisis (R)</li> <li>- Political opposition (R)</li> <li>- No goal-alignment (R)</li> <li>- Shared responsibility ministries (R)</li> <li>- (In)effective co-ordination (S/R)</li> <li>- Ineffective co-operation (R)</li> <li>- Possibilities for strategic fund spending (R)</li> <li>- Culture of decision-makers being inconsistent with programme (R)</li> <li>- Pre-project strengthening of institutions (S)</li> <li>- Insufficient attention to democratic decision-making processes (R)</li> <li>- Bureaucratic machinery of EC or donor country (R)</li> <li>- Legal and fiscal environment (S/R)</li> <li>- Public administrations being highly politicised (R)</li> </ul> | <ul style="list-style-type: none"> <li>- Project too complex (R)</li> <li>- Inadequate systems for monitoring and evaluation (R)</li> <li>- Absence of a feasibility study (R)</li> <li>- Inflexible central plan (R)</li> <li>- Use of inappropriate indicators or no use of indicators at all (R)</li> <li>- Evaluation interviews only with individuals who were responsible carrying out the project (R)</li> <li>- No efficiency test (R)</li> <li>- No search for unintended impacts (R)</li> <li>- Lack of attention to the sustainability of the interventions in the future on the budget of the donor country (R)</li> <li>- Lack of attention given to motivation and incentives of technical assistance personnel by the donor country (R)</li> <li>- Insufficient institutional analysis of the government agencies (R)</li> <li>- Investment in EU standards and norms; acquis-related projects also had wider positive side-effects (S)</li> </ul> |
| A FEW TIMES | <ul style="list-style-type: none"> <li>- Capacity building efforts take adequate account of the prevailing local politics and institutions, and are country rather than donor driven (S)</li> <li>- Incentives not to respect contracting procedures (R)</li> <li>- Public sector corruption (R)</li> <li>- Bias toward supplying capacity inputs (such as training and equipment) before reforming governance structures (R)</li> <li>- Current per capita income (S/R)</li> <li>- First-receiver advantage (S)</li> </ul>   | <ul style="list-style-type: none"> <li>- Adopted legislation remaining a written part of the national legislation of the donor country (S)</li> <li>- Working level counterpart arrangements not clear (R)</li> <li>- Partner Agency having a very clear view (vision) of its own future (S)</li> <li>- Responsibility being with the head of the organization (S)</li> </ul>   |

It is not possible to make a clear distinction between factors of success/risk on the programme and project level. Most of the factors summarized in the box are relevant on programme *and* project level. Only a very few of the factors, like “Inflexible central plan”, typically belong to the programme level. Programmes usually encompass a range of projects in more or less the same field. Thus, a success/risk factor for a project belonging to a certain programme is also a success/risk factor for the programme itself. Only if the programme encompasses projects that belong to different fields, then the range of success/risk factors for the programme might be a bit larger than for the projects belonging to this programme. The probability that a project fails is larger than a whole programme even if the projects belonging to the programme are in the same field. The reason is that projects are usually carried out in different countries with their own peculiarities. A project in one country may be a success while in another country it may be a failure. The higher complexity of larger programmes does imply that the success of these programmes relies even more on the professionalism of the agency (or agencies) in charge of the design of the programme and its implementation, and on adequate evaluation in the various stages of the programme (ex-ante, on-going and ex-post).

In the next two sections we will elucidate the success/risk-factors mentioned in the box above and refer to some of the papers or studies they are taken from. We first deal with the context factors (in section 2.5.2) and then with the process/implementation factors (in section 2.5.3). The evidence is taken both from EC and non-EC (World Bank, OECD, UNDP, IMF) sources. In section 2.5.4 we review the success/risk factors specific to three fields of capacity building interventions (environmental sector, finance and banking sector, JHA sector). Most factors of success/risk mentioned in box 2.3 do however hold for any field of research. Only the importance of the success/risk factors may differ between the fields.

## **2.5.2 CONTEXT FACTORS**

### ***Often found as success or risk factor***

#### ***Institutional and political instability (R)***

Institutional instability means that the institutions responsible for the projects changed during the course of the project, either partly or totally. Many Phare projects faced institutional instability<sup>41</sup>. A typical example of institutional instability is the Hungarian project that aimed at establishing a Paying Agency for channelling direct support to farmers. The project suffered from successive changes in the sharing of responsibilities in the partner administration, which made it quite hard to implement. Another example is the Lithuanian project ‘preparing for the Structural Funds programmes’. Towards the end of 2000, the Ministry of Public Administration Reforms and Local Authorities, the main target of the project, was merged with the Ministry of the Interior. This reorganisation was accompanied by another internal reorganisation of the Ministry of the Interior. These changes exacerbated the problem of staff stability. Several group members did not continue their work, causing a loss of institutional memory about Structural Fund programming. The Bulgarian case of regional development is similar. Many people from the Ministry of Public Works and Regional Development were trained and underwent a learning-by-doing process. Subsequently, regional development programmes were transferred to

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<sup>41</sup> See the Phare case studies at the DG ENLAR webpage:  
[http://europa.eu.int/comm/enlargement/phare\\_evaluation\\_ex\\_post\\_evaluation\\_97\\_98.htm](http://europa.eu.int/comm/enlargement/phare_evaluation_ex_post_evaluation_97_98.htm)

the Ministry of Finance, and turnover of trained staff has been high at both the national and regional levels.

In many World Bank reports this risk factor is also mentioned.<sup>42</sup> Political and economic instability is often translated into frequent changes in Government personnel, including in the offices vital to the implementation of the Project. This delays implementation on many occasions. In the Bolivian case, capacity-building in the ministries and vice-ministries was also undermined by the changes in the structure of the Government (which led to the disappearance of some of the key beneficiaries, such as the Vice-Ministry of Investment and Privatization).<sup>43</sup> Also in the Serbia-Montenegro case general political instability has been a major factor affecting the pace of implementation of politically sensitive reforms supported by the project.<sup>44</sup>

*Imbalance between partners; no stakeholder involvement (R)*

The European Commission has often dominated the setting of country priorities and project objectives, even to a degree where viewing the process as a real partnership is difficult (see Phare ex-post evaluation report). The negative aspect of this imbalance is that the process did not create the fullest possible ownership of and commitment to the overall programme objectives, the priorities and the subsequent project. Among the candidate countries was a feeling of lacking participation. Also in many other documents this risk factor is mentioned (see e.g. Buringuriza, 2002)<sup>45</sup>. The importance of involving stakeholders is also mentioned in the

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<sup>42</sup> See e.g. the following recent World Bank Implementation Completion Reports:

- Implementation Completion Report (IDA-31080 PPFI-Q1040) on a credit in the amount of US\$20.0 million equivalent to the Republic of Bolivia for a regulatory reform and privatization technical assistance project. World Bank Report No: 33495, November 22, 2005.
- Implementation Completion Report (IDA-36690) on a credit in the amount of SDR 12 million (US\$15 million equivalent) to Albania for a financial sector adjustment credit (FSAC). World Bank Report No: 32646, June 20, 2005.
- Implementation Completion Report (TF-29800 TF-50259 TF-50296 TF-52718) on a credit in the amount of US\$ 6 million to the Serbia and Montenegro for a private sector development technical assistance project (co-financed by Dutch PSD TA Grant and Swedish PSD TA Grant). World Bank Report No: 32662, May 25, 2005.

<sup>43</sup> Implementation Completion Report (IDA-31080 PPFI-Q1040) on a credit in the amount of US\$20.0 million equivalent to the Republic of Bolivia for a regulatory reform and privatization technical assistance project. World Bank Report No: 33495, November 22, 2005.

<sup>44</sup> Implementation Completion Report (TF-29800 TF-50259 TF-50296 TF-52718) on a credit in the amount of US\$ 6 million to the Serbia and Montenegro for a private sector development technical assistance project (co-financed by Dutch PSD TA Grant and Swedish PSD TA Grant). World Bank Report No: 32662, May 25, 2005.

<sup>45</sup> Tom, Buringuriza, 2002, Experiences from Former TVET and EE initiatives: Approaches, Problems and outputs. Presentation at the Seminar and Workshops for Skills development and Entrepreneurship Education in International Development Co-operation.

Available at [http://unevoc.evtek.fi/tvet\\_seminar\\_02/Buringuriza%20-%20Uganda%20experiences%20from%20TVET%20and%20EE%20initiatives.pdf](http://unevoc.evtek.fi/tvet_seminar_02/Buringuriza%20-%20Uganda%20experiences%20from%20TVET%20and%20EE%20initiatives.pdf)

NESIS programme<sup>46</sup>, in a World Bank project on environmental capacity building<sup>47</sup>, in an UNDP-paper<sup>48</sup>, and in an OECD-paper<sup>49</sup>. Another World Bank paper emphasizes the importance of carrying out a stakeholder analysis prior to the project<sup>50</sup>.

### ***Regularly found as success or risk factor***

#### *Political commitment (S)*

This factor is both mentioned in the framework of the NESIS programme, in a UNDP report<sup>51</sup>, and in World Bank projects, such as the one on environmental capacity building. It is necessary to mobilise and authorise financial, material, human and institutional commitment of other partners to implement the adopted strategy and manage the operations. Furthermore, the government has to play a leading role in the process of institutional change, which does not seem possible without political commitment.

#### *Budget crisis (R)*

A budget crisis may undermine the Government's commitment to maintaining its development and independence. In the Bolivian case funding was severely reduced due to the budget crisis.<sup>52</sup> The low salary caps have provoked a departure of qualified Project-trained staff.

#### *Political opposition (R)*

Some World Bank reports stress the importance of considering the strength of political opposition.<sup>53</sup> The possibility of strong political opposition should appropriately be reflected in the project risks and broader mitigation measures should be prepared.

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<sup>46</sup> NESIS (Strengthening National Education Statistical Information Systems) is a programme initiated by the Working Group on Education Statistics within the Association for the Development of Education in Africa. Conceived in 1991 initially as a project to develop technical modules, this project has become a multi-donor, Africa-wide capacity building program to develop self-sustainable statistical information systems for education policy needs in Africa.

<sup>47</sup> Sergio Marguhs and Tonje Vetleseter, *Environmental Capacity Building: A review of the World Bank's Portfolio*; World Bank – Environment Department Paper No 68; May 1999.

<sup>48</sup> UNDP – Capacity Building for Decentralized Urban Governance, UNDP project of the government of India.

<sup>49</sup> OECD – Development Assistance Committee, *Criteria for Donor Agencies' Self-Assessment in Capacity Development*, DCD/DAC (99) 4, 1999.

<sup>50</sup> Pierre Landell-Mills, *An evaluation of World Bank Assistance for Governance, Public Sector Management, and Institution Building in Transition Economies*”, The World Bank Operations Evaluation Department, 2004.

<sup>51</sup> UNDP - Building statistical capacity—unprecedented demand, urgent opportunity, September 1, 2005.

<sup>52</sup> Implementation Completion Report (IDA-31080 PPF1-Q1040) on a credit in the amount of US\$20.0 million equivalent to the Republic of Bolivia for a regulatory reform and privatization technical assistance project. World Bank Report No: 33495, November 22, 2005.

### *No goal-alignment (R)*

A lack of goal alignment between all participating parties (funder, funded agencies, consultants, etc.) usually spells trouble for the capacity building project (see Wing, 2004). Even within any of the stakeholder organizations, priorities may differ among individual staff and board members. This suggests that all parties to a capacity-building program need to spend time articulating their goals and sharing them with the others. Foundations and their grantees will need to come to a mutual understanding of what way to go.

### *Shared responsibility ministries (R)*

From the Phare assessment report<sup>54</sup>, it appears that the wide range of Justice and Home Affairs (JHA) topics (as reflected in the priorities of the Accession Partnership and the National Programme for the Adoption of the *Acquis* in the candidate countries) has created some policy fragmentation and/or confusion on the part of candidate countries<sup>55</sup>. In particular, inter-institutional beneficiary co-ordination (to avoid fragmentation of JHA actions) is impaired and division of responsibilities between Ministries for implementation of the (broad) *JHA acquis* is unclear in some countries.

### *(In)effective co-ordination (S/R)*<sup>56</sup>

A very frequent failure in the Phare programmes was that of ineffective co-ordination and/or management between relevant beneficiary bodies<sup>57</sup>. These also appeared likely to adversely affect co-ordination with other Phare programmes and donors. This in turn raises issues of duplication of effort and / or resources.

(In)effective co-ordination as success/risk factor is regularly mentioned in World Bank reports too. The Project Management Unit (PMU) should be made up of highly qualified professionals capable of carrying out the management of (complex) projects, involving coordination among a large number of beneficiary agencies and including ensuring the compliance with the procurement rules and other (often complex) formal procedures required by the Operations Manual and the World Bank rules.

In an IMF study about statistical capacity building is mentioned that internal coordination within the central bank of the Ukraine was a serious obstacle until an interdepartmental working

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<sup>53</sup> See e.g. Implementation Completion Report (IDA-31080 PPF1-Q1040) on a credit in the amount of US\$20.0 million equivalent to the Republic of Bolivia for a regulatory reform and privatization technical assistance project. World Bank Report No: 33495, November 22, 2005.

<sup>54</sup> "Assessment of the European Union Phare Programmes. Multi-Country. Thematic Report on Justice and Home Affairs" by OMAS Consortium; September 2001.

<sup>55</sup> These topics can broadly be grouped as (i) border related issues, such as the free movement of persons, visa policy, asylum, immigration; (ii) cross border crime, including drugs smuggling, terrorism, fraud, corruption, organized crime, police and customs co-operation; and (iii) judicial co-operation on both civil and criminal matters.

<sup>56</sup> This success/risk factor might also (partly) be considered as a process/implementation factor.

<sup>57</sup> "Assessment of the European Union Phare Programmes. Multi-Country. Thematic Report on Justice and Home Affairs" by OMAS Consortium; September 2001.

group coordinated the compiling of monetary statistics within the bank.<sup>58</sup> On the other hand, in Bosnia and Herzegovina, internal coordination driven by the governor was a positive feature in the central bank's efforts to improve statistics.

*Ineffective co-operation (R)*

This risk factor follows from EPEC (2003)<sup>59</sup>. In some cases insufficient cooperation between different law enforcement agencies and between law enforcement agencies and local administrative structures could damage the success of the programme in its implementation phase. This of course holds more in general. Marguhs and Vetleseter (1999) argue that central governments have largely failed to address problems that are essentially local in nature. In their view strategies for decentralization, particularly as regards the execution and enforcement of policies, should be pursued.

*Possibilities for strategic fund spending (R)*

This risk factor follows among others from Savona (2004) that evaluates the Italian Operational Programme (IOP) "Security for the Development of Southern Italy"<sup>60</sup>. At the time of the first cycle (IOP 1994-1999) there was strong pressure for spending as much of the European funds as possible (which may have led to sub-optimal allocations). An optimal timing of expenditure may reduce the possibilities for strategic spending.

*Culture of decision-makers being inconsistent with programme (R)*

This risk factor follows for example from Savona (2004). As the Italian Ministry of Interior was the main decision maker for the IOP and as its culture is that of law enforcement, decisions were more oriented toward those outputs of which it had more knowledge and experience. Technology is part of this culture because it is used by law enforcement agencies that have recognised its usefulness. "Technology outputs" might however not be the optimal outputs. An efficiency test might be a good solution to diminish the influence of the culture of decision-makers.

*Pre-project strengthening of institutions (S)*

The Phare Programme had limited impacts in terms of co-ordination between institutions or between levels of administration. The Phare evaluation provides evidence that targeted institutions had to be strengthened before they could engage in building inter-institutional capacity.

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<sup>58</sup> "Statistical Capacity Building Case Studies and Lessons Learned," *Edited by* Thomas K. Morrison, *With Case Studies by* Zia Abbasi, Noel Atcherley, Jaroslav Kučera, and Graham L. Slack, IMF, 2005.

<sup>59</sup> "Study on the Role of an environment of Security, legality and transparency in the economic and social development of the acceding countries" by EPEC, 2003.

<sup>60</sup> Ernesto U. Savona, 2004, "Extending security policies in acceding and neighbourhood countries. Lessons learned from the first experiment carried in the South of Italy under the Structural Funds."

*Insufficient attention to democratic decision-making processes (R)*

Insufficient attention to democratic constraints may lead to supporting projects that subsequently fail to achieve their intended impacts. This happened to be the case in some Phare and World Bank projects. A UNDP report<sup>61</sup> mentions both democracy and reform of national policies to be critical for effective capacity building.

*Bureaucratic machinery of EC or donor country (R)*

This risk factor has for example been mentioned by Savona (2004): “The main limitation to the use of the Structural Funds in the area of security for development is the bureaucratic machinery of European Commission and its regulation which is added to the bureaucratic machinery for each country.”

*Legal and fiscal environment (S/F)*

In some cases, insufficient care had been taken of the legal and fiscal environment<sup>62</sup>. This issue was raised in Phare assessment reports in five of the six countries with national civil society programmes (Poland was excluded)<sup>63</sup>. The legal, fiscal and regulatory framework which governs the operations of the NGO sector has a profound impact on the capacity of NGO to provide services to individuals, tender for government service contracts, raise funds, receive donations and deal with their tax and VAT liabilities etc.

*Public administrations being highly politicised (R)*

The public administration systems which the candidate countries inherited when the Soviet period ended were broadly similar to each other and ill-suited to manage the transition to, and needs of democratic market economies, or the accession process<sup>64</sup>. They have been remarkably resistant to change and are frequently seen as retarding reform and economic and social development. Public administrations remain highly politicised and are generally seen as offering poor quality work, insecurity of tenure and poor remuneration.

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<sup>61</sup> Regional Workshop Report on Results-Oriented Monitoring & Evaluation for Arab States, Damascus, Syria, 14 – 15 March 2005, UNDP Evaluation Office.

<sup>62</sup> See: "Assessment of the European Union Phare Programmes. Multi-Country. Thematic Report on Civil Society" by OMAS Consortium; September 2001.

<sup>63</sup> See [http://europa.eu.int/comm/enlargement/phare\\_evaluation\\_reports\\_interim.htm](http://europa.eu.int/comm/enlargement/phare_evaluation_reports_interim.htm).

<sup>64</sup> See: Assessment of the European Union Phare Programmes. Multi-Country. Thematic Report on Public Administration Reform" by OMAS Consortium.

### *A few times found as success or risk factor*

*Capacity building efforts take adequate account of the prevailing local politics and institutions, and are country rather than donor driven (S)*<sup>65</sup>

External assistance can help on both the supply and demand sides of the process by providing inputs to enhance the functioning of the public sector and by strengthening structures of demand and accountability. But it cannot directly influence the cultural norms and political economy underpinning the demand for public sector performance. “*General knowledge of foreign administrative practices needs to be combined with a deep understanding of the local constraints, opportunities, habits, norms, and conditions* (Fukuyama 2004, p. 88)<sup>66</sup>.”

### *Incentives not to respect contracting procedures (R)*

This risk factor follows from Savona (2004). In some cases the usual contracting procedures were not respected. The issue of security was given as an explanation for not following the traditional transparent path. There therefore exists a trade-off between security in allocating resources of the IOP and transparency of the procedures for the expenditures. The chosen allocation mechanism might not be the most optimal one. Allocation mechanisms should be designed which result in high levels of security in the localisation of interventions without decreasing the level of transparency.

### *Public sector corruption (R)*

The failure to eliminate corruption will lead, at best to a sub-optimal use of resources and at worst to major reductions in their effectiveness. Addressing problems of public sector corruption should be seen as a prerequisite for effective Structural Fund interventions<sup>67</sup>. According to UNDP the key factors in combating corruption and promoting transparency include: fostering nationwide partnerships, and cultivating consensus and strengthening political will among national stakeholders to design and manage reform strategies.<sup>68</sup>

### *Bias toward supplying capacity inputs (such as training and equipment) before reforming governance structures (R)*

Sectoral and country reviews of World Bank assistance by the Operations Evaluation Department (OED) have concluded that support for institutional development (ID) efforts - in both sector-specific and public sector management portfolios - has been largely ineffective<sup>69</sup>.

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<sup>65</sup> Mentioned in: Catherine Gwin, *Capacity Building in Africa: an OED Evaluation of World Bank Support*, Published by the World Bank, Operations Evaluation Department, 2005.

<sup>66</sup> Fukuyama, Francis. 2004. *State-Building: Governance and World Order in the 21st Century*. Ithaca, NY: Cornell University Press.

<sup>67</sup> See for example "Study on the Role of an environment of Security, legality and transparency in the economic and social development of the acceding countries" by EPEC, 2003.

<sup>68</sup> Anti-corruption, UNDP Practice note, March 2004.

<sup>69</sup> See: "Evaluating Public Sector Reform. Guidelines for Assessing Country-Level impact of Structural Reform and Capacity Building in the Public Sector", World Bank Operations Evaluation Department, 2001.



Such efforts to improve public management systems were compromised *inter alia* by a bias toward supplying capacity inputs (such as training and equipment) before reforming governance structures.

#### *Current per capita income (S/R)*

The Phare ex-post evaluation shows that the candidate countries did not differ significantly in the achievement of the intended socio-economic impacts, but it is assessed that the prospects for the survival of the impacts achieved diminish with the current per capita income of the country.

#### *First-receiver advantage (S)*

This success factor says that it might be to a country's advantage to receive funds earlier than other countries. This potential success factor follows from the ex-post evaluation studies of the European Union Phare Programmes<sup>70</sup>. The evaluators assessed that impacts have been higher in the candidate countries where the Phare Programme was initiated earlier and lower in the countries that are lagging behind in the accession process.

### **2.5.3 PROCESS/IMPLEMENTATION FACTORS**

#### ***Often found as success or risk factor***

##### *Vague objectives (R)*

Objectives of the Phare Programmes assessed have, without exception, been very vague<sup>71 72</sup>. Only the second multi-country assessment made explicit reference to the Copenhagen criteria. A typical formulation is: *to assist the Government to develop a professionally ethical, economically efficient and democratically accountable public service and to create a platform for the implementation of the integration process generally*. The immediate objectives have not been defined significantly better. They are too broad, vague and ambitious. Unclear goals leave the project management with a weak basis for planning and implementation, which confuses the organization and affects output, results and impact. Objectives of other (than Phare) programmes are also often defined too vague too<sup>73</sup>.

##### *Objectives are over-ambitious (R)*

Most of the Phare projects were often excessively ambitious, setting objectives that could not be reached within the given time and with the given resources. One example is the Polish Veterinary Administration project, where one of the expected results stated in the project fiche was "veterinary legislation harmonised by the end of 1999". Given the size of the veterinary

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<sup>70</sup> See [http://europa.eu.int/comm/enlargement/phare\\_evaluation\\_ex\\_post\\_evaluation\\_97\\_98.htm](http://europa.eu.int/comm/enlargement/phare_evaluation_ex_post_evaluation_97_98.htm).

<sup>71</sup> "Assessment of the European Union Phare Programmes. Multi-Country. Thematic Report on Public Administration Reform" by OMAS Consortium

<sup>72</sup> Marguhs and Vetleseter, op. cit.

<sup>73</sup> See e.g. EC Staff Working Paper, Annual Evaluation Review 2003, Overview of the Commission's Evaluation Activities and Main Evaluation Findings, May 2004.

*acquis* (more than 120 directives and at least 700 decisions), only 40% of the *acquis* was realized at that time. This risk factor also holds for many other projects<sup>74</sup>.

Also World Bank projects were often too ambitious. This holds for example for the privatization and corporatization component in the Bolivian case (see reference in footnote 41). The cooperatives reform, in particular, was an extremely complex task, for which the central Government lacked adequate policy and enforcement tools. However, the Government had requested inclusion of this component, as it was a key element of the Government's reform agenda.

*Objectives are not supported by relevant activities (outputs) (R)*

This risk factor is one of the many design deficiencies that have been recorded in the vast majority of Phare countries<sup>75</sup>.

*Absence of an impact evaluation and a mechanism to measure impact (R)*

An impact evaluation measures the programme's effects and the extent to which its objectives were attained. Although evaluation designs may produce useful information about a programme's effectiveness, some may produce more useful information than others. For example, designs that track effects over extended time periods (time series designs) are generally superior to those that simply compare periods before and after intervention (pre-post designs). Most Phare projects lack an impact evaluation or were not carried out with sufficient analytical rigor. The Italian Operational Programme (IOP) "Security for the Development of Southern Italy" is characterised by the general absence of an impact evaluation either on the security levels or on socio-economic development. The only impact evaluation available refers to the perception of security regarding the interventions carried out. Some hard data should have been collected and compared before and after the interventions. For example, the number of crimes and their displacement in those areas not covered by the interventions, the cost of insurance before and after the interventions, etc.

***Regularly found as success or risk factor***

*Project too complex (R)*

In many World Bank reports this risk factor is mentioned. It primarily holds for projects that involve a large number of difficult sectors with very specific issues, as well as privatization and corporatisation of a large number of entities. These projects diffuse its efforts among too many objectives and agencies which often diminishes its effectiveness.

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<sup>74</sup> See e.g. EC Staff Working Paper, Annual Evaluation Review 2003, Overview of the Commission's Evaluation Activities and Main Evaluation Findings, May 2004.

<sup>75</sup> "Assessment of the European Union Phare Programmes. Multi-Country. Thematic Report on Justice and Home Affairs" by OMAS Consortium, September 2001; and "Assessment of the European Union Phare Programmes. Multi-Country. Ad Hoc Report on the Twinning Instrument Report" by OMAS Consortium; October 2001.

### *Inadequate systems for monitoring and evaluation (R)*

This factor was mentioned in the earlier cited 2004 World Bank paper by Landell-Mills.<sup>76</sup> It was also a factor we came across in our evaluation of the ETF vocational educational programme in Bulgaria<sup>77</sup>.

### *Absence of a feasibility study (R)*

A feasibility study will help to understand whether in a given country there are the pre-conditions for a productive investment (in security for socio-economic development under the Structural Funds). In particular the studies should pay attention to (1) concentration/diffusion of social-economic underdevelopment: whether the country presents situations of underdevelopment concentrated in several regions/areas or is it a generalised phenomenon affecting the whole country; (2) the centralised/local decision making structure (in the governance of public security and crime prevention).

### *Inflexible central plan (R)*

Due to a number of (legitimate) reasons, Phare projects had to be often adjusted. Although the Phare Programme management was decentralised in 1998, the lack of flexibility of the overall Phare procedures made management adjustments complicated. This fact made the implementation conditions very difficult for people involved in operational management.

This risk factor is also mentioned in World Bank reports<sup>78</sup>. Projects should ensure greater flexibility in funds allocation. Many projects suffer from an excessive number of components and sub-components and an overly detailed initial allocation of funds to components and beneficiaries, which slow implementation. These are, again, especially binding constraints in an economy characterized by substantial economic and political instability. Flexibility in the technical assistance operation is very important too as the TA needs can change significantly over time.

### *Use of inappropriate indicators or no use of indicators at all (R)*

This risk factor follows among others from Savona (2004) that evaluates the Italian Operational Programme (IOP) "Security for the Development of Southern Italy". In addressing the issue of effectiveness and efficiency the Italian evaluators used indicators like expenditure capacity. This indicator is not really appropriate as expenditure capacity is more an indicator of the bureaucratic efficiency of the organisation (Ministry of Interior and Treasury) than of the programme. The degree of accomplishment of the outputs envisaged would have been a much better indicator. At the beginning of the first cycle of the Italian Operational Programme (IOP), no indicators at all were chosen or *ex ante* measurements taken which could have been

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<sup>76</sup> Pierre Landell-Mills, "An evaluation of World Bank Assistance for Governance, Public Sector Management, and Institution Building in Transition Economies", The World Bank Operations Evaluation Department, 2004.

<sup>77</sup> Katja Korolkova and Jaap de Koning, "Activities of the European Training Foundation in Bulgaria 1996-2004: Country Evaluation", SEOR, Rotterdam, 2005.

<sup>78</sup> E.g. in the reports referenced above.

evaluated *ex post*. The same holds for most Phare projects. Valid and quantifiable indicators of achievement should be set.

Also in UNDP reports this factor has been highlighted.<sup>79</sup> National evaluation systems need to be tailored to local conditions. It is not a case of “one-size-fits-all”. Rather, it is necessary to develop appropriate sets of performance indicators for local conditions that are underpinned by certain values and norms.

*Evaluation interviews only with individuals who were responsible carrying out the project (R)*

This potential risk factor follows from the ex-post evaluation studies of the European Union PHARE Programmes. It is considered one of the two main weaknesses of the evaluation approach (within programs/projects). Most interviews have been conducted with individuals responsible for the management of projects and too few have been conducted with end-users, such as individuals and groups affected by the projects implemented.

*No efficiency test (R)*

An efficiency test is a test that tests whether there are lower-cost alternatives for achieving the same impacts. Such a test has not been performed for most Phare programmes. In the Italian Operational Programme (IOP) the chosen outputs were not optimal on the basis of a theoretical cost-effectiveness or cost-benefit ratio.

*No search for unintended impacts (R)*

Phare projects have been systematically assessed according to how clear and strong their *intended* impacts were related to the priorities stated in the country strategy documents. There was however no search for *unintended* impacts.

*Lack of attention to the sustainability of the interventions in the future on the budget of the donor country (R)*

The sustainability of the interventions in the future on the budget of the country involved should be envisaged<sup>80</sup>. Technologies request maintenance and become obsolete very quickly. Criminals e.g. learn quite rapidly how to avoid the effects of technologies and consequently displace their modus operandi to those sectors where old technologies become vulnerable. The European Commission should find appropriate remedies to assure the sustainability of the interventions carried out with European resources, and be more flexible when an intervention requests a continuity in the maintenance and training programmes which are related to the programme but located outside the regions/areas selected by the programme.

The earlier mentioned NESIS programme emphasizes the importance of developing in-house capacity for continuous renewal and development in the areas of systems design, technical assistance and staff training. This creates a basis for long-term development.

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<sup>79</sup> See e.g. Regional Workshop Report on Results-Oriented Monitoring & Evaluation for Arab States, Damascus, Syria, 14 – 15 March 2005, UNDP Evaluation Office.

<sup>80</sup> See e.g. Savona (2004).

*Lack of attention given to motivation and incentives of technical assistance personnel by the donor country (R)*

The earlier mentioned evaluation of World Bank Assistance for Governance, Public Sector Management, and Institution Building in Transition Economies by Pierre Landell-Mills stresses that too little attention is given to motivation and incentives by the donor, whether it be technical assistance specialists or trainees or the managers who used the technical assistance. Newly trained staff is poorly used.

*Insufficient institutional analysis of the government agencies (R)*

This risk factor is regularly mentioned in World Bank and OECD reports. An example is a capacity building project to support decentralization in Indonesia.<sup>81</sup>

*Investment in EU standards and norms; acquis-related projects also had wider positive side-effects (S)*

Phare investment in EU standards and norms has turned out to be of strategic importance in relation to accession and has had a good impact, whereas investment in structural action suffered from unclear identification of objectives and associated unclear impacts. Acquis-related projects also had wider positive side-effects in the general functioning of the public administration.

***Few times found as success or risk factor***

*Adopted legislation remaining a written part of the national legislation of the donor country (S)*

Many Phare-supported projects targeted the alignment of legislation and/or the strengthening of public administration, either directly or indirectly. Sustainability is expected to be higher when the approximated legislation will remain as a written part of the national legislation of the donor country.

*Working level counterpart arrangements not clear (R)*

Working level counterpart arrangements were, for brief periods, not clear in the Albanian World Bank Project.<sup>82</sup> This led to a lack of proactivity in monitoring project progress (although a monitoring mechanism was in place) and in coordination with other agencies involved in the program.

*Partner Agency having a very clear view (vision) of its own future (S)*

An evaluation of capacity building in public finance in the South Pacific found that a critical factor for the success of organizational capacity building was that the Partner Agency had a very

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<sup>81</sup> See "Capacity Building to Support Decentralization in Indonesia", Operations Evaluation Department, Asian Development Bank, Technical Assistance Performance Evaluation Report December 2005.

<sup>82</sup> Implementation Completion Report (IDA-36690) on a credit in the amount of SDR 12 million (US\$15 million equivalent) to Albania for a financial sector adjustment credit (FSAC). World Bank Report No: 32646, June 20, 2005.

clear view (vision) of its own future.<sup>83</sup> Projects that work with an organization to develop (if needed) its vision, and to implement that vision, are more likely to succeed. Transparency of information and its processing are also enhanced. The more closely linked an organization's vision and strategy is to a whole-of-government vision and strategy, the better is the enabling environment for organizational capacity building. This was the case in Samoa and Vanuatu, where the organizational vision for each Finance Ministry was clearly linked to the national reform program.

*Responsibility being with the head of the organization (S)*

The location of responsibility for evaluation within organizational hierarchies is also important.<sup>84</sup> To ensure the required status, budget and staff support, and an ability to operate across organizational boundaries, the responsibility should be located as close as possible to the head of the organization.

## **2.5.4 FACTORS SPECIFIC TO THE FIELDS OF INTERVENTION**

As already mentioned at the end of Section 2.5.1 most factors of success/risk mentioned in box 2.3 do hold for any field of research. Only the importance of the success/risk factors may differ between the fields. In this section we take a closer look at the most important factors that play a role in (1) the environmental sector, (2) the finance and banking sector, and (3) the JHA sector.

### ***(1) Environmental sector factors***

According to an evaluation study of the World Bank in 1999<sup>85</sup>, environmental capacity building projects face different challenges and problems, which are highlighted in box 2.4.

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<sup>83</sup> "Capacity Building in Public Finance: An evaluation of activities in the South Pacific," Australian Government, AusAID, Evaluation and Review Series, No. 36, September 2004.

<sup>84</sup> Technical Assistance Performance Audit Report on selected technical assistance for strengthening evaluation capacity in developing member countries, Asian Development Bank, TPA: OTH 2001-07, July 2001.

<sup>85</sup> Environmental Capacity Building: A review of the World Bank's Portfolio (May 1999), Sergio Margulis, Tonje Vetleseter; World Bank – Environment Department Paper No 68; May 1999. The evaluation study is based on 28 environmental capacity building projects financed by the World Bank.

## *Box 2.4 Factors affecting Environmental Capacity Building and Recommendations*

### **Context factors**

- Economic and political instability; this will be particularly damaging to capacity building in a new sector, where consistent political support and transfer of resources is needed.
- Political support and ownership; this depends on factors such as the understanding of issues among senior decision makers, the project's relevance in terms of responding to their priorities, and the degree of public awareness and pressure.

### **Factors in design phase**

- Lack of clarity of objectives and components
- Project complexity; the cross-sectoral nature and relative novelty of environmental issues increases the amount of coordination needed, especially in the early stages of the project.
- Lack of realism as to the actual capacity and ownership of the institutions
- Weak provision and design of indicators
- Lack of flexibility, innovation and piloting
- Lack of decentralization and participation by stakeholders
- Lack of attention to sustainability of project

### **Factors in implementation phase**

- Unstable political and economic environment
- Lack of political will and counterpart funding
- Institutional rigidity and tensions
- Inadequate staff for supervision
- Task manager turnover
- Complex donor procedures
- Delayed effectiveness
- Lack of institutional capacity to implement the proposed actions

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**Recommendations**

- Clearly define what is to be strengthened<sup>86</sup>
- Ensure that governments have ownership of the projects and are fully committed to them<sup>87</sup>
- Change the type of technical assistance<sup>88</sup>
- Recognize that ID requires a long-term mutual commitment
- Drastically change the incentives for task managers to pursue a long-term process with environmental institutions
- Decentralize and foster participation<sup>89</sup>
- Look at environmental ID in context<sup>90</sup>
- Introduce flexibility, simplicity and moderate expectations<sup>91</sup>

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*Source: World Bank (1999) Environmental Capacity Building: A review of the World Bank's Portfolio.*

These factors seem similar to problems identified in other sectors. However, the evaluation study does indicate that in the case of environmental capacity building, there are additional challenges which might influence the intensity of these factors.

- Environmental issues are cross-sectoral in nature and require a high level of coordination by people and organizations that often have not interacted before.
- The concerns and approaches introduced are often relatively new, and there is likely to be a lack of knowledge and understanding of the issues, both by the country leadership and by the public at large.

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<sup>86</sup> Institutional Development (ID) projects should initially aim at clarifying the roles and responsibilities of institutions when these are initially ambiguous.

<sup>87</sup> Political support is fundamental for the success of any project. Government agencies involved with ID projects should know precisely what to expect from such projects so that they can be fully committed to them, while leading the process of institutional change.

<sup>88</sup> Technical assistance is successful only if skills and technical expertise are actually absorbed by beneficiary institutions.

<sup>89</sup> Central governments have largely failed to address problems that are essentially local in nature, so strategies for decentralization, particularly as regards the execution and enforcement of policies, should be pursued.

<sup>90</sup> The overall objective of environmental ID projects is to strengthen the environmental management system as a whole, not just an environmental agency in isolation. It is thus important to create partnerships and cooperation in the ID process between the beneficiary agency and other entities involved in environmental issues, such as universities, industries, and NGOs. Key government ministries, especially finance, should be brought on board. Often this means nothing more than exchanging information and making the process more transparent; this is necessary because ID must ultimately be coordinated with mainstream development assistance and linked to political institutions and economic growth.

<sup>91</sup> Environmental ID projects have to be simple and flexible, since most of the ideal conditions outlined will not be met, at least at the beginning.



- The institutions that are being strengthened or that are charged are typically very young, without clearly defined responsibilities. An established framework in the form of strategies, general sector policies, and incentives is frequently lacking.

If we look at Phare Interim evaluations of the sector Environment in multiple new member states (Poland, Slovak Republic, Czech Republic, Hungary<sup>92</sup>) similar risk and success factors are highlighted. Combining different insights of these evaluation studies together leads to the identification of the following main risk factors:

**Box 2.5**     *Main risk factors identified in Phare Interim evaluations*

**Frequently stated risk factors**

- Unrealistic, over-ambitious design of project; more prioritization of activities needed
- Lack of properly formulated and measurable indicators of achievement
- Staffing issues: High staff turnover and/or lack of sufficient staffing
- Lack of active monitoring activities, including progress reports measured against Indicators of Achievement
- Overall lack of attention and commitment to sustainability of project
- Weak communication between beneficiaries/ Sharing of information from analysis
- Implementation delays, lack of time-efficiency in contracting procedure

With regard to the environmental sector in Poland, the Phare thematic evaluation ascertains that the need for improvements in the administration and implementation of environmental regulation and protection measures is implicitly recognised within the Institution Building programmes and the priority issues addressed. However, the overarching nature of environmental issues, the complexity of the present administrative structure and budgetary and human resource constraints lead to difficulties in programme implementation. Programme implementation is dependent on a few key personnel and appears to be conducted in relative isolation. At the time of the evaluation (2003), institutions were under-resourced at all levels. Therefore the benefits of training, training the trainers and the training equipment can only be fully realised if recruitment increases and a development strategy is initiated.

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<sup>92</sup> References:

- Interim Evaluation of the European Union Phare Programme, Country: Slovak Republic, Sector: Environment, July 2002, No. R/SK/ENV/02.121.
- Interim Evaluation of the European Union Phare Programme, Country: Czech Republic, Sector: Environment, Feb 2006, No. E/CZ/ENV/05006
- Interim Evaluation of the European Union Phare Programme, Country: Hungary, Sector: Environment, July 2005, No. R/HU/ENV/05006
- Interim Evaluation of the European Union Phare Programme, Country: Poland, Sector: Environment, January 2003, No. R/PL/ENV/02.097

## **(2) Finance and Banking sector factors**

With regard to the Finance and Banking sector, somewhat different success and risk factors are highlighted in Phare thematic evaluation reports of the Slovak Republic, Czech Republic and Hungary.<sup>93</sup> However certain factors did overlap and are presented in the box below.

### **Box 2.6 Success/risk factors with respect to the finance and banking sector**

#### **Frequently stated factors**

- Poor quality of Log Frame Matrix; Overambitious and inadequate objectives and lack of adequate indicators of achievement.
- Lack of co-operation between beneficiaries of different components; Design projects with inter-dependent components. Preparation of one single final report for all project components.
- Delays in project preparation and start of the implementation; Reasons: Late preparation of project documentation, temporary staffing problems, too complicated contracting procedures, inexperienced local staff and institutional restructuring and coordination problems.
- High commitment of implementing institutions and twinning partners
- Programmes are embedded in a specific national sector reform strategy

#### **Other stated factors**

- Limited financial resources to cover amortisation costs of ICT equipment, which hampers the sustainability of the ICT supply.
- Lack of involvement of other central government institutions beside the target beneficiaries. This project addresses issues that could be useful, sometimes even vital to these institutions.
- Frequent turnover of staff in both implementing institutions and beneficiary organizations.
- Quality of monitoring

An issue that is mentioned in all evaluation studies is the poor quality of the Log Frame Matrix including overambitious objective and a lack of adequate Indicators of Achievement. Another issue are the frequent delays that projects face especially in the first phase of the project. Reasons for these delays that are mentioned are: late preparation of project documentation, temporary staffing problems, too complicated contracting procedures, inexperienced local staff and institutional restructuring and coordination problems. The Hungarian evaluation study points out that involving professional staff in the project planning at the start will also limit the amount of modifications needed and therefore speed up the progress of the project.

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#### <sup>93</sup> References:

- Interim Evaluation of the European Union Phare Programme, Country: Czech Republic, Sector: Internal Market/Finance and Banking, November 2002, WM Enterprise, No. IE/CZ/FB/04008
- Interim Evaluation of the European Union Phare Programme, Country: Slovak Republic, Sector: Finance and Banking, March 2005, EMS Slovak Republic.No. R/SK/INT/02.123
- Interim Evaluation of the European Union Phare Programme, Country: Hungary, Sector: Customs and Finance, March 2005, Europe Ltd, No. R/HU/CUS/05003
- PHARE Ex-Post Evaluation (LT) "Finance and Banking" (LT970303); Final Monograph; January 2003
- An evaluation of Phare banking sector Programmes; Final Report, November 1998.

Another issue that is mentioned in the Slovak evaluation study and also in an overall evaluation of the Phare banking sector programmes (1998) and which can either be a success or risk factor is the fact whether the individual programme is embedded in a specific national sector reform strategy. An important factor which is explicitly highlighted in a Phare Ex-Post evaluation study on Finance and Banking in Lithuania is the frequent turnover and changes in staff formation, which has a negative effect on the efficiency and quality of the implementation of the project and the overall sustainability of the project impact.

### ***(3) JHA sector factors***

With regard to the Justice and Home Affairs sector different evaluation studies have been examined, which either focused on one specific new member state (Slovak Republic, Poland, Hungary and Czech Republic) or multiple new member states.<sup>94</sup> The combination of insights of these evaluation studies leads to the following list of frequently stated success/risk factors, presented in box 2.7.

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#### <sup>94</sup> References:

- Phare Interim evaluation. Country: Czech Republic, Sector: Justice and Public Administration, WM-Enterprise consortium, February 2006, No.: IE/CZ/JPA/05007.
- Phare Interim evaluation. Country: Poland, Sector: Justice and Home Affairs, EMS Poland, April 2003, No.: R/PL/JHA/02.100.
- Phare Interim evaluation. Country: Hungary, Sector: Justice and Home Affairs, Europe Ltd. Hungary, November 2005, No.: R/HU/JHA/05010.
- Phare Interim evaluation. Country: Czech Republic, Sector: Justice and Home Affairs, Minorities and Public Administration, EMS Slovak Republic, March 2003, No.: R/SK/JHA/03.044.
- Assessment of the European Union Phare Programmes, Multi-Country, Thematic Report on Justice and Home Affairs, OMAS Consortium, September 2001, No. S/ZZ/JHA/01005.
- From Pre-accession to accession; Thematic Evaluation of European Union Phare Programme, Support tot the Justice and Home Affairs Acquis. ECOTEC, January 2006. No. ZZ/JHA/0533.

## Box 2.7 Success/risk factors with respect to the JHA sector

### Design factors

- Unrealistic project/program design; over-ambitious objectives
- Inadequate or missing Indicators of Achievement
- Time delays; e.g. to commencement, preparation of tender documentation

### Context factors

- Project-oriented approach, without a broader view of sectoral problems; lack of strategy and proper beneficiary inter-institutional co-ordination.
- Staff turnover rate

### Implementation factors

- Co-ordination/co-operation between relevant beneficiary bodies
- Lack of sufficient and qualified staff
- Use of extended system of monitoring and control of project implementation progress (including use of Indicators of Achievement and quality control mechanisms for training outcomes).
- Strong commitment of Pre-accession advisers and/or contractors

### Sustainability factors

- Future financial commitment of recipient country
- Staff turnover rate
- Sustainability of training; materials are not utilized in the longer run, transfer of knowledge from trained staff members to other members of the participating institutions.
- Sustainability of IT-investment components depends heavily on future allocations for necessary updates and modernization of equipment
- Sustainability of Twinning projects depends on continued training, stability of staffing and further legislative progress

An important issue in many projects is that the overall design of the project is unrealistic. According to a recent evaluation of ECOTEC (2006), capacity for design and use of strategies as programmes and development tools is still underdeveloped in the majority of stakeholders. Not only are objectives in many cases too ambitious, Indicators of Achievement related to these objectives are often missing or inadequate. Another negative factor are the considerable time delays that projects face, especially due to time loss in the preparation of tender documentation which can lead to low-quality of the documentation, non-contracting and a lack of re-allocation of funds.

With regard to the implementation of the project, the lack of sufficient and qualified staff at implementing authorities and high staff turnover rates can have a firm negative effect on the success of the project. Interestingly, in the Hungarian case a low staff turnover rate is indicated as a success factor for the JHA sector. According to the study, the sector has the large advantage over any other evaluated sector in human sustainability since Hungarian employees of beneficiary public administration institutions stay sometimes until retirement.

In most evaluation studies, a certain lack of attention to the sustainability of projects is highlighted as an important constraining factor to the long-lasting success of the project. Nevertheless, the Phare multi-country evaluation (2001) indicates that a high level of sustainability is expected for most activities in the Justice and Home Affairs sector in almost all countries.

In general, the studies emphasize that the sustainability of Twinning projects depends on continued training, stability of staffing and further legislative progress. The sustainability of IT-investment components on the other hand depends heavily on future allocations for necessary updates and modernization of equipment. The financial commitment of the recipient country also has a strong influence on the sustainability of project's achievements.

## **2.6 SUMMARY OF THE FINDINGS AND RELEVANCE FOR THE ESF IN GENERAL AND OUR STUDY IN PARTICULAR**

### *Summary*

Capacity building/development is a concept that emerged in the 1980s. The conventional concept of capacity building was very closely related to education, training and human resource development. It has changed over the years towards a broader and more holistic view, covering both institutional and system initiatives. According to the OECD capacity building or capacity development, which is widely adopted by donors, capacity development is the process by which individuals, groups, organisations, institutions and societies increase their abilities to (i) perform core functions, solve problems, define and achieve objectives; and (ii) understand and deal with their development needs in a broad context and in a sustainable manner.” This definition includes three levels of capacity: the system/societal, entity/organisational, and group-of-people/individual level, and underlines the importance of sustainability. Within the many definitions, there seems to be an emerging consensus that capacity development involves the long term, contributes to sustainable social and economic development, and is demand driven. Capacity development also suggests a shift towards enhancement and strengthening of existing capacities. Although the modern concept of capacity building implies much more than just training, it is clear that the latter (and human resources development in general, for that matter) still plays a very important role.

The literature can be categorized into four approaches (schools of thoughts) to capacity development: (1) organizational approach (which sees an entity, organization or even set of organizations as the key to development); (2) institutional approach (according to which changes of institutions are the key to development); (3) systems approach (which sees capacity development as a dynamic process whereby intricate networks of actors seek to enhance their abilities to perform what they do, both by their own initiatives and through the support of outsiders); (4) participatory process approach (which emphasizes the importance of the means used to achieve the goals of development).

There is positive evidence from the literature that better functioning institutions enhance economic development. If people have more trust in each other and in their government, then this reduces transaction costs and stimulates the economy. Therefore, it is likely that if capacity building strengthen institutions, they are also beneficial to economic development.

Although the causal relationship between human capital and ICT infrastructure is complex and difficult to disentangle, there is evidence of high complementarity between the two. Although we do not know of specific empirical studies for public services, it is likely that such a relationship also holds for this type of services. For capacity building this might imply that projects concentrating on training completely, may not be very effective. In many cases human resources development should go hand in hand with improvement in ICT infrastructure. However, doing things the other way round, improving ICT structure without human resources

and organizational development is probably equally bad or even worse than concentrating solely on training.

The literature also provides information about the factors that cause success or failure of capacity building projects. These factors can be divided into context factors and process/implementation factors. Context factors are success/risk factors that are primarily related to the (strategic, political, administrative, financial) context. Process/implementation factors are success/risk factors that are primarily related to the project/programme itself. Some of the most important context factors are: institutional instability (institutions responsible for the projects change during the course of the project), imbalance between partners and no stakeholder involvement (the donor dominates the setting of country priorities and project objectives), no goal-alignment (funder, funded agencies, consultants have divergent ideas), ineffective co-ordination and co-operation (between relevant beneficiary agencies), possibilities for strategic fund spending, culture of decision-makers being inconsistent with the programme, insufficient attention to democratic decision-making processes in the donor country, bureaucratic machinery of the donor country, public administrations being highly politicised. Some of the most important process/implementation factors are: vague objectives, over-ambitious objectives, objectives that are not supported by relevant outputs, absence of an impact evaluation and a mechanism to measure impact, absence of a feasibility study, use of inappropriate indicators or no use of indicators at all, no efficiency test, no search for unintended impacts, lack of attention to the sustainability of the interventions in the future on the budget of the donor country, and inflexible capacity building procedures.

It is important to note that the success and risk factors almost invariably of a more general nature. For environment protection a more specific factor is that policies in this field require the cooperation of different sectors that may not have been in contact before. However, this point is probably also relevant for capacity building with respect to other themes involving several sectors.

### ***Relevance to the study***

We can conclude from the literature that there is no single approach to capacity building both as to the level and to the methodology. For the purpose of our project is not useful to choose for a particular level or methodology. Firstly, different levels will almost always be important. If the project aims, for example, at better skills of civil servants, the underlying motive will often be to improve the quality of their work. And that must usually be judged by the quality of the policies they (help to) develop or implement and thus by the impacts the policies have on society. Just looking at the intervention level is therefore not enough. Furthermore, which levels are relevant to a particular capacity building project or programme will depend on the type of project. Secondly, we will need different methodological approaches at the same time. This is particularly true for bigger programmes that will often have a number of different objectives and make use of a variety of interventions (such as training, strengthening networks, developing systems such as information systems, establishing rules and legislation, etc.). These programmes may aim at improved institutions *and* improved organizations. Furthermore, bigger programs may realistically aim at changing the system at large). Finally, the participation of local people and organizations in the formulation of the project's or programme's objectives and operational plan, as well as in its implementation may be relevant in general. Without commitment and sense of control and ownership, capacity building seems not to be viable and sustainable. Taking account of the latter is in no way inconsistent with the other methodological approaches.

Therefore, we will often combine different approaches found in the literature. The appropriate mix will partly be determined by the specific characteristics of the project or the programme. The more diverse the objectives and the size of the project or programme are, the more likely it will be that different approaches must be applied to the same project or programme.

For capacity building to be effective, it is essential that the improvements realized during a project remain intact after the project has been finished. That is: sustainability is crucial for the success of capacity building. Therefore, it will be an important aspect in our study. Even if a project has been completed only recently or even if it is still on-going one should deal with this aspect. In the latter cases it is at least possible to identify whether appropriate conditions for sustainability were created during the project. It goes without saying that sustainability can only really be measured some time after the project. Given the importance of sustainability this is also a recommendation for future ESF capacity building projects. Sustainability should play an important role in such projects and it should be properly evaluated.

In the next programming period the ESF will support actions strengthening institutional capacity and the efficiency of public administrations and public services at national, regional and local level to embrace reforms and good governance especially in the economic, employment, social, environmental and judicial fields. This project should identify factors that make good capacity building projects. Both factors having a positive influence on the success of capacity building project and risk factors are relevant. The more one knows about these factors the higher the chance is one is able to design successful projects.

In general one could say that Capacity Building interventions may be more successful if they take a broader (macro) perspective, taking into account the broader environment in the country and the management of relationships between actors and the different levels (partnerships, networks, stakeholders involvement, etc.). Furthermore, capacity building is an ongoing process. Improvements are usually achieved in small steps (forward and back). So, it would be useful not to expect miracles. The objectives should be clear, realistic and not too ambitious. Furthermore, it seems often better to reinforce existing structures than building completely new ones.

From the specific factors at stake we mention the following ones:

- The stability of institutions and the influence of politics on public administrations should be assessed ex ante.
- Stakeholders have to be involved.
- Ex-ante donor and beneficiaries should explicitly agree about the goals of the project;
- Insufficient co-ordination and co-operation are potential pitfalls.
- The Bureaucratic machinery: how to find an optimum between certain (administrative) requirements (not only administrative but also regarding the way of implementation and the content) and flexibility in implementation?
- Thorough ex-ante assessment is necessary for doing the right thing (by looking at the problem, it's causes and alternative interventions).
- There should be a sufficient degree of flexibility.
- Changes in the governance structure should preferably proceed (or at least not follow) the provision of inputs such as equipment and training.
- In many cases human resources and organizational development must be accompanied by improvement in ICT infrastructure to be fully effective.





## **3 EVALUATION METHODOLOGY**

### **3.1 INTRODUCTION**

In this chapter we develop the methodology that will be used in the next chapter to evaluate the 10 cases. These cases consist of concrete programs for capacity building. However, the methodology may also be a useful starting-point for future evaluations of capacity building programs.

Several results of the literature review in the previous chapter will be used in developing the methodology, for example:

- the notion of the different levels that need to be addressed (individual level, organizational level, institutional level and societal level), implying that the methodology to be used should involve different approaches rather than one specific approach;
- the different types of interventions to be encountered in capacity building projects or programmes (not only training, but also strengthening infrastructure, improved legislation, etc.);
- the importance of a variety of contextual factors and other factors for the successfulness of capacity building projects. Some of them are of direct significance for our evaluation of case studies. Examples are the degree to which the objectives of a project are clear or the extent to which monitoring and evaluation were applied in the project;
- the fact that many case-specific aspects play a role in capacity building projects, implying that a general methodology can only be presented on a rather abstract level. Only examples can be used for making the evaluation design more concrete. The examples given in this chapter, however, will show how specific the methodology becomes when it is being made concrete for a specific case;
- the key role of the sustainability aspect in capacity building.

This chapter is structured as follows. Section 3.2 treats the general concepts of evaluation that form the basis of our approach. Then section 3.3 treats the intervention logic. The methodology for unravelling the causal chain for capacity building interventions is the subject matter of section 3.4. Finally, section 3.5 contains a number of concluding remarks.

### **3.2 GENERAL DEFINITIONS OF EVALUATION CONCEPTS AND INDICATORS**

In this section we present the general definitions of evaluation concepts and indicators<sup>95</sup>. In the next sections we elaborate the intervention logic for capacity building projects (section 3.2) and

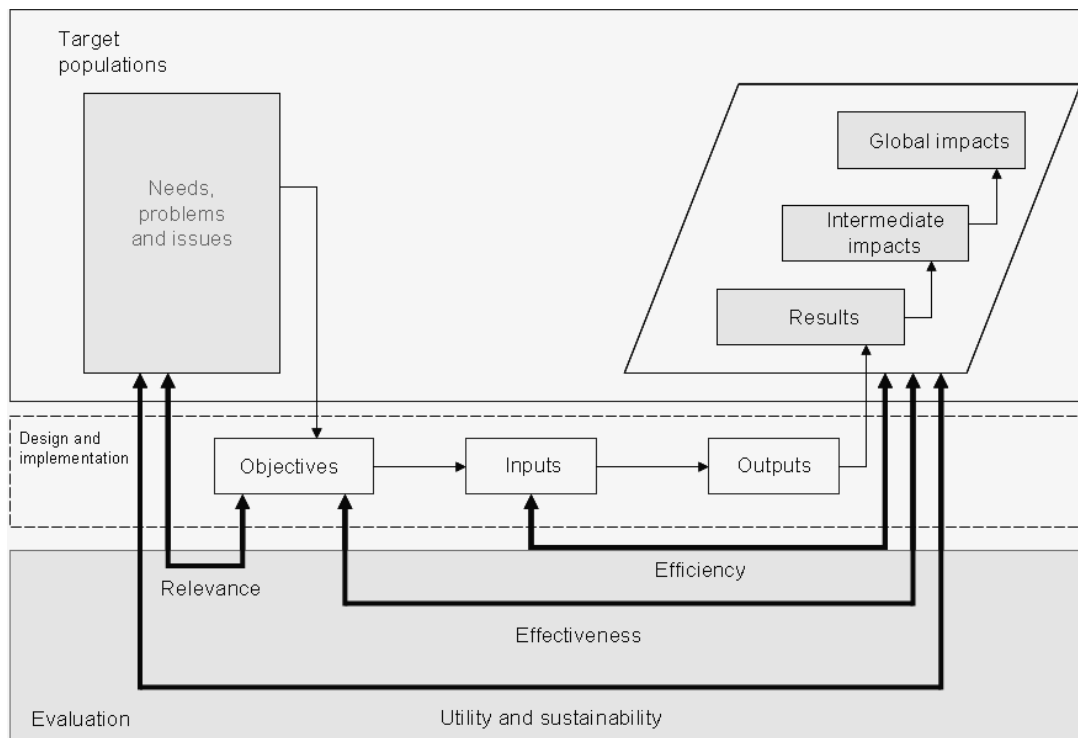
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<sup>95</sup> The definitions are based on European Commission, *Evaluating EU activities. A practical guide for the commission services*, DG Budget, July 2004.

the methodology for unravelling the causal chain for capacity building interventions (section 3.3). The point of departure is to use as far as possible the standard concepts and indicators that are usually used by the Commission.

### 3.2.1 EVALUATION CONCEPTS

Figure 3.1 Policy design, implementation and evaluation (objectives, indicators and evaluation concepts)



The five main evaluation concepts are:

1. **Relevance:** the extent to which an intervention is relevant in respect to needs, problems and issues identified. So, it should be assessed whether interventions are in support of the donor and partner policies (for example the extent to which the objectives serve the needs and priorities at European and national level in the policy field), as well as in support of local needs and priorities. It also covers the analysis of the objectives and the strategy and their adequacy to changes in the social and economic context during the implementation period. Studying the relevance may give indications of the added value of Community co-financing.
2. **Effectiveness:** the extent to which the effects induced by an intervention correspond with its objectives as they are outlined in the intervention strategy. To what extent have results and impacts contributed to specific, intermediate and global objectives? What is the progress made towards the attainment of those pre-determined objectives?
3. **Efficiency:** the extent to which the resources used (inputs) have economically been converted into outputs, results and impacts.

4. Utility: the extent to which effects correspond to the needs, problems and issues to be addressed and how the effects of the intervention compare with the wider needs of the target groups/geographical areas. Apart from the stated objectives of an intervention, other effects may occur that may be either negative or positive. An assessment of these unplanned or unexpected effects gives an idea of the utility of an intervention.
5. Sustainability: to what extent any positive changes brought about by the intervention can be expected to last after it has been terminated and when beneficiaries are no longer supported. Some interventions may be designed to bring about lasting changes within a target public, geographical zone, etc. An assessment of the lasting changes provides insight into the sustainability of an intervention's effects. In the previous chapter sustainability was mentioned as one of the key aspects in capacity building projects.

If outcome and impact are not according to the expectations, the question which variables/factors can explain deviations from the objectives. Within the framework outlined above, the way in which an intervention is designed and implemented is considered as an explanatory variable, along with elements of the 'external' environment (competing or concurrent factors) and the effects of other public interventions. We might call these concepts implementation aspects and coherence:

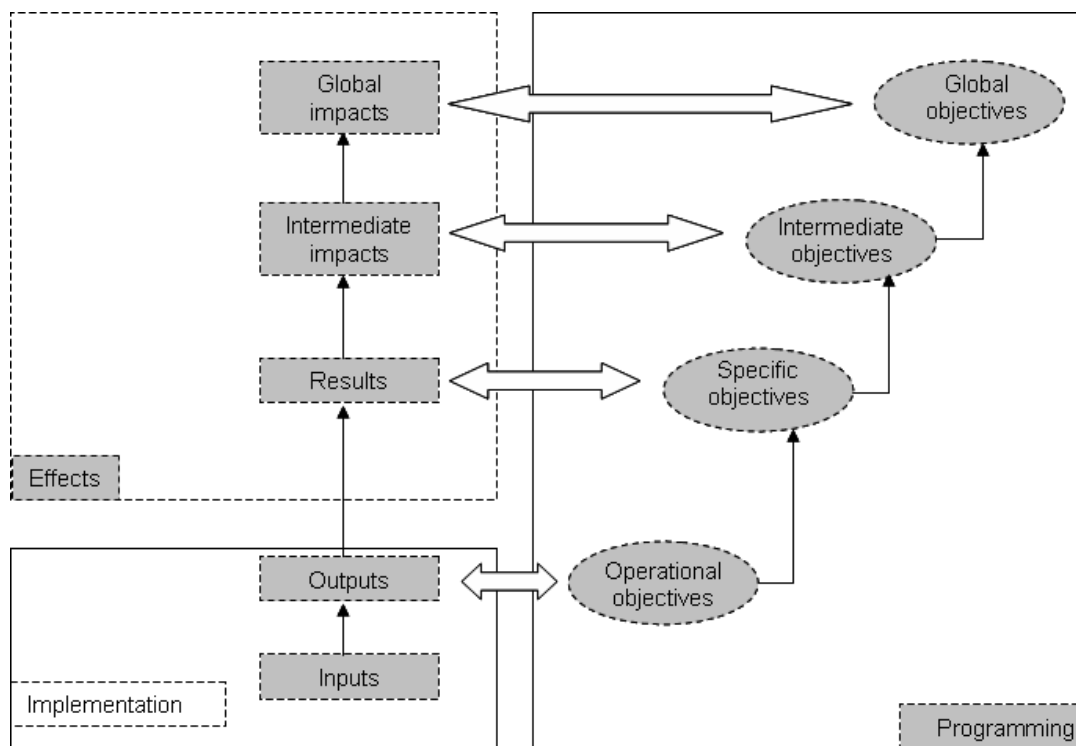
6. Implementation aspects. It is important to look at processes and their combination with the elements relating to the mechanisms of implementation. To what extent have results and effects been influenced by the choices made during implementation of the activities? Within individual projects or measures it is important to look at aspects such as the partners involved in the project, the management structure, the way national actors are involved and participate in the project, the types of interventions implemented and the delivery mechanisms used. Another important issue may be whether during the intervention attention is not only given to techniques but also to the content of a policy field. In the previous chapter we found that in the literature several implementation factors were mentioned as factors causing success or failure of capacity building projects.
7. Coherence. How do the interventions interact with Member States' and regions' policies as well as other Community policies? Does the intervention not contradict other interventions with similar objectives? For the field of employment the EES and the NAPes are important references. The community added value (complementarity) stems from comparing the impact of projects funded by the EC with national policies or by identifying the specific features of Community financing.

Other issues might be economy (whether resources were available in due time, in appropriate quantity and quality at the best price?) and consistency (the extent to which spill-over effects onto other policy areas have been maximised/minimised), allocative/distributional effects and acceptability. Apart from economy, these issues however are not included in the current evaluation.

### **3.2.2 OBJECTIVES AND INDICATORS**

For each evaluation the specific evaluation questions need to be elaborated. Therefore, it is important to understand the intervention logic. Ideally, the latter should be available from the ex-ante evaluation. In practice, in an ex-post evaluation it is however often necessary to better identify all the objectives and the outputs, results and impacts as well as the principal

relationships between outputs and effects. In this subsection we briefly present the general definitions of the various objectives and indicators. Of course, an analysis of the intervention logic of a particular project may reveal that the objectives of the project are vague. In fact, we saw in chapter 2 that vague objectives are one of the risk factors encountered in practice.



Source: European Commission, *Evaluating EU activities. A practical guide for the commission services, DG Budget, July 2004.*

#### Definitions of objectives:

- Operational objectives provide a basis for assessing an intervention in relation to its *outputs*.
- Specific objectives provide a basis for assessing an intervention in relation to the short-term *results* that occur at the level of direct beneficiaries/recipients of assistance.
- Intermediate objectives provide a basis for assessing an intervention in relation to its short to medium-term effects (*intermediate impacts*) on both direct and indirect beneficiaries/recipients of assistance.
- Global objectives provide a basis for assessing an intervention in relation to longer term and more diffuse effects (or *global impacts*).

#### Definitions of indicators:

- Inputs are the means to produce outputs. Inputs include budgetary costs (financial, administrative and human resources), but also costs for the beneficiaries or target population (co-financing, compliance costs stemming from administrative burden) and costs for third parties (Member States, intermediary organisations).

- Outputs are defined as products that are delivered by Commission services. It are typically products which are under direct control of the project director/manager. When specifying output it is helpful to ask what should be delivered and at what time.
- Results/intermediate impacts are the immediate or initial effect/outcome of an intervention.
- Global impacts are the longer term effects/outcomes of an intervention.

In the next sections we will discuss the use of the concepts and indicators in relation to capacity building interventions.

### **3.3 INTERVENTION LOGIC**

The ultimate goal (GLOBAL OBJECTIVE) of capacity building projects is to improve the outcomes in society through better governance. Projects that for example try to strengthen the public employment service should lead to better outputs of this service, for example in terms of a higher percentage of unemployed finding jobs or a reduction in the friction between jobseekers and vacancies.

However, it is often difficult to make a direct connection between the concrete activities that take place within the framework of a capacity building project and the outcomes in society. Therefore, it is necessary to look at the chain of relationships from project activities or interventions to outcomes in society. In other words: we must have a conceptual framework or a policy theory how the project through a number of steps could have positive effects in society.

Figure 3.3 The causal chain from a capacity building project to outcomes in society

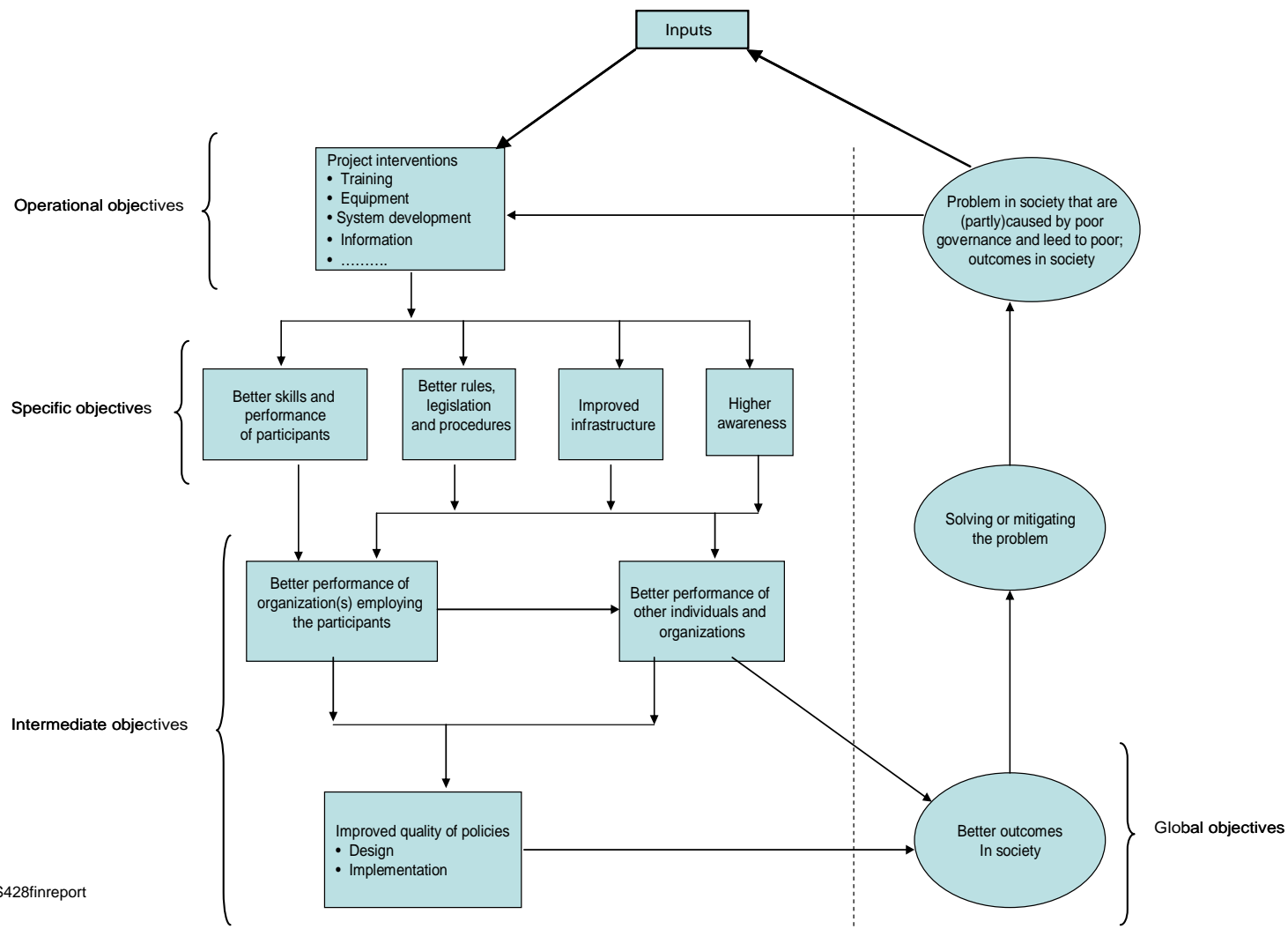


Figure 3.3 gives the chain of steps in a general sense. The figure starts at the right upper corner with a problem in society that (at least partly) has to do with poor governance. The problem could be, for example, that investment in human capital in society is too low. The diagnosis might be that the vocational and training system is performing badly and that this is at least to some extent due to poor governance. One of the causes could be that government policies in this field are underdeveloped as a result of a lack of awareness and knowledge among policy makers and civil servants. However, other factors may also be important, such as a lack of information about the performance of the VET system and weaknesses in the school infrastructure. Note that the different levels that we earlier encountered in chapter 2 are all represented in the figure (individual level, organizational level, institutional level and societal level). In the case studies we will on the basis of the available documentation, interviews and a survey determine which levels are relevant for a particular case.

The purpose (INTERMEDIATE OBJECTIVE) of capacity building is to improve the quality of policies and governance. This can be done in several ways **such as**:

1. making civil servants familiar with the international experience in a certain policy field;
2. making civil servants familiar with monitoring and evaluation in order to improve the quality of policies;
3. training civil servants with general organizational principles to better organize their work;
4. helping to establish new legislation;
5. helping public agencies to develop a more client-oriented approach;
6. improving the equipment in, for example, inspectorates, prosecutor offices or employment offices;
7. strengthening of networks, e.g. developing new systems such as establishing a structure for tripartite cooperation or improving the cooperation between various (national, regional and/or local) actors;
8. providing government organizations with specific tools such as monitoring systems that improve their performance.

Note that thus even the intervention may apply to different levels (individual staff members, organizations, institutions, cooperation structures), which reinforces our conclusion in the previous chapter that often the methodology to be used will have to consist of a combination of different approaches. One of the things we will address in the case studies is whether project or programmes have better results if the interventions under the project or programme are on different levels.

The combination of different interventions in one programme or project is often possible and may even be necessary. If for example a monitoring system is developed, the results will only be sustainable if the people that are supposed to use the system are trained to use the system. Furthermore, sustainability will require updating of the system, implying that local people must be made sufficiently acquainted with the system.

The interventions (OUTPUTS) **may** thus consist of training, development of information systems, specific support to organizations, improving equipment and system development. These activities may have a number of results such as:

- g.* improved skills and performance of the participants in the project. Participants will be often civil servants (from the central and/or the local government), but may also be, for example, staff of NGO's and companies;
- h.* better rules, legislation and procedures;
- i.* improved infrastructure;
- j.* a higher awareness of the urgency of the subject matter the project is dealing with.

The specific objectives of capacity building interventions usually should be formulated in such terms.

First of all the organizations employing the participants will benefit from the activities in the project. However, also other organizations may benefit. For instance, capacity building projects in the field of VET may lead to more awareness among companies and workers of the importance of human capital, inducing them to invest more in it. In some cases capacity building may even require involving participants from outside the government. If, for example, one wants to improve the practice of evaluation, one may also need to improve the research capacity in this field<sup>96</sup>.

These improvements may then first of all imply better policies and better implementation strategies for policies (INTERMEDIATE IMPACTS), which would then lead to better outcomes in society (GLOBAL IMPACTS). In case of policies in the field of VET better outcomes mean **for example** more investment in human capital leading to higher productivity and output growth. However, as was already mentioned, also effects on non-participants such as increased awareness may lead to better outcomes in society.

Finally, the improved outcomes in society imply that the problem the project was supposed to deal with is solved or at least mitigated. However, the outcomes will be affected by many factors. The performance of the VET system, to take that example again, also depends on the socio-economic situation and on other projects in this field. If we look at the situation in the countries in central and Eastern Europe we often see that a number of international organizations have several projects in the same field. Therefore, if the VET situation improves it will be difficult to ascribe it to a particular project and if the situation deteriorates a single project could still have a positive effect. What also complicates the matter is that it often takes time before improved governance leads to effects in society. Generally speaking, it is easier to assess the intermediate steps and results in the causal chain than the ultimate impacts on the outcomes in society. With

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<sup>96</sup> In the project mentioned in box 1 in annex 1 SEOR tried to develop a system for evaluation. The project dealt both with imposing rules about evaluation and with evaluation methodology. Although the lack of know-how in evaluation among civil servants was surely a bottleneck, another serious problem was the lack of experienced evaluators. Training people in evaluation methodology is less easy as it assumes that the trainees dispose of a number of skills that people can only acquire through specific university education. Although evaluation could be done by internal evaluators, outsourcing to external specialists may be important, not only from the viewpoint of specific skills but also in view of the need for objectivity and independence. The latter would imply that capacity building should not only focus on the government.



respect to the latter we may only be able to say something about the *likelihood* of the effects and their sustainability. In the case studies the relevant contextual factors for a particular case will be identified from the available documentation, the interviews and the survey to be held. The list of contextual factors influencing the degree of success of capacity building projects identified in the literature (see chapter 2) will be taken as a starting point.

The intervention logic is to a large degree specific to every programme or project. Therefore, for each case to be analyzed in this study the intervention logic has to be developed separately along the general principles set out in the preceding paragraphs and in figure 3.3. Some examples are given in annex 1. The first example is a project in which it was attempted to develop an evaluation system for employment policies in Slovakia. The project was not actually evaluated, but in box A1.1 in the annex we indicate how this could be done. The second example is an evaluation of a capacity building program by ETF in the field of VET in Bulgaria. The third example is from one of the selected cases for the study in the field of Justice, Liberty and Security (JLS).

Table 3.1 presents the filling in of the hierarchy of objectives for capacity building interventions. **Because the precise objectives and indicators are to a large extent specific for each programme or project, the list of possible objectives and indicators is more or less unlimited. That's the reason that we give only a number of examples of objectives and indicators in table 3.1.** For capacity building interventions it is relatively difficult to define the appropriate indicators for some of the evaluation aspects. This especially holds for impacts. The elaboration of indicators should be done on a case-by-case basis. In this study we will analyse how this was done for the programmes and projects selected for the case studies. Generally speaking, it is useful when objectives are formulated as concrete as possible in quantitative terms and the measurement of the specified indicators is well organized. This are preconditions for an assessment (during or after the project/programme) of the extent to which the intended objectives are realized.

Intermediate objectives are short to medium term effects on both direct and indirect beneficiaries and recipients. In general, these objectives can be formulated in terms of the performance of individuals and organizations and in terms of the quality of policy design and policy implementation. The precise intermediate objectives and indicators will vary case by case. For each case, we will analyse which intermediate objectives were defined, whether appropriate indicators were defined and used and how the measurement of indicators was done.

Global objectives are related to the outcomes in society. Also these higher level objectives will vary from case to case, but probably less than in case of specific and intermediate objectives<sup>97</sup>. Examples of relevant global objectives are included in table 3.1. We also included the Lisbon objectives, which at the moment are the highest level objectives within the Union. The Lisbon process is aimed at making the Union the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. To that end the

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<sup>97</sup> You can probably say that the variation in objectives between interventions will decrease with the level of the objectives. Most variation will probably be found for operational and specific objectives. Variation between interventions will be less for intermediate and global objectives (when such objectives are defined ex-ante anyway).

integrated guidelines for growth and jobs were adopted in 2005<sup>98</sup>. As regards objectives and indicators, it must be said that only a few quantitative global objectives and related indicators are included in the Communication on the integrated guidelines. The global objectives of the Employment Guidelines of the European Employment Strategy are to increase the employment rate to 70 percent overall, to at least 60 percent for women and to 50 percent for older workers and to reduce unemployment and inactivity. In the framework of the European Employment Strategy targets and benchmarks are set too, but in the hierarchy of objectives these are comparable to operational and specific objectives.

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<sup>98</sup> See European Commission, *Working together for growth and jobs, Integrated Guidelines for growth and jobs (2005 – 2008)*. Communication to the Spring European Council, Brussels, 2005.

**Table 3.1 The hierarchy of objectives for capacity building interventions: some examples of objectives and related indicators**

| Type of objectives:     | General description  | Some examples   | Indicators + some examples   |
|-------------------------|--|---|--|
| Operational objectives  | In terms of the type and if possible the scale of activities. What should be delivered within the programme or project and at what time. | <p>To train a certain number of staff</p> <p>To develop a certain Information system</p> <p>To provide specific support with a certain content to actors</p> <p>To arrange a certain amount of improved equipment</p> <p>To develop a new system or law</p>   | <p>Output-indicators:</p> <p>How many people were trained? The type of people?</p> <p>New information system developed according to the predefined specifications?</p> <p>How many actors were supported? How?</p> <p>How much new equipment was provided?</p> <p>New law or system developed?</p>   |
| Specific objectives     | Short-term results that occur at the level of direct beneficiaries/recipients  | <p>To improve the skills and performance of participants</p> <p>To improve rules, legislation and procedures</p> <p>To improve infrastructure</p> <p>To increase awareness</p>  | <p>Results-indicators:</p> <p>The improvement of skills and performance of participants</p> <p>The improvement of rules, legislation and procedures</p> <p>Improvements in infrastructure</p> <p>Increase in awareness (how many people know that .....)</p>   |
| Intermediate objectives | Short to medium-term effects on both direct and indirect beneficiaries/recipients  | <p>Better performance of organizations employing the participants</p> <p>Better performance of other individuals and organizations</p> <p>Improved quality of policy design and/or policy implementation</p>  | <p>Indicators for intermediate impacts:</p> <p>Better quality of services of organizations</p> <p>Quicker response of organizations to questions and requests of clients</p> <p>Better design of policy: more and proper use of ex-ante evaluation techniques and involving stakeholders</p>   |
| Global objectives       | Better outcomes in society   | <p>Better performance VET system</p> <p>Less air pollution and fuel consumption</p> <p>Better quality of the environment</p> <p>Higher employment rate</p> <p>Lower unemployment</p> <p>Less fraud</p> <p>Less organized crime</p> <p>Contributing to:</p> <p>Higher competitiveness of the EU economy</p> <p>Higher economic growth and more jobs</p> <p>Greater social cohesion</p> <p>Environmental sustainability</p> | <p>Indicators for global impacts:</p> <p>Development in the number of pupils in VET</p> <p>Development of the number of pupils that leave VET with a diploma</p> <p>Development of the air- or water-quality</p> <p>Development of the employment rate</p> <p>Development of the unemployment rate</p> <p>Development in inactivity</p> <p>Development of the number of social excluded people</p> <p>Development of the number of cases of fraud</p> <p>Development of the number of crimes</p> |

*Note: Preferably, the objectives and indicators are defined as concrete as possible.*

### **3.4 METHODOLOGY FOR UNRAVELLING THE CAUSAL CHAIN FOR CAPACITY BUILDING INTERVENTIONS**

In this section we present a framework for the evaluation of capacity building projects. In general terms we can use a methodology that is not too different from the standard approach to evaluating qualitative projects. The general evaluation concepts (such as ‘effectiveness’ and ‘sustainability’) can be applied to capacity building projects too. As discussed in the previous section, the nature of qualitative projects such as capacity building projects implies however that (some of the) indicators are more difficult to define and also more difficult to measure than in the case of assistance to persons. Therefore, we will often give examples of:

1. indicators to be used;
2. the methods that can be used to measure these indicators.

Evaluation of a capacity building project implies answering several questions. These questions refer to:

- The relevance of the project: did it deal with factors that were really affecting the quality of governance negatively?
- The efficiency of the implementation: was it carried out in a cost-effective way?
- Did it produce the expected outputs?
- Effectiveness: did the project lead to improvement of the performance of the participants, their organizations and of other individuals and organizations? And did it ultimately lead to better outcomes in society?
- Sustainability. Did the improvements continue to exist after the completion of the project?

Usually we will be able to say something about relevance, efficiency and outputs. However, it is sometimes more difficult or even impossible to assess impacts, depending on whether the project is more or less specific. An example of a more general project is a project aiming at a general increase in the quality of civil servants by improving the human resources policies of the government. In that case, it might be possible to find out in a qualitative sense whether the quality and performance of civil servants has improved and to what extent this has affected the performance of the government organization. However, it will be difficult to say something about the impacts of such a policy on the quality of policies and policy implementation, let alone the outcomes in society. If a capacity building project aims at strengthening governance in a specific policy field it might be easier to say something about impacts.

We will also give a number of examples of specific questions that might be posed in relation to the various concepts. However, in the case-studies a number of specific questions will have to be determined case by case.

## ***Relevance***

Investigating the relevance of the project is the first stage of the evaluation. It is closely related to finding out (or constructing ex-post) the specific intervention logic of the project. This can be done in a number of steps:

- What is the problem in society the project is supposed to solve or to mitigate?
- To what extent and in what way is poor governance (partly) the cause for this problem and can therefore capacity building help reducing or mitigating the problem?
- Which activities in the field of capacity building would, given the underlying reasons for the problem, seem appropriate to solve or mitigate the problem?
- To what degree do these ‘logical’ interventions overlap the interventions that actually took place in the project?

There may be good reasons, such as limited funding or the situation in the country concerned, why a project did not include the activities or interventions that seem to be most effective a priori. However, it is reasonable to require that on the basis of a priori reasoning positive effects can be expected of the interventions that took place.

As an example we take the case of a capacity building project in the field of monitoring and evaluation. The first step in the evaluation of such a project would be answering the question how the situation before the implementation of the project was. Were monitoring and evaluation applied at all? What were the reasons for not using it? The reason could be a lack of skills in evaluation from the side of the civil servants, but also a lack of financial resources, poor data or a lack of good evaluators. The first test for the project is therefore whether a proper problem and need analysis (capacity assessment, see section 2.2.1) was made prior to the project. A solution for the wrong problem will never be a good solution.

One would expect the problem analysis to be part of the existing documentation for a project. That is the best source. Interviews with people responsible for the project may also give information about the situation and problems before the project was implemented.

Apart from the questions listed above, other more specific questions might be:

- To what extent the capacity building strategy or intervention has been developed in participation with or by local responsible organisations and stakeholders (was this done through a participatory approach)?
- Has the intervention logic for the capacity building intervention been developed ex-ante? Can this be proved by project documentation (Terms of Reference, project proposal, project appraisal document)? What was the quality of the intervention logic?
- If not, is it possible to reconstruct the intervention logic ex-post on the basis of existing documentation?
- In what way was an ex-ante assessment carried out, which methods were used, were consultative techniques used to come to a final judgment? How were the needs, problems and issues determined before the intervention?

- Were the existing capacities adequately assessed prior to the implementation of the project? Were relevant baseline-data - for example about capacities, policies and developments in the policy area - gathered and filed?
- What were the reasons for discrepancies (available funding, situation in the country) for eventual discrepancies between the ‘logical’ interventions and the interventions that actually took place in the project?
- Were the (global, intermediate, specific and operational) objectives clearly defined and defined in a SMART way? See also section 2.3.3 about vague objectives.
- Who formulated the objectives (the donor, the beneficiary, the implementing organisation or was it a joint process)? To what extent were the various stakeholders consulted during the process? In chapter 2 stakeholder involvement was identified as one of the factors that may add to the success of capacity building projects.
- Were indicators determined and defined to measure outputs, results and impacts to be able to assess to what extent objectives would be realised?
- What was (ex-ante) the added value of the intervention in terms of objectives, target groups, activities or instruments, participation of specific organisations, etc?
- Was the intervention (ex-ante) complimentary to other relevant policies or programs?

#### ***Input, efficiency and process quality***

The scale of the programme/project is likely to influence the scale of the outputs, results and impacts. Therefore we propose to include some specific questions about the costs of the intervention (input):

- What was the available budget for the intervention? How much budget was available from the donor? Was the intervention co-financed by national, regional or local authorities? How large was the co-financing by organisations in the recipient country or other organisations?
- What were the indirect costs of the intervention, both on the side of the donor and the side of the recipient country? How high were these indirect costs?

It will practically be impossible to take all indirect costs into account. It will for example be very difficult to collect data about the time and means devoted by various organisations to the project or intervention.

Efficiency of a project means that the results are achieved at the lowest possible costs or, alternatively, that maximum results are achieved given the available resources. However, it will often be difficult if not impossible to determine exactly whether the same results could have been reached at lower costs or whether more could have been achieved with the same resources. In this exact way it would only be possible if we could compare the project with other more or less similar projects. In the current study in which we focus on a limited number of projects that are highly heterogeneous, this will be difficult. Still, the people involved may be able to give an indication about it. Furthermore, in a global sense, after summarising the results, we may be able to compare projects on the basis of results and costs.

Some other relevant questions that could shed some light on the efficiency are:

- Have alternative interventions been considered ex-ante (see section 2.3.3)? Why were the implemented interventions chosen?
- Was there a sufficient degree of flexibility during the interventions (see again section 2.3.3)? Was it possible to adjust the interventions to changes in the situation and context?

What is easier to do, is to look at the organisation of the implementation process. Often external parties are involved in a project to partly or completely implement the project. In the field of vocational education, for example, the European Training Foundation (ETF) was responsible for a quite a number of capacity building projects in this field. ETF often outsources implementation to other organisations specialised in specific fields such as training. Then the quality of the project and the costs likely depend on the quality of the organization and the experts contracted for the implementation. Relevant items in this respect are:

- How was the procurement process organized and did it ensure reasonable guarantees for selecting a qualified organization?
- Were the objectives and targets of the project properly defined?
- Are the available budget and time consistent with the ambitions laid out in the tender documents?
- What was the quality of the implementing organisations and experts involved in the implementation?
- How was the project managed and monitored by the principal?

In our evaluation of ETF's capacity building activities in Bulgaria we found that these aspects are highly relevant for the success of projects. It is also important to look in detail how the contractor organized the work (level of the experts, etc.).

### ***Outputs***

Before analysing the effectiveness of a project, it is needed to look whether the project produced the intended outputs. Let us suppose, for example, that the purpose of the project is to increase and improve the practice of monitoring and evaluation in the government sector. Furthermore, let us assume that the project tries to do this by training civil servants in this subject matter. Then the direct outputs might be measured on the basis of the following points:

- the number of people trained in relation to the total staff that should be acquainted with evaluation;
- the type of people trained (are those trained who actually need the training for their job?);
- training output in relation to training needs;
- the subject matter of the training;
- the quality of the training.

These aspects are relatively easy to measure on the basis of documentation and interviews with participants. Although quantity and good quality of the direct outputs does not guarantee an improved performance of the government, it surely is a precondition for such an effect. On the basis of project documentation and interviews with participants and representatives of their organizations, a clear picture of the direct outputs can be obtained.

So, specific questions as regards outputs might be:

- What were the types of investments conducted: investment in human resources, physical investment (for example IT or other equipment), investment in new legislation?
- What types of interventions have been applied in the project/measure? Twinning projects, training, seminars, coaching, external advising, specific support, studies and statistics, etcetera?
- What was the scale of the interventions: number of people trained, number of organisations actively involved in the project, number of seminars, number of people visiting the seminars, etcetera?
- What were the types of people or organisations that participated in the different activities (training, seminars, coaching, etcetera)?
- How was the output of the activities in relation to the needs?
- What was the quality of the different activities?

### *Effectiveness*

For a capacity building project to be effective, one would first of all expect it to make a difference as to the performance of individuals participating in the project and in the performance of the organizations in which they work (so, we are talking here about results and intermediate impacts). In the previous example, examples of impacts could be that:

- more civil servants use evaluation in their work;
- an improvement of the quality of evaluation;
- the establishment of rules concerning evaluation.

It should be noted that the dividing line between results and impacts is not always that clear. Some projects, for example, aim at directly improving the functioning of government agencies. Then skills obtained in the project may also be applied outside the project. An example is a project SEOR has carried out in co-operation with the Slovak Public Employment Service. The purpose of this project was to develop a system of rules for evaluation, to enhance the knowledge about evaluation among civil servants and researchers and to stimulate the use of evaluation. Rules may imply, among other things, that every measure is evaluated ex-ante and (within a certain period after the start of its implementation) ex-post. Such rules could be included in the legislation, which would then be a concrete result of the project. During the project civil servants and researchers were trained in evaluation methodology, making tenders for evaluation studies, using evaluation results.



The ultimate objective of using evaluation is to improve the quality of policies. Therefore, it would be important to see whether there is any evidence for an influence of the use of evaluation on the quality of policies. There could be cases, for example, where intended policies were not introduced because it was concluded that the returns of the policy were negative on the basis of a thorough ex-ante evaluation.

The problem with measuring impacts is often that the outcomes are influenced by many other factors. As an example we take our study on ETF's capacity building projects in Bulgaria. The purpose of these activities is to improve the Bulgarian system of vocational education and training. Several concrete results could be identified from ETF's efforts such as:

- the establishment of a law on VET. On the basis of interviews with Bulgarian officials it became clear that making such a law would have been difficult if not impossible without the support of ETF;
- improvement of the information on the performance of the VET system;
- assistance in policy development concerning VET.

However, what matters in the end is whether as a result of these activities and results the performance of the VET system has improved. Have more people been trained in the labour market as a result of it? Here we encounter the problem that many factors affect the performance of the VET system such as the economic situation. Although we tried to deal with this issue it was not possible to measure the impact. At best one can, on the basis of the available data, intermediate impacts and perceptions of those involved, indicate whether there is a likely effect<sup>99</sup>.

Specific questions that have to be or might be posed are:

- What were the intended specific impacts of the capacity building intervention?
- To what extent were the intended specific impacts realized?
- What in this respect is the relation with the degree of ambition of the intervention?
- Has the program/project improved individual staff skills, insight and knowledge in: developing policies, strategic and operational plans, financial management, conflict resolution, monitoring and evaluation, other aspects?
- Has the project improved motivation levels, staff turnover, culture and values?
- Has the project/program improved the strategic management and policy development of organizations, its structures and management styles?
- Has the project/program had an effect on the learning capacity of organisations?
- What were the intended intermediate and global impacts of the capacity building intervention in relation to policy development and policy implementation?
- To what extent were the intended intermediate and global impacts realized?
- What in this respect is the relation with the degree of ambition of the intervention?
- Etcetera.

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<sup>99</sup> See also DG Enlargement, *Phare Interim Evaluation Guide*. This guide contains model checklists to come to an assessment of the likely impacts and the sustainability of impacts.

## *Sustainability*

Sustainability is particularly relevant for capacity building interventions because it is important that developments in capacity are retained and that further developments emerge on the fundamentals of the initial measure or project. Sometimes, for example, the context may be such that civil servants cannot apply their improved skills after the project or programme. Sustainability refers to a concept of self-organisation rather than to the narrower concept of preserving the existence of a particular organisation

So, it is important that (when they are positive) the impacts of projects remain after their completion. ETF, for example, during its presence in Bulgaria, had a clear positive impact on the vocational education field. The question, then, is what will happen after ETF has left Bulgaria? Is it likely, for example, that civil servants will be able to (further) develop a policy strategy for VET without the assistance of the ETF experts? Will the infrastructure that provides information on the performance of the VET system continue to exist without ETF's support? The existing documentation, which often provided a lot of information on the earlier treated aspects, was not sufficient to deal with the sustainability aspect. Interviews or surveys with officials in the country concerned are necessary to get an indication of the likelihood of sustainable effects. If a project was completed some years ago, we can through interviews and surveys find out whether the results of the project are still visible. However, even then we cannot be completely sure whether the present situation is better than it would have been without the project. We do not know what would have happened without the project. Also in that case we can only draw conclusions about the likelihood that sustainable effects have been achieved.

DG Enlargement for its Phare Interim Evaluations developed a model checklist for assessing the likely sustainability of the impacts (see the box below). At the same time it is stressed that the detailed issues to be taken into account will need to be considered on a case-by-case basis.

### *Box 3.1 Model checklist from DG Enlargement for assessing the likely sustainability*

Are the following pre-conditions for sustainability in place or being put in place:

- Have you rated effectiveness in achieving project's objectives positively?
- Is there a sectoral strategy document within which the need for the project was identified and to which the outputs will contribute?
- Do those with strategy / policy / management responsibility for ongoing implementation of the outputs demonstrate 'ownership'?
- Are the horizontal public administration systems stable and adequate?
- Is there ongoing national finance available, including for maintenance, replacement, insurance, disposables?
- Are the provisions for ongoing staffing / staff replacement / training secure?
- Are procedures and systems fully documented, with defined responsibility for updating?
- Are there other (positive or negative) considerations relevant to the particular project?

Of course, the impacts in short term, the degree of ownership, the stability of administrative systems, the (ongoing) availability of funds and the documentation of procedures and systems are very important factors for sustainability. Other factors that might influence sustainability are commitment and empowerment on the side of

beneficiaries and counterparts, mechanisms to measure impacts, the conduct of a serious impact evaluation during or after project implementation, the alignment of the intervention to the general strategic policy in the field, the development of the business cycle, etcetera.

***Influence of the context and the mechanisms on the effectiveness of the interventions***

In the current evaluation, it is important to analyse factors that condition the effectiveness of capacity building in contributing to good governance and better design and implementation of policies. This applies especially to contextual factors and the mechanisms with which the interventions were operated (implementation aspects).

As regards the implementation a probably very important factor is that some kind of participatory process approach is used in the project (see section 2.2.2). It is more useful to stimulate local people to develop an own model or law on the basis of foreign knowledge and experience than just to copy a foreign law or model to another country without taking account of the context. Such a participatory process approach is important to create 'ownership', 'commitment' and 'empowerment', factors that seem very important for the effectiveness and sustainability. Important context variables might be values, norms and habits ('culture'). The context can be such that objectives of capacity building interventions should not be too ambitious.

So, in the study we should certainly also gather relevant data about the context and the implementation of the projects.

In respect of the context, the following specific questions might be posed:

- What was the political context of the intervention? Was it a stable political situation? Was a new government installed during the project implementation period?
- In what way were politics involved in the preparation and implementation of the project? Were politics strongly in favour of the intervention or was it mainly ‘owned’ by public organisations and their representatives/staff?
- Was the intervention part of a (thematic) strategy within which the need for the intervention was identified? Or was there at least a relation with the existing (thematic) strategy?
- Were the institutions that were directly involved in the intervention or that were responsible for the intervention in a stable position during and after the intervention?
- Did all participants in the intervention have the same set of objectives or did the priorities differ between or within the involved organisations?
- Were the project, its objectives and priorities sufficiently owned by the relevant stakeholders? In what way were stakeholders involved in the setting of priorities, objectives and the definition of projects and objectives?
- Was the policy or policies the intervention was aimed at the responsibility of one Ministry or of more than one Ministry? What was the implementation structure of the policy or policies: which organisation(s) implemented the policy?
- How were the management of, and the coordination between the beneficiary organisations organised? How was the coordination with other relevant projects in the same sector?
- How were the relationships between organisations responsible for policy design and the organisations responsible for the implementation of policies?
- How did the business cycle develop during the intervention (and afterwards in the light of sustainability)?
- Etcetera.

For the mechanisms of delivery and other implementation aspects the following specific questions might be used:

- What was the dimension/level of the intervention? The system or societal level, the entity or organisational level, the group of people or individual level or a combination of levels (see section 2.2.1)?
- What was the main approach in the intervention: organisational approach, institutional approach, systems approach, participatory process approach (see section 2.2.2)?
- In what way the broader environment in a country was taken into account in the intervention (ex-ante and during implementation)?
- How were the instruments coordinated with each other? Were the instruments implemented by the same organisation or by different organisations?
- What mechanisms of delivery have been applied?
- Which most important implementing rules and arrangements of administration existed in respect of the intervention?

- Was there co-financing from local organisations (ministries)? Were these co-financing organisations also the beneficiaries of the intervention?
- Was the intervention monitored? If yes, in what way? If not, why not?
- The clarity of the roles and responsibilities for monitoring and reporting?
- Did the monitoring include financial information about the budgets for the interventions? Did the monitoring include information about progress in the content of the intervention?
- Were monitoring indicators determined and defined ex ante? Which indicators?
- Was the monitoring information used to adjust strategies/activities depending on the collected information?
- What were the types of interventions (see also the heading outputs): investment in human resources, physical investment, investment in new legislation?
- Was the intervention completely implemented by staff of the donor organisation or was the implementation, or parts of it, outsourced to other (private or public) organisations? To what extent were activities outsourced?
- In what way were the linkages between actors and levels managed in the intervention? Were all the relevant stakeholders formally involved in the intervention or were certain stakeholders only informally involved?
- What mechanisms were used in the intervention to stimulate or to increase ‘the sense of ownership’, ‘empowerment’ and ‘commitment’ of the beneficiary organisations?
- To which extent attention was given to aspects of good governance (transparency, accountability, legitimacy, legal security, democracy, participation, interaction and communication)?

We also refer to the specific questions that were presented in the discussion of relevance and efficiency.

Regarding the context and implementation factors that contributed to the success or failure of an intervention a number of specific questions are:

- What were the factors that contributed to success or failure according to those involved in the intervention?
- Which common context or implementation features do the capacity building interventions that were relatively effective have?
- Which common context or implementation features do the capacity building interventions that were relatively ineffective have?
- Did the capacity building interventions have a value added at European level? If yes, in which way and for which issues or aspects?
- Could this value added be relevant to (other) new member states too?

To express the value added at Member State level a list of scores on the various evaluation concepts will be used. On the basis of that we will have to assess the likelihood that value added for the recipient country also implies a value added at European level. Is the program/project an example of good practice that needs to be disseminated to other Member States? Why?

### **3.5 FOCUS OF THE CURRENT EVALUATION STUDY**

The main focus in the present study is on the context (including the relevance), the effectiveness and impact of the capacity building interventions and the influence of context factors and implementation aspects on the effectiveness of the interventions. The sustainability of the results is extremely important too. However, most of the cases that will be studied have been completed only recently. In some cases we even deal with an ongoing program. Hence, it will only be possible to say something about the *likelihood* of sustainable results. Efficiency in terms cost-effectiveness will also be difficult to assess. What we can do is pointing out whether delivery has been in time, whether procurement procedures have been used that seem to be efficient, etc. But on the whole efficiency and sustainability will get less priority in the case descriptions.

## **4 RESULTS FROM THE CASE STUDIES**

### **4.1 INTRODUCTION**

This chapter contains a comparative analysis of the 10 case studies. Each case study deals with a specific capacity building program. First, section 4.2 discusses the criteria that have been used for the selection of the cases. This section also gives a short description of the cases. However, the principal aim of this chapter is to draw general conclusions and lessons from the cases. Therefore, in the consequent sections we do not treat each case in detail but compare them on the following points:

1. the intervention logic used (was it well designed, were measurable objectives specified, etc.; section 4.3));
2. the context in which the capacity building took place and the mechanisms used (administrative context, types of interventions, mechanisms of delivery, etc.; section 4.4);
3. the performance of the capacity building program based on the standard evaluation criteria (relevance, effectiveness, sustainability, etc.; section 4.5);
4. the (success and risk) factors that determined the performance of the programs (section 4.6).

A more detailed description and evaluation of the cases is included in annex 1.

The quality of the intervention logic is, of course, also a possible success or risk factor. If the objectives and relationship between interventions and objectives are not thought through well, it might affect the quality of the program concerned negatively. However, the importance of the intervention logic induces us to look at it more closely in a separate section (section 4.3). In section 4.6 we discuss to what extent shortcomings in the intervention logic have had a negative effect on the outcomes of the programs.

The final section of this chapter (4.7) contains the main conclusions.

### **4.2 THE CASES**

#### **4.2.1 THE CHOICE OF THE TEN CASE STUDIES**

The choice for the ten cases was made through an incremental process. First, a gross list of case studies was made based on proposals by the different geographical units within DG EMPL and by the other DGs. From this list SEOR submitted a preliminary proposal for the ten case studies to the Commission. Six cases of this list were accepted, while four were rejected. The reasons were diverse. In the list that was initially proposed by SEOR contained, for example, three Hungarian programs, which might have led to a certain country bias in the results. The list proposed by SEOR also included a Bulgarian program, which was rejected because Bulgaria is not (yet) a EU member. Another

limitation of the list was that it contained too many Phare programs, while experiences from other donors than the European Commission were also seen as highly relevant.

The cases replacing the four rejected ones were such that the final list of ten cases shows a balance with respect to the following criteria:

1. A sufficient representation of ESF financed cases, as the results of this study will be used for future ESF financed projects in the field of capacity building. The final list contains three such cases;
2. The inclusion of interventions from other contractors/donors than the European Commission. The list contains two World Bank programs.
3. The case studies should come from different policy fields. The final list covers the following fields: social policy and employment (2), legal and judicial affairs (2), environment (2), education (1), economics (2) and public administration in general (1).
4. The cases should be spread as much as possible over different countries, with an emphasis on the new countries because capacity building seems to be most relevant for the latter countries. The cases are from the following countries: the Czech Republic, Cyprus, Greece, Hungary (2), Latvia, Poland (2), Portugal and the Slovak Republic.
5. The case studies should allow a cross-cutting view on different types of capacity building interventions. Looking at the various cases there is indeed a variation in focus. In some cases (the Czech one, for example) legislation plays a key role, while in other cases the emphasis is more on the development of new instruments (the Slovak case, for example) or on training (of which the Hungarian ESF case is a good example).
6. The case-studies should include different levels of capacity building interventions, e.g. local, regional or national.

We give a short description of the ten cases.

### ***Social Policy and Employment***

#### ***Case 1 Portugal, POEFDS Measure 3.1 'Human Resources Training and Valorisation in Central Public Administration' 2000 - 2003***

|  |   |
|--|---|
| Donor/fund                             | ESF   |
| Objective of the intervention          | Qualification of human resources to reinforce professional skills and competences adapt to new information & communication technologies |
| Type of CB interventions               | Providing professional training. Development of studies and didactics resources.  |
| Level                                  | National  |
| Policy design or policy implementation | Both  |
| Budget                                 | 67.213 mil Euros (original)<br>39.261 mil Euros (after mid-term review)   |



**Case 2**      *Hungary, OPRD, Measure 3.1 'Capacity building of local public and non-governmental organisations' 2004 - 2006*

|  |  |
|--|--|
| Donor/fund                             | ESF  |
| Objective of the intervention          | 1) capacity building of the local public administration and institutional system of regional development, 2) promoting co-operation between local administration and NGO's |
| Type of CB interventions               | Several training programmes for 1) civil servants, 2) local stakeholders, 3) partnership-building and communication  |
| Level                                  | Primarily local  |
| Policy design or policy implementation | Both   |
| Budget                                 | € 26,9 million   |

***Legal and judicial capacity***

**Case 3**      *Slovak Republic 'Support to the Implementation of the National Programme of fight against corruption', 2002 – June 2005*

|  |  |
|--|--|
| Donor/fund                             | EC Phare   |
| Objective of the intervention          | Decrease potential fields of corruption and strengthen Law Enforcement Agencies (LEA) to fight corruption more effectively   |
| Type of CB interventions               | Training centre & programmes. Studies, statistics & expertise to improve legislative & regulatory measure. New communication network among LEA's & link to other networks. |
| Level                                  | National/regional  |
| Policy design or policy implementation | Both   |
| Budget                                 | € 6,5 million  |

**Case 4**      *Poland 'Fight against organized and economic crime', April 2002 – January 2004*

|  |  |
|--|--|
| Donor/fund                             | EC Phare   |
| Objective of the intervention          | Adjustment of law enforcement, reinforcement of Police capacity to fight organised and economic crime, Facilitation of Polish Police co-operation with the police services from EU |
| Type of CB interventions               | Providing extensive training programmes, including workshops, study visits & seminars. Support to interdepartmental coordination   |
| Level                                  | Regional/local   |
| Policy design or policy implementation | Both   |
| Budget                                 | € 1,15 million   |

## *Environment*

### *Case 5 Poland, 'Strengthening Environmental Protection', 2002 – 2004*

---

|  |  |
|--|--|
| Donor/fund                             | EC – Phare   |
| Objective of the intervention          | Strengthening of environmental knowledge and education system in aspect of self-government administration competencies and issues                              |
| Type of CB interventions               | Preparation of educational services and training courses to strengthen Polish self-government administration, mainly in the field of environmental regulations |
| Level                                  | Regional?  |
| Policy design or policy implementation | Mainly design  |
| Budget                                 | € 2 million  |

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**Case 6**      *Cyprus 'Legislation and policy options for reduction of traffic emission in Cyprus', February 2002 – July 2004*

|  |   |
|--|---|
| Donor/fund                             | LIFE  |
| Objective of the intervention          | The project's general objective is the reduction of vehicle-related air pollution and fuel consumption through the establishment of a legislative framework in accordance with EU practices and relevant administrative instruments and structures. |
| Type of CB interventions               | Developing new legislation, set up of best practices, proposal on new measures, studies and analyses, training on new legislation   |
| Level                                  | National  |
| Policy design or policy implementation | Both  |
| Budget                                 | €514.000,00   |

***Education***

**Case 7**      *Latvia, 'Education improvement project', 1999 – 2004*

|  |  |
|--|--|
| Donor/fund                             | Worldbank  |
| Objective of the intervention          | Increase education sector capacity & strengthen management of resource inputs and learning processes. Improve space utilization and energy efficiency of educational facilities & strengthen institutional management capacity   |
| Type of CB interventions               | 1) achieving operating efficiency 2) Support education quality through national content & performance standards, national standardized assessment instruments, communications strategy and pr, school self-improvement model and strengthening policy capacity. 3) consulting & training of project management |
| Level                                  | National/regional  |
| Policy design or policy implementation | Both   |
| Budget                                 | USD 39,9 million   |

## *Economics*

### *Case 8 Czech Republic, 'Capital Markets Legislation and Regulation', 2002 – 2004*

|  |   |
|--|---|
| Donor/fund                             | EC Phare  |
| Objective of the intervention          | 1) Strengthen institutional capacity of KCP 2) assess and amend legislation in compliance with EC acquis & best practices 3) enhance execution of supervisory functions |
| Type of CB interventions               | Legislative framework for capital market & crossborder transactions, cooperation with other regulators, staff & management training programmes                          |
| Level                                  | National  |
| Policy design or policy implementation | Both  |
| Budget                                 | € 1,5 million   |

### *Case 9 Hungary, 'Public Finance Management Project', 2002 – 2004*

|  |  |
|--|--|
| Donor/fund                             | Worldbank  |
| Objective of the intervention          | Assist Government to optimize the deployment and use of financial resources through changes in the institutional structure of public finance and budgeting process.                    |
| Type of CB interventions               | 1) Introducing a revised budget and debt management system, including a staff training strategy. 2) Introducing a public finance MIS network with new policies, procedures & standards |
| Level                                  | National/regional  |
| Policy design or policy implementation | Both   |
| Budget                                 | USD 7,7 million  |

## ***Public administration in general***

Case 10 Greece: 2000 - 2006

*'Measure 2.5 of Information Society OP: Training of Public Administration resources, and studies to support the modernisation of Public Administration'*

*'Measure 4.4 of Employment and Vocational Training OP: Upgrading of the skills of public sector employees'*

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| Donor/fund                             | ESF  |
|--|--|
| Objective of the intervention          | Measure 2.5:<br>to improve the skills of public servants, to improve the organisational and functional framework of certain sections and departments and to conduct studies on the use of ICT for modernising public administration.<br><br>Measure 4.4:<br>to upgrade the skills of public sector employee, to enable them to respond to the needs brought about by structural change due to the introduction of the new modern economy |
| Type of CB interventions               | Measure 2.5:<br>Training activities, studies on ICT<br><br>Measure 4.4:<br>Training programmes for future public servants and serving officers   |
| Level                                  | National/regional/local  |
| Policy design or policy implementation | Primarily policy implementation  |
| Budget                                 | Measure 2.5:<br>93.5 MEUR<br><br>Measure 4.4:<br>4% of the total public expenditure of the OP  |

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A disadvantage of the Hungarian ESF case is that it is still in execution. However, the Commission wanted to include this case in the sample because it could give valuable information on the implementation of ESF financed capacity building interventions in New Member States.

With respect to the Greek case, we observe that it consists of two sub-measures that differ considerably. Therefore, we treat them as separate cases in the tables in the next sections. In practise, then, we have it instead of 10 cases.

### **4.2.2 CONTENT OF THE CASE STUDY FICHES AND DATA SOURCES**

In the previous chapters we discussed the methodological aspects of evaluating and comparing programs in the field of capacity building. On the basis of this an item list has been made containing the key aspects to be analysed for each case. This list forms the basis of the case study descriptions. The common content structure is important for a comparable and successful development of the case studies. It will ensure the comprehensiveness of each case evaluation and allow comparisons of the cases and pave the way to in-depth synthesized analysis. This content structure is given in box 4.1. In the

box, the evaluation criteria are underlined. For each criterion the issues and specific questions will be addressed that were discussed in section 3.3. We won't repeat them here again. The detailed descriptions of the cases framed around the structure of the case study fiches are included in annex 3.

*Box 4.1 Items that have been addressed in the case studies*

1. Intervention logic (schematically using the structure of figure 2,3 in this report, including objectives and indicators)
2. Brief sketch of basic information about the capacity building program/project:
  - type of funding and donor;
  - budget;
  - time and length of implementation;
  - approach and tools used;
  - mechanisms of delivery.
3. Background of the project (political, social, administrative, financial, etc)
4. A more general sketch of effectiveness and factors influencing the effectiveness of the interventions in the Member State and the relevant policy field (mainly based on national and thematic evaluations)
5. Relevance
  - Issues/specific questions regarding the relevance as discussed in section 3.3 of this report
6. Efficiency and process quality
  - Issues/specific questions regarding efficiency and process quality as discussed in section 3.3 of this report
7. Outputs
  - Issues/specific questions regarding outputs as discussed in section 3.3 of this report
  - Comparison between actual outputs and outputs that were defined ex-ante
8. Effectiveness
  - Issues/specific questions regarding effectiveness as discussed in section 3.3 of this report
  - Comparison between actual results and impacts, and results and impacts that were defined ex-ante (on the basis of specific indicators for the case)
  - Development of outcomes in society in the relevant policy field in the Member State. To what extent have the capacity building interventions contributed to the developments (likelihood)?
9. Sustainability
  - Issues/specific questions regarding sustainability as discussed in section 3.3 of this report
10. Context
  - Issues/specific questions regarding the context as discussed in section 3.3 of this report
  - The key elements in the context that contributed to the success or failure of the program/project
11. Implementation aspects:
  - Issues/specific questions regarding implementation as discussed in section 3.3 of this report
  - The key aspects of the implementation process that contributed to the success or failure of the program/project
12. Basic conclusions and lessons to be learnt (factors conditioning effectiveness; factors stimulating improvement of governance, etc) and European added value (when relevant)

The fiches are filled for each case with structured and coherent information, allowing us to make comparative analyses. The following information sources have been used to fill the fiches:

1. existing documentation (such as available evaluation reports) and secondary data (data related to the program/project as well as data about the outcomes in society in certain fields);

2. information collected through a structured written survey among people involved in the programs. The questionnaire developed is included in annex 2<sup>100</sup>;
3. information gathered during field-visits for four of the cases (Greece, Hungary ESF, Poland and Portugal). For the other cases telephonic interviews were held for those playing a key role in the project (such as the project manager from the country and the project-coordinator).

The case studies have been prepared in two groups of five cases. After the first group some minor changes were made in the questionnaire and the approach used.

### **4.3 THE LOGIC OF CAPACITY BUILDING INTERVENTION**

#### **4.3.1 THE INTERVENTION LOGIC USED**

The quality of the intervention logic (IL) for a program can be inferred from the following questions:

1. Does the IL starts from a clear idea about the problems in society that needs to be solved or mitigated by the capacity building program?
2. Does the IL define the overall objectives for the program and the mechanisms through which the program may lead to fulfilling the objectives?
3. Does the IL define the intermediate objectives that form the link between the direct program outputs and the overall objectives?
4. Does the IL argue why the interventions chosen are the appropriate ones for reaching the intermediate objectives?
5. Does the IL contain targets for reaching the objectives on the various levels?
6. Does the IL already deal with the question how the program will be monitored and evaluated during implementation?

It should be noted that the information on which we have to base our answers, is sometimes far from complete. One cannot rule out the possibility that in the countries concerned

#### ***How overall objectives are dealt with***

From table 4.1 we can conclude that in most cases the intervention logic that was developed for the program was unsatisfactory in the way it deals with the overall objectives.

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<sup>100</sup> The questionnaires used for the various cases is largely the same, but also contains a number of case-specific questions. In annex 2 we include the questionnaire for the Polish case that deals with the fight against economic and organized crime.

*Table 4.1 The way overall objectives are taken care of in the intervention logic*

| Case study                       | Field to which the program applies   | Are overall objectives addressed  | Are the mechanisms described through which the program may lead to reaching the overall objectives? | Are the overall objectives transformed into targets                                |
|----------------------------------|--|---|---|--|
| Cyprus                           | Vehicle pollution  | Yes   | Yes   | No   |
| Czech Republic                   | The financial system of securities   | Yes   | No  | No   |
| Greece OPIS Measure 2.5          | Skills of public sector employees in ICT                                       | To some extent, but without realistic assessment of the context situation for the intended intervention | No  | No   |
| Greece OP Employment Measure 4.4 | Skills of public sector employees  | To some extent  | Yes, to some extent   | Yes, to some extent  |
| Hungary I                        | Skills relevant for the development, evaluation and management of ESF projects | Only in a superficial way   | No  | No   |
| Hungary II                       | Public finance management  | Yes   | Yes   | No   |
| Latvia                           | The performance of the educational system                                      | The wider objectives as specified are in fact intermediate objectives                                   | Yes   | No   |
| Poland I                         | Environmental protection   | The wider objectives as specified are in fact intermediate objectives                                   | Yes   | Yes  |
| Poland II                        | Fight against organized and economic crime                                     | Yes   | Yes   | Yes, to some extent  |
| Portugal Measure 3.1 POEFDS      | Skills of civil servants in ICT  | No  | No  | No   |
| Slovak Republic                  | Ethics in the public sector  | Yes   | Yes   | Yes, although they are difficult to measure and were not actually used in practice |

However, when comparing the different intervention logics one should acknowledge that in some cases it is much easier to assess the impact of the program on reaching the overall targets than in other cases. In the case of Cyprus, for example, the overall objective is to reduce air pollution by approximating EU vehicle emission standards. If the program were to reduce air pollution in a significant way, it is probably possible to infer the effect from the data. In the Czech case, to take another example, it is not possible to determine the effect of the program on the overall objective. The Czech program seeks to enhance macroeconomic development by improving the functioning of the capital market.



Economic growth is determined by many factors of which the functioning of the capital market is only one. An example of such a factor is the world economy. Hence, it will be very difficult to identify the impact of the Czech program given the fact that more dominating factors are at work at the same time. What would be possible instead, is to verify from the international literature whether a country's economic development improves when the capital market is going to work better. Such a hypothesis can be tested using an international cross-country comparison. If the literature provides evidence for such a relationship, and the country concerns has a below-average performance of the capital market, one could simply take this as the basis of the project.

If the impact of the program on the overall objectives cannot be measured, it makes no sense to specify targets on this level. One can, of course, do it, but it will mean that these targets do not play any role in practice. The Slovak program, which deals with the fight against corruption, is an example of a case where targets were specified with respect to the wider objectives, but without any real meaning for the program.

The more general the project is, the more difficult it will be to say something about overall objectives in relation to the project. In the Portuguese project the idea underlying the project could be that if civil servants have better competencies in ICT this will improve the performance of the government.

In the Polish case on stimulating environmental protection ('Poland 1') overall objectives are specified, but one could argue that these are basically intermediate objectives. The objective concerned is that regional government should have more knowledge in the field of environmental protection. However, it seems to be more logical to say that the wider objective is to improve the environment and that increased knowledge about environmental protection among civil servants is the intermediate objective. This increased knowledge could lead to more effective environmental protection and thus to an improved environmental situation. So, one could argue that also in this case the overall objectives have not been addressed.

A similar remark can be made with respect to the Latvian case, which aims at improving the Latvian educational system by strengthening the ability to monitor and evaluate the outcomes of the system.<sup>101</sup> The underlying problem is that the Latvian educational system does not function properly in the light of the requirements of a market economy and the wider objective is to solve this problem.

It should be noted that the overall objectives which 'sound good' may be never reached because they were formulated without a realistic estimation of the context factors and the actual environment in which they are supposed to be realised. That was an example of the Greek Measure 2.5 (OPIS) where it turned out that general concepts and strategies (e-government, e-learning) underlying the whole intervention, were not developed. In fact the whole logic of the intervention turned out to be taken out of the real situation and did not correspond to the actual level of information society development in Greece.

Only in four out of nine cases the wider objectives are addressed in a more or less satisfactory way and in three of these cases the mechanisms through which the program may lead to reaching the overall objectives is described. In most case an explicit policy theory behind the program is lacking.

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<sup>101</sup> Also component dealing with the operating efficiency of school buildings.

If it is unclear what a program is ultimately trying to reach or if the overall objectives are clear but it is not clear how the program can contribute to reaching these objectives, there is the serious risk that one is doing the wrong things.

### ***How intermediate objectives are dealt with***

Intermediate objectives are objectives that follow directly from the outputs of the interventions. In the 'Hungary 1' project, for example, the intermediate objective is that better use is made of the regional development program through which European subsidies are available for regional development projects. The phrase 'better use' could in this case be interpreted as 'more and better project plans are submitted', 'project management is improved', etc. Unfortunately no such indicators have been specified in this case.

It is also important that the IL discusses the choice of the interventions for reaching the intermediate objectives. Which alternative interventions are available? Why is it reasonable to expect that the interventions will contribute to reaching the objectives? It is also important that the IL deals with the mechanisms through which the interventions may lead to the expected outcomes. Will the interventions lead to a better performance of government agencies and if so, in what way? If the intervention takes the form of new legislation, how is it expected to contribute to reaching the intermediate objectives? Are the necessary measures taken to enforce the law? Has the institutional framework been improved, so that the involved actors will sufficiently co-operate with each other?

Also with respect to the intermediate objectives we sometimes observe that in fact targets are defined that relate to a lower level, the direct outputs of the interventions. An example is the 'Poland 1' case. Here the targets are defined in terms of the percentage of local administration staff that is acquainted with environmental protection. However, more knowledge in this field among local staff is not a means itself. The objective should have been defined in terms of achieving certain results with the acquired knowledge. This makes it difficult to judge the successfulness of the project. It is possible, in principle, to verify whether staff has been trained and whether they obtained the knowledge, but then we still do not know whether it served any real purpose. It is also important to note that quantitative targets were imposed later, during implementation, probably on request of the EC.

**Table 4.2** *The way **intermediate** objectives are taken care of in the intervention logic*

| Case study                       | Field to which the program applies   | Are intermediate objectives addressed  | Is the choice of the interventions motivated? | Are the mechanisms described through which the program may lead to reaching the overall objectives?                       | Are the intermediate objectives transformed into targets  |
|----------------------------------|--|--|---|---|---|
| Cyprus                           | Vehicle pollution  | Yes  | Yes   | Yes   | Yes   |
| Czech Republic                   | The financial system of securities   | Yes  | No  | No  | Yes   |
| Greece OPIS Measure 2.5          | Skills of public sector employees in ICT                                       | Only in general terms  | No  | No  | No  |
| Greece OP Employment Measure 4.4 | Skills of public sector employees  | Only in general terms  | Only in very general terms                    | Yes, to some extent   | Yes, to some extent   |
| Hungary I                        | Skills relevant for the development, evaluation and management of ESF projects | Only in very general terms   | Only in very general terms                    | No  | No  |
| Hungary II                       | Public finance management  | Yes  | Yes   | Yes   | Yes   |
| Latvia                           | The performance of the educational system                                      | Yes  | No  | Yes   | Yes   |
| Poland I                         | Environmental protection   | Yes, although the defined objectives could also be seen as the required outputs of the interventions | No  | No  | Yes, but in a later stage. The defined targets relate to the direct outputs of the interventions rather than to the intermediate objectives |
| Poland II                        | Fight against organized and economic crime                                     | Yes  | Yes to some extent                            | Yes, but big time gap between design of the intervention logic and project implementation created certain inconsistencies | Yes   |
| Portugal Measure 3.1 POEFDS      | Skills of civil servants in ICT  | Only in very general terms   | No  | No  | No  |
| Slovak Republic                  | Ethics in the public sector  | Yes, but poorly designed   | No  | No  | Yes, but they did not play a role in practice owing to lack of measurability and concreteness   |

In a number of cases (Greece, Hungary 1 and Portugal) also the intermediate objectives are formulated only in (very) general terms. In the Portuguese case, for example, the

objective seems to be to improve the performance of the government in general. It is not possible to verify whether such a general objective will be achieved. No specific targets were developed. An example of Greece (OPIS Measure 2.5) demonstrates how harmful for the development of the programme can be the fact that general objectives are not operationalised and specified right from the beginning. The implementation of Measure 2.5 was practically jeopardised and one of the crucial reasons for that was absence of clear objectives at the lower level.

In only four of the cases the intermediate objectives have been dealt with in a satisfactory way. In most case the IL deals quite poorly with the choices of the interventions and the mechanisms through which the interventions are supposed to contribute to reaching the objectives. Only two cases (Cyprus and Hungary II) can be said to be more or less satisfactory as to the way the intermediate objectives have been dealt. Also the Latvian case is relatively good.

### ***How specific objectives are dealt with in relation to the chosen interventions***

Specific objectives relate to the outputs of the chosen interventions. In most cases these specific objectives are clear from the IL. They relate to interventions like:

- establishing legislation;
- establishing institutions;
- promoting cooperation;
- training;
- workshops;
- technical assistance;
- twinning;
- investment in equipment;
- studies.

In most cases the interventions are clearly described (Cyprus, Czech Republic, Hungary I, Hungary II, Latvia and Slovakia). In the other cases they are described more vaguely, which is probably due to the vagueness of the objectives (Poland I) or the general nature of the objectives (Greece and Portugal).

Partly, the interventions coincide with the direct output. New legislation, people having acquired new knowledge through training and new equipment installed can all be seen as outputs. However, it is also important to indicate that these outputs are used in such a way that it really makes a difference. In case of new legislation, for example, it is important that the IL deals with the question how one can ensure that the legislation will actually be applied. In many case this is not self-evident and consequently the IL should discuss the issue of law enforcement. In the Czech case, which involves recommendations for new legislation with respect to capital markets among other things, this has actually been done.

In case of training is not sufficient to specify how many people will be trained. It is also important to develop targets with respect to how trainees will use what they learn. In the Hungary I case, for example, the purpose of the training provided is that local officials can make better use of the possibilities offered by the regional development program.

Then it would be important to specify targets or at least concrete expectations about the number of trainees that actually use what they have learned and how that affects the quality of their work in relation to the development program. However, in the Hungary I program only targets with respect to the number of trainees have been specified. This is what we also see in other cases where training is among the interventions applied. As for the Portuguese and Greek cases the specific purposes of training were formulated very poorly or were not formulated at all, the training targets were set only as the number of people to be trained without clear idea to which concrete effects training is expected to lead.

Also with respect to technical assistance and equipment it would be important to be more specific about the use of the developed instrument and the equipment. In the Slovak case, for example, one of the instruments developed in the project is a monitoring system to detect corruption. However, what are the conditions to make effective use of this system and is it likely that these conditions will be met? How will the effective use of the system be monitored? A point of concern with respect to investment in equipment (mostly in the field of ICT) is that it can be used for all kinds of purposes and that countries invest in it anyhow. We think that potential deadweight in case of investment in equipment and the possibility that equipment is used for other purposes should be treated explicitly.

#### ***Some remarks on indicators and mechanisms***

In some of the case studies an attempt has been made to reconstruct the intervention logic, as it should probably be (see the case descriptions of the Czech and the first Hungarian programs, for example). However, this easily leads us to assumptions and interpretations that cannot be verified from the available information. Therefore, we can only give examples from some of the cases. What are the relevant mechanisms and which indicators could have used?

Hungary I is a good example. The intermediate objective is to stimulate better use of the regional development program by training people that are supposed to play a role in the implementation of the projects that are subsidized under the program. They should learn how to submit project proposals, how to design project proposals, how to manage projects, etc. The wider objective is that a better-implemented program will be more effective in terms of enhancing regional development.

In this case the only indicators used are the numbers of trainees. Evidently, this is a useful indicator. If only few people were trained, there would be something wrong. Then either the need for training was overestimated or implementation problems occurred. However, the number of trainees does not say much about the effects generated by the project. In the Hungarian case the relevant question seem to be to what extent the implementation of the regional development program is hampered by lack of skills among the relevant actors on points like knowledge about the regulations, management, etc. In principle, an ex-ante assessment could make clear how big the problem were if no training would take place in terms of an insufficient number of project proposals and an insufficient quality of the proposals, leading to an underutilization of existing funding (not enough proposals and a relatively high rejection rate). A survey among potential tendering organizations prior to the implementation of the regional development program could have revealed the size of these potential problems. Furthermore, it could have revealed the types of skills people are missing. On that basis it would have been possible to define targets in terms of the number of submitted project proposals, the percentage of proposals that are rejected and the percentage of the available funding used. Then during implementation the values of these indicators could be compared with the results of the survey in the ex-ante phase. It

would provide an indication of the net effects. In the Hungarian case no such indicators and targets were used.

Another approach, which might be combined with the previous one, is to look more closely to the direct results of the training for the trainees and their employers. Do former trainees actually use what they have learned in their work? Does this lead to a better use of the opportunities of the development program? A priori one could specify targets with respect to the percentages of the former trainees and their employers concretely benefiting from the training. Such a serious evaluation will not be carried out in the Hungarian case. There is some information available from evaluation forms that trainees are asked to fill in. However, this does not go any further than expressing their degree of satisfaction. It does not say to what extent the training has been useful.

For some of the other cases where training forms a crucial part in the project (Greece, Portugal) we see the same thing. Targets are only set with respect to numbers of trainees, who are given the opportunity to express their degree of satisfaction. However, in these cases it is impossible to define indicators because the objectives are very general and far removed from the training activities. Specific objectives are necessary for defining useful indicators and targets.

In our view it is not useful to specify indicators and targets with respect to the wider objectives. In the Hungarian case the wider perspective is to enhance regional development by a better use of the regional development plan. However, quantifying this effect will be impossible and formulating targets on this level will imply that nothing will be done with them. In the Hungarian case no such indicators and targets were formulated. In some other cases (the Slovak program and the first Polish program, for example) indicators on this level were defined, but indeed they did not play any role in practice.

In many cases the activities are of a more qualitative nature. Expert advice through Twinning is an example. In the Czech case advice was given about the content of new legislation concerning the financial market and about ways to enforce the new laws involved. It is difficult to develop suitable indicators for this case. The quality of legislation could be judged by comparing it with countries that can be considered to be forerunners in the same field with proven quality of their legislation. In the Czech case the twinning partner was chosen exactly for that reason. Law enforcement can be measured by the degree to which organizations and individuals behave according to the law. This presupposes that the responsible authorities make investigations with respect to individuals and organizations infringing the law. This may provide an indication of the degree to which individuals and organizations abide by the law. However, indicators and targets are of limited use here. The same remark applies to other programs with a twinning component (the Czech and the Slovak cases).

Indicators are also of limited use for components of projects implying the development of a tool. In the Czech case the development of a monitoring system for securities was intended but not implemented. In the Polish case on environmental protection an information system was developed, but it may not be used that much. The Hungarian ESF program provides a positive example: the development of an IT system with information on training options and the possibility to apply for courses through the Internet. The reason for the success of the latter system is that it is an integral part of the implementation structure. If people want to be trained, the system provides an efficient tool to get the information and to apply. Indicators do not seem to be very relevant here. However, before the development process criteria have to be specified for the (expected) usefulness of the system. Does the system (if designed properly and if used in practice)

contribute to reaching the intermediate objectives? Do potential users have incentives to use the system? How can it be made user-friendly? The number of users of the system may then serve as an indicator.

In some of the cases (Slovakia, Poland I and Latvia) the purchase of equipment is a component of the program. Here too indicators (other than basic ones such the amounts spent) are of little use. It should be clear why the equipment must be purchased through the project (to avoid deadweight). Furthermore, quality and price of the equipment should be taken into consideration.

#### **4.3.2 HOW THE INTERVENTION LOGIC COULD LOOK LIKE**

We have criticized the intervention logic of the case studies. In this subsection we take two of the cases as examples and try to construct the intervention logic as far as this is possible with the available information. The two examples are the Czech program and the Hungarian ESF-program. In both cases explicit intervention logic was hardly developed.

Further in this chapter we analyse the logic of training-type interventions and stress a number of issues that have to receive attention in the process of designing training interventions.

### **THE CZECH CASE**

The adoption of legislative changes with respect to the Czech capital market was necessary to reach full compliance with the EU legislation and to qualify for EU accession. Three new laws were prepared (the Act on Capital Market Undertakings, the Act on Collective Investments and the Act on Bonds). Assessment of the laws by EU experts in view of the EU legislation was seen as highly important.

With the aim to improve the functioning of the capital market the Ministry of Finance was keen to obtain recommendations and proposals concerning the issue of the central depository of securities and the related issues of the settlement of securities and financial clearing. Furthermore the Securities Commission requires the EU assistance for the elaboration of a technical framework related to the regulation of cross-border transactions and e-business and for strengthening the effective monitoring of transactions in the capital market in general.

The overall objectives of the project were two-fold:

- a.* to contribute to a well functioning market economy;
- b.* to qualify for the EU membership.

A market economy can only function properly if it has a well functioning capital market. If legislation and law enforcement with respect to issues like ownership and reliability in case of capital transactions are not sufficiently developed, this will have a negative impact on investment. There are no documents available, however, containing an ex-ante assessment of the deficiencies of the Czech situation prior to the project. Furthermore, no indication is given of the expected effects on investment and economic growth. The theoretical literature in this field could at least provide a theoretical basis for the

interventions. Furthermore, empirical studies in the international literature might give quantitative indications of the effects.

The intermediate objectives of the project were to improve capital market transparency and legislation in compliance with the EC acquis and best international practice. The following indicators are mentioned in the program documents:

1. proper functioning of the Czech capital market according to international standards and more particularly EU standards;
2. increased confidence of investors, increased level of protection of minority shareholders, increased investment, etc.;
3. introduction of an electronic monitoring system for securities.

In our view some of these points like increased investment belong to the realm of the overall objectives, while other points like the introduction of an electronic monitoring system for securities seems to be a specific objective.

Specific objectives are not mentioned as such in the project documents, but ex-post one could identify the following ones:

- i.* improvement of legislation regarding the capital market;
- ii.* improvement of law enforcement and supervision regarding the capital market;
- iii.* improved performance of the organizations responsible for designing legislation, enforcing legislation and/or supervision regarding the capital market;
- iv.* improved skills of the staff of these organizations;
- v.* improved infrastructure to support law enforcement and supervision.

These specific objectives are directly related to the interventions of the project:

- assessment by foreign experts of the new legislation designed by the Czech's and recommendations for adjusting the legislation;
- training of staff of the Ministry of Finance and the Czech Securities Commission (the authority responsible for monitoring the capital market);
- study visits;
- development of a Central Depository for Securities (including the development of a central software system for securities).

So, it is possible to construct the intervention logic that probably should have been developed ex-ante. The proper intervention logic would probably look like the one displayed in figure ?.1.

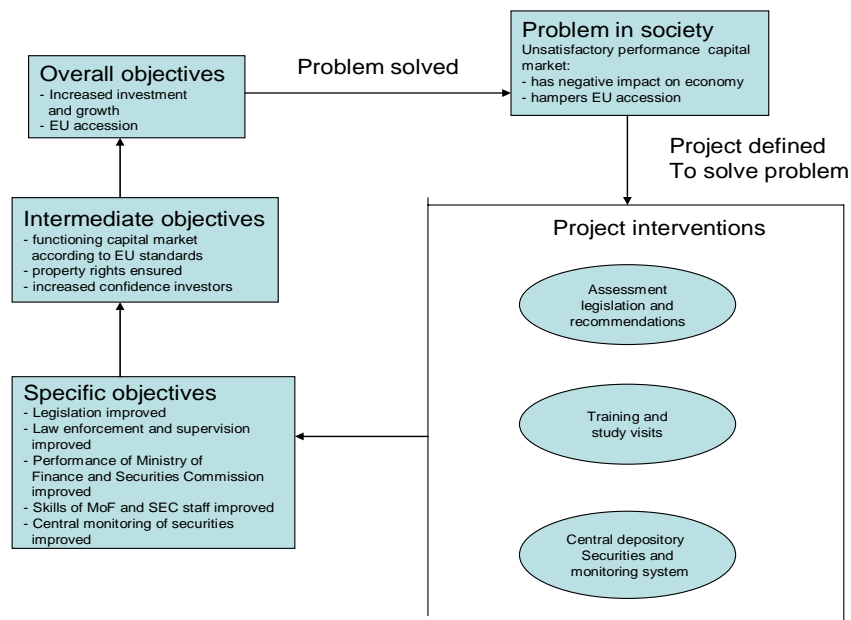
Not explicitly mentioned in this figure but important for the program are context factors. Is the political level willing to accept and use suggestions for the legislation from independent external advisors? What is needed for good law enforcement? Which organizations will be dealing with it? Are these organizations committed to this task and are they (and their staff) equipped for the task? And if not, does the program take account of this?



The quality of the inputs is also crucial. A priori training needs should be identified and the procedure to be followed for it should be described. Secondly, criteria for the experts to be involved should be specified and the procedure to select them described. With respect to the envisaged software system obvious questions that come to mind are: 1) are experts able to build such a system available in the country; 2) who is going to operate the system once it has been developed; 3) who is going to do the updating of the system? The latter is, of course, highly relevant in view of the sustainability of the results.

It may not be possible to take account of every factor that could harm the outcomes, but many factors can be identified a priori. Then, these factors can be taken into consideration in the design and the implementation strategy of the program.

Figure 4.1 Reconstructed intervention logic Czech case on capital market reform



Keeping track of the outcomes is important as it enables one to identify shortcomings of the program relatively early during the implementation process. Then measures can be taken to improve the performance of the program. Although quantitative indicators with quantitative targets attached to them, are to be preferred, it is difficult to define quantitative indicators in this case. However, it is possible to some extent to verify whether the objectives are reached:

1. independent external experts not involved in the project could be asked whether the legislation has been improved;
2. the trainees and their employers could be interviewed both before and after the training to;

3. whether the envisaged software system is actually developed (actually it was not developed) and applied can simply be verified. The quality of it can be derived from the judgment of the users;
4. actors in the Czech financial market (including actual and potential investors) could be asked whether the changed legislation, the enforcement of the law and the new software system has improved the transparency and the reliability of the Czech capital market.

Whether the program enhances investment and economic growth cannot be determined, unless the impact is very big compared to the other factors affecting macroeconomic development. But the latter is very unlikely. Hence, quantifying the wider objectives does not make sense.

## **THE HUNGARIAN CASE**

Hungary is characterized by significant economic, social and infrastructural disparities, which have increased during the 1990s. Budapest and its agglomeration, the north-western part of the country and some regional centres have developed dynamically, while other regions have stagnated, primarily due to economic restructuring, insufficient accessibility, unfavourable settlement structures, the absence of defined development centres and the low skills levels of the local population. With support from the European Commission the Operational Programme for Regional Development for Hungary was set up with a balanced regional development as its primary objective.

Most of the budget is spent on development projects. However, suitable project plans that are in agreement with the ESF regulations need to be developed first. Furthermore, these projects must be managed and implemented skillfully. Hence, the success of the projects and the programme as a whole depends critically on the ability of the relevant actors to make proper use of it. As this is the first operational programme for Hungary under the structural funds, only few local officials, however, have previous experience in this field. Therefore, a broad training programme to teach them the relevant skills was needed. A sub-measure within the OPRD was designed to deal with this need under the name: capacity building of local public administration and non-government organizations.

This sub-measure consists largely of training provided to managers and staff members of the local organizations involved in regional planning and projects. The emphasis is on practical skills and the ability to form partnerships. However, also some supporting activities are included such as identifying training needs, developing a software system through which people can apply for participation in the training and carrying out studies. Also the training of trainers is mentioned.

In the documents in our possession the intervention logic is rather implicit. The reasoning is simply: the local people that have to design, plan, manage and implement projects under the OPRD lack the necessary skills to do this properly. Hence, they must be trained. However, it might have paid off if some more attention was paid to the intervention logic.

Firstly, the emphasis is almost completely on practical skills, that is: knowledge about the structural funds regulations, knowing how to make a project proposal, knowing how to financially manage a project, knowing how to develop partnerships, etc. However, the outcomes of projects will crucially depend on the degree to which they offer effective solutions for regional development problems. This calls for an insight into regional

development and the factors influencing, and knowledge about the international experience in regional development about what works and what does not. This type of knowledge only plays a minor role in the sub-measure.

Secondly, the sub-measure is almost completely oriented to individual staff members. However, the fact that these people obtain the necessary skills does not necessarily imply that the organization for which they work makes effective use of these skills. In other words: the organizational level, which is crucial in capacity level, is not explicitly addressed. The latter is also true with respect to the institutional aspect. If people get to learn how to form partnerships, this does not necessarily imply that cooperation will actually emerge. This does not only depend on their skills in partnership building, but also on the policies of their organizations and the availability of cooperation structures.

A third aspect is the coverage of people from the various regions and types of organizations. As the OPRD is specifically aimed at reducing regional dispersion, participation of people from the worst performing regions seems highly important. This could have been mentioned as an explicit objective. The same is true with respect to the coverage of specific types of participants (representatives of NGO's for minority groups, for example).

Figure 4.2 gives our constructed intervention logic. It consists of two policy theories. The first policy theory states that regional development can be enhanced and regional disparities be reduced. The second policy theory says that the impact of the regional development program is negatively influenced by the lack of knowledge and skills among the actors in the regional development program. According to this policy theory capacity building activities like training can solve this problem. The figure then concentrates on the capacity building, distinguishing between:

- a. the interventions;
- b. the direct objectives related to the interventions;
- c. the intermediate objective.

The intermediate objective is a better use made of the regional development program. Direct objective are better skills and more knowledge among the actors participating in the development program and the organizations involved allowing the people trained to make use of what they learn. Furthermore, particularly the weaker regions and the people mostly in need of the training should be represented in the program.

The quality of the delivery system is of critical importance. Firstly, the type of training offered should match the training needs. Secondly, the number of courses offered should be sufficient to meet the demand for it. And finally the training should be of sufficient quality. The training needs should be in line with the objectives of the organizations involved in the regional development program. These could be government agencies but also non-governmental organizations applying for project subsidies. Hence the involved organizations should be able to influence the entitlement criteria for the training and the content of the training. A procedure guaranteeing this must thus be developed. However, it may be efficient to leave some room for choice to the trainees themselves. The latter may to some degree know better what they need than their employers. It is important to think these issues through during the design phase and to come up with reasonable procedures before the program starts.

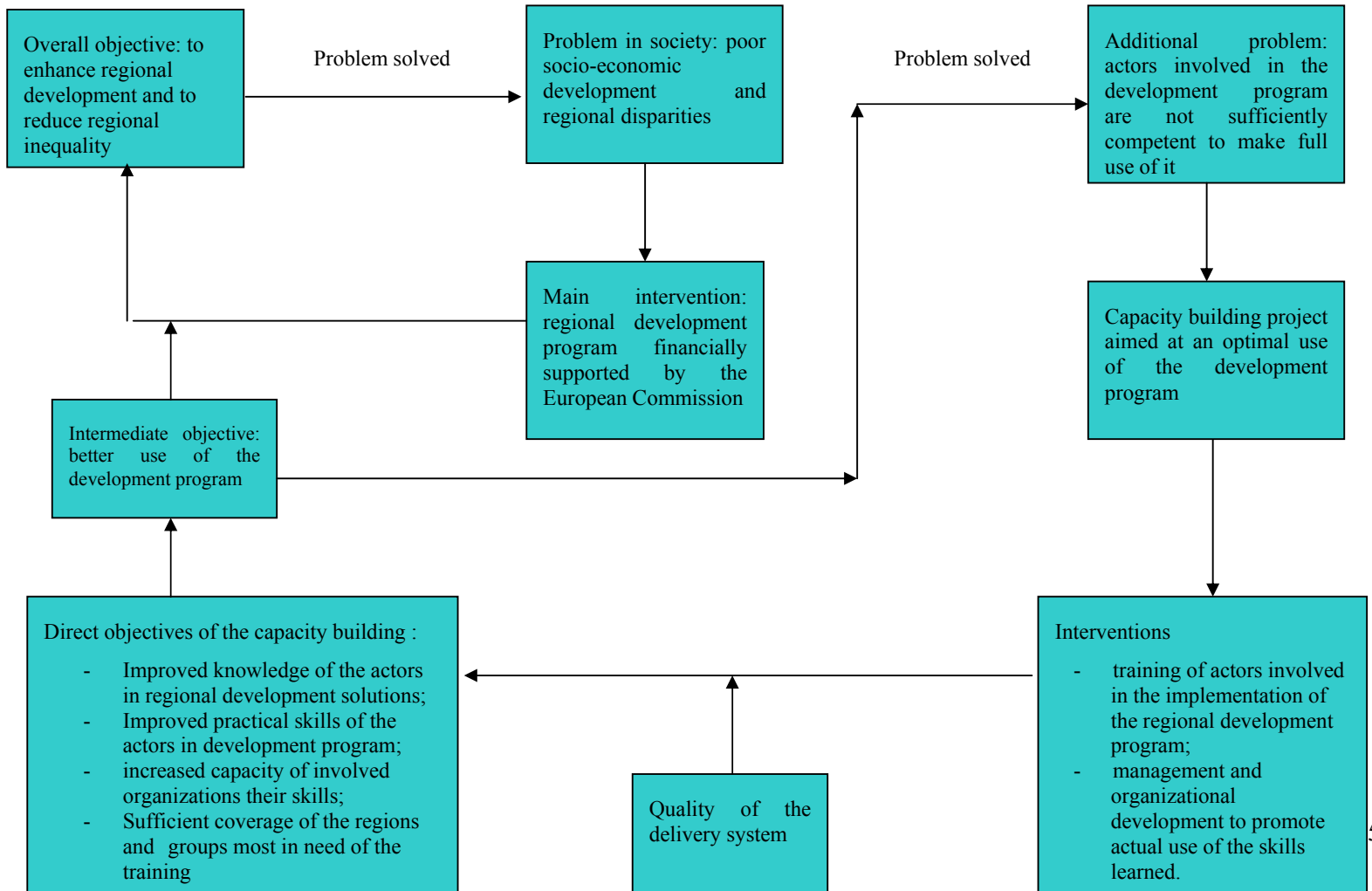
Matching training supply and training demand through bureaucratic procedures is probably not the most efficient procedure. A more flexible approach is to make use of the market mechanism. Training providers fulfilling certain quality requirements concerning the training offered could be invited to offer training courses in subjects relevant to the program. People entitled to the training could be invited to apply for the training. The program management should warrant sufficient transparency by developing a system through which demand and supply can find each other. The training subsidy should be provided to the trainee or his employer. It should be such that the trainee or his employer can pay a price for the training that is high enough for training providers to offer a sufficient number of courses. If trainees or their providers are able to choose between different providers the induced competition between providers will improve quality.

In one of the components of the programme such a market-oriented system was actually used.

Several indicators can be thought of in relation to this capacity building program such as:

- a.* the number of people trained differentiated according to type of organization, region and social group. This number should be related to the number of people in need of the training;
- b.* the improvement in knowledge and skill level as a result of the training. The percentage of the trainees improving their knowledge and skills is important but also the quality of the improvement;
- c.* the degree to which the knowledge and skills learned are actually used within the framework of the regional development program;
- d.* the degree to which the available funding for the regional development program is used. Is the number of project proposals sufficiently large and are they of sufficient quality, is project management sufficiently professional, etc.
- e.* are there sufficient guarantees for sustainable results securing that for the next development program not the same effort in capacity building is needed again. A possible indicator could be the degree to which the organizations involved in regional development include elements of the capacity building in their internal human resources policies.

Figure 4.2 Reconstructed intervention logic Hungarian ESF case



## TRAINING INTERVENTIONS

Training type interventions or interventions containing training components form one of the key capacity building actions. On the basis of the analysed training interventions (namely, ESF Measure 3.1 of POEFDS programme in Portugal; ESF Measure 2.5 of Operational Programme Information Society in Greece; ESF Measure 4.4 of the ESF Operational Programme Employment in Greece, ESF Measure 3.1 ‘Capacity building of local public and non-governmental organisations’ of OPRD in Hungary) we can make certain conclusions and suggestions. The most general one is that the design of the Measure and the logic of intervention have to receive more serious and careful attention. While elaborating new training measures it is crucial that certain issues are carefully dealt with:

1. **The overall context in which intervention is placed.** The context in which the project/programme will be later developing has to receive adequate attention. The achieved level of development in relevant fields and branches has to be assessed properly and this actual situation has to be taken as a starting point for further design of actions to be taken. The degree to which institutions, organizations and employees are ready for particular interventions has to be evaluated in advance. The planned actions and interventions should correspond to existing circumstances and have to be aimed at dealing with actual problem.

Our analysis of cases points at a number of situations which demonstrate the importance of adequate assessment of the context factors for successful developing of project:

- The Measure 2.5 of OP Information Society in Greece had serious starting problems (the real activities could not start for almost four years!) because actual state of development in the field of information society (level of familiarization with new technologies, actual level of skills, organizational readiness –availability of structures and expertise, etc.) was not properly evaluated at the stage of programme elaboration. The fact that such basic concepts and policy strategies (as e-government and e-learning) on which the Measure rests were not yet formulated at the start and this fact was not taken into account in the design of the Measure also turned out to be very detriment.
- Training which accompanies modernization projects fully depends on realization of those modernisation projects. The inability to estimate realistically the time which the tender procedures might take (under currently existing national regulation) resulted in big delays compared to planned schedule. Those delays blocked coupled training activities (Measure 2.5 of OP Information Society in Greece)
- The Measure 3.1 aimed at training of the employees of the Central Administration in Portugal provides another example of contradictory design. On one hand the Measure was directed only at the regions of Objective 1 and because of that Lisbon area was out of the project. On the other hand, the employees of Central Administration formed the target group of this measure and it was known that CA is mainly located in Lisbon. In general Lisbon plays the role of a motor: the changes started from Lisbon

(all key decisions, new databases, regulations and procedures are made at the central level in Lisbon and from this point of view it would have been more logical to start the process of upgrading from Lisbon). But in reality the rules of the Measure did not allow to involve the central administration concentrated in Lisbon in the process of training.

2. **The context of a larger intervention (OP).** When the training measure or project form part of a bigger intervention (operational programme, for example) it should be taken care that this Measure (its logic, objectives, expected outcomes, etc.) fits into the logic and design of the large-scale Programme. The training Measure has to form logically justified component of the bigger intervention. The artificial inclusion in the Programme of an action that does not correspond to the overall objectives of the Programme makes it later difficult (if not impossible) to trace the impact of this action as well as its contribution to the achievement of the Programme's objectives. *We suppose that for the future those aspects have to get more attention and clear justification.*

We give here an example of the ESF Measure 4.4 of the ESF Operational Programme Employment (Greece). The location of Measure 4.4 (aimed at training of public administration employees) under Operational Programme Employment did not get sounded logical justification. This Measure did not fit well enough in the logic of the Operational Programme as a whole. As it is clear from the Mid-term evaluations of the Programme, Measure 4.4 could not contribute to the impacts expected from this Operational Programme (because of the nature of Measure 4.4). As we were informed by the Greek side in the new programming period the steps are taken to correct this inconsistency – a new Operational Programme fully aimed at Public Administration is in the plan.

3. **Training needs.** The context aspects mentioned above are closely related to the issue of training needs assessment. The formulation of the intervention has to be supported by a solid evaluation of actual needs (in accordance with certain standard methodology). Among other things it also concerns the actually existing level of skills and knowledge. Training in advanced skills should not be planned where basic skills are not yet developed. Aiming at training of advanced subjects in the situation when overwhelming majority of potential trainees is not prepared for that cannot produce positive results (also example of ESF Measure 2.5 of OPIS in Greece). *We suppose that a compact study on needs analysis (carried out independently) should be incorporated in the standard procedure of project/programme design.* Training, especially ESF large-scale training interventions, has to be planned and undertaken on the basis of careful needs analysis. Specific problems and needs of particular ministries and public institutions have to be identified and training in each particular project has to be adjusted to those specific needs. General training of academic orientation (not adjusted to particular needs of institutions) cannot contribute significantly to the improvement of services, procedures, structures, etc.

We refer to both Greek Measures analyzed, in which the prevailing approach to training did not involve clear needs analysis. According to the interviewees training for Public Administration in Greece is traditionally done along the top-down approach (when training provider – National Center – proposes to the Ministries and other institutions lists of topics and thematic sets of courses for training out of which they can choose). Training is not based on particular needs of particular institutions which are not being analyzed on the individual basis. As a result

training very often turns out to be too general and too academic, not applied enough. This was realized by the stakeholders and the steps are now being taken to conduct a separate Study concerning the methodology of training needs analysis. It is possible that such a study and incorporation of new methodology into practice of project implementation could improve the situation in the future

4. **Types of training to be included.** While designing training intervention it is essential to pay additional attention to the choice of types of training. While analyzing the cases we came across different currently implemented options:

- (i) Continuous training (short and medium-term courses for upgrading of skills and competences or acquiring of new skills in different subjects, LLL activities):

Depending on the national regulations with respect to Public Administration, such continuous training might be:

- Obligatory for career progressing (for instance, in Portugal training for employees of the public administration in the majority of situations is compulsory for career progressing and is called to help employees to pass the regular exams at national level (as part of personnel assessment and promotion). This is one of the reasons for establishing Training Departments/Institutes which can be seen now in the majority of public institutions.
- Voluntary (training is basically undertaken when institutions/employees see the need to improve the skills of their employees in certain fields).

- (ii) Initial training (full scale educational programmes which form core activity of nationally financed public institutions).

For instance, the following initial training programmes are from year to year fully financed (in the period 2000-2006) via ESF Measures: a full-scale 21 months education programme of the National School of Public Administration (Greece), a full-scale 6 months programme for young diplomats of the Diplomatic Academy (Greece), a full-scale 18 months programme of the National School of Local Government (Greece).

- (iii) 'Coupled' training. Training coupled with modernization projects (in this case training is very specific and is aimed at giving very applied and particular skills necessary to work with certain soft or hard ware brought about by modernization projects).

We suggest that the decision about including training activities of particular type in the ESF programme has to be well grounded and justified. The fact that certain types of training are obligatory according to national regulations and are supposed to be conducted and financed (nationally) anyway independent of the Community support, as well as the fact that initial training forms the core activity of nationally financed public institutions, have to be taken into serious consideration.

5. **Objectives and goals.** While formulating the objectives of the intervention it is very important to make sure that objectives of different levels are realistic, clear



and compatible, that they are concrete and can be operationalised. The general (overall) objectives of training efforts have to receive ‘strategic’ approach, which goes beyond broadly used standard pattern “improvement of the skills and competences of public employees”. Training has to be aimed at achieving in the longer run better services to clients, improved policy making, rationalizing and optimizing work of public administration, etc.

We can refer to ESF Measure 3.1 of the POEFDS in Portugal where the general objective did not formulate in a clear way which overall impacts (policy impacts, process impacts, etc) are expected from the large-scale upgrading of employees of the Central Administration. As a result at a later stage it is very difficult to judge about the overall effects and degree of success of this big investment. The same holds true for the ESF Measure 4.4 of the OP Employment in Greece.

Specification of general objectives and their operationalising is also very important. We can give example of ESF Measure 2.5 of OPIS in Greece. In this case the objectives remained at rather general level. The operationalizing of objectives did not happen at an early stage. Specific objectives were not clearly formulated and as a result the Measure stagnated for almost five years as it remained unclear to the potential beneficiaries which types of interventions are required.

6. **Built-in mechanism of impact assessment.** Our analysis demonstrated that actual impact of large-scale investments in training remains in the majority of cases unclear. *To be able to evaluate which concrete effects the training measures have brought about and to be able to say to what extent the intervention is successful and sustainable, it is absolutely necessary, from our point of view, to incorporate a mechanism of impact assessment in the measure/project design.* It appears that the need of impact assessment in the case of complex interventions (like ESF Measures) consisting of hundreds of individual projects which involve numerous beneficiaries, stakeholders and actors is even bigger than when training component forms part of one ‘simple’ project (like Phare or Life, etc.).

This mechanism has to be concrete, standard and obligatory. The mechanism can include regular surveys of the beneficiaries, some form of built-in feedback from the key ‘clients’ which send their employees for trainings, impact assessments by external evaluators of the individual projects (constituting the Measure). Although training projects deal with aspects that often difficult to measure, it is still possible to make use of standard evaluation methodologies (before-after comparisons, control group approach, interviews, etc.).

We refer to all ESF measures analyzed. All those measures involve a large number of beneficiaries and numerous actions/projects via which thousands of civil servants were trained. The impact of the training efforts remains not verified and vague. There is no clear instrument at place to ‘catch’ the impact of training exercised during several years in a row and targeted at large groups of the public administration. The quantitative indicators of the number of trained people do not say anything about the quality of training and about its effects on the functioning of the public administration. The feedback from the beneficiaries comes only occasionally (sometimes in the form of letters of gratitude, which does not allow making serious conclusions about the effects), the surveys of beneficiaries are not carried out, impact assessments are really exceptional – we were reported only of

one initiative of that kind which was undertaken in the framework of the Portuguese Measure.

**Box 1**      *Experience of the Social Security Institute (Portugal)*

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Impact assessment (3-6 months after training) of certain courses (for example, the course given in 2004 'Public Attendance and the Image of Social Security') carried out by the Social Security Institute. For this impact assessment they designed their own tool to evaluate how much the behavior of the civil servants has changed by training. The tool (questionnaire) was sent to the local level (trainees and managers). The analysis demonstrated that the employees became much more aware of certain essential issues (like conflict management, behavioral aspects), also the work motivation of employees increased significantly after this course.

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**7. Implementation aspects (organization, management, quality aspects)**

On the basis of our analysis we conclude that a number of issues related to the implementation of the training projects has to receive additional attention in the future and be taken into account while the intervention is designed

- a. Who will conduct the training: built-in training departments, public training providers, private training providers, etc.? What is the mechanism of choosing the training provider?

To increase the quality of training it is advisable to use as wide as possible competitive procedures for selection of training providers.

We refer to all ESF Measures analyzed: competitive procedures for selection of training providers are almost never used. In certain cases it seems difficult to organize competitive selection (dominant position of one training provider which plays the role of an established monopoly, like the National Center for Public Administration and Local Government in Greece). In Hungarian Measure a 'voucher' system was introduced which introduces elements of competitiveness. We suppose that such experiences have to receive attention as they can be used in other programmes (see chapter 5).

- b. What will be the stages of project/measure implementation: will training activities be piloted first in some selected regions/institutions or large-scale training will start simultaneously in all targeted points? It seems that it is more effective (also from the point of view of quality check) to use more wide pilot method. In case large-scale training projects piloting is especially helpful as it can be evaluated and further activities get adjustment on the basis of the first 'experiments'.
- c. What will be the main form of training? The accumulated experience proves that training activities of very short duration cannot bring solid effects. We recommend securing that the prevailing length of training courses and sessions is not below 15-20 hours (????) We can refer to the ESF Measure 3.1 in Portugal, where the prevalence of short-duration training actions proved to be not effective.
- d. How the project will be coordinated? It is crucial to insure that the Management unit (Management authority) has sufficient and qualified resources to implement the project. The understaffing of the Management Authority can become a restraining factor for the progress of the project/measure. (For instance, in the case of Measure 2.5 in Greece such understaffing resulted in delays with planning the actions, strategy

development, what in turn was leading to delays with issuing calls for proposals, slow project approval and contractualisation procedures)

- e. How the training activities will be monitored and evaluated? Although monitoring/evaluation procedures at the level of the OP often form part of the programme cycle, we observed the following (especially it is relevant for large-scale ESF Measures which encompass hundreds of individual projects):

Evaluation and monitoring happens mainly at the level of the Operational Programme as a whole. Regular evaluation reports refer very briefly to particular Measures, constituting the OP, but never go to the level of individual projects. The capacity of the management structures does not allow evaluating and monitoring individual projects, (each of them in the majority of cases represent big investment of several million euros).

8. **Summary: essential issues to be taken into account while designing training interventions**

*Step one:* Needs analysis (estimation of the training needs of particular organizations/institutions; screening of target groups). Identification of existing problems, which can be mitigated via the training intervention.

*Step two:* Context analysis, realistic estimation of the actual situation and level of achieved development; adequate assessment of the environment in which the programme/project will be placed, including the assessment of:

- level of achieved development in particular field of concern (for instance, if the project is in the field of 'Information Society' it is necessary to assess realistically what are the actual achievements and gaps, to what extent basic concepts /strategies (like e-government, e-learning) are developed and accepted in society;
- the degree of organizational readiness of the involved institutions (availability of particular expertise and equipment, availability of particular structures (departments or units), etc.)
- level of the current skills of the target group (do they possess basic skills or not, which basic skills are missing, etc.). Lack of basic skills of civil servants creates a clear obstacle to training in more specific and advanced topics.
- existing legal and regulatory environment (to be able to predict and realistically estimate the time required for tender procedures, administrative and financial procedures, procedures related to the provision of new equipment – activities that can form part of the programme that is designed)
- existing training structures: which type of training providers are available, what is their position on the market and what are their training possibilities: (i) training departments/institutes within ministries/organizations; (ii) public training institutes; (iii) private companies, etc.
- context of the larger intervention: in case the Measure/project is supposed to be part of a larger programme it has to be estimated how the Measure fits in the design of this larger intervention, whether it forms a natural and logical part of it

**Step three:** Setting the objectives of different levels, taking care that:

- General objectives point clearly at what kind of improvements are expected from training (avoid vague formulation, like ‘improvement of skills of public employees’). Among possible general objectives might be: improvement of services to citizens/clients; improved decision and policy making, etc.
- Specific objectives (objectives of lower level) are concrete and clear, so that they can be easily operationalised and transformed in particular actions.

**Step four:** Choice of adequate types of training:

- (i) continuing or
- (ii) coupled with modernization and technological innovation or
- (iii) initial

Choice of the forms and duration of training, which on one hand guarantee that training efforts give a positive effect and allow for good quality and on the other hand are compatible with working patterns and job requirements of the target groups (that institutions are able and willing to release personnel for training of chosen duration).

**Step five:** Choice of implementation mechanisms and structures.

- Considering building-in pilot actions before the launch of full large-scale interventions.
- Considering different ways of identifying service providers, incorporate when feasible compatible mechanisms of choosing training providers, avoid situations when one-two training institutions become monopolists.
- Choice of adequate coordination/management mechanism, insure that management structure has sufficient and qualified staff to manage the intervention, insure that the scale of the management structure correspond to the scale of the intervention.
- Building-in the evaluation mechanism, defining which types of evaluations have be carried out in the course of implementation, how the impact of the intervention will be verified, which evaluation methodologies will be used. Definition of indicators to be monitored and assessed in the course of implementation (examples of indicators see: above in the paragraph ‘*Hungarian case*’).

**Step six:** Setting realistic plan and time schedule of the intervention taking into account all previous steps

### **Conclusions**

The overall conclusion is that in many cases the intervention logic has serious flaws. Only in three cases the IL is good or reasonably good (Cyprus, Hungary II and Latvia). The IL

is particularly poor in the Greek, Portuguese and Poland I cases. One of the serious traps is the gap between the IL and the real context in which the intervention is supposed to take place. When crucial context factors (development of key strategies and policies underlying the project) are not 'ready' for the designed intervention, the implementation fails. The other cases hold an intermediate position. Our impression is that this may particularly constitute a problem when the objectives of a capacity building program are rather vague. However, also in the other cases a better IL may have led to better programs. We give one example. In the Czech case the program has been relatively successful despite a relatively poor IL. However, one intended component of the project, the development of an information/monitoring system for financial securities, was finally not implemented. From the available evidence it is clear that the problems leading to this fact could have been avoided when a proper ex-ant analysis had been made.

The role of indicators can be important, but their significance should not be overrated. As to the wider objectives it often does not make sense to use indicators because it is simply impossible to assess the effect of the program on these indicators. With respect to direct effects of the interventions, it is often possible and useful to define and measure indicators. It partly depends on the type of interventions. In case of tools developed in a program, one would be inclined to look at how many people or organizations use the tool. However, this does not necessarily offer a good picture of the effectiveness, because it may also be important who uses the tool and for what purpose. Hence, qualitative assessments may be equally or even more important than assessment based on quantitative indicators.

Our discussion of indicators made it clear that evaluation is always possible also when quantitative indicators are of limited relevance. However, as we have indicated earlier, evaluation (as well the monitoring needed to 'feed' the evaluation) did not get a high priority in most of the cases.

## **4.4 CONTEXT AND IMPLEMENTATION**

### **4.4.1 THE INTERVENTIONS**

When we look at the types of interventions used (table 4.3) that training is a component in many of the cases. However, improving human resources through training is the main focus in only three (Greece, Hungary I and Portugal) out of nine cases. In other cases the emphasis is more on legislation (Cyprus, Czech Republic), institutions (Hungary I, Hungary II, Poland II and Slovakia) or the improvement of infrastructure (Hungary II, Latvia, Poland I and Slovakia). The strengthening of (cooperation between) organizations and institutions plays a less dominating role. The Hungary I case is an example of a case where better local cooperation is promoted by the program.

### **4.4.2 CONTEXT FACTORS**

#### *Acquis/accession*

Several projects were (also) implemented to comply with the acquis. This has both positive and negative aspects. On the one hand, there was a high motivation to meet the acquis. On the other hand, attention was maybe not really focused on the actual content and particularly not on the enforcement of new legislation. In three cases the biggest

achievement within the projects is the elaboration of new legislation (Cyprus, the Czech Republic and Slovakia). In the Czech case it is furthermore questionable to what degree the Twinning contributed to the design of the new legislation.

***Involvement of other stakeholders than government/public administration***

For example in Cyprus the private transport companies and NGOs were not involved in the stage of project design. Their involvement in this stage could have increased the impact of the project. In Slovakia NGO's were involved in the design but hardly in the implementation of the project. In the other projects NGOs and other non-governmental stakeholders have apparently not been involved. This would have been particularly relevant in the Polish project in the environmental field. In this country NGO's play an important role in the environmental field, which is the subject matter of this project.

***Project part of broader national strategy***

When a projects is part of a broader national strategy it is more likely that it is connected to well-defined objectives. Furthermore, the beneficiaries will feel more like the owner of the project. The fact that the project was part of a broader national strategy was a very positive factor in Slovakia and probably also in Cyprus. However, there is also the potential danger of deadweight. Being part of a national strategy could easily imply that the project is doing things that would have been done anyhow. This may be the case when the objectives of the project are relatively vague. In the Greek and Portuguese cases, for example, the programs mainly consist of training (sometimes even of initial training or training that is anyway obligatory according to the national regulation) without specific objectives. One could argue that also these programs are connected to national strategies, but they are of such a general nature ('catching up with ICT developments', 'improving the performance of the civil service') that almost everything goes with it. It is not clear whether in those cases the activities are outside the normal routine.

*Tabel 4.3 Characteristics of the cases*

| Case study                       | Field to which the program applies   | Type of interventions used  | Focus is on strengthening:         |
|----------------------------------|--|---|------------------------------------|
| Cyprus                           | Vehicle pollution  | Technical assistance  | Legislation                        |
| Czech Republic                   | The financial system of securities   | Twinning (including advice and training/workshops)<br>Development of IT tool (not implemented)<br>Studies | Legislation                        |
| Greece OPIS Measure 2.5          | Skills of public sector employees in ICT                                       | Training  | Human resources                    |
| Greece OP Employment Measure 4.4 | Skills of public sector employees  | Training  | Human resources                    |
| Hungary I                        | Skills relevant for the development, evaluation and management of ESF projects | Training<br>Development of an IT system for information on training options and application for courses   | Human resources and institutions   |
| Hungary II                       | Public finance management  | Technical assistance<br>Investment in information technology  | Institutions and infrastructure    |
| Latvia                           | The performance of the educational system                                      | Technical assistance<br>Training/ study visits<br>Equipment/refurbishment building                        | Infrastructure                     |
| Poland I                         | Environmental protection   | Twinning (light)<br>Technical assistance<br>Equipment   | Human resources and infrastructure |
| Poland II                        | Fight against organized and economic crime                                     | Twinning (including training, study visits, workshops, seminars, transfer of know-how)                    | Human resources and institutions   |
| Portugal Measure 3.1 POEFDS      | Skills of civil servants in ICT  | Training  | Human resources                    |
| Slovak Republic                  | Ethics in the public sector  | Twinning<br>Technical assistance<br>Equipment   | Institutions and infrastructure    |

### **4.4.3 IMPLEMENTATION ASPECTS**

#### ***ICT-component***

In several projects an ICT-component is included. It seems that this component is not always a success:

- In the Czech Republic the originally scheduled ICT-component was abandoned.
- In Slovakia it is not clear what kind of effects the purchase of equipment generated.
- In Poland the project was for example seen as an ICT-project by some involved public officers, whereas the overall aim went beyond that. In this case no one verified whether higher-level objectives were achieved.

One may also question whether investments in equipment are additional in the specific situation. It is often very difficult to answer this question. Another aspect is that the equipment should be replaced regularly and it is not likely that EC-funding can be used for each investment needed.

#### ***Delays in preparation and approval of the project***

This applies especially to Poland I (environment) and Poland II (crime), but also to Slovakia and Hungary (ESF). In Hungary the delay was caused by the fact that the capacity building is part of a larger programme. This larger project is managed by an organization that had to delegate responsibility for specific subprograms (of which the capacity building project is one) to other organizations. The overall managing organization and the organizations responsible for the different components of the capacity building held different views on this project. This led to a long preparation period. At the same time only little time was spent on the intervention logic and on identifying training needs (training is the core activity in this project). In Poland II a lot of time passed between the design of the project fiche and project approval and, hence, actual implementation. Meanwhile many rapid changes happened in the environment which determined that in the end some of the projects results turned out to be little.

#### ***Unclear role of training/workshops in the projects***

This applies to SR, PL and but also to a certain extent to CZ. The trainings and workshops are highly valued by people, but the question remains what it really produced/delivered. This is also not clear from evaluations/reports. Sometimes (such as in the Hungarian (ESF) case) interviewees indicated that monitoring results proved the satisfaction of the trainees, but could not provide tangible evidence.

#### ***Activities seem not to be the best ones in respect of the problems/context:***

In some cases the activities chosen (or some of them) were not the most appropriate ones to reach the objectives. Examples are:

- Poland I: other activities would probably have led to better results.
- Portugal: apparently a mismatch exists between the problems and the kind of training chosen.
- Czech Republic: the relevance of the development of the central database for securities is unclear. The database was also not actually realized.



- Greece Measure 2.5: there were problems with formulating and identifying relevant and proper activities.

It is likely that this due to vague objectives (Poland I and Portugal) and to a poor intervention logic (all three cases).

***Active involvement of beneficiaries in the project (participative approach)***

A participative approach was particularly used in Cyprus, Slovakia and the Czech Republic. However, in the Czech project the National Central Bank was mentioned as an important missing organization in the project. This omission might have been avoided with a better-designed intervention logic.

***Indicators of achievement often of poor quality or not used in practice***

In most projects the use of indicators to monitor or evaluate outcomes is unsatisfactory. The following situations can be identified:

- Many indicators are defined that are actually not used (Slovakia).
- Indicators are included later (Poland).
- Indicators change over time (Cyprus).

When this applies to the overall and global objectives, it causes little harm to the project. That is because it is often impossible to assess the impact of the capacity building project on the degree to which these overall objectives are reached. Let us take the example of the Czech case. By improving the legislation with respect to securities one hopes to improve the functioning of the capital market and ultimately the pace of economic growth. Clearly, the latter is affected by so many factors that it will not be possible to assess the influence of the capacity building project on economic growth. So, it does not make sense to specify in this project quantitative targets with respect to the effect on economic growth. It is sufficient that in the ex-ante phase of the project an analysis is made on the basis of the theoretical and empirical literature, which indicates that proper legislation is crucial for a well functioning capital market and that the latter is an important determinant for economic growth. It makes more sense to specify measurable targets with respect to outcomes that are more closely connected with the project's outcomes. And these targets can and should then be monitored and evaluated during implementation. This in turn provides feedback that may help to improve implementation. The lesson to be learnt is that a limited set of indicators (smart) should be used that are closely connected to the direct output of the project and are actually used during implementation.

Furthermore and connected to the point of the indicators: there are often weak monitoring mechanisms in the projects. The outcomes of the monitoring are at least not well documented. Furthermore, evaluation is often poor. Partly this is connected to the poor monitoring systems that do not provide the information necessary for evaluation.

## 4.5 PERFORMANCE

It is important to give indications of the successfulness of the programs. It is an important objective of this project to draw conclusions about risk and success factors for capacity building programs. We deal with these factors in the next section. However, without any idea about the degree of successfulness it is very difficult to say anything about success and risk factors. In case of a successful program it is easier to say something about the success factors, the factors that contributed to the success of the program, than about the risk factors. It is only possible then to ask oneself whether the program could have been even more successful and what should have been different to obtain even bigger success. Following the same type of reasoning, one can argue that in case of an unsuccessful program it is easier to identify risk factors than success factors. Therefore, it is important to say something about the degree of successfulness of the projects.

In this section we discuss to what extent the programs from the various cases are successful or unsuccessful. We do this on the basis of evaluation criteria presented earlier in chapter four: relevance, efficiency, effectiveness and sustainability. It is important to note that often we lack sufficient information. In this study we had to rely on existing material, some country visits and a small survey among officials involved in the programs. Not all the existing information became available. In none of the cases a proper measurement of net effects is available. A serious evaluation would make it at least necessary to survey the participants. However, this was not feasible within this study. Given the limitations of the available information, it is often not possible to draw clear conclusions about aspects such as effectiveness. We try to give the best interpretation possible of the available information, but these interpretations are sometimes troubled with considerable uncertainty.

### *Relevance*

In six out of nine cases the relevance of the program is clear from the available information. In these cases it is clear what the problem in society is the program is trying to tackle. Furthermore, at least some justification is given why the support under the program is needed. In one of these seven cases ('Hungary I') the relevance is likely, but it could have been demonstrated more clearly. In the three other cases (Greece, Poland and Portugal I) the relevance of the program is unclear. In Greece and Portugal the background of the programs are only formulated in a very general way, namely the emerging information society and the challenges this poses to the government. In practice, the programs seem to consist of training civil servants in using standard basic software etc. There is quite a gap between the type of phenomena formulated as the background of these programs, which are complex and the (very basic) interventions that were actually applied.

### *Efficiency*

By efficiency we mean first of all smooth work processes. Were the activities implemented in time? Were they managed well? Were proper procurement procedures used? It is difficult to judge the efficiency of the projects. For the Greek and the Portuguese cases there is even not enough information available to judge them on this point. For most of the cases critical remarks on one or more of these points were made. Often delays are mentioned with respect to a particular part of the program. The case of Cyprus seems to be the most satisfactory one with respect to the smoothness of the work process.

*Table 4.4 Performance indicators (based on the case descriptions) and overall rating of successfulness (judgment by SEOR)*

| Case study                       | Field to which the program applies   | Relevance   | Efficiency  | Effectiveness   | Sustainability  | Overall rating   |
|----------------------------------|--|---|---|---|---|--|
| Cyprus                           | Vehicle pollution  | Highly relevant in view of environmental and health damage caused by vehicle pollution  | Satisfactory as far as can be inferred from the available information   | Indications of positive impacts   | With respect to most program components at least some evidence of sustainability; no sustainability with respect to one component | Successful   |
| Czech Republic                   | The financial system of securities   | Relevant in view of the accession process   | Most components have been implemented efficiently. Only with respect to one component (the intended development of a monitoring system, which was finally not realised) this was not the case. The inception phase took a long period   | Indications for effectiveness, but missing information on some parts. It is not clear, for example, whether the advice given by the experts | Doubts concerning the sustainability of the results   | Partly successful  |
| Greece OPIS Measure 2.5          | Skills of public sector employees in ICT                                       | Relevance is unclear  | No sufficient information available   | Direct outputs point to low effectiveness   | Doubts concerning the sustainability of the results   | Unsuccessful   |
| Greece OP Employment Measure 4.4 | Skills of public sector employees  | Relevance of this particular Measure within OP Employment is unclear  | Satisfactory as far as can be inferred from the available information   | No indications for effects beyond the direct outputs; project is still ongoing  | Doubts concerning the sustainability of the results   | Successfulness is difficult to assess  |
| Hungary I                        | Skills relevant for the development, evaluation and management of ESF projects | Probably relevant in view of the importance of regional development and the lack of skills among local officials to use the program | The second component where training was provided to staff of local organizations involved in regional development through a kind of voucher system seems to be particularly efficient. There is some doubt about the cost-effectiveness of the first component that deals with training for civil servants through a centralised approach | Indications for effectiveness, but no hard evidence; project is still ongoing   | Impact may be temporary in view of staff turnover   | Program is still ongoing. Positive signs of effectiveness with respect to components II and III; negative signs with respect to component I. So, probably only partly successful |

| Case study                  | Field to which the program applies         | Relevance   | Efficiency  | Effectiveness   | Sustainability  | Overall rating                   |
|-----------------------------|--|---|---|---|---|----------------------------------|
| Hungary II                  | Public finance management                  | Relevant in view of the financial problems and the fact that Hungarian officials lack the necessary knowledge to deal with the problems | On the whole cost-efficient. The execution of the program may have been somewhat slow   | Positive effects. Extra-budgetary funds, for example, have been reduced   | Clear indications for sustainable results   | Successful                       |
| Latvia                      | The performance of the educational system  | Relevant in view of the new requirements of the educational system under a market economy and the operational problems encountered      | Not unsatisfactory although implementation directly through the Ministry of Education would supposedly have been more efficient | Effectiveness should be rated as somewhat higher than 'moderate'  | Sustainability is likely  | Reasonably successful            |
| Poland I                    | Environmental protection                   | Relevance is unclear  | Contracts have not been realised in time causing problems in the implementation of the project                                  | No indications for effects beyond the direct outputs (like the development of an IT tool concerning environmental information). The use of the system is meagre. The number of e-courses is still low | Doubts about sustainability. Current staff may not be sufficient to maintain and update the IT tool (the main output) developed | Unsuccessful                     |
| Poland II                   | Fight against organized and economic crime | Relevant in view of accession, but relevance is not clearly presented   | Satisfactory as far as can be inferred from the available information   | No indications for effects beyond the direct outputs  | Sustainability is likely, although there is not enough information to draw definite conclusions                                 | Reasonably successful            |
| Portugal Measure 3.1 POEFDS | Skills of civil servants in ICT            | Relevance is unclear  | The information available suggests the satisfactory level of efficiency in the analysed projects of the Measure                 | Evaluations of the OP as a whole do not give clear conclusions about the effects of this particular Measure. Interviews give a mixed picture.   | Serious doubt concerning sustainability, although difficult to judge as the programme is still going                            | Partly successful / unsuccessful |
| Slovak Republic             | Ethics in the public sector                | Highly relevant in view of the high incidence of corruption and the insufficient knowledge and tools to deal with the problem           | Some problems in procurement procedures and coordination  | Available evaluation reports give a mixed picture of the effects; Slovak officials responding to our questionnaire are more positive  | Partly  | Reasonably successful            |

Ideally, one would like to have indicators of cost-efficiency. Are the outputs realised against the lowest possible costs or, alternatively, is maximum output realised given the available resources. For most cases we lack the information to judge the programs on this point. Somewhat more information is available for the Hungary I case. In one of the components of this program training is provided to local organizations involved in regional development, by making use of a kind of voucher system. The trainees are given the opportunity to choose between different training providers who have to compete for the trainees. A system like this at least contains a mechanism that force providers to offer a good quality product.

### ***Effectiveness***

In only two cases (Cyprus and Hungary II) there are clear indications that the outputs from the interventions have contributed to reaching at least the intermediate objectives. In three cases (the Czech Republic, Latvia and the Slovak Republic) there are indications for positive effects, but less clear-cut than in the former cases. The effects are probably small for the following cases: Greece, Poland I and Portugal. The Hungarian I program is still ongoing. The first indications suggest that two components of this program have positive effects, while the effectiveness of the remaining component is more doubtful.

One of the problems is that it is difficult to judge what would have happened if the program would not have been executed. In the Czech case, for example, new legislation for the financial sector was developed anyhow. During the program experts came up with suggestions, but on the basis of the available information it is not possible to say to what extent the advice given influenced the new legislation.

### ***Sustainability***

Only in four (Cyprus, Hungary II, Latvia and the Slovak Republic) of the nine cases we found clear evidence of sustainable results. In these cases there are tangible results that are likely to last after the completion of the program. In the Poland I case there is also a tangible result in the form of a software tool, but the preconditions for the continued use and updating of this tool are not met. In most of the other cases staff training forms the most important part of the project but owing to high staff turnover, the returns for the employers of the trainees are likely to be limited.

### ***Overall judgment***

On the basis of the scores of the projects on relevance, efficiency, effectiveness and sustainability, two cases (Cyprus and Hungary II) seem to be successful. Five other programs (Czech Republic, Hungary I, Latvia and Slovak Republic, Poland II) are seen as partly successful. The other cases (Greece, Poland I and Portugal) are relatively weak.

The most successful ones seem to be to ones with the more specific objectives and well-designed intervention logic (Cyprus and Hungary II). At least some of the programs judged as partly successful, might have performed truly satisfactory if the intervention logic had been developed more. Also for the programs in this category the objectives are quite specific. The weakest cases are also the ones with the least specific objectives and the poorest developed intervention logic (two points that are, of course, interlinked).

## 4.6 SUCCESS AND RISK FACTORS

From the previous sections it is clear that capacity programs are more likely to be successful when their objectives are specific. Furthermore, a well-developed intervention logic increases the likelihood of success. Even in case of a program with a very specific objective, where the relevance and the choice of the interventions are sometimes obvious, a good intervention logic is still relevant as is shown by some of the programs (like the Czech one).

There is no evidence of a relationship between success on the one hand and the size of the program and the percentage of co-financing on the other hand. Both among the bigger and the smaller programs we find more and less successful projects. The co-financing percentage varies between 10 (Poland I) and 37,5 (Portugal), both programs we consider to be less successful.

The numbers are too small to draw firm conclusions about the relationship between success and the types of interventions. Training and workshops are relatively popular, but we are inclined to conclude that the returns are often unclear. Two of the three cases that consisted mostly of training are relatively unsuccessful and the third one is only partly successful. Also in the case where training/workshops played a less dominating role, its significance is not always that clear. This does not mean that training should be seen as a risk factor in general, but it is often too easily seen as the solution to problems.<sup>102</sup>

Table 4.5 contains the most important factors that were identified as success or risk factors in the different projects. It should be noted that in table 4.5 we concentrate on the influence of the factors on the successfulness of the programs. The quality of the intervention logic, for example, is generally important. However, that does not mean that a poor IL is always leading to poor results. In table 4.5 it is only mentioned as a factor when it had a clear influence (either positively or negatively) on the program.

In table 4.5 firstly general factors are mentioned (quality of the intervention logic, the degree to which the objectives are specific and the relevance of the program). Then context factors are treated, followed by implementation factors. As was indicated earlier, it is easier to detect risk factors when the program is relatively unsuccessful and success factors when it is relatively successful. In some cases it is possible to say something about the weight of the factors. In case of a dominating factor a (D) symbol is added to the '+-' (in case of a success factor) or the '--' (in case of a risk factor). Therefore, we also added the indication for the degree of (un-) successfulness to the table. We have only included factors that are either dominating factors or, if they are not in any of the cases, factors that have been mentioned more than once.

***The quality of the IL*** is an important factor in three cases. In the cases of Cyprus and Hungary II it had positive effects, partly because it was based on a good pre-assessment. In the Poland I case the poor quality IL had a negative effect. On the other hand a non satisfactory quality of the IL in Portuguese and Greek cases predetermined (at least partly) certain failures in the implementation. In Greece the following “defects” in the intervention logic caused problems at the later stages: (a) general and ‘abstract’ character

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<sup>102</sup> This is also true for training programs in general. Although there is some evidence that company training reduces the unemployment risk, the effects are often not big (see for a review of the literature: Arie Gelderblom and Jaap de Koning.

of the intervention logic, which was not based on a realistic estimation of actual development in Greece of information society, e-government, etc. both at central and regional/local levels (no proper needs analysis).

**The relevance of the program was of particular (positive) importance in the Czech, both Hungarian and Latvian cases. Relevance often also implies commitment.**

If the **objectives** are very general, it may affect the outcomes negatively. This was particularly relevant for Portugal and Greece (Measure 2.5), where the failure to operationalise and specify the general objectives and transfer them into practical clear tasks became one of the key reasons for a slow start and even stagnation of the Measure 2.5.

The **accession process** can be an important trigger for reforms. This is most evident in the Czech case. This closely related to the relevance of the project. The same is probably true for the political willingness to carry through major reforms, which played a major role in the Hungarian II project. Also the high commitment of the involved organizations in the case of Cyprus, one of the decisive success factors, may be related to the relevance of the project.

The **lack of political support** was a major risk factor in the Poland I case.

In the Hungary I case the **quality of the implementation structure** (positive) and the **cooperation/coordination** (negative) were decisive factors in addition to the relevance (positive).

**High commitment of the involved organizations** obviously is a strong safeguard for successful project development. It became a decisive factor for Cyprus case, played essential role in Hungary II and Slovak cases.

**High staff turnover and quality of the experts** are mentioned quite often (five times) and always have the same influence (negative for staff turnover and positive for the quality of staff).





Table 4.5 Success and risk factors

| Factor  | Cyprus                | Czech Republic    | Greece Measure 2.5      | Greece Measure 4.4        | Hungary I ESF              | Hungary II            | Latvia                | Poland I                | Poland II | Portugal                | Slovak Republic       |
|---|-----------------------|-------------------|-------------------------|---------------------------|----------------------------|-----------------------|-----------------------|-------------------------|-----------|-------------------------|-----------------------|
| Performance   | Relatively successful | Partly successful | Relatively unsuccessful | Successfulness is unclear | Probably partly successful | Relatively successful | Reasonably successful | Relatively unsuccessful |           | Relatively unsuccessful | Reasonably successful |
| <b>General factors</b>  |                       |                   |                         |                           |                            |                       |                       |                         |           |                         |                       |
| Quality of the Intervention logic   | + (D)                 | -/0               | -                       | n/r                       | -                          | + (D)                 | n/r                   | - (D)                   | n/r       | -                       | -                     |
| Relevance of the project  | +                     | + (D)             | n/r                     | n/r                       | + (D)                      | + (D)                 | + (D)                 | -                       | n/r       | n/r                     | +                     |
| Degree to which objectives are specific   | +                     | +                 | - (D)                   | n/r                       | +                          | +                     | +                     | +                       | +         | - (D)                   | +                     |
| <b>Context factors</b>  |                       |                   |                         |                           |                            |                       |                       |                         |           |                         |                       |
| EU regulations/accession process  | +                     | + (D)             | n/r                     | n/r                       | -                          | n/r                   | -                     | n/r                     | n/r       | n/r                     | n/r                   |
| Political willingness to promote major changes and /or enforce legislation                  | -                     | n/r               | n/r                     | n/r                       | n/r                        | + (D)                 | n/r                   | n/r                     | n/r       | n/r                     | -                     |
| High commitment of the involved organizations   | + (D)                 | n/r               | n/r                     | n/r                       | n/r                        | +                     | n/r                   | n/r                     | n/r       | n/r                     | +                     |
| Support from the national authorities/connection with a national strategy                   | +                     | n/r               | n/r                     | n/r                       | n/r                        | +                     | n/r                   | - (D)                   | n/r       | n/r                     | +                     |
| Approaches to training prevailing in society (low value attributed, top-down approach, etc) | n/r                   | n/r               | -                       | -                         | n/r                        | n/r                   | n/r                   | n/r                     | n/r       | -                       | n/r                   |
| Bureaucratic governmental procedures  | -                     | n/r               | -                       | -                         | n/r                        | -                     | n/r                   | n/r                     | n/r       | -                       | n/r                   |
| Legal environment   | +                     | -                 | -                       | -                         | n/r                        | n/r                   | n/r                   | n/r                     | n/r       | n/r                     | n/r                   |

(+) Success factor.

(-) Factor that had a negative contribution.

(D) When attributed it means that this particular factor played a decisive role in (+) or (-) sense.

(n/r) "Not relevant" means that this factor did not come to front in our analysis (it was not mentioned in the documentation and during the interviews).

Source: case study fiches.

| Factor  | Cyprus                | Czech Republic    | Greece Measure 2.5      | Greece Measure 4.4        | Hungary I                  | Hungary II            | Latvia                | Poland I                | Poland II             | Portugal                  | Slovak Republic       |  |
|---|-----------------------|-------------------|-------------------------|---------------------------|----------------------------|-----------------------|-----------------------|-------------------------|-----------------------|---------------------------|-----------------------|--|
| <b>Performance</b>  | Relatively successful | Partly successful | Relatively unsuccessful | Successfulness is unclear | Probably partly successful | Relatively successful | Reasonably successful | Relatively unsuccessful | Relatively successful | Successfulness is unclear | Reasonably successful |  |
| <b>Implementation factors</b>   |                       |                   |                         |                           |                            |                       |                       |                         |                       |                           |                       |  |
| Quality/flexibility of the implementation structure and/or the activities           | n/r                   | +                 | n/r                     | +                         | + (D)                      | +                     | +                     | +                       | n/r                   | n/r                       | +                     |  |
| Cooperation/coordination between the Involved organizations                         | +                     | +                 | n/r                     | +                         | - (D)                      | +                     | n/r                   | n/r                     | +                     | +/-                       | +                     |  |
| Organizational restructuring of involved institutions                               | +/-                   | n/r               | n/r                     | n/r                       | n/r                        | n/r                   | n/r                   | n/r                     | -                     | -                         | n/r                   |  |
| Follow-up activities  | +                     | -                 | n/r                     | n/r                       | -                          | +                     | 0/+                   | -                       | n/r                   | n/r                       | +                     |  |
| Monitoring and evaluation   | n/r                   | n/r               | -/+                     | -/+                       | -                          | n/r                   | n/r                   | -                       | n/r                   | n/r                       | n/r                   |  |
| Involvement of relevant actors  | -                     | -                 | n/r                     | n/r                       | n/r                        | n/r                   | n/r                   | n/r                     | n/r                   | n/r                       | n/r                   |  |
| High rate of staff turnover in involved organizations                               | -                     | -                 | n/r                     | n/r                       | n/r                        | -                     | -                     | n/r                     | -                     | n/r                       | -                     |  |
| Quality of experts  | +                     | +                 | n/r                     | +                         | n/r                        | n/r                   | n/r                   | n/r                     | +                     | n/r                       | n/r                   |  |
| Rate of stakeholder involvement and ownership                                       | +                     | +                 | n/r                     | n/r                       | n/r                        | +                     | n/r                   | +                       | n/r                   | n/r                       | +                     |  |
| Financial environment (additional governmental funds to support project activities) | -                     | n/r               | n/r                     | n/r                       | n/r                        | n/r                   | -                     | n/r                     | n/r                   | n/r                       | n/r                   |  |
| Procedures and requirements imposed by the donor                                    | n/r                   | n/r               | +/-                     | +/-                       | n/r                        | -                     | n/r                   | n/r                     | n/r                   | +/-                       | n/r                   |  |
| Time constraints/delays   | n/r                   | -                 | -                       | n/r                       | n/r                        | -                     | n/r                   | n/r                     | -                     | -                         | n/r                   |  |
| Management arrangements   | +                     | n/r               | -                       | n/r                       | n/r                        | n/r                   | n/r                   | n/r                     | +                     | +/-                       | n/r                   |  |

(+) *Success factor.*

(-) *Factor that had a negative contribution.*

(D) *When attributed it means that this particular factor played a decisive role in (+) or (-) sense.*

(n/r) *"Not relevant" means that this factor did not come to front in our analysis (it was not mentioned in the documentation and during the interviews).*

Source: case study fiches.

Other factors that were mentioned more than once, and seem to be important, in a number of cases are:

- legal environment (2);
- follow-up activities (7);
- monitoring and evaluation (2);
- involvement of all relevant actors (2);
- high staff turnover (5);
- stakeholder involvement and commitment (5);
- the quality of the experts (5);
- financial constraints (2);
- bureaucratic government procedures (4);
- procedures/requirements imposed by the donor (3)
- time constraints (2)
- management arrangements (3)

We elaborate on some of them below to demonstrate the contexts in which they revealed themselves and possible influences.

***Legal environment*** is an essential factor by definition and, as we discovered, certain legal regulations and nationally established rules can either create serious obstacles for normal project implementation, or give space for smooth development of the project. For example, this factor came into front in the Greek (Measure 2.5) case. The actions of this Measure 2.5 (ICT training) are closely linked (coupled) and depend on the other Measures aimed at introduction of new information systems which involve large-scale procurement projects. Currently existing regulation of tender and procurement procedures in Greece is such that allows for constant appeals which block for months and years the implementation of projects. When ICT projects are stuck, training linked to them (Measure 2.5) also cannot progress and did not progress much since 2000. In Portugal the introduction of new national regulation, protecting and safeguarding budget allocation for “co-financing” purposes turned out to be very important for implementation of the Measure which was based on ‘co-financing’ principle. The absence of such regulation at the start of the Measure was creating obstacles for project implementation in many public institutions, which depend on public financing. The introduction of new regulation resolved the problem and eliminated the barriers.

***Approaches and values prevailing in the society.*** The analysis demonstrated that, for instance, low value traditionally attributed to training or so-called top/down approach, when real training needs of particular institutions are not carefully analysed, but some ‘standard’ set of courses is imposed by training providers create a negative background for project implementation. Public institutions, being aware of these prevailing norms and attitudes, tend to allocate financial resources for training only in the last turn and are also not willing to release their staff for training and as a result training projects face problems with meeting the ‘quantitative’ targets (number of trainees). Moreover, the actual capacity building objectives in the environment where such approaches are traditional and dominant tend to become formal, training is conducted as a formality, is too general, not practical enough and does not bring real effects. Such situation we could observe to a certain degree in Portugal and Greece.

***Bureaucratic governmental procedures*** were claimed by many interviewees to be a negative factor for project implementation. The factor reveals itself in burdensome administrative and reporting procedures imposed on the public institutions according to national rules, detailed control and monitoring from the state, etc. The pressure of this factor aggravates when it turns out that project implementing institutions (in case of ESF measures) become subject of double parallel reporting and control: from the state and from the ESF authority, which have different format and inevitably mean the duplication of effort and load. In Cyprus and Greece it was reported that bureaucratic governmental procedures created strong obstacles for hiring necessary staff for public institutions implementing the projects (the procedures of admission to public employees are extremely complicated and lengthy), what in both cases had negative effects. The understaffed Management Authority in Greece (Measure 2.5) was not able to exercise its duties properly, while in Cyprus case a new organizational structure created via the project and called to strengthen the institution and sustain project results could not start functioning because hiring of new staff was blocked by bureaucratic procedures.

***Organizational restructuring of the institutions*** involved in the project implementation usually “aggravates” the project implementation process: restructuring agenda creates instability, diverts attention from training and other capacity building activities, and imposes other priorities. The influence of this factor was traced in Portugal and Greek cases.

***Monitoring and evaluation.*** The quality of the monitoring and evaluation is mentioned only twice, but we tend to give more weight to these aspects than the existing reports and the people involved in the projects that were interviewed/surveyed. Our impression is that monitoring and evaluation (midterm) required by the reporting rules is carried out in accordance with the time schedule in the majority of cases. Monitoring schemes which include regular field visits (Latvia, Hungary II) seem to contribute more to successful project implementation than ‘passive’ monitoring based mainly or only on reporting documents submitted by implementing organisations (Portugal, Greece). Although it is not clear what kind of influence the conclusions of evaluators can exercise. In the Greek (Measure 2.5) and Portuguese cases the recommendations of the midterm evaluation were not taken seriously enough and the identified weaknesses persisted (and even aggravated in the case of Greece). So the question comes about the purposes and possible impacts of the evaluation itself.

As for the impacts assessments, they are not part of formal requirements and practically are never used. It became obvious and was admitted by the project participants that in case of large scale interventions (like ESF Measures constituted of hundreds of separate training projects) impact assessment and/or survey of beneficiaries could have been a very important mechanism for verifying the effects brought by the projects/programme. It also appears that in case of ‘training-type’ interventions, the impacts of which are in principle rather difficult to trace, a built-in impact assessment (or regular surveys of the beneficiaries) could bring more transparency and clarity about the results of undertaken investments and efforts.

***Procedures/requirements imposed by the donor.*** It is worth mentioning the role that procedures and requirements imposed by the donor play in the course of project implementation. In three ESF Measures (Portugal, Greece Measure 2.5 and Greece Measure 4.4) it was stressed that on one hand bureaucratic reporting requirements put heavy burden on the project management/administration, are demanding, time consuming and complicated. It was interpreted in all the mentioned cases as a negative factor which creates certain barriers for the implementation. On the other hand practically all the

interviewees stressed the positive aspects of the ‘bureaucracy’: imposed procedures, rules and requirements have disciplining and rationalizing impact, they give clear structure, bring different working culture, commitment, transparency, new way of thinking and doing things. It was emphasized by the interviewees that the process of giving clear structure was pushed a lot by the ESF interventions (it concerned especially organizations at the local and regional level for which the adaptation to strict procedures, rules and deadlines turned out to be very difficult). Such a contradictory influence of ‘bureaucratic procedures’ is reflected in the above table, where we had to attach ( +/- ) value to this factor.

**Management arrangements** proved to be an important aspect of implementation. Well organised management structure, with qualified administrators was contributing to successful execution of a number of analysed project (Cyprus, Poland II, Greece Measure) But in certain cases, like it was in Greece (Measure 2.5) this factor demonstrated a negative influence: the understaffing of the Management Authority, bureaucratic style of management, not functional enough organisation and work practices, etc. – all these lead to long periods spent on projects’ approvals, long procedures of contracting and not sufficient attention to monitoring. The same was partly true for the Portuguese case - communication problems with coordinators of certain individual projects, delays with response, inability to provide clarifications, as well as rare use of competitive procedures for selection of training providers can be seen as factors that were reducing the quality of implementation.

## **4.7 CONCLUSIONS**

### **4.7.1 INTERVENTION LOGIC**

Of most of the capacity building programs studied in our project the intervention logic (IL) shows serious flaws. First, it is not always clear what the problem in society is that should be solved or mitigated by the program. These programs are vague and broad and mainly provide training without a clear picture of what should be achieved with it. Not surprisingly these programs come out poorly from the evaluation.

In some of the other cases the objectives are specified, although not always very explicitly, but a policy theory is missing. Such a theory makes it understandable how the interventions lead to outputs that contribute to reaching intermediate objectives and how the latter leads to achieving overall, wider goals that correspond to solving or mitigating a problem in society. By thinking these mechanisms through, it is more likely that one will choose the appropriate interventions and that the latter will really be effective.

In most of the cases the IL is more satisfactory with respect to the description of the interventions and the expected outputs. However, what is often missing is a specification of the preconditions under which the interventions will be really effective. With respect to training, for example, which is often a component in the project, often targets are given concerning the number of trainees. However, one would like to have some guarantees or at least some likelihood that the trainees will actually use in their work what they learn and that this has positive effects on the performance of the organizations where they work. The same point can be made concerning legislation (enforcement), tools such as software systems (use) and investment in equipment (avoiding deadweight and use for other purposes).

It is not necessarily the case that a poorly designed IL gives rise to an unsuccessful program. If the objective of the program is sufficiently clear and specific, it may be more or less obvious which interventions should be applied. However, some of the cases indicate that in such a situation the poor IL may still lead to problems with some of the components of the program.

Although it is often useful to make objectives measurable and to specify targets, it is not always possible. Particularly, with respect to the overall, wider objectives, it is often impossible to measure the impact of the program. Then it makes no sense to specify detailed quantitative targets. In those cases it is sufficient to analyse ex-ante whether it is likely that the interventions will have the desired effects on the overall objectives. Sometimes international comparative studies may even provide empirical evidence for it. In some cases it might be possible to specify result indicators in relation to intermediate objectives and assess the impact of the interventions on these indicators. However, often even this will not be possible. What is generally possible, however, is to assess the effects that directly come from the interventions. In case of training, for example, one can obtain indications of the effects on the trainees' productivity and on the performance of the organizations where they work. In case of new legislation, to take another example, it is possible to verify whether law enforcement is reasonable. In only few of the cases studied this type of assessment has actually been carried out. But even there the focus should not be too much on indicators, as many relevant aspects will be qualitative by nature.

Some of the cases studied suffer from the fact that the programs involved are too general. A typical example is a program aimed at improving government performance by training civil servants. It is not possible to make a good intervention logic for such a program without further specifying: a) the areas in which the government is performing less than desirable, b) the causes of the malfunctioning, c) whether training is the (only) answer, d) what type of training is needed for how many people and e) what type of additional measures are needed on the organizational level to ensure that the skills learned are actually used and lead to better government performance.

Finally, we observe that the 10 cases contain only few examples of good ex-ante assessments. If a good ex-ante evaluation is made, it automatically produces basic parts of the intervention logic (what is the problem, why can we expect the intended program to solve or mitigate the problem, etc.).

#### **4.7.2 CONTEXT AND IMPLEMENTATION**

In our review of the literature in chapter 2 we observed that traditionally the emphasis in capacity building is on training. Among the programs studied here there are only three for which this is the case. Also in other programs training plays a role but only as a supporting intervention. Although in the three cases where training is the main type of intervention, the purpose of the training is to improve the performance of the organizations where the trainees work, the organizational level hardly receives attention. Apparently, the assumption is that it will happen more or less automatically.

A number of programs contain a twinning component involving expert advice and workshops and study visits during which transfer of knowledge takes place. The dividing line with training is often thin.

Developing or improving legislation is a key (and relatively successful) component in two cases. Although these programs have been successful at least partly, also here the

organizational level (important, for example, for law enforcement) has received less attention in the less successful of the two. In the latter program the institutional development component (which would foster a new IT system) was not realised. The organizational aspect is (with one exception) also relatively weak in the other programs that deal primarily with the development of instruments and with infrastructure. Partnership building as a major component could only be identified in one case. Projects differ as to the participative element (the degree to which the benefiting country is in control). Clearly, this participative element is no guarantee for success as in some of the least successful cases the countries involved were fully in control of design and implementation.

The accession process has been an important positive factor in some of the cases, particularly where legislation had to be brought in line with EU standards. It led to specific objectives and motivated the countries and the participants involved. A disadvantage was that it tended to put the emphasis too much on the judicial aspects of the legislation and less on aspects such as law enforcement (which relates to organizational and implementation aspects).

Our impression is that in many of the programs studied, even the relatively successful ones, stakeholder involvement could have been better. In one of the programs in the field of finance/economics the central bank, for example, was not invited to take part in the program. In several cases NGO's are not involved or only in one stage of the program, while the programs might have benefited from their (increased) participation. Still, the programs differ as to the role of a participative approach and in three relatively successful cases this approach played an important role.

If the project is part of a broader national strategy it is more likely that it is connected to objectives that have priority in the country. Furthermore, the beneficiaries will feel more like the owner of the capacity building. However, there are also possible drawbacks. If the capacity building project is part of a broader program it may suffer from delays occurring in this broader project. Secondly, if the program to which the capacity building is tied is a very broad program, the danger is that also the capacity building becomes very general in scope. We concluded earlier that capacity building should be focused in order to be successful.

It is often part of the program to develop IT tools and to provide equipment. The results are not always convincing. In one case in the end the IT component was not executed. There are also examples where it was developed, but without ensuring post-program use of the tool.

The problem with providing equipment is that the equipment can be used for several purposes. Furthermore, the country will make some investment in equipment anyhow. So, deadweight and use of it for other purposes are difficult to avoid.

We previously indicated that training is often an important and in three cases even the most important type intervention. In the case where training plays a supporting role, it is difficult to distinguish from workshops. The added value of the training is often unclear and two out of three programs with a focus on training are relatively unsuccessful (the third is still ongoing, but probably only partly successful). Training is popular, but the effects generated by it are often unclear.

Finally, we make the observation that the monitoring and (particularly) evaluation components are only weakly developed in most programs. Sometimes quite detailed

indicators are given with respect to wider objectives. These indicators are mostly useless because it is usually impossible to assess the impact of the program on these indicators. On the other extreme we have indicators that relate to the direct output like the number of trainees. This is of limited interest. It is, of course, good to monitor how many people are actually trained, but it is even more important to know whether the skills learned improved their performance and that of their organizations. By using surveys it is quite possible to obtain indications for such effects. However, we hardly find it back in the cases. What we often see, for example, is that trainees have to fill in fairly general questionnaires in which they can express their (dis-)satisfaction with the training. This is of only very limited use for an evaluation.

It is important that evaluation already starts in the design phase with an ex-ante assessment including an assessment of the pre-program situation. A comparison between post- and pre-program situations may give an idea about the net-effects of the program. In some of the cases a needs analysis has been made, which comes near to a pre-program assessment. However, we do not know of any case where the situation after the program was compared with that before.<sup>103</sup>

### **4.7.3 PROGRAM PERFORMANCE**

On the basis of the available information we conclude that two programs are relatively successful and two others relatively unsuccessful, with the other programs somewhere in between. We think that it is highly important to have indications of the degree of successfulness before conclusions can be drawn with respect to success and risk factors. In case of a successful project one should focus first of all on the factors that made it a success. In case of an unsuccessful project risk factors are most relevant. Without reference to the degree of success it is difficult to talk about success and risk factors in a meaningful way.

The cases were judged on the basis of the following criteria: relevance, efficiency, effectiveness and sustainability. It is important to note that even on the basic criterion of relevance some of the programs have a poor rating. This is something that can always be avoided by making a proper ex-ante evaluation. The efficiency of the programs is difficult to judge. In the cases involving twinning and external experts, the general impression is that the quality of the inputs is satisfactory. The same is true with respect to tools or instruments developed under the programs. Delays are often mentioned and sometimes lead to difficulties in the program (even to the extent that intended activities cannot be implemented). In some cases the delay already occurred in the inception phase. The cause for the delay typically lies with the responsible authorities and those in charge of the program and not so much with those actually implementing the program.

Whether activities are cost-effective is also difficult to judge. In some cases remarks are made in the sense that procurement procedures could have been more efficient, another organization would have done a better job in coordination than the one that actually

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<sup>103</sup> If the available capacity for a capacity building project is insufficient to cover a whole country at the same time, one could also think of a program in different phases, each phase covering part of the country. That would allow comparing the results of the program in a specific part of the country with other parts where capacity building activities were not yet started. Then the effects of the capacity building could be assessed and lessons could be learned before applying the capacity building to other parts of the country.



performed that part, etc. However, the evidence is not clear-cut enough to discriminate programs on the basis of it. There is one example among the cases involving an implementation structure that is designed to promote cost-effectiveness. In one component of this case a kind of voucher system is used for training. If someone is eligible for training he gets a voucher that allows him to free access to training. The training institution takes the voucher and gets a subsidy from the program in return to the voucher. The subsidies are only given for specific types of training that serve the objectives of the program. Training institutions have access to the program if they are certified (both as a training institutions and for the specific courses). Several training providers may offer the same type of training and trainees are free to choose between the, creating competition between the providers.

Quantitative indications of results only exist with respect to direct outputs such as the number of people trained. A concrete tool (like an electronic monitoring system) developed under a project, is of course also a tangible result. Net impacts, however, have not been measured. With respect to effectiveness we have to rely on available evaluation reports (of which the methods used are often unclear) and on individuals involved in the programs. Mostly, the judgments reflect perceptions. In only two cases there are clear indications for positive effects beyond the direct outputs and in two other cases the lack of effectiveness; in the remaining cases the effectiveness is mixed, limited or unclear.

The two programs labelled as relatively effective also show clear signs of sustainable results that last after the program has been completed. In most cases, however, sustainability is doubtful. For capacity building programs this is a poor result as sustainability is what they should aim at.

#### **4.7.4 SUCCESS AND RISK FACTORS**

Capacity building projects are more likely to be successful when they have a high relevance and specific objectives. Also the quality of the intervention logic is important. To some extent these points are inter-related. In most of the case one or more of these factors played a decisive role. The relevance of the project played a dominating positive role in four cases, while the absence of specific objectives played a negative role in two cases. The quality of the IL was a decisive positive factor in two cases, while a poor IL caused problems in the program in one case.

Several context factors were identified as decisive context factors, namely: a) the connection with the accession process, b) the willingness to promote major policy changes, c) a high commitment of the involved organizations (all these cases positive) and d) support from the national authorities (negative owing to a lack of support), e) f).

Decisive implementation factors that are mentioned are: (i) the quality and the flexibility of the implementation structure and the activities and (ii) de cooperation/coordination between the stakeholders.

Other factors that are mentioned relatively often are:

- a lack of follow-up activities (by definition always negative; important in view of sustainability);
- high staff turnover activities (by definition always negative; important in view of sustainability));
- stakeholder involvement and commitment (always positive where it is mentioned.

- legal environment (can in some cases stimulate smooth execution and in other cases create obstacles and delays);
- approaches and values prevailing in the society (like low value traditionally attributed to training creates negative attitudes);
- bureaucratic government procedures (slow down, delay and sometimes block implementation);
- procedures/requirements imposed by the donor (have ‘double’ influence, they are in a number of cases very demanding, but they also bring structure, discipline, etc);
- management arrangements (when organised well contributes to the success of the project, poor management blocks the process).

Poor monitoring and evaluation is mentioned only twice (in both cases as a risk factor). However, we tend to attach more weight to this factor than the existing evaluation reports and the interviewees. Monitoring and evaluation are poorly developed in most cases, but could play an important role in the design and implementation of capacity building programs.

There is not any evidence suggesting that the success and risk factors depend on policy field or the type of interventions.

#### **4.7.5 SUMMARY OF MAIN CONCLUSIONS**

Of the eleven capacity building programs studied only two can be said to be successful. Two other programs are clearly unsuccessful, while the others are somewhere in between the two extremes. Four of the 11 programs are connected to ESF programs. None of the latter capacity building programs ranks among the successful programs. Therefore, there is reason for a critical assessment of the programs. In this section we summarise the main weak points. In the next chapter we will provide recommendations for improvement.

The objectives of most of the eleven capacity building programs evaluated in this study are not clearly stated. This is particularly risky for capacity building within the framework of ESF programs that cover a wide range of policy fields and tend to concentrate on training. Without specific objectives the success of the capacity building will be difficult to determine. Furthermore, the danger of deadweight loss will be considerable.

The intervention logic developed in the cases studied is often of poor quality. With a few exceptions no proper policy theory was developed before the start of the project indicating why and how the chosen intervention could produce the desired outcomes. The lack of such a theory increases the chance that ineffective interventions will be chosen.

Often little attention is given to the importance of strengthening organizations. Particularly in case of training the focus is on the trainees, while it depends on the employers of these trainees whether the skills obtained will really be used in practice. The lacking attention for the organizational level also applies to judicial programmes where the emphasis is on legislation and where the law enforcement aspect is somewhat neglected.

Particularly when the capacity building is connected to a broad policy program, the wider context will be an important determinant for the success of the capacity building

activities. In some of the cases studies the contextual situation was unfavourable to the capacity building. Sometimes the objectives formulated proved to be far too ambitious in view of the contextual situation.

Good ex-ante evaluations are the exception in the cases studied. Earlier mentioned weaknesses such as vague objectives and the lack of a well-developed policy theory are closely related to this point. Furthermore, in the documentation of the cases little can be found on costs and efficiency aspects of the capacity building programs. Concerning ex-post evaluations the situation is similar. In the ESF-related capacity building programs, for example, in which training is the main type of intervention, no serious evaluation seem to have taken place.

## **5 RECOMMENDATIONS**

On the basis of the literature review and the eleven case studies we make a number of recommendations for future capacity building programs:

### **5.1 THE OBJECTIVES OF A CAPACITY BUILDING PROGRAM SHOULD BE SPECIFIC AND REALISTIC**

If the objectives of a capacity building project are vague, there is a high risk of poor outcomes. An example of a vague objective is to improve the performance of civil servants. Without any further specification this leaves room for a broad range of interventions, most of which would probably also have taken place without the program. In other words: there is a high chance of deadweight loss. Furthermore, with such a general objective there is no connection to problems that need to be solved by the program. This makes it difficult to determine ex-post whether the program has been successful.

It is first of all important that it is clear which problems need to be solved by the capacity building project. The problem might be, for example, that policy evaluation is not sufficiently developed and that civil servants do not know how to evaluate. If one knows sufficiently what the problem is than it is also possible to determine the appropriate interventions. Furthermore, one will be able to judge after the invention whether it contributed to solving or mitigating the problem.

Within the ESF context, in which operational programs tend to have a broad scope, there is a particular danger of vague capacity building programs. From that point of view it is not advisable to concentrate all capacity building activities in one sub-program. Capacity building activities should be connected to specific policy fields. We take capacity building in the field of vocational education and training (VET) as an example. In many of the new EU countries the transition to a market economy has had negative effects on the VET system, which under the old system was largely based on the training efforts of the large state-owned companies. The new situation requires a different role of the government which should, among other things, provide the necessary legislation, develop measures to stimulate the private investment in VET, stimulate cooperation between firms in the same sector in the VET field, etc. Capacity building is thus an integral part of policy development in general in this field and should be part of a coherent VET development program.

Within the framework of ESF there is one general capacity building component and that is learning government agencies, stakeholders and other involved organizations, as well as the staff of these organizations, how to use the opportunities provided by the operational programs. To some extent this is about skills that are more or less the same for every policy field, such the ability to make a good project proposal, to manage a project properly, how to develop cooperation structures, etc.

The recommendation to make objectives specific does not mean that capacity building programs should not serve wider objectives. At the contrary: the latter is advisable. Take the example of a capacity building project aimed at a better functioning of the capital market by making the market more transparent and reducing the chances of fraud. The

idea behind such a program is that a better functioning capital market will attract more investors which would contribute to economic growth. However, the program is likely to be successful if in advance we specify what the shortcomings of the capital market are. One could also say that the intermediate objectives have to be clear and specific. The wider objectives can be more vague ('an increase of economic growth').

In our case studies we also observed that aspiration levels of capacity building projects are often too high. The objectives are too ambitious in view of the available time and resources and what, given the context, can be realistically expected. More realistic goals are advisable. The development of a viable policy theory might help in producing this realism. Developing such a theory is the next recommendation.

## **5.2 IT IS IMPORTANT TO DEVELOP A POLICY THEORY**

The relationship between interventions and objectives is not obvious. Usually the direct outputs of the interventions do not say much about the degree to which the objectives are achieved. Suppose that the intervention consists of training of civil servants in evaluation and the purpose is to improve the quality of policies. Then we could say that the effectiveness of the intervention is based on the following assumptions:

- a.* training improves the skills of civil servants in evaluation;
- b.* better skills of civil servants in evaluation lead to a better evaluation practice;
- c.* better evaluation leads to better policies;
- d.* better policies lead to better outcomes in society.

So, in fact, we have a chain of causal relationships, each link corresponding to a different level of objectives (ranging from the direct objectives of the interventions, better performance of civil servants in evaluation, to the ultimate objective: better outcomes in society through better policies). From this chain of relationships it also becomes clear that effectiveness depends on other factors too. The extent to which better skills in evaluation lead to better evaluation and to better policies, for example, will also depend on the organizational, institutional and political context.

It is important to make these assumptions about the causal chain of effects and about contextual requirements explicit. Only then it is possible to judge whether it is likely that the interventions will produce the envisaged effects. Such an approach will also contribute to realistic objectives.

Basically, a policy theory provides the intervention logic. In most of our case studies the intervention logic was developed only poorly and in at least some of these cases this had a negative effect on the quality of the program and the outcomes. We prefer the term 'policy theory' because it stresses the point that before starting a capacity building program one should have an idea about why and how it will work.

### **5.3 THE POLICY THEORY SHOULD BE TESTED AS MUCH AS POSSIBLE BY A PRE-ASSESSMENT OR EX-ANTE EVALUATION**

As much as possible one would like to know in advance whether the policy theory is sound. In some cases mainstream economic theory might provide a theoretical basis. Of the cases studied in this report, the Czech case on improving the functioning of the capital market is an example. Economic theory predicts that transparency and reliability in capital markets will contribute to market efficiency and to economic theory. To some extent it might also be possible to find empirical studies, particularly internationally comparative studies that provide empirical evidence supporting the policy theory. The proposition that legal security is good for economic development, for example, is to some extent supported by empirical evidence. Finally, evaluations of previous capacity building programs in the same field might both be helpful in predicting the effects of a new capacity building program as well as in framing an efficient delivery structure.

However, the basis formed by existing theories and studies may not be sufficiently solid to base a particular capacity building project on. Then it might be useful to carry out a needs analysis. In case of training, for example, a survey among potential participants and their organizations could reveal whether a training need exists and what exactly is needed.

### **5.4 OBJECTIVES SHOULD BE QUANTIFIED AS MUCH AS POSSIBLE, BUT ONLY AS FAR AS IMPACT ASSESSMENT IS FEASIBLE**

The use of success indicators and corresponding targets makes it easier to judge the performance of programs. Disappointing results can then be recorded and analyzed, making it possible to develop proper actions to improve performance. In case of training, for example, the following indicators seem to be relevant:

- a.* the number of people trained in relation to the number of people in need of the training;
- b.* the percentage of the trainees completing the training;
- c.* the percentage of the trainees that improve their skills as a result of the training;
- d.* the percentage of the trainees that improve their job performance as a result of the training according to the trainees and their employers.

If we look at the chain of relationships and corresponding objectives, it becomes more difficult to define indicators and targets when we get further away from the interventions. In the example given we would be interested in the effects on the output of the organizations employing the trainees and on the outcomes in society. However, in most cases it will not be possible to assess the impact of the program on these wider objectives. It is difficult to see, for example, how one could measure the impact of a training program for civil servants on the quality of policies. In a qualitative sense it might be possible to find indications of improvement. But in many if not most cases it will not be possible to determine net effects with respect to the wider objectives. Then, it does not make sense to specify quantitative indicators and targets.

Surprisingly, in the cases studied indicators and targets were often specified with respect to the wider objectives. They did not play any role in practice, however, owing to the previously mentioned fact that impact assessment on this level is usually not possible. With respect to objectives closer to the interventions, however, where measurement is often possible, hardly any indicators and targets were specified. There is certainly room for improvement here.

An important aspect of the ex-ante evaluation is the choice of the interventions on the basis of expected costs and effects. As far as we could check, such an approach has hardly been applied in the cases studied. Implementation costs do not seem to play a role in the choice between different types of interventions. In general it is difficult to find more detailed information on implementation costs.

## **5.5 CAPACITY BUILDING PROGRAMS SHOULD BE EVALUATED PROPERLY**

In the cases we have investigated no proper interim or ex-post evaluations were made. This has several drawbacks. Firstly, it makes it difficult to draw conclusions about the effectiveness of the programs. Secondly, if one does not know the outcomes one will be less inclined to look for the risk factors that affect the program negatively. But if the program is performing poorly the latter would be essential in order to improve the results. Thirdly, comparative analyses of several capacity building projects are difficult to make when there is no clear picture of the outcomes. Such comparative analyses are highly useful to learn from previous experiences, to figure out why some capacity programs are successful, while others are not and to determine which success and risk factors are most relevant.

Measuring effectiveness implies assessing net effects. Simply monitoring whether the available resources have been spent or whether the planned number of trainees has been reached, does not say much about the outcomes. What matters is whether the program has led to an improvement.

Capacity building deals with aspects that are often difficult to measure. Hence, evaluations have to be based to a large extent on the perceived effects of trainees, their employers and independent experts. However, it is still possible to use standard evaluation methodologies. First of all, one could use a before-after comparison. Trainees and their employers could be interviewed before and after the training. In case of investment of infrastructure the same could be done with users. A limitation of the before-after approach is that results might be affected by changes in the context, which could distort the net impact measurement. Combining a before-after comparison with a control group approach would solve this problem. Such an approach is feasible if the capacity building program is introduced step-wise. This seems to be perfectly possible within the context of ESF-programs that tend to be strongly regionally oriented. One might start with implementing capacity building in only some regions. The results in these pilot regions could then be compared with the other regions. Such an approach could give a reliable picture of the net effects. Furthermore, such a pilot project could be used to improve the capacity building approach before it is implemented on a national scale. A disadvantage is that some regions have to wait some time before receiving support in the field of capacity building. However, introducing a capacity building approach on a national scale that appears to be ineffective may be more costly.

## **5.6 CAPACITY BUILDING PROGRAMS SHOULD TAKE ACCOUNT OF CONTEXT FACTORS IN SUCH A WAY, THAT THE PLANNED ACTIONS CORRESPOND WITH THE EXISTING CIRCUMSTANCES**

Good results can only be expected if certain conditions are met. The context in which the project/programme will be later developing has to receive adequate attention. The achieved level of development in relevant fields and branches has to be assessed properly and this actual situation has to be taken as a starting point for further design of actions to be taken. The degree of organizational readiness for particular intervention has to be evaluated in advance. When not diagnosed in advance the abovementioned factors can cause serious problems for the implementation. Therefore we recommend that all necessary steps are taken ensuring that the planned actions and interventions correspond to existing circumstances.

We can refer to ESF Measure 2.5 of OPIS in Greece. While designing the Measure (and actually the Operational Programme as a whole) the actual state and pace of ‘the information society’ development in Greece was not assessed adequately (factors that represent structural weaknesses in Greek society and the Greek economy, such as the low level of general familiarity with the new technologies, the delays in the modernisation of the Public Administration and the lack of digital PA material, the gap between the education system and the requirements of a modern society with a technological culture were not fully taken into account). The fact that basic general concepts as the concept of e-government and the concept of e-learning, on which Measure 2.5 rests were not formulated at the time when the Measure (and the OP) was elaborated (they are still under development and are expected to be ready by the end of 2006) created later serious obstacles and barriers for the realization of the Measure (in fact blocked the progress of the Measure).

We also can point to the fact that certain organizations were not ready for particular interventions and that such organizational weakness was not diagnosed in advance. For example, at the regional level the involved institutions turned out to be not prepared for the Measure 2.5 (OPIS Greece): there were no relevant structures (departments responsible for the Information society issues do not exist). This caused difficulties with identifying the target groups of trainees as there were no clear organizational units that could provide the group of trainees, etc.

At the same time one should acknowledge that the very reason to start up a capacity building project is that the existing structures are not optimal. It is not logical to expect perfect circumstances in countries in need of capacity building. This is also a reason to set realistic objectives.

## **5.7 MORE ATTENTION SHOULD BE PAID TO THE DELIVERY SYSTEM**

In the cases we have investigated, the efficiency of the delivery system did not receive a lot of attention. However, implementation strategies are likely to be an important determining factor for the outcomes. Hence, this aspect deserves more attention.

In the cases studies we found several examples intended activities that could not be carried out. Even more frequent was a strong delay in delivery. To some degree this could be attributed to context factors (see the previous recommendation). But inflexible



delivery systems were sometimes also to blame. In the case of training for example, implementation by state agencies within the framework of existing procedures for training in the government sector may not be efficient.

There is an increasing tendency, at least in the Western world, to outsource policy implementation to (semi) private agencies that have to compete for the government contracts. This competitive element may be used to reduce implementation costs. Furthermore, it can help to adjust service quality to the needs of the trainees and their employers.

We found an interesting example of a flexible delivery system in the capacity building project in the Hungarian ESF program. The purpose of this capacity building project is to help those involved in the ESF program to make better use of it in terms of writing good project plans, managing projects professionally, etc. In one component of the project a voucher system is used that gives individuals that are entitled to training the opportunity to choose between different providers. They can pay for the training by handing over a voucher to the provider. The vouchers are issued and paid for by the program. Every certified training institution that is also certified in the training fields relevant to the project is entitled to act as a provider.

In such a system some choices are left open to those in need of the services and to the service providers, which creates a certain amount of flexibility. However, also in such a system important choices have to be made in advance within the framework of the program design. This involves, among other things, the choice of the interventions based on a priori ideas on effectiveness and costs. This should be an important element of the policy theory and the pre-assessment. Furthermore, it might be necessary to limit the freedom of choice in view of what the programs attempt to achieve. In case of training, for example, it is also important that it serves the interests of the employers of the ones that are trained. So, we do not suggest that the program management can limit itself to providing subsidies and leave implementation to market forces. But using the market to obtain a better match between the need for services and the supply of these services seems to be promising.

Management and coordination of the intervention form part of the delivery system. In some of the analyzed cases (for example, Measure 2.5 in Greece) these aspects did not receive sufficient attention and it created serious problems during implementation. We suggest that the required size and composition of the coordination unit (management structure) is well assessed. It is crucial to assure that such a unit has all necessary capacity to run the project. The understaffing as well as lack of managerial skills creates obvious obstacles for successful delivery.

## **5.8 MORE ATTENTION SHOULD BE PAID TO THE ROLE OF ORGANIZATIONS**

In the cases studies the emphasis is on legislation, training staff members and investment in infrastructure and ICT. As far as this is exemplary for capacity building in general it would point to a serious weakness, namely a lack of interest in the role of organizations. Particularly with respect to the training component we see that the focus is on the trainees with hardly any attention paid to the question whether the organizations employing offer an environment in which the trainees can apply the skills learned. Then there is a chance that the training does not fulfill the needs of these organizations. It is also possible that

these organizations are in need of the skills but are not ready to apply them. Management development and/of organizational development may then be needed to make (full) use of the new skills of the people trained. Therefore, the organizations should be involved in the definition of the training content. Furthermore, management development and organizational development should be part of the capacity building program when needed.

Some projects contain elements of organizational restructuring (creation of a new service or new department, etc.). As it was in the case of the Cyprus project, establishing of a new department was meant to support the implementation of newly introduced (also via the project) regulation and legislation. The adoption of new regulations went very successfully, but establishing of a new institutional structure was delayed because of certain organizational problems and bureaucratic procedures, although the importance of such organizational strengthening was considered crucial for the sustainability of very positive project results. This example demonstrates once again that more attention is needed to institutions and organizations which 'receive' capacity building support. Concrete steps that pave the way for actual 'use' of new skills, rules, regulations brought by the intervention have to be carefully planned in a practically and feasible way.

The role of organizations is also crucial with respect to law enforcement. Our general impression from the case studies is that the judicial component is quite successful as far as the development of new and the adjustment of existing legislation is concerned. However, the law enforcement component is often less successful. Management development and organizational development may also be needed here and should then be part of the capacity building program.

## **5.9 OTHER RECOMMENDATIONS CONCERNING SPECIFIC INTERVENTIONS**

With respect to specific interventions we make the following recommendations:

1. there is reason for a more critical appraisal of training and workshops. It is very popular among trainees. Furthermore, there might be a general tendency to think that training is generally good. However, international empirical research into the results of training does not always show positive returns. Furthermore, in a number of the cases studied the added value of the training component was unclear.
2. the ICT component in capacity building programs should be reduced or at least made conditional on stronger requirements. Often investment in ICT equipment is part of capacity building projects. The problem is that governments invest in ICT equipment anyhow and that the equipment can be used for several purposes. Hence the chance is high that equipment would have been available anyhow or that in practice the equipment is used for other purposes.
3. Development of software or other ICT tools should be evaluated more carefully ex-ante. In a number of cases this component came out poorly or was not implemented at all. The reasons vary, although a common factor might be that ICT (just like training) is fashionable.
4. The law enforcement component of capacity programs in the field of legislation should receive more attention (see also 5.8).
5. Management and organizational development should receive more attention (see also 5.8).

## **5.10 THE NEW COUNTRIES SHOULD GET SUPPORT IN THE DESIGN AND EVALUATION OF CAPACITY BUILDING PROGRAMS**

Designing, implementing and evaluating capacity building programs is not an easy task. Particularly the design and the evaluation of such programs are quite complicated. One has to have a firm background in theory and methodology to do this properly. From our experience we conclude that the new countries or at least a number among them lack knowledge on this point. To some extent this problem can be solved by including these aspects in the capacity building programs. Then at least the awareness among civil servants of the points discussed in this chapter can be increased. However, also competent and experienced researchers are needed in the process. It takes specific complete university education and years of experience before people are able to carry out these tasks satisfactorily. At the moment not enough people with the required competencies are available in the countries concerned. Therefore, support from outside is needed.

## ANNEX 1 EXAMPLES OF INTERVENTION LOGICS

### Box A1.1 Intervention logic 'Building an evaluation system for employment policies in Slovakia'

#### **Problem**

Hardly any use is made of evaluation methods in the policy development and implementation processes. As a result of this, ineffective policies have been introduced, which could have been avoided in case of a proper ex-ante evaluation. An example (and to some extent the inducement for the project) was the introduction of a large-scale program for subsidized labour, which was very costly but failed to produce the expected impacts. Although evaluation is generally lacking in the government sector, the project focused on employment policies.

#### **Lack of capacity as a source of the problem**

Sources of the problem are:

- little awareness among government officials about the importance of evaluation;
- the lack in knowledge about evaluation, the methods used in evaluation and how the results of evaluation can be used;
- no availability of competent researchers;
- the lack of an institutional and/or legal framework that makes evaluation (more or less) obligatory;
- the lack of funding for evaluation.

#### **Interventions to deal with the problem**

The project contained the following activities to deal with the problem:

- training sessions with civil servants on the strategic role of evaluation as a means of improving the quality of policies;
- establishing a set of rules making evaluation obligatory;
- training civil servants and researchers in evaluation methodology;
- implementation of two cases where civil servants provided the measures to be evaluated and developed the terms of reference for the evaluation, while local researchers were involved to do the evaluations. One case concerned an ex-ante evaluation; the other an ex-post evaluation.

#### **The hierarchy of objectives for the intervention:**

##### **Operational objectives (which are of course closely connected to the type of interventions):**

- to train a number of civil servants on the strategic role of evaluation;
- establishing a set of rules of the game;
- to train a number of civil servants and researchers in evaluation methodology;
- the implementation of one ex-ante and one ex-post evaluation to develop the skills of local people

##### **Specific objectives:**

- Improvement of the existing institutional structure for the development of labour market and employment policy including central, regional, district and local levels;
- A developed model for an evaluation system/methodology for the Slovak Republic as a basis for employment policy;
- To increase awareness of government officials about the importance of evaluation;
- Increase in the knowledge about evaluation and how it can be used;
- To improve the technical evaluation skills of government officials and researchers.

##### **Intermediate objectives of the intervention:**

- to improve the quality of ex-ante evaluations of employment policies;
- to improve the intermediate and ex-post evaluations of employment policies;

In order:

- to improve the design of effective employment policies;
- to improve the effectiveness of existing employment policies;

##### **Global objective of the intervention:**

- to improve the functioning of the labour market in terms of efficiency and equity

#### **Evaluation of this project (not actually done)**

The evaluation of the project could be done in the following steps:

- a) Studying the terms of reference of the project
- b) Interviews with those who developed the terms of reference and other individuals knowing the situation prior to the project as well as the current situation
- c) Interviews with those involved in the project activities and their appreciation of the direct output (relevance and quality of the training, relevance of the content)
- d) Applying standard evaluation methodology (as discussed in section 4.3)

*Box A1.2 Intervention logic 'ETF's capacity building for vocational education and training in Bulgaria'*

**Problem**

ETF has country programs for East European countries that aim at improving the VET system in these countries. The problem is that investment in vocational education and training is very low compared to the level in the 'old' Member States. Furthermore, the quality of the education and training is relatively low: what students and trainees learn often does not match employers' requirements.

**Lack of capacity as one of the sources of the problem**

There are several deficiencies in the governance structure that cause or add to the poor performance of the VET system in Eastern European countries, such as:

- lack of knowledge in the field of VET and policy options on the part of government officials and the social partners, particularly when it comes to the relationship between education and training on the one hand and the labour market and the economy on the other hand;
- an inadequate legal basis for VET;
- lack of an infrastructure to collect information on the performance of the VET system on a regular basis;
- lack of knowledge on the part of the central government, the local government and other relevant parties in making project plans for investment in VET that match the requirement of, for example, ESF.

**Different interventions**

On the basis of the deficiencies of the system ETF has launched a number of capacity building projects to deal with these problems, among them:

- a) training and support of government officials in the field of VET;
- b) establishing an information centre in the field of VET;
- c) helping to establish an infrastructure for training company officials in modern HRM techniques and to increase the awareness of companies as to the importance of VET.

**The hierarchy of objectives for the intervention:**

***Operational objectives (closely connected to the different interventions of the ETF):***

- training and support of government officials in the field of VET;
- making government officials in the field of VET familiar with the EU policy agenda in the VET field;
- establishing a VET information centre;
- establishment of an infrastructure for company officials in modern HRM techniques.

***Specific objectives:***

- developing new legislation in the field of VET;
- improving monitoring and evaluation skills and infrastructure in the field of VET;
- raising awareness of the importance of VET for the labour market and the economy.

***Intermediate objectives:***

- improving the performance and quality of the VET system;
- to increase the level of investment in vocational education and training.

***Global objective(s):***

- to improve the relation between education and the labour market;
- to enhance employment and output growth and reduce unemployment.

**Evaluation of ETF's activities**

The evaluation was done as follows:

- a) collection of documentation about the projects (including project descriptions and evaluations);
- b) interviews with ETF project managers and with EC representatives (which often commissions ETF projects);
- d) interviews with Bulgarian officials and participants in projects;
- e) analysis of information and data on the development of the Bulgarian VET system;
- f) applying the standard evaluation methodology (see section 4.3).

**Box A1.3 Intervention logic 'Support for the implementation of the National Programme of fight against corruption in Slovakia'**

**Problem**

Corruption is regarded as a systematic problem with continued corrosive effects on both the political and economic life. Recent reports from Worldbank and Transparency International confirm that corruption and administrative discretion is widespread across society. The National Programme sets out the areas in which the Slovak Government will take action to combat corruption.

**Lack of capacity as a source of the problem**

There are several factors that make that the fight against corruption is not effective (deducted from the standard summary project fiche):

- the exchange of information on the level of prosecutor offices is not efficient;
- law-enforcement activities are not optimal because staff of investigation and prosecution authorities are not sufficiently skilled to combat corruption;
- LEAs are not adequately equipped to detect and prove corruption, especially in comparison with offenders;
- the effectiveness of the General Prosecutor's Office is limited by obsolete technology used to distribute information about the criminal records of individuals, as well as conducting investigations about cases of corruption;
- the sensitivity of the population towards corrupt behaviour is not sufficiently high.

**Interventions to deal with the problem**

The Phare-project contained the following activities to deal with the problem:

- support in improving legislative and regulatory measures to fight corruption, strengthening the institutional capacity of the Anti-corruption Steering Committee and developing a monitoring system to identify new issues of corruption;
- information and education campaigns among public, preparation of educational and informational materials and leaflets, design of ethical training curricula. Surveys and studies to map the situation in the fight against corruption;
- support of NGO's with anti-corruption and transparency agenda;
- preparing ethic codes and codes of conduct for public servants and journalists. Developing training material in this field;
- purchase of equipment (not CB) and training to use the equipment, support to internal control units;
- activities to improve the efficient and timely exchange of information and data processing among LEAs (upgrade and enlarge the common classification of data necessary for monitoring of LEA activities, establishment of a Centre of Judicial Information (CJI) at the Ministry of Justice, etc. Also the purchase of technical equipment), etc.

**The hierarchy of objectives for the project:**

**Operational objectives:**

- Trained of staff
- Improving legislation and regulatory measures
- Establishment of ethic codes and codes of conduct
- Purchase of equipment
- Development of databases
- Implementation of information and education campaigns
- Etcetera (see the interventions)

**Specific objectives:**

- Trained and qualified staff
- Establishment of legislative amendments and individual regulations
- Establishment of Centre for Judicial Information, communication network and database
- Increased public awareness

***Intermediate objectives:***

- Improved quality of policies (legislation)
- Relevant organisations better equipped to fight corruption (implementation)
- More efficient and timely exchange of information and data
- Detection of new areas of corruption
- Administrative discretion of public sector diminished
- Limited space in which corruption can occur

***Global objective:***

- Limited space in which corruption can occur
- A lower level of corruption in state and society

