



Aspects of development and Activity design

INFORMAL NOTE FOR APPLICANTS TO THE PUBLIC SECTOR LINKAGES PROGRAM

This note has been prepared by a consultant and is not an official AusAID document. It is for reference purposes only for Australian organisations applying for PSLP funding.

This informal note aims to help PSLP applicant organisations better understand key terms and concepts of development and Activity design in order to improve the quality of PSLP applications.

DEVELOPMENT TERMS

Development is a process of making changes to achieve economic, social or other benefits, particularly the reduction of poverty. The process involves working cooperatively and respectfully with people and institutions, by focusing on meeting the priority needs identified by partners and by focusing on Activities that contribute to reduced poverty and/or increased self-reliance.

Current development terms critical to PSLP-funded activities are capacity building, institutional strengthening and sustainability.

CAPACITY BUILDING

Capacity building is the process of developing the competencies and capabilities of individuals, groups, organisations, sectors or countries that will lead to sustained and self-generating improvements in performance. Sustainability is a fundamentally important objective of capacity building.

In a development context capacity can include abilities, skills, understandings, attitudes, values, relationships, behaviours, motivations, resources and conditions that enable individuals, organisations, networks/sectors and broader social systems to carry out functions and achieve their development objectives over time. Capacity can be nurtured, developed and progressed over time. There are multiple entry points in the development process for activities designed to build capacity.

Capacity building is not easy because it involves change and transformation. Judgements need to be made about what to do and how, and about who is to benefit. These judgements inevitably reflect the values of Activity implementers. For example, the questions about whose capacity is to be developed and for what purpose will get different answers depending on who is asked.

The **objectives** of capacity building are to:

- > enhance or more effectively use skills, abilities and resources
- > increase understandings and strengthen relationships, and
- > address issues of values, attitudes, motivations and conditions in order to support sustainable development.

Principles of capacity building

Bringing about change in an organisation is a complex process. There is no one-size-fits-all approach. However, there are some principles.

First, learning systems matter – much more than just passing on information. Capacity building stresses the significance of continuous learning, of adapting behaviour and of the need to be open to the lessons of experience. Flexibility is needed to enable the capacity-building approach to be modified as required.

Second, leadership matters most. When planning capacity-building activities, organise regular meetings with the most senior staff of the counterpart organisation to identify their priority interests and commitment. Leadership involves 'ownership'. If the top person in an organisation is not totally behind a program of capacity building (change), the program is unlikely to be successful. Solutions to an organisation's technical problems

will be effective and sustainable only if undertaken in an environment of change led from the top.

Even leadership from the top is not enough; a culture of leadership needs to be nurtured at all management levels for the sake of effectiveness and long-term sustainability of an Activity's outcomes.

Third, the planned Activity must reflect the stated priorities, vision and strategy in documents of the counterpart organisation.

Lessons learned

Experience tells us the best capacity-building activities are based on or take into account:

- > the example set by local leaders
- > broad-based participation and a locally driven agenda
- > ongoing learning and adaptation
- > long-term investments
- > the integration of activities at various levels to address complex problems, and
- > internal incentives, particularly for middle and junior level managers and staff affected by change (e.g. more resources in the work area, more satisfying work, improved working conditions).

Steps to be taken before an Activity starts include:

- > getting to know the local context – both the internal and external environment
- > putting yourself in your partner's 'shoes', which generates empathy that can inform and guide your work and ensure your expectations are realistic
- > identifying how the staff of the counterpart organisation will benefit
- > determining the best way to ensure sustainable learning¹, and
- > identifying the most appropriate people to undertake the work.²

¹ Technical experts are often not skilled trainers. Get advice from trainers on the best way to engage people. Sustainable learning and the effective application of this learning in the workplace occur if you focus initially on establishing an effective and consistent training methodology applicable to any content. Such methodology is likely to be multifaceted and should include staged preparation (e.g. drafting joint action plans, as well as follow-up activities).

INSTITUTIONAL STRENGTHENING

Institutional strengthening is the process of developing the competencies and capabilities of organisations at all levels to lead, guide and support the change required for sustained and self-generating improvements in performance. Government institutions are the key (but not the only) players in national economic and social development, particularly in reducing poverty, and so are the main organisations involved in the institutional strengthening process.

Organisational performance may be shaped as much by forces in the enabling environment – such as laws, regulations, attitudes and values – as by factors internal to the organisation, such as skills, systems, leadership and relationships.

Thus capacity problems, constraints and solutions need to be considered at a broad as well as a specific level. An organisation's capacity reflects the dynamics and relationships among various issues and actors over time and space. Think about individuals, organisations, programs, policies etc. as parts of a whole rather than as discrete or loosely connected elements of the environment. Understand your counterpart organisation's role in the broader policy, sectoral and national context, not just in terms of a specific technical topic.

The best approach is to know what you are starting with. Assess your counterpart organisation's existing strengths and priorities, and ensure that you are responding to its priority needs. Asking your counterpart organisation to identify its strengths and priorities can help to develop good working relations.³

Consider the lessons learned under 'capacity building'. Current trends in aid suggest that building partnerships based on mutual understanding, respect and continuous learning is the way of the future. This implies:

² You need to find the right combination of long-term commitment, cross-cultural communications skills, personal and professional interest, ability to apply adult learning methods, as well as access to the relevant technical material. A team approach may sometimes achieve the desired effect.

³ McKinsey's 7S model (which identifies seven interdependent components of an organisation – skills, structure, strategy, staff, shared values, leadership style and systems) provides a useful framework for identifying them.

- > shared accountability – to both your organisation and your counterpart organisation
- > the need for longer term commitments, and
- > the need for greater flexibility in adapting to the partner country's procedures and timeframes.

SUSTAINABILITY

Sustainability refers to the benefits of an Activity – such as assets, skills, facilities or improved services – that continue after an aid Activity has been completed. Sustainable outcomes require a mix of techniques and approaches to be used during Activity design and implementation. For example, when designing or implementing an Activity:

- > start from where the counterpart organisation is, rather than work backwards from where you think it should be – that is, build on its strengths
- > ascertain the counterpart's priority learning needs and meet them through a mix of training and targeted learning opportunities
- > ensure activities are culturally sensitive and appropriate
- > work very closely with the counterpart organisation through all stages of design and implementation, and
- > monitor the counterpart's perception of relevance and progress, and adjust to suit.

ACTIVITY DESIGN

Decades of aid experience show that a major factor in good development outcomes is good Activity design. Good design includes the following attributes:

- > agreement among all stakeholders about the process and the expected outcomes
- > explanation of the rationale for the proposed approach
- > explanation of the link between the proposed process and the context
- > well-defined purpose, implementation plan and outputs

- > clear evidence of participation by all stakeholders
- > evidence of analysis of the context, the problem, the stakeholders, the approach and the development process, and
- > a clear match with people-centred development values (justice, equity, inclusiveness, empowerment, cooperation and ethical standards).

DESIGN CONCEPTS

Goal is the regional, national or sectoral objective to which the Activity is contributing. It is not necessarily achievable by the Activity itself. It is usually set by the partner government as part of its development plan.

Objective refers to what the aid Activity aims to achieve – the expected immediate development outcome. Ideally it includes only one concept in a simple sentence (avoid the words 'and' or 'through'). The aims an Activity is intended to achieve can be at several different levels, which means there can be goal, purpose, component or output level objectives.

Outcome (or purpose) is the medium-term objective of an Activity. It refers to what the Activity itself is expected to achieve in terms of sustainable development results. It answers the question: 'what do we believe will have been achieved once we have finished our work?' It is the positive developmental change which the activity would produce if it were completely successful. It is the development result or effect of the outputs.

Outputs are the tangible benefits (e.g. products and services) that are directly produced by an Activity and for which the Activity implementers are accountable. They are the immediate tangible results of undertaking tasks with a range of resources (inputs). They are directly attributable and generally quantifiable. Most Activities have several outputs, the sum of which is necessary and sufficient to achieve the Activity's objective(s).

Impact summarises the effects of the Activity on the partner organisation or community, usually in the longer term and at a high level. In

AusAID, the term specifically encompasses what is expected to be contributed by the Activity to the goal.

LOGFRAME APPROACH

There are many ways to design aid activities and new lessons are learned all the time. AusAID uses a logframe approach. This means that an Activity is based on an analysis of a problem and includes a hierarchy of objectives. There is also a clear cause and effect relationship between tasks undertaken, outputs, purpose and goal. That is, when the tasks are undertaken, outputs will be achieved; when the outputs are achieved, we believe the purpose will be achieved; and when the purpose is achieved, a contribution is made to the goal.

Formally there is a distinction between development accountability (what the Activity implementer is paid to produce) and development hypothesis (what is believed to be the effect of these 'products' and is likely to be beyond the complete control of the implementers).

AN EXAMPLE OF THE HIERARCHY OF DESIGN CONCEPTS IN THE LOGFRAME APPROACH

Goal: There is sustainable development and economic growth in Indonesia.

Purpose: The Ministry of Finance is able to develop a resource-based management strategy.

Output: Twenty-five senior staff are trained to an advanced competency level in resource-based budgeting by December 2004.

Task: Develop course outline and materials.

WHY ACTIVITIES HAVE FAILED

When designing an Activity it is critical to examine why previous activities have failed. Even well-designed activities can suffer from:

- > inadequate resources
- > miscalculated allowance of time
- > unclear expectations
- > problems with 'ownership' of the Activity
- > Activity changes

- > disagreements
- > acts of God and large-scale events.

PRACTICAL TIPS FOR DESIGNING ACTIVITIES

Use strong measurable words (such as constructed, operational, delivered, completed, installed, implemented) and avoid vague words (such as enhanced, empowered, assisted, contributed, supported).

Replace the vague concept of 'capacity' with the specific roles that will be undertaken with the strengthened capacity. For example, replace 'increased capacity of the Ministry of Customs' with 'Customs officers at all borders will be able to meet six-monthly quality standards as assessed by district supervisors' or 'The Ministry of Customs will be able to produce policy and guidelines on the importation of new IT products to meet WTO standards'.

EFFECTIVE PSLP ACTIVITIES

An Activity within the Public Sector Linkages Program has generally been effective when the applicant:

- > delivers something that is clearly within their counterpart organisation's priorities – that is demand-driven rather than supply-driven
- > works closely with their counterpart organisation's leaders to understand the priority given to the changes envisaged
- > develops an understanding of common interests from the outset
- > builds sustainable, professional relationships with their counterpart organisation
- > develops an understanding of the context in which their counterpart organisation works, particularly the cultural influences on leadership, systems and structures
- > spends time with their counterpart organisation discussing their priority needs and what is feasible
- > identifies jointly with their counterpart organisation a clear and unambiguous statement about the Activity's purpose, outputs and inputs

- > discusses risks to the Activity's implementation and success – and responsibilities for managing those risks –with their counterpart organisation
- > implements the Activity sensitively and flexibly, taking account of local timelines and priorities
- > monitors and responds to developments that affect the Activity's implementation
- > reviews the Activity's progress jointly at agreed intervals, and
- > produces the PLSP Activity Completion Report – including the funds acquittal – in a timely manner.

SOME SUMMARY TIPS

- > Get to know the local context – both internal and external environments.
- > Put yourself in your counterpart organisation's shoes.
- > Prepare realistic objectives.
- > Be prepared to manage risks.
- > Remember that capacity building in partner countries is inherently risky and that learning and applying lessons will not eliminate risks but may help to mitigate them.
- > Ask what's in it for the staff of your counterpart organisation.
- > Negotiate cost-sharing arrangements with your counterpart organisation to demonstrate commitment to long-term linkages and to foster ownership.
- > Consider the most appropriate and effective methods for ensuring sustainable learning outcomes.
- > Seek advice from skilled trainers on how to engage people in the best way and sustain learning outcomes (because technical experts are often not skilled trainers).
- > Identify the most appropriate people to facilitate implementation.
- > Find among the people you use for Activity implementation the right combination of long-term commitment, cross-cultural communications skills, personal and professional interest, ability to apply adult learning methods, sectoral or technical expertise, as well as access to the relevant technical material.
- > Identify the Activity's scope (e.g. how many people will be involved in the training course or study tour).
- > Identify selection criteria and a selection process for participants.
- > Make sure the Activity is consistent with your counterpart organisation's overall learning system or orientation.
- > Encourage your counterpart organisation's managers to support Activity participants in preparing reports or presenting feedback seminars on the Activity.
- > Ensure statements in your application are in plain English and as unambiguous, realistic, achievable and measurable as possible.