

# CAUGHT BETWEEN POLITICS AND PRINCIPLES: A DONORS' VIEW ON CAPACITY DEVELOPMENT

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JONAS GÜTHEIL & MARIA DEL MAR MORALES-BURKLE |  
DIVISION OF RISK MANAGEMENT AND SOCIETAL SAFETY |  
LTH | LUND UNIVERSITY, SWEDEN



**Caught between politics and principles: a donors' view on  
capacity development**

**Jonas Gutheil**

**and**

**Maria del Mar Morales-Burkle**

**Supervisor: Magnus Hagelsteen**

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## Caught between politics and principles: a donors' view on capacity development

Jonas Gutheil and Maria del Mar Morales-Burkle  
Supervisor: Magnus Hagelsteen

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### Abstract

Capacity Development is considered a vital tool for the achievement of the 2030 Agenda. However, evidence suggests limited effectiveness of capacity development efforts so far, both in development cooperation and for disaster risk reduction. Motivated by the research gap on the topic, the study's purpose is to explore and describe the current challenges and opportunities for capacity development, from the viewpoint of governmental donor agencies. Twenty-six qualitative semi-structured interviews were conducted with informants from seven governmental donor agencies. The results indicate that ownership, alignment and harmonization are considered essential parts of capacity development by donors. Donors strive for conditions that facilitate effective capacity development e.g. flexibility, adaptability, long-term engagement, trust, and a holistic approach. Nevertheless, there are several structural constraints that inhibit the broad application of these principles and enabling conditions. These include political priorities, power relations, a quixotic need for control, insufficient knowledge of capacity development, insufficient incentives for change, complex contexts and an overt technical and individualistic focus of projects. A key recommendation is for donors to increase efforts to provide enabling conditions for all partners to commit to the principles and conditions for effective capacity development. For example, through facilitation of broad partnerships, legally binding agreement conditions, risk-sharing, innovative approaches, increased knowledge of capacity development for all stakeholders, and increased communication with local partners. Nevertheless, donors' actions are not enough to overcome these challenges; instead, efforts at all levels of the system are necessary in order to realize the principles and conditions that enable effective capacity development.

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Avdelningen för Riskhantering och samhällssäkerhet, Lunds tekniska högskola, Lunds  
universitet,  
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Riskhantering och samhällssäkerhet  
Lunds tekniska högskola  
Lunds universitet  
Box 118  
221 00 Lund

<http://www.risk.lth.se>

Telefon: 046 - 222 73 60

Division of Risk Management and Societal Safety  
Faculty of Engineering  
Lund University  
P.O. Box 118  
SE-221 00 Lund  
Sweden

<http://www.risk.lth.se>

Telephone: +46 46 222 73 60

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Lastly, a thank you to our families, who have endured our long working hours and been supporting and encouraging all along the way.

Sincerely,

Mar & Jonas

## **Glossary**

### **Donor agencies, implementing organizations, and local partners**

For clarity, in this study, donor agencies (e.g. Sida, Norad, etc.) are referred to as “agencies”; partners that receive funding directly from donors are referred to as “implementing organizations” (e.g. international civil society organizations, Swedish Public Agencies, etc.); and the actors that host the projects are called “local partners” (e.g. local civil society organizations, local governments, etc.). The Global South countries where projects are carried out are named “partner countries”.

### **Global South and Global North**

In order to step away from differentiations of countries that are based on modernization theory’s ideas of development (Dados & Conenell, 2012), this study uses the terms Global South and Global North to distinguish between regions of the world based on geopolitical power relations.

The term Global South refers to regions outside Europe and North America that through history have been politically and culturally marginalized (Dados & Conenell, 2012). Instead of categorizing countries as developed or developing, the term Global South, coined and used by Southern scholars, wishes to highlight the colonial and neo-imperial power relations between countries as well as the differences in economic and social change that, to this day, perpetuate unequal living conditions (Dados & Conenell, 2012; Garland Mahler, 2017).

## **Abbreviations**

CD	Capacity Development
CMS	Contribution Management System
CSOs	Civil Society Organizations
DAC	Development Assistant Committee
DRR	Disaster Risk Reduction
GNI	Gross National Income
ITP	International Training Programme
MSP	Multi Stakeholder-Partnerships
OECD	Organisation for Economic Co-operation and Development
PDIA	Problem Driven Iterative Adaptation
SDGs	Sustainable Development Goals
SPAs	Swedish Public Agencies
SPF	Sida Partnership Forum
ToC	Theory of Change
UN	United Nations

## Summary

The effectiveness of capacity development (CD) efforts so far is highly contested, despite it being recognized as a cornerstone of development cooperation for more than fifteen years. Available research on CD suggests that there are key principles—ownership, alignment, harmonization, managing for results, and mutual accountability—that can be applied to CD efforts to overcome the difficulties faced in achieving sustainable results (Boesen, 2015; Hagelsteen & Becker, 2019). These principles are in line with those identified in the 2030 Agenda for Sustainable Development and the High-Level Forums on Aid Effectiveness (OECD, 2008, 2011; UN, 2015). Nevertheless, recent studies find that there have been challenges translating them into practice (Boesen, 2015; Hagelsteen & Becker, 2013).

Research on this topic has yet to cover the viewpoint of donor agencies, providing an opportunity for further inquiry. Given the significant power that donors hold in shaping the conditions in which CD projects unfold (Pearson, 2011), understanding their perspective is fundamental if the challenges to effective CD are to be addressed. Therefore, the purpose of this study was to explore and describe current capacity development challenges and opportunities from the viewpoint of governmental donor agencies, with a focus on the Swedish International Development Cooperation Agency (Sida). Twenty-six semi-structured interviews were conducted with informants from seven different governmental donor agencies, of which seventeen belong to Sida.

This study reveals that the achievement of the ownership, alignment, and harmonization principles is a goal for donors. They also strive to provide conditions that facilitate effective CD e.g. flexibility, adaptability, long-term engagement, trust, and a holistic approach. However, there are several structural constraints that inhibit the application and success of these principles and conditions. Firstly, the prioritization of donors' political interests over local needs makes it difficult to achieve ownership in projects. Secondly, the realization of this principle is also constrained by the disincentives created by the potential loss of privileges for implementing organizations and their employees when transferring more power to local partners. Thirdly, insufficient knowledge of CD across the stakeholder chain and an overt focus on technical skills and individuals has limited the way projects are operationalized, inhibiting organizational and systemic change. Fourth, a quixotic need for control and upwards accountability and insufficient incentives for various stakeholders constrain the degree of flexibility and adaptability of projects. Fifth, power imbalances and differing political priorities

amongst donors obstruct harmonization of procedures and requirements towards implementing organizations.

To overcome these challenges, donors must increase efforts to create enabling conditions for implementing organizations and local partners to commit to the principles and conditions for effective capacity development. Suggested ways forward are increasing attention to functional capacities and incentives for change, promoting synergies between donor agencies and implementing organizations, increasing direct dialogue with local partners, and ensuring an enabling environment for flexible and adaptable conditions to translate to local partners.

Finally, within the Swedish context, three additional factors constrain effective CD. First, some government mandated strategies place most of the decision-making power on Swedish civil society organizations instead of local partners. Second, the contribution management system is perceived by staff as a heavy administrative burden that takes the focus away from ensuring the principles and conditions of effective CD. Lastly, there has been a disproportionate growth of the development cooperation budget over the administrative budget that places additional burden on staff. However, there seems to be commitment from management to find ways to overcome the external and internal constraints for effective CD by helping staff connect internal initiatives for change. Furthermore, there is a strong commitment of the staff to the application of the principles and conditions of effective CD and a willingness to try out innovative approaches. These enablers suggest there is space and will to steer Sida towards more holistic approaches to CD.



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## **1. Introduction**

### **1.1. Research problem**

Since its early days (1960s), Capacity Development (CD) has been closely linked to development cooperation (Scott, Few, Leavy, Tarazona, & Wooster, 2014). Through the decades, the understanding of what CD entails and what it necessitates to be effective has greatly evolved (McEvoy, Brady, & Munck, 2015). Today, CD is understood as an endogenous change process through which individuals, organizations and systems “unleash, strengthen, create, adapt and maintain capacity over time” (DAC, 2006, p. 12). Nevertheless, despite years of CD efforts, by the beginning of the millennium, research showed unsatisfactory results in terms of developed capacity (DAC, 2006). For this reason, the application of key principles was suggested as a way to overcome the difficulties faced in achieving sustainable results in CD (Boesen, 2015; Hagelsteen & Becker, 2019). These principles are in line with those identified in the 2030 Agenda for Sustainable Development, the Paris Declaration on Aid-Effectiveness (2005) and the subsequent High-Level Forums (OECD, 2008, 2011; UN, 2015): Ownership, Alignment, Harmonization, Managing for Results and Mutual Accountability (OECD, 2008).

Nonetheless, fifteen years after the adoption of the Paris Declaration, there continues to be skepticism about the effectiveness of CD efforts (McEvoy et al., 2015). Recent studies find that there have been challenges translating the principles into practice (Boesen, 2015; Hagelsteen & Becker, 2013) and that approaches to CD projects so far have not been conducive to systemic change (McEvoy et al., 2015). This challenge extends to the field of CD for Disaster Risk Reduction (DRR), where the small amount of empirical evidence available (Hagelsteen & Becker, 2019; Scott & Few, 2016) points towards limited progress in achieving sustainable results.

There seems to be inherent tension between the principles of managing for results and accountability and the other principles introduced by the High-Level Forums (Hagelsteen & Becker, 2019). Firstly, the accountability system has been structured in a way that prioritizes upward-level accountability and therefore the needs of the donors over local partners (de Weijer & McCandless, 2015). For this reason, people in partner countries often do not feel included in shaping CD projects. In their view, there is no room to alter the projects with their ideas since they are structured before implementing organizations arrive in the partner country (Anderson, Brown, & Jean, 2012). These supply-driven approaches, which do not tend to fit local realities, do not provide an enabling environment for capacities to emerge (Boesen,

2015). Instead, they undermine ownership and can lead to inappropriate or ineffective CD (Anderson et al., 2012; Keijzer, 2013).

Secondly, strict management for results has promoted “tick-the-box” behavior, rigid templates and lead to pre-packaged projects (Anderson et al., 2012). This “transplantation of best practice” through pre-packaged projects can hinder the space for novelty and local experimentation, constraining or even weakening existing capacity at the local level (Andrews, Pritchett, & Woolcock, 2017). Furthermore, when the templates for reporting are standardized and lack flexibility to implement timely changes based on changing circumstances on the ground, they limit honesty, reflection, and learning (Anderson et al., 2012). Adding to these issues, duplication amongst donor reporting requirements and growing complexity and frequency in reporting, absorb considerable time and resources that could be better spent in project implementation (Gaston, 2017; McEvoy et al., 2015). Finally, very few projects have addressed the environment where capacity develops (Hagelsteen & Becker, 2019; McEvoy et al., 2015) and that often determines the success or failure of CD (McEvoy et al., 2015).

Compounded, these conditions have significantly constrained the effectiveness of CD efforts (McEvoy et al., 2015). Nevertheless, CD continues to be considered a vital tool for the achievement of the 2030 Agenda (UN, 2015). For this reason, greater knowledge regarding the challenges faced and the opportunities to overcome them is of importance.

## **1.2. State of knowledge**

Up until now, the research and literature on the topic has mostly focused on collecting the viewpoint of external experts, project managers (Hagelsteen & Becker, 2013), middle to high level managers (Hagelsteen & Becker, 2019), and to a lesser extent, local partners in the international community (Anderson et al., 2012). However, donor agencies’ perspective on the subject has yet to be covered, which provides an opportunity for further inquiry towards increased understanding of current and future CD efforts for development cooperation.

## **1.3. Purpose and research question**

The purpose of this study is to explore and describe current capacity development challenges and opportunities from the viewpoint of governmental donor agencies, with a focus on the Swedish International Development Cooperation Agency (Sida). Given the significant power that donors hold in shaping the conditions in which capacity development projects develop

(Pearson, 2011), understanding their perspective is fundamental if the challenges to effective capacity are to be addressed. The research question of the study is the following:

*What are the challenges and opportunities for capacity development in development cooperation and for capacity development for disaster risk reduction specifically, from governmental donor agencies' viewpoint?*

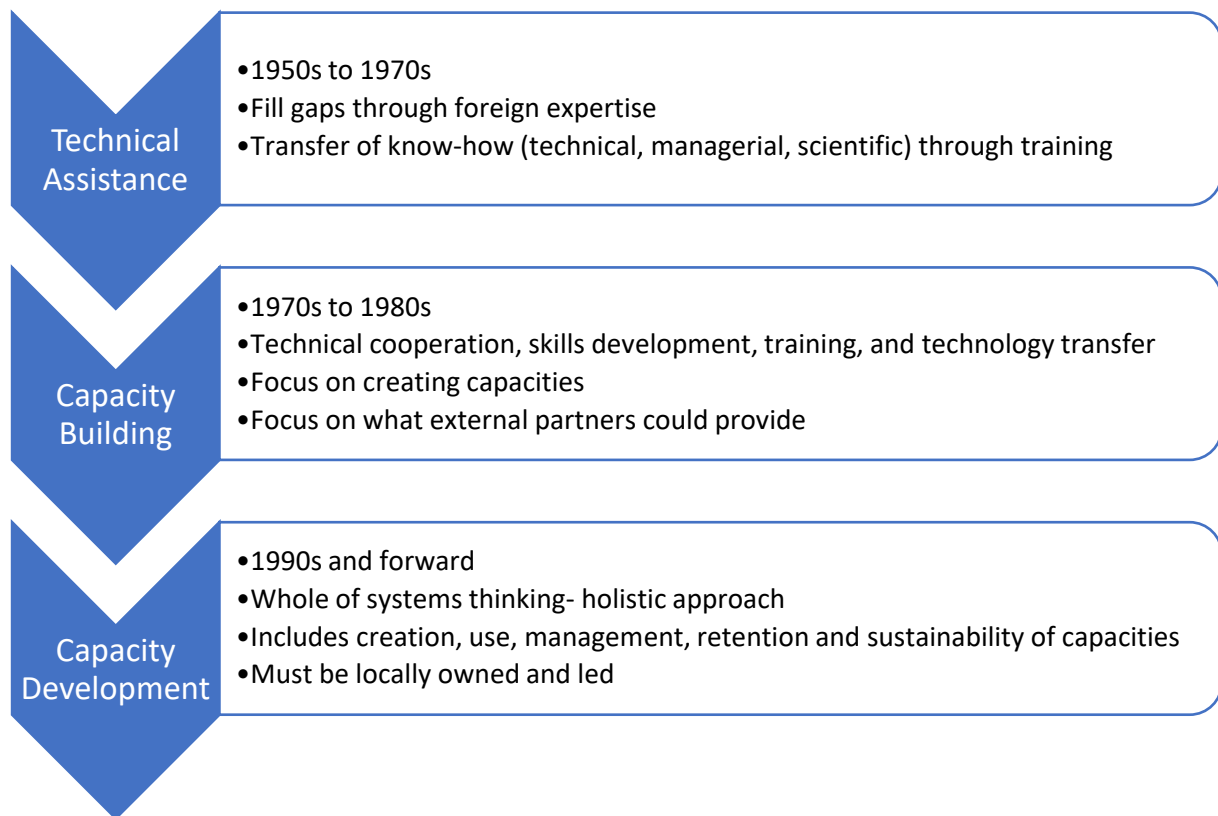
Given the limited research on the topic, the question presented seeks to explore, describe and thereby contribute towards research to understand donor agencies' viewpoints on the limited progress in achieving sustainable results for capacity development in development cooperation and specifically for DRR.

## **2. Background and concepts**

This chapter provides a brief introduction into the history and concept of CD. Together with the results chapter it is used to inform the discussion. Acknowledging its evolving and dynamic nature, the first section highlights the origins and development of CD within the field of development cooperation. The second section provides an overview of CD as it is currently understood: a systemic and multidimensional process. Finally, the third section gives a brief overview of the Swedish CD context, which is deemed necessary to understand the Sida-specific results.

### **2.1. Capacity development in the context of development cooperation**

CD is closely linked to international aid and development cooperation (Scott et al., 2014). Nowadays, CD is an integral part of the implementation of the Sustainable Development Goals (SDGs) since it is considered a vehicle to meet and sustain these achievements in the long-term (Vallejo & Wehn, 2016). Together with international aid and development cooperation, the terminology, understanding, and ways in which CD is approached in practice have evolved (Boesen, 2015; Land, Greijn, Hauck, & Ubels, 2015; Vallejo & Wehn, 2016). During its early years (1950s to 1970s) under the term *technical assistance*, the aim was to provide financial and physical infrastructure for local public institutions to manage their own projects and become self-sustaining (Land et al., 2015; Vallejo & Wehn, 2016). Nevertheless, these projects were often devoid of political and contextual considerations (Boesen, 2015; Land et al., 2015). During the late 1970s and 1980s, the focus of the development cooperation agenda shifted towards more intangible aspects, such as education and health under the name *capacity building* (Vallejo & Wehn, 2016). At the same time, the understanding of capacity started to broaden to include human resources such as knowledge, attitudes and skills (Vallejo & Wehn, 2016). Finally, the term CD emerged in the 1990's resulting from years of experience in development interventions and drew from a systems perspective (Vallejo & Wehn, 2016), sociology, anthropology, and political science (Land et al., 2015). To date, it has been increasingly used to portray a more holistic and locally owned approach to development projects in comparison to earlier methods (McEvoy et al., 2015; Sørensen & Carneiro, 2016; Vallejo & Wehn, 2016). Figure 1 shows the terminological and conceptual evolution of CD.



*Figure 1. Terminological and conceptual evolution of CD*

*Source: Adapted from McEvoy et al. (2015), CADRI (2011) & Land et al. (2015).*

In 1996, the United Nations (UN), through its General Assembly Resolution A/RES/50/120 declared CD as an essential path through which development occurs and not only a strategy for development (Vallejo & Wehn, 2016). More recently, the High-Level Forums on Aid Effectiveness (2005-2011) have underlined the importance of CD for achieving development objectives (OECD, 2008). These Forums also adopted five principles on aid effectiveness that served as catalysts to open CD towards more holistic approaches. These are ownership, alignment, harmonization, managing for results, and mutual accountability (Boesen, 2015; OECD, 2008, 2011).

### **2.1.1 Ownership and Alignment**

The principles of ownership and alignment stem from the recognition that, for development to be effective, partner countries should play a leading role in defining their own development processes (OECD, 2008). Ownership specifically refers to partner countries exercising leadership over these development processes (OECD, 2008), whereas alignment is for donors to ensure that aid respects and supports the partner country led development processes, e.g. by utilizing local country systems and procedures (OECD, 2008; Welle, Nicol, & van Steenberg, 2008). In this sense, development and, by extension, CD are the responsibility of partner countries, with external actors playing a supporting role (OECD, 2008). Furthermore, these principles also relate to the importance of CD taking the broader social, political and economic environment into consideration, and strengthening existing capacities (OECD, 2008). In literature, ownership and alignment are commonly presented as some of the most important aspects for attaining sustainable or long-term results in CD (Boesen, 2015; Hagelsteen & Becker, 2019; Vallejo & Wehn, 2016).

### **2.1.2. Harmonization**

The harmonization principle refers to donor agencies' commitments to simplify their procedures, address aid fragmentation, and improve their approaches when delivering aid to fragile states (OECD, 2008). Through this principle, donors acknowledge the need to modify their internal policies in order to increase collaborative action and strengthen the implementation of the alignment principle (OECD, 2008).

Figure 2 shows the connection between the principles of ownership, alignment, and harmonization in accordance to the Paris Declaration on Aid-Effectiveness.



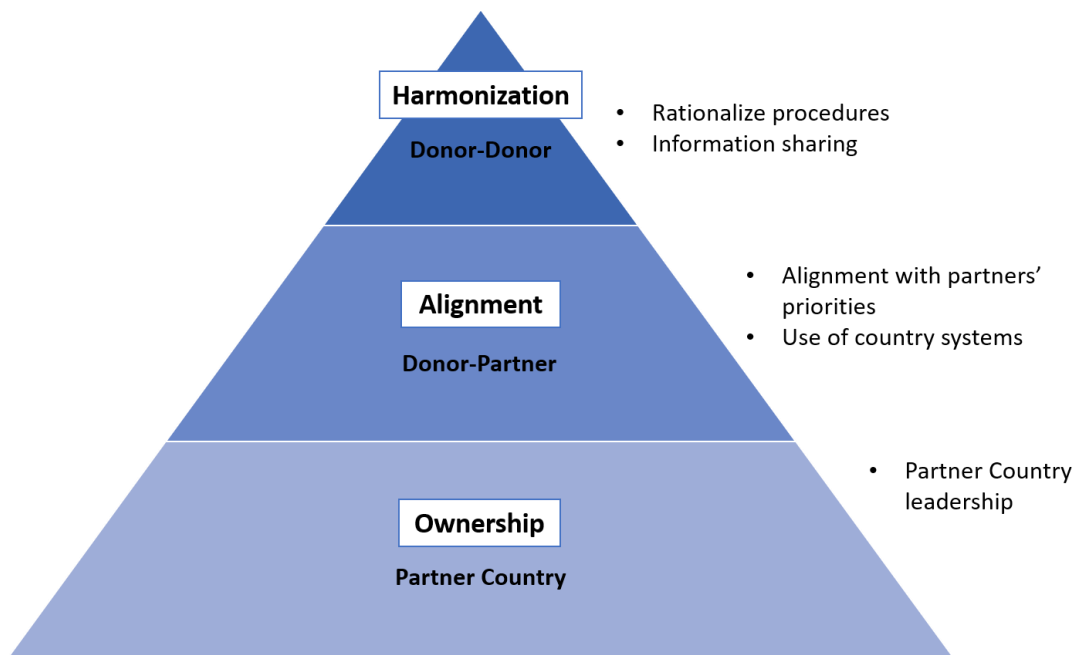


Figure 2. Connection between the principles of ownership, alignment, and harmonization.

Source: Adapted from Welle et al. (2008, p. 2)

### 2.1.3. Managing for results and mutual accountability

Managing for results, in the context of CD, is connected to strengthening capacities for result-based management and evidence-based decision making as well as donors' aligning with partner countries' reporting frameworks (OECD, 2008). In connection to this, mutual accountability calls for shared responsibility in the reporting of projects' progress and use of resources (OECD, 2008). Both of these principles stem from the postulates of the results agenda, which took hold of the international cooperation sector in the early 2000s and which increased attention on outputs and outcomes as evidence of the effectiveness of projects (Keijzer & Lange, 2015; Vallejo & Wehn, 2016).

### 2.2. Systemic and multidimensional capacity development

The above-mentioned principles, along with evidence from several studies which highlighted the limited success of CD projects, led to a wave of agency-level studies, guidance, and reforms (Land et al., 2015). Since then, the CD discourse has broadened to include topics such as political analysis, systems thinking, complexity, resilience, human security, and state building (Land et al., 2015). Increasingly, CD is considered a systemic and multidimensional process that is inseparable from the social system and its historical context (Vallejo & Wehn, 2016). Although CD definitions vary across organizations, it is generally accepted that CD constitutes

an endogenous change process that operates at three levels: individual, organizational and systemic (CADRI, 2011; McEvoy et al., 2015; Visser, 2010) and in which external actors can only play a supporting role (Ubels, Fowler, & Acquaye-Badoo, 2010). Through CD, individuals, organizations, and systems strengthen, create, adapt, and maintain their capacity over time (CADRI, 2011).

Capacity is understood as existing in multiple dimensions (CADRI, 2011; Fowler & Ubels, 2010), it includes, but is not restricted to, technical knowledge and it encompasses several elements such as context, vision, strategy, culture, structure, skills, and material resources (McEvoy et al., 2015). Often, capacities are divided into technical or hard capacities and functional or soft capacities (CADRI, 2011). Technical capacities are subject-specific while functional capacities are cross-cutting (CADRI, 2011). Furthermore, from systems thinking and complexity theory, CD theory has adopted the understanding of the interrelation between its three levels (McEvoy et al., 2015). The system provides incentives and an enabling or disabling environment for the development of capacities at the organizational level, whilst the organizational level in turn provides a framework of procedures and institutions that supports or hinders CD of individuals (Fowler & Ubels, 2010; McEvoy et al., 2015). At the same time, individuals' capacity influences the organizational level, which in turn affects the system's capacities (Fowler & Ubels, 2010; McEvoy et al., 2015). Furthermore, CD does not happen in a linear process, it is subject to continuous advances and drawbacks (McEvoy et al., 2015), is greatly shaped by the broader environment and often develops as an emergent or "unplanned and uncontrollable process" (McEvoy et al., 2015, p. 532). For these reasons, CD projects must consider the complexities that arise from the interaction between the levels and take into account the individual, organizational and systemic conditions that can constrain or enable CD (Fowler & Ubels, 2010).

### **2.3. Swedish Donor Context**

Sida is the Swedish agency tasked with implementing Swedish development cooperation (Sida, 2019a). Overall, Sida describes five different forms of collaboration for development cooperation<sup>1</sup> (Sida, 2019b), which are all guided by a policy framework and strategies developed by the Swedish Government. How these strategies are implemented is decided by Sida and the Swedish embassies (Sida, 2017a). To implement its strategies, Sida cooperates

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<sup>1</sup> The collaboration forms are: Cooperation with Civil Society Organizations, Public Sector, Research, Private Sector and Multi-Stakeholder Partnerships (Sida, 2019b).

with several organizations, associations, agencies, companies, and cooperatives (Sida, 2015). Two examples of these are Swedish Public Agencies (SPAs) and Swedish Framework Organizations. In turn, SPAs and Swedish Framework Organizations, respectively, collaborate with their counterparts and civil society organizations (CSOs) in partner countries (Sida, 2017a, 2017b). Figure 3 describes a simplified connection between the actors in the Swedish system.

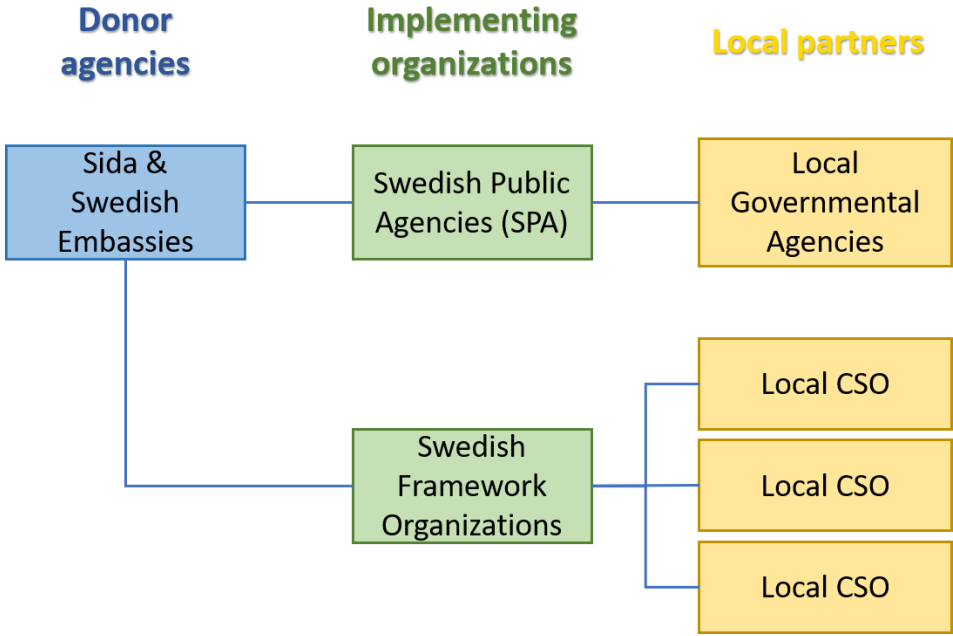


Figure 3. Simplified clarification of the connection between the actors that participate in part of the Swedish development cooperation.

### **3. Methodology**

This chapter presents the methodology of this study. The chapter includes: (I) Research strategy; (II) Overall methodology; (III) Data sources and data sampling; (IV) Data collection methods; (V) Data analysis; (VI) Ethical considerations; and (VII) Limitations.

#### **3.1. Research strategy**

This study attempts to explore and gain an understanding of current CD challenges and opportunities from the donors' viewpoint. It is guided by an inductive research strategy since it seeks to establish limited generalizations about social phenomena through the search of patterns within data (Blaikie, 2009). The final product of the study reflects a time and space-limited description of the problem that motivates the study: the limited progress in achieving sustainable results for CD in development cooperation and specifically for DRR.

#### **3.2. Overall methodology**

The research methodology was influenced by the choice of research strategy. The data was collected through interviews with informants that have a high degree of knowledge regarding the social phenomena studied and that experience it in their everyday lives. Based on their accounts, the authors attempted to establish patterns that provide a limited generalization regarding the research purpose.

#### **3.3. Data sources and data sampling**

The first step to select the data sources was to define the sample population (Blaikie, 2009) which had to be "individuals who have participated in the process or action the researcher is studying" (Creswell, 2013, p. 150). Since the purpose of the study is to explore governmental donor agencies' viewpoint on CD challenges and opportunities, the target population consisted of donor agency staff with knowledge and experience on CD projects.

#### **3.4. Data collection methods**

The primary data collection method was semi-structured interviews (Blaikie, 2009). Semi-structured interviews are defined by Kvale and Brinkmann (2009, p. 3) as interviews "with the purpose of obtaining descriptions of the life world of the interviewee in order to interpret the meaning of the described phenomena". They are conducted with interview guides that focus on some themes and that can include suggested questions. The questions chosen must help the researcher understand the themes of the everyday world from the interviewees' perspective (Kvale & Brinkmann, 2009).

The choice of semi-structured interviews as opposed to structured or open interviews, stemmed from the need to answer the research questions through the interviews (thus having questions specifically targeted towards this) but still having enough flexibility to probe into interesting topics that might come up during the conversation (Kvale & Brinkmann, 2009). Structured interviews were not chosen due to their rigidity, which would not have allowed to probe the informants on emergent topics during the interview (Valentine, 2005). On the other hand, unstructured interviews were also not deemed appropriate since they take a long time and they could deviate the conversation from the research question and therefore be unable to provide the necessary information for the study (Bernard, 2006).

The aim was to conduct at least 20 interviews with donor-agencies focal points, heads of CD units, CD experts, etc., with a knowledge of bilateral or multilateral projects that target CD for technical or functional capacities at an organizational level. Each interview was expected to last around 30 minutes. A non-probability sampling methodology, combining the purposeful and snowball-sampling techniques, was used (Blaikie, 2009). The initial sample was selected based on the authors' judgement as to which informants could be valuable sources of data for achieving the research purpose (Blaikie, 2009; Creswell, 2013). From this initial sample and as an acknowledgement of the difficulties gaining access to individuals or elites in these positions (Bernard, 2012; Kvale & Brinkmann, 2015), snowball sampling was introduced, querying the interviewees on whether they had contacts they believed could be a valuable source of data for the study.

Overall, 58 people from 8 different governmental donor agencies in the Global North were contacted via email and asked to participate in the study. 18 of these informants were contacted through the researchers'<sup>2</sup> connections or by their email listed online, 40 of them where contacted via snowballing. A sample email, along with the research description sent to all of the people contacted can be found in Annex 1 and 2. Out of these 58 contacts, 30 people from 7 different agencies agreed to be interviewed, 7 declined to be interviewed due to personal time constraints, and 18 never replied to the invitation. Finally, from the 30 people who agreed to be interviewed, 4 had to cancel due to unforeseen time constraints, which resulted in 26 interviews. These 26 informants belonged to the agencies: Sida (Sweden), Norad (Norway), Danida (Denmark), USAID (USA), SDC (Switzerland), Global Affairs Canada and the

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<sup>2</sup> The researchers included the two authors of the thesis and the supervisor. The supervisor took part in 6 interviews of which he led 5.

Ministry of Foreign Affairs of the Netherlands. Out of the 26 informants, 17 (65%) belong to Sida which means that this study's results mostly reflect Sida's staff viewpoints.

An initial 5 informants were interviewed face-to-face in Stockholm. The rest of the interviews were conducted through Skype for Business, phone, or Zoom. Even though the authors considered face-to-face interviews as more informative since they allowed a direct and more personal interaction with the informant, time and resource constraints did not allow for it in all the interviews. The number of researchers participating in each interview varied: 6 of the interviews were conducted with three researchers present, 15 were conducted with the two authors present, and 5 were conducted with only one author present. Every time there was more than one researcher present, one of the researchers would take the lead asking the questions whilst the other(s) observed and took notes. At the end, the observing researcher(s) were invited to ask any follow-up questions they had.

During the interviews, informants were asked to report on their viewpoint of CD and the practices and conditions that constrain or enable the effectiveness of its results. After 20 informants were interviewed, a saturation point was reached, in which the data provided did not produce any substantial new insights (Grady, 1998). For this reason, a decision was made of halting the snowballing sampling and concluding the data collection after the remaining 6 informants were interviewed. The shortest interview lasted 25 minutes and the longest one lasted 2 hours and 33 minutes. In average, the 26 interviews lasted 58 minutes, which was 28 minutes more than expected. In all cases, the interviews were prolonged because the researchers made follow-up questions on several interesting points that the informants brought up. Before each interview, the informants were asked about time availability to make sure there was enough time to complete the interview guide. The interview guide can be found in Annex 3.

### **3.5. Data analysis**

Guided by some of the available literature on qualitative data analysis, specifically Saldaña (2015) & Creswell (2013), a cyclical process of coding was conducted, followed by recoding and categorization to obtain themes that guided the discussion of the results. The data collection and data analysis processes began simultaneously through the precoding of significant moments or quotes through fieldnotes and analytic memos (Saldaña, 2009). This precoding also consisted of emerging analytical ideas that could be used later in the process (Saldaña, 2009). After each interview, the data was organized (Creswell, 2013) by transcribing

the audio files verbatim and making sure that the database was kept in an organized and consistent format throughout. Analytic memos and preliminary codes also emerged at this stage and throughout.

Once each interview was transcribed, the first coding cycle began (Saldaña, 2009). In this cycle the data was coded (described/summarized) and categorized (searched for patterns). Some of the codes were predefined based on the research question and interview guide: e.g. position, background, CD view, etc. As recommended by Saldaña (2015), a copy of the research purpose and research question was kept close at hand to focus the coding decisions made throughout and every passage of every interview was given a code, to minimize the risk of missing essential passages. The two authors performed this first cycle together.

Once the second coding cycle began, themes that described donor-agencies' viewpoint on opportunities and challenges for CD were derived. Throughout the process, the analytic understanding of the authors grew, and data coded early in the process was revisited and recoded using the insights gained in later stages (Saldaña, 2015). At some points in the process the coding was informed by existing frameworks, e.g. the Aid-Effectiveness principles, but it was not restricted/confined to them and it allowed for emerging ideas, concepts and/or themes. During the first step of the second coding cycle, the authors coded separately to allow for individual creativity. Further on, the coding ideas were discussed and brought together in the themes that informed the results chapter of this study. Both coding cycles were performed using the program Nvivo 12, an example of the coding can be found in Annex 4.

### **3.6. Ethical considerations**

Maintaining high ethical standards was always a priority for the researchers. For this reason, the conducted interviews were recorded with informed consent. All informants were notified, prior to recording, that their participation would be anonymous, and that potential quotes would not be recognizable (Creswell, 2013; Kvale & Brinkmann, 2009). When using quotes, the authors made sure that any recognizable features were removed. Furthermore, to deal with the power dynamics of having more researchers than informants during some of the interviews, informants were told that one researcher would always take the lead in presenting the study and asking the questions, while the others were invited to ask follow-up questions at the end of the interview.

### **3.7. Limitations**

The study's major limitation was the difficulty encountered when searching for informants that fulfilled the characteristics of being staff at donor agencies, with knowledge of their agency's CD work and who also had DRR-specific knowledge. When they received the invitation to participate, several informants commented that, even though they had CD knowledge, they could not answer DRR-specific questions. In those cases, the DRR question in the interview guide was not asked and, in the cases when it was, the answers received were very brief and generalized. For this reason, the results do not contain any DRR-specific themes. However, it is argued that the challenges and opportunities covered also apply to CD for DRR, since they apply to CD projects in general.

A second limitation was the accessibility to informants. Given that staff at donor agencies is a group that is hard to access, the final selection of informants was highly dependent on the initial contacts that the researchers approached. Since most of the initial contacts belonged to Sida, most of the final informant group is made up of Sida's staff. This limitation was countered by reflecting if there existed important divergences between Sida informants' opinions and opinions from staff from other agencies. Additionally, Sida's setup was analyzed to understand whether it poses challenges or opportunities to its projects' CD effectiveness. One element that was important to understand within the Sida context was the role and viewpoint of staff from the embassies. It was not possible to interview any staff that is currently working in embassies due to their lack of time. However, some of the staff interviewed had working experience in Swedish embassies, so this viewpoint was covered to a certain extent. Finally, given the use of the snowballing sampling, there is a risk that the authors were led towards informants that shared similar ideas and values, obscuring other sectors with differing opinions that might not be represented in this study.



## **4. Results**

This chapter presents the main results from the 26 interviews. The chapter is divided in two sections that correspond to the themes of the interview guide: (I) Conceptual understanding of capacity development and (II) Challenges and opportunities to effective capacity development.

Throughout this chapter, it was decided not to distinguish between informants from Sida and informants from other agencies. This decision was taken after analyzing the results and finding that no significant differences existed between the viewpoints of Sida informants and informants from other agencies. The only places where a distinction is made are the sections that refer specifically to Sida challenges and opportunities. The differentiation is used to highlight how other agencies share in some of these agency-specific factors.

### **4.1 Conceptual understanding of capacity development**

CD is perceived as being a very complex and broad concept by nine informants. They mention that when speaking about CD “everything fits” and “you can put pretty much everything into it”.

Four of the informants mention that there is a certain fatigue with the term CD and that it has become overused to the point that some people have grown tired of it. Two of them are even unsure that the term will be used in the future. Additionally, they state that the concept is so broad that it has led some people to perceive it as empty: “There’s a bit of fatigue in capacity development (...) it’s a buzz word within development: everybody talks about it but it’s hard to reach a common understanding”. Two informants mention that the term may be associated with the past and therefore some actors want to step away from it. One informant mentions that this disenchantment could be due to the fact that some issues receive the “lack of capacity label”, but actually represent other types of challenges than that of insufficient capacity, e.g. lack of incentives for change, insufficient political will or incoherence between actors addressing a challenge. This informant states:

*“Lack of capacity has been slapped as a label on an awful lot of situations where it was not a very accurate description, meaning that then capacity development programming doesn’t actually succeed in improving things and catches a lot of blame for not working”.*

Furthermore, three informants state that donors and other organizations have different opinions on what CD means and have given up on agreeing. One informant mentions the Organisation for Economic Co-operation and Development (OECD) definition<sup>3</sup> of CD while others focus on explaining the way they operationalize it in their projects.

During the interviews, seventeen informants do not distinguish between the term CD and other terms such as capacity building, competence development and institutional development. Only three informants are explicit about the difference they perceive between the concept of CD and others. They agree that CD has a wider focus than the terms capacity building and competence development. Whilst capacity building and competence development focus on the capacities of individuals and on building capacities from scratch, CD focuses on organizations and systems, takes existing local capacities into account and involves mutual learning: “I personally never use the term capacity building because I think people always have capacities and that’s where you start from... [it] is something that is mutual.”

Despite the above perceptions regarding the term CD, twelve informants highlight its importance in the context of development cooperation. They perceive it as a tool or approach that supports countries in the Global South to develop their institutions and organizations so they can fulfill their mandates and guarantee their citizens’ rights. Two informants also mention that CD is something that is not only done in countries in the Global South but that is also continuously performed within organizations in the Global North, even when it is not named as such.

Thirteen informants also give some insight on the way Sida views and works with CD. It is mentioned that in almost all of Sida’s projects there is a component of CD, even if it is not explicitly spelled out. One informant mentions that “Sida is not very pronounced about what is our definition of capacity development”, while another informant mentions Sida’s 2005 *CD Manual* and 2011 *CD Concept Note* and says they are not talked about or shared among the personnel. Finally, five informants mention how Sida’s view on CD has ownership and partnership as two of the central components, and that Sida works at the international level to “forward the normative dialogue” and try to “get other donors and actors on board towards that approach”.

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<sup>3</sup> “The process by which people, organizations and society as a whole create, strengthen and maintain their capacity over time” (OECD, 2010).

## **4.2 Challenges and opportunities to effective capacity development**

In this section, the challenges and opportunities for effective CD are merged throughout the themes since, in most cases, identified challenges lead to opportunities for change. In very few cases, some challenges were identified that did not correspond to a proposed opportunity or vice versa; however, in all of these cases, the challenges or opportunities belonged to a broader theme and could be included in the text.

When asked to speak about the challenges and opportunities to effective CD, informants answers' focused on ten themes: (I) Long-term engagement and trust building; (II) Conditions in partner countries; (III) Ownership and Alignment; (IV) Adaptability, flexibility and donors' approaches; (V) Management for results; (VI) Donor harmonization; (VII) Holistic Approach; (VIII) Sida's setup; (IX) Sida's change initiatives and knowledge management; and (X) Communication with implementing organizations and local partners.

### **4.2.1 Long-term engagement and trust building**

CD is described by thirteen informants as a long-term process. One informant adds that it is non-linear and has no quick solutions:

*"A little development needs to settle and sometimes it is two steps forwards one step back, sometimes it's one step forward and two steps back. And it's a continuous tangle and you can't just make a linear betterment process that doesn't have these trials and errors and failures, because all of that adds to the maturity."*

According to twelve informants, this long-term engagement goes hand in hand with the building of trustful relationships and partnerships between the actors involved. These partnerships are described by informants as having to go "beyond" the CD projects. Four of the twelve mention that trust building takes a long time, sometimes one or two years, but when in place it allows local partners to feel comfortable with sharing their knowledge and needs and allows the CD projects to be more successful.

*"So in order to be able to discuss issues, people need to trust you and they need to understand where you are coming from and that you are not there to implement your own system but, rather, that you are there to support the development of their system. It takes time."*

Finally, ten informants speak about important opportunities with regards to trust-building in CD. Three of the ten informants speak about projects that have specific built-in phases of trust and relationship building as good practices that have the potential to increase CD effectiveness. Four of the ten informants highlight the need to have strong, trusting relationships with the implementing organizations. This trust, they say, can translate into more freedom to communicate failures, more flexibility in contributions and less accountability requirements. Furthermore, three of the ten informants mention the importance of long-term bilateral engagement with partner countries.

#### **4.2.2. Conditions in partner countries**

Thirteen informants bring up the conditions in partner countries as one of the challenges for effective CD. Three of them state that in some countries the political situation often changes rapidly and radically, which can undo efforts to build trust and long-term partnerships. Even when changes are not radical, three informants state that they could affect the staffing of governmental agencies they worked with in a way that made commitment and ownership harder, since jobs are never secure. Other dynamics such as corruption and nepotism are also mentioned by four informants as affecting CD efforts and being difficult to manage.

*“Institutional cooperation needs to be long-term and of course when we enter into these long-term agreements and relationships what happens is that very often there will be a change of personnel, there will be a change of governments, politicians, so we need to start over again”.*

Three informants also mention the trend of closing civic space which constrains the CD of CSOs. This informant mentions that, in such contexts, strategies sometimes have to be modified so as to help CSOs “keep the lights on” by maintaining or developing their networks, skill sets, and ensuring their basic operational costs are covered. All of this with the hopes that when civic space opens again, these CSOs will have the necessary capacity to engage more broadly within their sector.

In the case of Sida, four informants mention that the Agency’s strategies are moving towards work in fragile and conflict-affected states, which increases risks. One informant mentions these strategies require a greater “risk appetite” from the Swedish government. Another informant says the reason for this shift was trying to reach the poorest people in the world, yet it meant they had to deal with the Aid-paradox: “that the countries that are in the most

need of development and maybe development cooperation are those countries that are least likely that the aid will have an effective result in the long-term”.

One of the biggest difficulties of working in fragile and conflict-affected states, according to two informants, is the lack of critical mass from where to start developing capacities. Two informants mention that this means that it might be necessary to work less through public actors and more through multilateral organizations, the UN system, and local partners. However, these two informants and another one think that ignoring the state could risk further weakening the capacities of the governmental institutions:

*“The problem now with many conflict or post-conflict countries is that there is nearly nothing that is institutions or public institutions. We want to build the state. So, that is also the dilemma, then building parallel systems and institutions run by international partners, organizations, NGOs, and that can actually backfire, you make the government weaker or it doesn’t really strengthen the capabilities of the government or the state. And yet it is so difficult to reach the state and to build a kind of fruitful cooperation.”*

Nevertheless, another informant is positive on the progress that current CD efforts on fragile contexts can have in the future. This informant expresses a hope that they will be able to achieve a critical mass of knowledgeable individuals in partner countries that will enable self-driven development. According to this informant, the development of ideas and the knowledge-sharing in these scenarios would happen on more equal terms between countries. Finally, three informants bring up the context of middle-income countries whose internal state budget has increased and who have acquired certain power at the international level. Two informants mention how, in these countries, Overseas Development Assistance represents a very small percentage of the state income, which creates different dynamics. One informant mentions that these countries have a very clear idea of what it is they need from donors and they have the power to make specific requests and place conditions on donors. Two informants say this situation forces donors to be more catalytic in the way they provide aid and focus on the soft things they can contribute, such as convening power. Finally, two of the informants also mention that this situation creates a shift in the power dynamics and allows these countries to refuse the support if they do not feel like it contributes to what they need:

*“Because they have a clear understanding that there is one specific part of a specific sector that has an experience that might be interesting for them, and then they have a very clear preference and they are in a position to very clearly specify this and point down and say: ‘either this or we are not interested’.”*

#### **4.2.3. Ownership and alignment**

Ownership and alignment are brought up by twenty-one and ten informants respectively. This section is divided into seven themes depending on the aspect of ownership and alignment that informants speak about.

##### **Essential conditions for effective capacity development**

Twenty-one informants mention ownership as either an essential part of effective CD or as a way to overcome challenges embedded in CD. Ten informants elaborate that it is important that donors support local partners’ own demands and that work should be locally led. According to one informant, actors should define their problems themselves, another informant mentions that they should have the freedom to find their own solutions.

Ten informants also bring up the need for alignment with partner countries’ systems. To ensure CD is effective “the change that is being initiated must be in the country’s own system in terms of planning, budgeting [and] financial management”. Five informants also mention that CD projects should be part of the countries’ and organizations’ development priorities and there should be political will and management “buy-in” for change to be implemented and not remain in a drawer.

##### **Ownership vs. donor’s priorities**

Twelve informants acknowledge that one of the greatest challenges has to do with the conflict between ownership and donors’ political priorities. Seven of them mention that demand-driven approaches are not yet a reality. They acknowledge that the notion and importance of ownership has been central to development cooperation and CD for decades, yet it often clashes with what donors perceive as important. Four informants mention that oftentimes what local partners demand does not correspond to what donors and implementing organizations are willing to provide: “So, what we do then is that we kind of discard the demands of the poor people because we think that we know better how to provide this in the long run”. These informants say that sometimes prioritizing donor strategies works against CD effectiveness because there is no commitment and engagement in the partner countries.

On the other hand, four informants mention that it is necessary to find a balance between ownership and donor priorities. Two of them state that sometimes local partners can have a hard time determining what they need, because, as one informant puts it: “you don’t know what you don’t know”. Furthermore, they state that external actors, like donors and their implementing organizations, can provide a nuanced point of view to avoid jumping into quick-fixes. One informant mentions that although they are cognizant of designing CD projects that are locally owned and led, because they are political actors, they must always perform “a balancing act” between these principles and their country’s foreign policy priorities.

### **Missing incentives**

According to eight informants, despite global commitments to increase the effectiveness of development cooperation, a lack of incentives for donors to implement the principles of the Aid Effectiveness Forums remains at different levels of the system.

*“You could tell that the incentives on our sides [the donors’] was not there to do that, and the incentives on their side [the partner countries’]—I mean, even if in principle they would agree: ‘okay, yeah this is very good for us’—in practice it wasn’t very good.”*

One of the main disincentives, according to three informants, is linked to the high salaries and abundant benefits granted to the employees of multilateral organizations and international CSOs. In this context, greater ownership and control granted to countries in the Global South would mean lost privileges for many people.

*“This is a lifestyle, I think we shouldn’t be naive about, you know, people love to be able to (...) work and live in different countries around the world, you know? It’s a privilege, this business.”*

At the same time, two informants mention how some CD approaches have created dependencies within partner countries that are difficult to modify. A mentioned example is the *per diems*<sup>4</sup> that some donors provide to the personnel that attends their workshops and trainings.

### **Promising collaborative approaches**

At the international level, approaches such as Triangular and South-South Cooperation are mentioned by four informants as conducive to ownership. One of these informants states that

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<sup>4</sup> Daily subsistence allowances provided to participants of projects (Tostensen, 2018).

“in certain settings, countries might feel more ownership than what they feel in terms of traditional cooperation”. Two of the four underline that this sort of cooperation will increase the understanding of the local context, benefitting projects.

Two informants also suggest pushing ownership and power towards local partners. An idea put forward by one informant is to let Global South countries bring donors together. For example, through a database catalog administered by DAC where local partners can state what they need funding for and where donors can pick projects according to their strategies and policies.

According to ten informants, local partner involvement and leadership will increase in the future. They state that development cooperation will be increasingly demand-driven, with the Global South acquiring a stronger voice in deciding what kind of funding is needed and how it should be spent. However, one of these ten informants also mentions that local ownership is not necessarily the panacea for all CD and development challenges, since power dynamics and conflicts of interest also exist at the local level which can mean some actors still get excluded from the CD processes.

### **Ownership in Sida funded projects**

Regarding the Swedish context, five informants question the degree to which Sida’s CD projects are demand-driven. Four of them doubt that the capacity gaps identified by implementing organizations, both SPAs and Swedish CSOs, are always representative of the needs on the ground. One informant mentions that needs-analyses are often done through the Swedish embassies rather than directly through the partner country organizations:

*“Our definition of working demand-driven is to ask the desk officer at the Swedish embassy, in the specific country, what are the demands. Not to ask the government, it’s too complicated. Not to ask the government, really to understand what are the real demands. And then that is of course a dilemma, because we have our... priorities.”*

Another informant considers that the decentralized Swedish model, where embassies decide how to distribute the country budget is conducive to ownership. This informant says that embassies are the Swedish actor that is closest to the local context and therefore possess the knowledge to decide which actors to provide resources to. However, this informant also mentions that the degree to which embassies involve local partners in decision-making varies:



while some embassies hold a lot of stakeholder workshops, others have less time and resources to do so.

### **Rethinking ownership**

When addressing ownership, four informants elaborate upon how the understanding of ownership has evolved from how it was formulated in the Paris Declaration. Two informants highlight the need to rethink the traditional understanding of ownership when financing actors such as international CSOs and multilateral organizations like the UN. These two and an additional informant back up this statement by saying that ownership has been traditionally understood as relating to a state's developmental priorities, yet it is broader than that. These informants also mention civil society movements as an example of another stakeholder that is part of the demand. Two of the informants also express the need to advocate for this new and broader understanding of ownership at DAC level. Both informants mention that this is something that is currently being discussed and that Sida is pushing for.

According to one of the informants, unpacking this new understanding of ownership is especially challenging. This is because, in order to be able to receive funding, local partners organize and operate around donors' perspectives regardless of whether they correspond to the needs of the society where they work. Another informant mentions that they have been trying to promote greater ownership by funding partner country CSO's directly, instead of depending on layers of implementing organizations to get the funds to the local level.

### **Ownership beyond capacity development**

Six informants argue that sometimes the greatest need of local partners is not for CD but for other types of support. In the cases where there has been an effective CD effort over the years, three informants question the relevance of donors continuously wanting to develop local partners' capacities:

*"We talk about it in a kind of colonial way sometimes: that we are capacity building (...) like assuming that there is nothing, you know? But people on the ground really know their own needs and we are not there yet to let them formulate that and fund that, but instead, together with international civil society organizations, the UN, everybody, like to decide. It's a power relationship. It's still difficult to really live local ownership, because they might decide on [something] completely different."*

These three informants mention core support<sup>5</sup> as an alternative support modality that helps ensure local partners have resources for long-term operations as well as the possibility to decide on their own development priorities. One informant also says that core support is a way to respect the capacity that exists locally and an important tool “to push out power and money to the local organizations”. Nevertheless, these six informants also speak about the difficulties in finding broad acceptance for approaches such as core support, since donors and implementing organizations lose some control over the resources.

Another option, according to one of these six informants, is to help local partners find other local funding sources in order for them to “diversify their funding base” and increase the sustainability of their operations. Additionally, this informant believes finding local funding sources can increase the ownership and community support for the local partners.

#### **4.2.4. Adaptability, flexibility, and donors’ approaches**

Eleven informants consider CD as a long-term process that requires adaptability and flexibility in order to be effective. Five informants mention the need for projects to constantly adapt to the conditions and development on the ground. These conditions also require patience from all those involved to change according to the evolving situations: “Because it never goes the way that you envisaged from the start, it always goes back and forth and up and down and so forth”.

However, nine informants also mention that this is not a common practice in the international system. According to them, one of the reasons for these challenges is the need for control. According to five informants, both donors and implementing organizations have accountabilities they need to fulfil. In this sense, one informant says, having short-term projects (below three years) and strict project frameworks with defined inputs and outputs, gives an impression of control.

*“All these systems and rules and regulations and the rigidities, it’s a way to try and manage this shifting world, and at the same time since those plans don’t match what is actually going on in the world, we don’t achieve the results we want.”*

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<sup>5</sup> Core support or core funding is defined as “a flexible and substantial funding over several years for: 1) results focused programme implementation as defined by the CSO; 2) institutional support (general costs of running the organization); 3) continuous institutional development/capacity building” (Karlstedt, Bick, & Stolyarenko, 2015, p. 12). The idea of core support, as expressed by Sida’s informants, is to provide funding directly to local CSOs to support the achievement of their strategic plan (Karlstedt et al., 2015).

Eleven informants elaborate on actions taken to increase space for adaptability and flexibility both internally, within donor agencies, and externally, towards partners. One informant mentions that “it has to start somewhere, with the invitation and the encouragement to get flexible”. Another informant mentions that a way of doing this is to provide longer funding timeframes for partners.

Problem Driven Iterative Adaptation (PDIA)<sup>6</sup> is brought up by five informants as an example of how Sida and its partners try to shift to adaptable and flexible approaches. Two informants also mention Co-creation and Co-design as valuable tools. Four informants say that these approaches can assist actors to define the problem and design a process of addressing it themselves. One of the informants elaborates that one could add a capacity analysis when identifying the problem and the process, to figure out what capacities, and in which form, could assist in achieving change.

Four informants also consider that some implementing organizations, especially multilaterals, are resistant to change towards more flexible and adaptable approaches. One informant refers specifically to the results framework that is asked of implementing organizations when they propose a project. Despite Sida’s flexibility for the partner to present their Theory of Change<sup>7</sup> (ToC) in whichever format they prefer, they still use strict result frameworks:

*“They default back to log frames or to results frameworks, perhaps because they have other five donors that do require this, so for them... at the production level, it’s just easier to do exactly as the majority is asking for, instead of saying: ‘No, but there is no requirement here, so we are really going to experiment and try’.”*

Furthermore, the four informants say that Sida provides long-term agreements and low reporting requirements to its implementing organizations, however these conditions do not translate from implementing organizations and into local partners:

*“They [Sida’s implementing organizations] have 12-month agreements with the local organization, which means that that local organization is all the time, all the*

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<sup>6</sup> PDIA is an approach where a broad array of stakeholders identify and address the root causes of locally defined problems. It is an iterative approach that promotes experimentation through short feedback-loops, enabling adaptation of solutions (Andrews, Pritchett, & Woolcock, 2012; Samji, Andrews, Pritchett, & Woolcock, 2018).

<sup>7</sup>Theory of change is an organization’s or stakeholder’s beliefs, assumptions and hypotheses about how change happens and the way that humans, organizations, or political systems work (van Es, Guijt, & Vogel, 2015).

*year, losing staff because they don't have any financial security, they can't do long-term planning."*

Three informants agree that this challenge might be a result of insufficient incentives for implementing organizations to change their ways. Mentioned disincentives include the risk that implementing organizations take when transferring funds to local partners, strict organizational structures (as in the case of multilateral or international organizations), and multiple donor requirements.

*"When we give our money to the UN or to an international NGO they would be very worried on us coming back to them in the end and saying: 'No, but why did you do this and we didn't approve that and look now what happened'. So, they might put much harsher conditions on their (...) partners"*

One informant mentions that donors could be tougher in requiring implementing organizations to make longer-term agreements with their local partners and elaborates that they are currently discussing whether it should be a legally binding requirement. This informant also mentions that Sida should have greater clarity with implementing organizations regarding risk-sharing of the resources they transfer to local partners, so that there are less disincentives to have short-term agreements.

Two informants mention that there is also resistance to shift towards more flexible and adaptable approaches on the part of some Sida personnel:

*"However, I will not sit here and say this is how you can expect every single person in Sida to act. Tomorrow you might come in and say: 'Hey, I just had this discussion with one of the program officers or one of the program managers and I can't see this'. And we are aware that that's still like that and we are working on that, we are working with management as much as we are working with the program manager base to really try to change the working culture to adopt a more flexible and adaptive way of working and way of driving our partnerships and our work.... It's going to take time."*

This challenge is not particular of Sida. One informant also mentions how it is difficult to get people in their agency to think outside the box, especially when they are dealing with innovative approaches.

To open space for adaptability and flexibility within Sida, three informants mention the importance of having the support from the management and a safe to fail environment. This encourages learning from projects and promotes Sida as a learning organization that is continuously adapting and adopting flexible approaches in its work. Of these three informants one states that “(...) I also believe that Sida generally is a healthy organization in the sense that we are not afraid of doing something wrong”. This informant also says that to move forward faster, donors need to be self-critical and never be satisfied with what has been accomplished in development work. Instead, they should use this as inspiration to speed up change within their agencies. However, another of the three mentions that “failing isn’t really all that safe” and argues that people with short contracts may not dare to fail because they need a renewal. This informant also mentions failing and learning is about the individual and the ability to “forgive ourselves for not having the foresight to know what is so self-evident in hindsight”.

#### **4.2.5. Managing for results**

An excessive focus on results at the international level is also mentioned as a challenge for effective CD by nine informants. One of them mentions that the results agenda placed emphasis on having “clear, deliverable results” which can be demonstrated to tax-payers and which help politicians obtain “quick results”.

An informant argues how this focus on clear and measurable results has led to a misperception of the end goals of CD. When the focus is on supporting local partners to have the appropriate rules, regulations, and plans, all of them quantitatively measured, the capacity to implement these can be overlooked. This can lead to the misconception that capacity has been developed when, in reality, the organization’s capacity to carry out what is written in the plans and regulations has not changed. According to another informant, this focus on results takes attention away from the processes that are necessary for CD to happen. Furthermore, a third informant mentions that focusing on having clear-cut results strengthens the perception that time and projects have to be controlled.

Ten informants describe ongoing attempts to shift from a focus on results to a focus on the process of CD. For example, one informant mentions that as part of this work, Sida is open to project proposals which describe a narrative of the organization’s ToC instead of a strict results framework. Another example that five informants mention is to change the focus of the monitoring and reporting done during projects. One of them mentions a wish to see more

project adjustments reported and says it is an opportunity for learning. A different idea from another informant is to design a draft of the CD process and then measure if you are following this process throughout the project.

However, an informant says that, although shifting the focus towards qualitative measurements is desirable, there is also a need to defend the outcomes of CD projects through quantitative measurements. According to this informant, CD projects must compete for funding against other types of programming that have clearer outcomes, such as short-term health services. In these instances, says this informant, having concrete, quantifiable outcomes, such as number of laws approved or number of trainings provided, can be useful to ensure continued funding.

#### **4.2.6. Donor harmonization**

Four informants also mention how donor priorities clash with another aid effectiveness principle: donor harmonization. According to them, the political and organizational priorities of several donors have come in the way of effective donor cooperation that could help simplify procedures for local partners and implementing organizations. According to one informant, power imbalances among donors increase difficulties, since those with more resources tend to overtake smaller organizations during coordination initiatives, leading to conflict.

*“Every donor has their own strategies and their own perspectives that they want to push for and it’s very difficult then to coordinate with other donors that have different sets of priorities, perspectives and ideas.”*

Despite the challenges to achieve harmonization, seven informants still underline the importance of attempting to strive for it. One informant mentions that in partner countries it can be useful for building a trustful cooperation in projects if donors have the same approaches and ask for the same things. Another informant builds on this, stating that the amount of resources implementing organizations use to report back to donors could be decreased if agreement conditions and reporting formats were harmonized, stating that “it’s really ineffective the way it is now”.

Regarding Sida’s coordination with other donors, one informant mentions the difficulties in finding like-minded partners. According to this informant, the global political landscape has led to a shift in governmental donor agency configurations, moving most of them under

Foreign Ministries. Furthermore, the informant also mentions that this means projects and interests are politicized and short-term, which makes it hard for Sida to maintain long-term cooperation with them.

On the other hand, this informant also speaks about the opportunities regarding new types of donors, such as philanthropist organizations, that have proven to be interesting partners for Sida. According to the informant, the challenge with these non-governmental actors is to find the complementarities between what they can do and what Sida can bring to the table. For example, philanthropist organizations might have access to countries or contexts that Sida cannot easily go into for political reasons, while Sida can support these non-political organizations with direct dialogues with governments in partner countries.

#### **4.2.7. Holistic approach**

Twelve informants also note that CD is multidimensional and that in order to be effective and sustainable it must have a holistic approach: focusing on the system and organizational levels as well as the individual. They also mention that it must consider several aspects such as resources, skills and knowledge, management, politics and power, and incentive structures:

*“It is always an organization. It must be an organization. It can never be individuals. Because our theory of change is that if people mobilize and organize together they then, together, can change their lives and impact on their own living situations”.*

Four themes came up concerning the need for a holistic approach to CD: stepping away from a unilateral approach of knowledge transfer, switching from a technocratic approach to an organizational and systemic focus, involving different actors in projects, and the challenges with SPAs' approach to CD.

#### **Unilateral transfer of knowledge**

Three informants highlight the importance of not falling into the illusion that knowledge can be transferred. They stress that not one single actor sits on the knowledge and that it is not possible to simply teach people what to do.

*“Is capacity development about providing technical solutions or technical knowledge or is it about being able to, from your experience, facilitate a process of change? Be that as a coach, as a support, sometimes as the person or the*

*organization that puts forward questions that the organization that wants to deepen its capacities is not placing itself.”*

Furthermore, two informants also mention that there remains an idea that capacities are “transferred” from one place to the other and that there is greater knowledge in countries from the Global North than in countries from the Global South. According to one informant mutual learning “happens much too little”.

*“I think in a way we are still, in certain aspects, a bit anchored in this modernization theories that there is more knowledge in one place than in the other, there is more technical advancement in one place than in the other and that is what we can offer. But that is not necessarily the solution.”*

Two other informants hope that these ideas will have changed in the future, transforming into more equal relations and less colonial conceptions of one place or organization lacking capacity versus another one having them. In this regard, one informant says: “I think [that in ten to fifteen years] the world has become more of a *we* and much less [of] a *we and them*”.

#### **Operationalization of capacity development: a technical and individual focus**

Eighteen informants bring up challenges that relate to the way CD is operationalized through donors’ projects. Sixteen of these informants agree that there is a prevailing focus on the transfer of technical capacities, with individuals as the main target of the projects. Additionally, ten of the informants highlight that organizational change could not happen while only focusing on individuals’ CD, especially without the support of high-level management. The methods most used during CD projects are described as trainings, workshops, and seminars even though they are not considered the most suitable, as expressed by one informant:

*“Capacity development is not about workshops or not even a series of workshops. But, some sort of training, workshops, seminars, seems to be at the heart of capacity development in most projects.”*

On the topic of how CD is carried out, two informants believe the methods through which CD is carried out in the future will be affected by technological developments. Three of the four highlight the role of technology in facilitating meetings of stakeholders without the need to travel. They also speak about the expanding possibilities of e-learning through online webinars.



Thirteen informants speak about the relevance of CD having a holistic perspective that goes beyond the transfer of technical skills to individuals. Furthermore, thirteen informants mention the importance of all stakeholders having knowledge of CD and how to implement it. Three of the informants mention the need to include general areas of organizations such as administration, communication, leadership and collaboration instead of just the technical functions (e.g. tax collection or land use planning). A fourth informant highlights the need to focus on the relational and adaptive capacities of local partners.

Finally, one informant mentions the need for people who can become “brokers” or “translators” between the different technical disciplines and the evidence-base of CD. These people, the informant says, could help translate the successes of one field to the other while also bringing in CD-specific knowledge. In this informant’s opinion, opening space for these kinds of professional profiles in CD practice would help increase the effectiveness of CD efforts.

### **Bringing actors together**

Six informants perceive a need to include actors other than the traditional partners, i.e. public agencies and CSOs, in CD projects. One informant mentions that including non-traditional actors like faith-based organizations, municipalities and local community organizations can help “ground the willingness in the field”. While another informant says that “given the shrinking space of civil society all over the world, we also see the need to be able to fund networks, youth networks, social movements, [and] activists.”

Eight informants mention broad partnerships as an opportunity to bring more actors together and increase CD effectiveness. Five informants expand on this by outlining the need to promote synergies between actors through collaboration. One informant argues that more needs to be done to ensure implementing organizations collaborate during project implementation. Two informants underline the importance of finding synergies between different projects as key to effective CD. One informant highlights how, in the case of multi-stakeholder partnerships (MSPs), donors must become involved as relationship brokers and help manage the different organizational cultures and dynamics.

On this topic, eleven informants mention the potential role of donors as facilitators that can bring different actors together. Seven of the eleven elaborate on how donors can have the convening power to bring actors in partner countries together. They say that this push can help increase communication and coordination among local actors and serve as a catalyst for

sustainable change. Two informants also mention the role donors play in bringing implementing organizations together. They exemplify with one project in which a SPA is collaborating with an organization in the Global South in implementing a project. They underline that this partnership would not have happened if Sida had not brought the actors together. Two informants also mention how traditional donors can be facilitators in engaging other potential funding sources, such as the private sector or philanthropist organizations.

### **Swedish Public Agencies' approach**

With regards to the CD work that Swedish implementing organizations perform; five informants mention that they oftentimes lack sufficient knowledge regarding what CD is and how to implement it. This is especially relevant in the case of the SPAs, because their main expertise lies in their subject-matter (e.g. statistics, environmental management, land administration, etc.). For this reason, they tend to focus their projects on teaching the technical capacities that they possess as subject-experts without necessarily considering factors such as organizational development and the appropriateness of pedagogical methods.

*“You can’t do it without the specialty, but it needs to be standing at least on three legs [subject matter expertise, sound pedagogy and organizational development] and when you put 95% of your focus on your subject matter expertise, well, you are doing something different than capacity development.”*

Five of the informants elaborate on the need for implementing organizations to understand what CD is about. One informant thinks that it is important that subject-experts from SPAs have knowledge about adult learning and pedagogical methods. Five informants mention that donor agencies should provide better support to implementing organizations on this matter. One informant mentions the existing opportunity for SPA personnel to learn about CD at Sida’s Partnership Forum (SPF). SPF provides trainings and facilitates networking between SPAs. A similar opportunity is being provided by another donor agency, offering guidance in project management and in the fulfillment of financial obligations. However, another informant says that it is a lot to ask subject-experts to also be knowledgeable on the soft skills that are needed to facilitate change. According to a third informant, a solution could be that the subject-experts team up with someone who has the knowledge and skills necessary to facilitate learning and change, for example a local or regional organization.

Finally, four informants explicitly mention Sida's International Training Programmes<sup>8</sup> (ITPs) as being problematic in the sense that they have short timeframes (per programme round) and they focus on individuals while expecting to achieve organizational change. These informants believe that this setup is ineffective for sustainable CD. They also agree that there is a need for greater connection between the different programme rounds and participants involved so that change processes can translate into organizations and systems.

#### **4.2.8. Sida's setup**

Within the Swedish system and Sida's setup as a State Agency there are some factors that, according to the informants, inhibit the effectiveness of their CD projects. These are: budget allocations, administrative systems, and government mandated strategies, all of which are explained below.

##### **Budget allocations**

One of the challenges brought forward by five informants was the discrepancy between Sida's administrative budget and the development cooperation budget. These five informants mention that these budgets have not increased in the same way. As a result, Sida has the same resources in terms of staff to deal with a growing budget for projects: "We have this huge budget to manage with not a lot of people to get it to move."

Furthermore, the 1% goal brings about a pressure to spend the money at the end of each financial year, which in the opinion of one informant, results in reduced consideration of a projects' effectiveness:

*"But for us it becomes detrimental, it can become dangerous to push money out the door in December and, you know that there are extreme corruption risks, and so it can have very severe consequences [in the partner countries]."*

According to one informant, Sida and the Swedish government should have a greater risk awareness regarding the disbursement of the aid budget, especially now that Sida's strategies are moving towards more fragile contexts. This informant also says that the 1% goal should be changed in a way that greater attention is paid to the quality of the aid provided rather

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<sup>8</sup> ITPs are one of Sida's CD approaches. They target middle-level management from different sectors such as public institutions, government agencies, civil society and private companies. The current approach aims at developing institutions through training, knowledge development, and mentoring of participants' change projects. ITPs generally last 5 years and consist of 1-4 "programme rounds"; in each round 25-30 participants are trained (Ternström et al., 2017).

than the amount of resources disbursed: “If we want to do quality aid, then we need to have a lower budget (...) so that it is proportional to the number of staff we have”.

### **Administrative systems**

Five informants also report that Sida’s contribution management system<sup>9</sup> (CMS) adds to the personnel’s already busy agenda, especially that of program managers and embassy desk officers. Despite recognizing the need for documentation and transparency in project management, these informants believe the systems’ requirements are oftentimes burdensome to fulfill, especially during the project assessment phase:

*“We need to change our systems... because the system is pushing you to... or... I should say, strong expression, forcing you really to appraise certain things, and (...) if you ignore that, you are cheating, you are not doing your job as a civil servant.”*

According to three informants, there have been recent efforts to simplify Sida’s CMS, changing the requirements to allow for program managers to have more autonomy to decide what they need to analyze in a specific project or phase. One informant mentions that this is part of a broader agenda to place more trust on the staff’s capabilities as well as an effort to place more emphasis on working adaptively and flexibly. Another of the three informants also mentions the need to keep in mind that technical solutions should not slow down the work of program managers.

*“What we need to see is, sort of, making it much clearer to everybody working at Sida, that there is no requirement to spend all this time [on assessment], it has to be made very concrete, and I think that is what is lacking right now: a lot of colleagues still believe they have to follow all these rules exactly and if they don’t they will be a failed public servant.”*

Furthermore, one informant describes that the way the system is currently structured can sometimes get in the way of innovative approaches to CD. According to this informant, some project initiatives have tried to carry out inception phases prior to implementation that are used to build trust and identify problems. However, each of these initial phases must be assessed as an individual project which becomes administratively heavy for Sida personnel.

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<sup>9</sup> Contribution Management refers to the processes of appraising and monitoring Sida’s financial contributions with the purpose of ensuring they are “relevant, effective, feasible, possible to monitor and evaluate, and sustainable” (Riksrevisionen, 2009, p. 42). It includes four different phases: initial preparation, in-depth preparation, agreement, and retrospective follow-up (Riksrevisionen, 2009).

Regarding this challenge, two informants suggest building together the different phases to avoid the administrative burden that comes with the assessment of each one. However, one of these informants is doubtful on whether this building-together could come in the way of the flexibility of the contribution:

*“If we could build this together somehow, but at the same time the whole idea is for this to be flexible and could also be that maybe one of these inception projects at some point comes to the conclusion that no (...) we can’t work here.”*

One informant from another donor agency also reports struggling with overburdensome administrative systems. This informant suggests that the level of creativity of some staff members allows them to avoid getting caught up in complicated systems and to prioritize aspects such as building strong partnerships. This informant and another one agree that there should be constant efforts to simplify administrative systems. Finally, two informants say the focus of the system is on the implementing organizations’ ability to handle and account for the funds given to them and less emphasis is placed on the implementing organizations’ capacity to work with CD.

### **Government mandated strategies**

A third challenge mentioned in the context of Sida’s setup was one of the government strategies under which Sida’s projects must be operated: the *Strategy for support via Swedish Civil Society Organizations for the period 2016–2022* (Government Offices of Sweden, 2016). Four informants question the relevance of always performing CD through Swedish CSOs since oftentimes local partners have needs that are different than what Swedish civil society can provide. In this context, these informants believe the ownership and power remained mostly with Swedish CSOs which undermines effective CD for local partners.

*“How could we ever shift power to local civil society organizations as long as we have this setup with this strategy saying... where the name of the strategy even is civil society support through Swedish organizations?”*

One of the informants mentions that this setup is a result of the Swedish government’s acknowledgment of the important role that Swedish civil society plays in the country and abroad. However, this informant also mentions that this has given great power to Swedish CSO’s and that questioning the setup for not being development effective is “dynamite”.

An informant from another agency also reports struggling with political strategies that are not always in line with the needs in partner countries. On the other hand, one informant from another donor agency mentions that working with actors from the donor country (such as SPAs or CSOs) could be beneficial in terms of having long-term strategic partnerships.

#### **4.2.9. Sida's change initiatives and knowledge management**

Four informants mention there are ongoing efforts within Sida to connect change initiatives and manage knowledge. First, one informant says that since the administrative budget was reduced in 2010-2011 Sida has been mostly focused on identifying internal challenges but worked less on finding solutions to them. Two informants mention that even when Sida's personnel has ideas on how to overcome challenges, they do not have enough time to see them through, since they are already overburdened. Another informant also mentions that, although there are opportunities to discuss change initiatives within their own unit there is less chance to have this discussion with more people in the agency.

*"You know, there are people with ideas and so forth but you don't simply have the time to look into new methods or ways of working, simply because your plate is full and you don't want to work 100 hours per week."*

In this regard, one informant mentions the possibility of booking a meeting with the Director General as a way for any staff member to discuss and drive forward important initiatives for change. Two informants also mention that the administrative budget for Sida was increased the past year, which has provided the opportunity to hire more personnel. Amongst the new profiles hired, are the "innovation leaders" who, according to one informant, will be tasked with connecting different change initiatives within the organization and help develop ideas on new ways of working:

*"They are supposed to be viewed as internal consultants and their specific knowledge is not on a specific development challenge or issue, it's rather to support various units or groups of people around the house (...) in pushing forward inner processes."*

Nevertheless, another informant is unsure on what the function of these new roles is, describes it as "fluid" and believes it is the wrong priority.

Four informants also reflect upon Sida's internal knowledge and perception of CD. One of the four mentions existing opportunities for Sida's staff to increase their knowledge and skills of CD through on-the-job training and voluntary learning weeks that are held twice a year. This informant argues that it would not make sense to hold a mandatory CD course for all staff because the knowledge, expertise and tasks vary within the organization.

Nevertheless, a second informant argues that the training provided to program managers and desk officers should be more in line with the training that implementing organizations receive at SPF. According to this informant, this is not currently possible because the budget used to provide implementing organizations with CD training cannot be used to train Sida personnel. Given that Sida personnel and implementing organizations receive different courses, one informant says that some implementing organizations have expressed being doubtful on whether what they are taught at SPF will be approved by their program managers at headquarters.

#### **4.2.10. Communication with implementing organizations and local partners**

Three informants express a need for greater communication between Sida and its implementing organizations and local partners. These informants say that there is a need for greater communication between Sida and its implementing organizations in terms of what is required from them during project appraisal, implementation, and reporting. According to one informant, implementing organizations should be provided with clearer guidance regarding the requirements for the appraisal phase. Another one states that sometimes, implementing organizations do not communicate to their project manager when something is not going according to plan during implementation. This makes it hard to perform timely adaptations even when Sida is flexible to do so.

Two informants put forward specific recommendations to improve the dialogue between Sida and the implementing organizations. One of them says Sida's program managers should be better at positively reinforcing implementing organizations' actions. This informant also mentions that there should be increased communication between embassies and implementing organizations to provide them with the contextual knowledge they require. The other informant adds that Sida should be better at making sure they do not place unrealistic expectations on implementing partners.

Finally, four informants speak about the need to communicate more directly with local partners. One informant specifically proposes developing targeted information for local partners on what they should expect from implementing organizations given Sida's strategies and regulations and paying more attention to their demands. This dialogue can serve to improve trust and ownership of projects:

*“Donors have not paid sufficient attention to third parties (...) the ones on the ground. We only talk to the big recipients of our money, but (...) we hardly ever meet the third parties, we don't have a dialogue with them, they are not responsible for agreement conditions.”*



## **5. Discussion**

This chapter analyzes the results previously presented considering available literature on the research problem. This analysis resulted in seven themes of discussion: (I) Donors conceptual understanding of capacity development; (II) The ownership dilemma; (III) Holistic approaches for complex conditions; (IV) A system of controls; (V) Unequal amongst equals: whose interest dominates; (VI) A donor's role; and (VII) Constrains and enablers within Sida.

### **5.1. Donors' conceptual understanding of capacity development**

The results show that informants find it difficult to conceptualize the term CD, and when they do, answers are non-homogenous. Even though CD is described as a cornerstone in Swedish development cooperation (Government Offices of Sweden, 2019), and for development cooperation in general (DAC, 2006) some informants say it is a complex and broad term and express their discomfort in using it. This is consistent with available literature that shows that CD is sometimes perceived as a buzz word that lacks real meaning within development cooperation and that is often misused (Hagelsteen & Becker, 2014; Ubels et al., 2010). It is possible that this terminological confusion is the cause of the fatigue that some informants relate to the term.

The results also show that the terms CD, capacity building, and institutional development are used interchangeably. The distinction that leading organizations like DAC (DAC, 2006) make regarding the concepts was mentioned by only three informants. This suggests that the efforts to clarify the difference between the more holistic CD and terms such as capacity building have not necessarily led to a change in the terminology used by donor agencies. Despite the terminological dissonance, it seems that the understanding and essence of whichever term is used is more in line with the more holistic approach to CD rather than the narrower conception of capacity building. This suggests that, consistent with literature, even when the wording has not changed, the ideals of donors on how CD should be approached have moved away from an "instrumentalist view of capacity as a means of filling gaps in specialist expertise in the Global South" (McEvoy et al., 2015, p. 530) and into a more holistic understanding.

It is important to note that, despite the heterogenous use of terms, the results show that CD is still considered relevant in the context of development cooperation. In this sense, it is possible that the variations in terminology at the international level mirror the importance and emphasis placed on it by different organizations and actors according to their priorities, as suggested by existing literature (Keijzer, 2013; Ubels et al., 2010). This diversity can be

positive in that it provides room for adaptability and continuous enquiry into the term's significance and applicability in a changing world (Keijzer, 2013; Ubels et al., 2010).

Finally, regarding Sida's view on CD and how it relates to the Agency's development work, it is interesting to note how two informants highlight some unclarity in the way the Agency understands CD. Even though the Agency has a *CD Manual* (Schulz, 2005) and *Guidelines on how to assess, support and monitor CD* (Salomonsson, Reuterswård, Frankenberg, & Nidesjö, 2011) the results indicate that these documents are not broadly known within the organization. This is problematic in the sense that, without a common organizational understanding of CD, it can become harder to operationalize it in a consistent way throughout its various projects. Additionally, it can create confusion amongst staff, especially recently hired ones, on the standards that they are expected to uphold.

## **5.2. The ownership dilemma**

Of all the study's results, nothing was brought up by more informants than ownership. It is called both essential and is seen as a way to overcome some of the current challenges in CD, all of which is supported by literature (Hagelsteen & Becker, 2019; Keijzer, Klingebiel, Örnemark, & Scholtes, 2018; OECD, 2008). As suggested by several informants, a way to ensure ownership is to work demand-driven and locally led, allowing local partners the freedom to define problems and find their own solutions. Despite the recognition of ownership and the willingness to work with it, there are strong indications that systemic constraints inhibit its realization. Donors often face a dilemma because they are bound by their own strategies, constrained by disincentives within the system, and tied by funding modalities that retain current power structures.

Firstly, ownership is constrained by donor's political priorities. The results suggest that, most times, projects' objectives are a balance of what donors can and are willing to provide and the true demands of partner countries and local partners. This is consistent with what other studies have found (Anderson et al., 2012) regarding how donors' political interests shape aid allocations. Although, as political actors, donor agencies have a responsibility toward their governments, the power dynamics of who receives the support and for what purpose remain a daunting dilemma that places doubt on whether ownership is truly achievable within these structures. According to Leutner and Müller (in Keijzer, 2013, p. 53), "[o]wnership is expressed by the ability and possibility of both sides to say 'no' to offers as well as to demands.", if partner countries do not have the possibility to refuse the CD provided, as is suggested by

some of the results, then there is no space for genuine ownership. Secondly, results indicate that there are disincentives for moving towards more demand-driven approaches. Informants brought up the fact that change could mean lost privileges for implementing organizations and their employees. Similar ideas are presented in the literature (Keijzer et al., 2018), and suggest that, throughout the years of development cooperation, implementing organizations have developed their own priorities and have interest in preserving their autonomy and existence (Keijzer, 2013).

Apart from these disincentives for change, a lack of sufficient incentives for donor agencies to fully commit to the Paris Declaration principles was also brought up in the results. One explanation for this is suggested by Keijzer (2013) who mentions that states have other political priorities, e.g. commercial, security and geopolitical interests, that may weigh heavier than that of effective aid and development. Lastly, the results suggested that the incentives and will for change to meet the aid effectiveness principle of ownership (OECD, 2008) could be lacking, since the understanding of ownership has evolved and no longer matches that of the Paris Declaration. This is consistent with literature that suggests that the concept of ownership has recently become “more inclusive, less government-focused and broader in terms of subject-matter, the actors involved and the interests that drive them” (Keijzer et al., 2018, p. 11). However, according to the results, the monitoring rounds for the implementation of the Paris Declaration do not measure the degree to which projects are owned by local partners different than the state (Global Partnership for Effective Development Co-operation, 2018). This could be a disincentive for donors’ seeking to increase locally led projects, since their efforts would not be measured unless they relate to state ownership. From the results, it seems that the wish to adopt and apply a new understanding of ownership exists amongst donors. If adopted, it would allow global indicators to measure the degree to which projects are driven by local actors other than the state and serve as an incentive for donors to increase ownership in their projects. However, even if this broader understanding was adopted at the international level, there is no guarantee this would lead to genuine ownership. The results show that a historical prioritization of donor interests over local needs has created a dynamic where local partners structure their functions around these interests instead of the needs on the ground in order to obtain funding and keep functioning, which is consistent with literature (Banks, Hulme, & Edwards, 2015).

The results also suggest a specific way forward for this challenge: providing core support directly to local partners. It is argued by the informants that this funding method pushes the power and money out to local partners, respecting the capacities already in place and enabling ownership in allowing local partners to determine their own priorities. This is supported by an evaluation of Swedish core support in Ukraine, which finds that the approach supports the existence of local CSO's in their own right through ownership of their own agendas and change processes (Karlstedt et al., 2015). However, there currently seems to be some resistance towards this approach, which could be ascribed to donor agencies' and implementing organizations' fear of losing power (Barbelet, 2019) and control (Hagelsteen & Becker, 2019). Nevertheless, core support is not the only alternative available when trying to increase ownership through funding practices. Other approaches that dig into the local assets (e.g. money, knowledge, and networks) and include local partners as "co-investors" (Hodgson & Pond, 2018, p. 7) in their development process, such as community philanthropy and assisting local partners in finding local funding sources, are suggested both by the results and by literature (Hodgson & Pond, 2018).

### **5.3. Holistic approaches for complex conditions**

The results show that, amongst donors, there is a clear awareness of the importance of the role that long-term commitments, trust building, and a holistic approach play in achieving effective CD. At the same time, there is a worry that the conditions in partner countries, particularly in fragile and conflict-affected states, can undermine efforts to build trust and maintain commitment to CD projects. Nevertheless, evidence on the CD efforts in fragile states shows that their effectiveness is equally impacted by the way projects are structured and operationalized (Baser, 2011). In this sense, the lack of a holistic approach, as suggested in the results, is as strong a determinant of the effectiveness of CD efforts as the contextual conditions in partner countries.

As mentioned in the results, most informants perceive challenges in the way that CD is operationalized in projects. Just as in literature, the informants recognize capacity as being dynamic (Ubels et al., 2010) and existing across multiple dimensions (Fowler & Ubels, 2010) and multiple levels (Visser, 2010). However, it seems that a highly technocratic approach, with a strong focus on developing individuals' or organizations' technical skills remains. The "illusion that knowledge can be transferred", expressed by one informant, and the idea that there is more knowledge in one place (donor countries) than in others (partner countries), are

two other interesting findings that suggest that, in some cases, capacity development remains unilateral. All of this is especially surprising given that, for a long time, evidence has pointed at the importance of incorporating the broader system into CD efforts (DAC, 2006; Pearson, 2011).

The results also indicate a call to move away from technocratic approaches and into a more holistic approach of CD. Paying attention to functional capacities of local partners, promoting synergies between actors, and encouraging MSPs, are seen as some of the methods through which projects could foster more holistic CD practice. If implemented, these suggestions could succeed in bringing into the picture other dimensions of capacity that are as important for local partners to develop as technical skills (Fowler & Ubels, 2010), as well as in involving the multiple actors that influence capacity within a system (Woodhill, 2010).

Furthermore, despite acknowledging that contextual conditions, such as closing civic space, are strong determinants of the effectiveness of CD efforts, not enough attention seems to be given to the way that existing power dynamics and incentive structures enable or constrain them (Boesen, 2010). When engaging in these more complex framings of CD, it is important that donors also see themselves as “thinking and working politically” (Boesen, 2016, p. 7). Surprisingly, very few informants mentioned the need to carefully analyze politics and power dynamics when engaging in CD projects, even though CD and development cooperation are considered highly political, as one informant describes: “Development cooperation is in my opinion very political work. Because we are trying to change societies and social structures, political and economical structures”. Therefore, besides considering different types of capacity and involving a wide array of stakeholders, there is also a need to pay more attention to assessing the incentives for change and the interests that exist within the system (Boesen, 2016). Failure to do so could result in failed attempts at best and damaging dynamics in the worst case scenarios (Baser, 2011; Keijzer, 2013).

Furthermore, the results also suggest that the transition into a more holistic and politically cognizant CD will require new skills for donor agencies and implementing organizations. This is consistent with literature on how CD practitioners require balancing between the multiple dimensions and levels of capacity (Acquaye-Baddoo, 2010; Hagelsteen & Becker, 2013). Examples of the softer skills that practitioners need are relational skills to connect and build trust with relevant stakeholders and translating skills to connect technical and soft knowledge (Acquaye-Baddoo, 2010). Moreover, a holistic approach will require a re-thinking of how

knowledge develops, away from the colonial ideas of North to South transfer (Six, 2009) and into an honest and humble inquiry of the existing local knowledge and the ways it connects with what donor agencies and implementing organizations bring to the table. Finally, a holistic approach to CD projects could provide a way to tackle the Aid-paradox by acknowledging that, despite strong antagonistic forces and worn-down institutional arrangements in fragile and conflict-affected states, there are niches where capacity can develop and thrive. Finding these windows of opportunity may take considerable time and effort but can be ultimately rewarding if done appropriately (Brinkerhoff, 2007).

#### **5.4. A system of controls**

The results suggest that donor agencies perceive adaptability and flexibility as important success factors for CD. There is an outspoken acknowledgement of the changing conditions and continuous development of local contexts. This is followed by an understanding of the need for implementing organizations and project agreements to be flexible enough to allow for adaptation to these changing realities in local contexts, something which is supported by literature (Honig & Gulrajani, 2018). However, the results indicate that having this acknowledgement and understanding is not enough, since flexible and adaptable projects are not yet a common practice in the international system.

The results, supported by literature, suggest two main reasons for the difficulty of translating these understandings into practice. First, there is an inescapable clash between flexibility and adaptability and the quixotic need for control and upward accountability (Boesen, 2016; Hagelsteen & Becker, 2019). This need is reflected on the requirement to have clear and deliverable results to demonstrate to politicians and taxpayers in donor countries how the money is spent (Andrews et al., 2017). For this reason, the monitoring and evaluation of CD projects has focused on quantitative short-term outcomes, such as number of people trained or number of workshops provided. In accordance to literature on the subject (Andrews et al., 2017; Honig, 2018), the results suggest that these targets produce a shift from a focus on the process of CD towards a focus on deliverables. In a field like CD, where outputs (e.g. number of people trained) are not directly correlated with outcomes (e.g. increased organizational capacity) this trend is problematic, since the attention of the CD projects turn to the production of outputs and not the development of capacity (Honig, 2018). Furthermore, this focus on measurable outputs, along with overly technical solutions to CD problems, rewards a continued “isomorphic mimicry” (Andrews et al., 2017, p. 31) which prioritizes the form over

the function. As Andrews et al. (2017, p. 31) write about isomorphic mimicry: “passing a labor law is counted as success even if lack of enforcement means it never changes the everyday experiences of workers (...) Going through the ritualistic motions of trainings counts as success even if no one’s practices actually improve”. In this way, CD projects could be counted as successful when they produce short-term outputs but may, in the long-term, be unable to contribute to sustainable CD.

Secondly, results indicate there are insufficient incentives along the stakeholder chain to shift towards flexible approaches, which is also in line with existing literature (Hagelsteen & Becker, 2019). It was suggested that “it has to start somewhere, with the invitation and the encouragement to get flexible”, indicating that donors could do more to induce change upon the system. Nevertheless, even when donors provide flexible and adaptable conditions (such as longer timeframes and lower reporting requirements) to their implementing organizations, these are not translated into the local partners. Informants suggested that one disincentive for implementing organizations could be the perception that they hold responsibility over the risk of fund-transfer to smaller partners whose financial systems are less established and where funds could be lost. In this sense, if donors want flexible conditions to translate to local partners they need to provide the conditions and enabling environment for implementing organizations to do so, both by risk sharing and by formal requirements when the partnership is formulated.

Despite the challenges, the shift towards greater flexibility and adaptability and the increased awareness of the drawbacks of the focus on results is especially relevant for those donor agencies that are trying to shift their work towards fragile and conflict-affected states. Research shows that it is in these unpredictable contexts where less top-down control and greater adaptability are necessary (Honig, 2018; Honig & Gulrajani, 2018). In these situations, soft information which is “local, contextually bound information that is difficult to put into a formal report or an email back to headquarters” (Honig, 2018, p. 17) is of particular importance to make decisions. Shifting the control of the project towards implementing organizations and local partners then becomes necessary for them to use this soft information to make adaptations so the project is more likely to achieve its outcomes (Honig, 2018). It is also in these situations where qualitative monitoring techniques that report on project adjustments, lessons learnt, and stories of change, as suggested in the results, are particularly valuable. Even in more stable contexts, literature suggests the process of supporting reform

is more likely to be successful when done through adaptive and flexible approaches (Boesen, 2016).

### **5.5. Unequal amongst equals: whose interest dominates**

The harmonization of donors' policies and procedures is considered a critical condition for reaching development cooperation goals (Welle et al., 2008). The importance of striving for harmonization is mirrored by the results of this study. Harmonizing donors' procedures for funds-applications and monitoring, evaluation and learning requirements could help simplify this work for local partners and implementing organizations, resulting in the freeing up of resources that could then be used on CD project implementation (Gaston, 2017). However, results suggest that the harmonization agenda seems to have been briefly attempted in the period that followed the Aid Effectiveness Forums. Yet, in many cases, it was abandoned due to the difficulties in achieving donor coordination. The results point towards power dynamics among donors and differing political priorities being the main deterrents for achieving harmonization, with larger donors' interests predominating over smaller donors' priorities.

Amongst donors, there are remaining power imbalances that constrain harmonization. Larger donor agencies with a stronger international presence and a larger budget, such as the World Bank or UN agencies, seem to seek the lead in donor coordination mechanisms. However, according to the results and consistent with literature, these donors' priorities, in terms of what is more valued (accountability versus flexibility and adaptability, ownership versus donor strategies), seem to clash with smaller governmental donors' ideals (Keijzer et al., 2018). This is consistent with a study that found that large organizations who act as donors, such as the UN, tend to have the heaviest reporting requirements in both terms of details and frequency (Gaston, 2017). In these contexts, the results suggest that the combination of unequal power and different priorities generate dynamics that often result in the breakdown of harmonization efforts.

Furthermore, the results indicate a concern from Sida's staff about the increased politization of donor agencies when more and more countries move them under Foreign Ministries. These configurations can increase the level to which donor agencies' policies and timeframes are controlled by political interests within donor countries (Zwart, 2017) and could reduce commitment to principles and conditions that are conducive to effective CD. Given Sida's self-assigned role as a forwarding agent of the normative dialogue regarding both ownership and flexibility, these political changes represent a barrier to the Agency's objectives.



One of the ways forward suggested by the results and supported by literature was the building of partnerships with non-traditional donors such as philanthropists (Keijzer et al., 2018). This drive is supported by the objectives of Agenda 2030, which acknowledges the need for new actors and partnerships for the achievement of the SDGs (UN, 2015). It was proposed by the results that coordination with these actors could increase harmonization in specific project settings with multiple donors. This idea is supported by research showing that progress towards harmonization can be achieved through modest steps that start from the project level and move up towards sector and country-level (Welle et al., 2008).

Given that philanthropic organizations are not public actors, engaging with them might provide bigger space for ownership within CD projects. In fact, the work of some philanthropist networks already promotes great power shifts towards local partners (Hodgson & Pond, 2018; Keijzer et al., 2018). For this reason, in a narrow context, where Sida and these kinds of organizations fund a project, there is a good possibility that a higher degree of coordination and harmonization may be achieved, resulting in more effective reporting mechanisms and the freeing up of resources for local partners. Nevertheless, other literature suggests that, sometimes, the way some philanthropic donors operate could be inconducive to ownership since they have blurry accountability responsibilities and are often not subject to international or national obligations the way traditional donors are (Keijzer et al., 2018). In the broader context, both implementing organizations and local partners will still have multiple donors, from different countries, who have different normative and political agendas. Therefore, greater efforts at the international level with traditional and non-traditional donors alike are still needed if the harmonization agenda is to move forward.

### **5.6. A donor's role**

The results of the study show two opportunities in terms of how donors communicate and interact with implementing organizations and local partners. Firstly, a wish for more communication and dialogue with both implementing organizations and local partners was echoed by several informants, indicating that donors would like to be more connected to projects and the different project partners. Secondly, donors expressed a desire to acquire a more active role in terms of being facilitators of change processes.

The first opportunity concerns the wish to increase dialogue with partners. In this, there seem to be two layers of intentions. One layer is the potential increased trust and understanding of local demands that might follow increased dialogue (Acquaye-Baddoo, 2010). This may lead

to improved effectiveness for CD, as it could enable timely adaptability to sudden occurring challenges that are communicated between actors. Another layer is the possibility for donors to inform local partners on their rights and opportunities when engaging with implementing organizations. An example of this is informing partner organizations about the donor's openness to flexible reporting and long project timeframes.

As a second opportunity, the results show that in the last years, Sida and other donors are trying to play a more active role during project implementation. Some agencies already consider themselves to be partners in the projects they fund. They consider they have an added value both at international level, with regards to the normative dialogue, and at the national or project level, by using their convening power to bring actors together. Other agencies, including Sida, are starting to explore this facilitator role and digging into the benefits that it might bring in terms of CD effectiveness.

A holistic approach to CD requires a look into the different stakeholders that are involved in building, developing, and maintaining capacity in a system (Woodhill, 2010). In this sense, the convening power of donors can be used to further this type of inclusive approach by supporting implementing organizations and local partners in networking and coordinating amongst each other. Nevertheless, this shift requires more involvement in projects than the traditional approach where donor agencies are solely in charge of distributing and controlling or accounting for funds. Current constraints on donor agencies' resources could make it hard for donors to acquire this more active role, since it would require greater commitment in terms of personnel's time and money.

Additionally, transitioning into facilitation also requires great clarity on the roles and responsibilities of all the actors involved to avoid ambiguity with regards to who is accountable to whom and in what way. Furthermore, the level of institutional complexity when involving different stakeholders in a partnership also increases (Iao-Jørgensen, Morales-Burkle, Anger, & Hamza, 2020). This highlights the importance of incorporating holistic analyses of power structures, relationship dynamics, incentives, tensions, and conflicts within the system when engaging in a facilitator role. These analyses would allow donors to explore existing possibilities for change within the system and prevent risks of exacerbating existing conflicts amongst stakeholders (Boesen, 2010).

## **5.7. Constraints and enablers within Sida**

Within the Swedish system and Sida's organizational setup, the results show certain factors that either constrain or enable effective CD. On the one hand, the Agency's position as a governmental organization implies operating conditionalities that directly or indirectly constrain the practice of CD. These conditionalities are related with the strategies Sida must follow, an administrative system that is sometimes perceived as overburdensome, and a discrepancy between budgets. On the other hand, the Agency's internal culture, in terms of the support from management and the staff's commitment to the CD principles, seems to push towards more effective approaches to CD.

### **5.7.1. Bound by strategies**

Sida's work on development cooperation and, by extension, CD is guided by the strategies decided by the Swedish government (Sida, 2019c). The results indicate that at least one of these strategies may be inconducive to effective capacity development. The Strategy for support via Swedish civil society organisations for the period 2016–2022 (Government Offices of Sweden, 2016) places most of the decision-making power on Swedish CSOs. If these actors are not as committed to conditions and principles such as ownership, long-term partnerships, and flexibility and adaptability, then there might be a risk that these are not implemented. The results show that this is currently a problem and that flexible and adaptable conditions provided by Sida are not translated on to local partners. Despite the fact that the results show donor awareness on this matter, there appears to be difficulty in overcoming the challenge, since the ability to change the situation does not rest on Sida but on the Swedish government. Furthermore, there are strong power dynamics within the system that prevent the informants from having a significant say in the configuration of the strategy: "It would be huge. It would be dynamite to question that setup".

In the context of SPAs' CD work, there was also an indication that the way the bilateral cooperation is structured could negatively condition the operationalization of ownership, since Swedish embassies are reportedly the ones tasked with operationalizing bilateral strategies and with reporting on the capacity needs of the partner country. This setup could be problematic in the sense that embassy staff could be affected by the "expert's blind spot" (Hagelsteen & Becker, 2019, p. 4) and only identify the needs that match Swedish strategies.

However, there is insufficient evidence regarding this point, given that Sida embassy personnel could not participate due to informants' time constraints.

### **5.7.2. Burdened by the past**

Furthermore, the results show diverging opinions amongst Sida staff on how meticulously the steps of the CMS should be followed. Historically, the process of appraising projects has been too cumbersome and has inhibited the possibility to truly integrate CD in projects by placing a lot of administrative burden on staff (Danielsson, Dahlgren, & Lindström, 2016). This has impeded them from focusing their attention on ensuring the principles and conditions of effective CD. However, steps have been taken to simplify the system as one of the ways to fulfill Sida's goal of working more adaptively and flexibly. This allows for more autonomy for staff during the process and is, according to informants, a step in the right direction. Nevertheless, results show that some staff still feel there is a pressure to follow the CMS steps meticulously. They feel that if they do not follow the system's steps to the dot, they are not fulfilling their duties as civil servants. Internal communication that reinforces the system's flexible design would be helpful in releasing some of the pressure that program managers feel regarding the system's requirements.

### **5.7.3. Working in silos**

Budget allocations are a structural constraint that seem to affect the effectiveness of Sida's CD activities in three different ways. The development cooperation budget is allocated according to the country's Gross National Income (GNI) and corresponds to 1% of it. This means that Sida's budget for development cooperation has continuously increased over the past years, together with the GNI. The siloed allocation of administrative budget versus development cooperation budget creates a discrepancy between the amount of human resources Sida has and the amount of aid it must manage. There are strong indications that a development budget that grows at a faster rate than the administrative one results in the overburdening of the personnel both at Sida and in the embassies. It is possible that, in combination with the work required to handle the CMS, program managers and desk officers have less time to ensure CD effectiveness since they must focus on fulfilling their administrative responsibilities.

Secondly, the results indicate that the 1% goal of the Swedish Government regarding the development cooperation budget may translate into ineffective and even harmful practices when it is pushed “out the door” at the end of the financial year. Consistent with literature (Greijn & Fowler, 2010), when money needs to be spent, there is less focus on the effectiveness and sustainability of the projects it is spent on. Furthermore, there is also greater risk of funds being misused in places where there are weak governance structures to deal with large quantities of money. These dynamics can generate a loss of trust in the implementing organizations as well as the partner countries or local partners.

Thirdly, the separation between the administrative budget and the development cooperation budget affects the dynamics and knowledge management between Sida personnel and implementing organizations. Specifically, the courses and trainings that implementing organizations are provided with by SPF, within subjects such as CD, results based management, and cross-cutting issues (Sida, 2020), are not available for Sida program managers or embassy desk officers because they are not covered by Sida’s administrative budget. This can create a rift between what implementing organizations are taught to practice in terms of tools and methodologies for CD and what Sida personnel are willing to approve for the projects they manage.

Furthermore, this rift could negatively affect the ongoing efforts at Sida to provide implementing organizations with greater knowledge and a more holistic view on CD, since the support of the program managers determines if implementing organizations are able to apply their knowledge in projects. Ideally, Sida program managers and embassy desk officers should have access to the knowledge that implementing organizations receive regarding CD methods. Increased dialogue between Sida managers, SPF and implementing organizations could also help bridge this rift.

#### **5.7.4. High-level support for change**

It seems that within Sida there exists high-level support for change. The discrepancy between the amount of human resources and the development cooperation budget has been acknowledged to some extent by Sida’s management. The government has recently increased the administrative budget, which allows Sida to hire new staff. The choice of some of the new profiles hired, specifically the innovation leaders, demonstrate a willingness from management to promote internal processes of change. The results show that there are several

initiatives amongst Sida staff to improve the effectiveness and sustainability of their projects. However, these initiatives seemed to be limited to specific units and did not translate into the broader Agency. If innovation leaders are able to connect such initiatives in a constructive manner, Sida will have taken a step further into being a learning organization (Hong, 2020). Nevertheless, the results also showed that the role of innovation managers was not clear to everyone in Sida. In this sense, the Agency should improve internal communication to ensure staff understand the role innovation leaders can play in connecting initiatives for change.

The results indicate that part of being a learning organization means providing a safe to fail environment for the employees. This also extends to having a safe to fail environment towards implementing organizations. The results also show an openness from Sida to provide this environment. However, it is also clear that, sometimes, implementing organizations do not communicate to Sida when things are not going according to plan, which inhibits timely adaptability and might result in less effective CD. This reticence to communicate on the challenges might be due to a perception that there is no space for adaptability. In this sense, dialogue could be improved to make sure implementing organizations feel trustful when communicating the need for changes during a project. Finally, there were strong indications that Sida is currently trying a wide array of innovative approaches and tools in the hopes of increasing ownership, flexibility and adaptability in its CD projects. This, compounded by the high regard in which informants hold evaluations and research, is further indication that there are positive forces within the Agency pushing towards improvement of the current CD challenges.

#### **5.7.5. Commitment to the principles**

Finally, the results show that Sida personnel are highly aware of the principles and conditions that are necessary for effective CD. Furthermore, there seems to be strong commitment to forward the application of these principles and conditions both at the international level and within Sida projects. There was some indication that resistance towards change existed among some staff members; however, none of the informants seemed to belong to this group, which suggests that there could be a misperception regarding the change willingness amongst staff. The commitment of Sida's staff to CD's principles, together with the strong institutional support for innovation and change, suggest there is space to continue steering the Agency towards holistic approaches to CD (Boesen, 2016).

## **6. Conclusion**

The purpose of this study was to explore and describe the current challenges and opportunities for CD in development cooperation and for DRR specifically, from the viewpoint of governmental donor agencies. Motivated by evidence that suggests limited effectiveness of CD efforts so far, the study attempted to address the knowledge-gap regarding current CD practice. The data was obtained from 26 semi-structured interviews with informants from 7 different governmental donor agencies. The results of the study reveal tensions between the principles and conditions that informants believe should guide capacity development and the structural constraints of the development cooperation system.

One of the first challenges encountered is that, despite CD being recognized as a cornerstone in development cooperation, there is a difficulty to conceptualize it. CD is described as broad and complex, which could explain the reported fatigue with its use. Nevertheless, despite the difficulties to conceptualize it, the understanding of donors on how CD should be approached has moved away from that of technical assistance or capacity building and into a more holistic understanding. Another challenge concerns the difficulty to achieve ownership in CD projects, despite it being recognized as one of the most important preconditions for CD. The prioritization of donors' political interests over local needs and the potential loss of privileges for implementing organizations and their employees, heavily constrain the achievement of ownership. Core support, community philanthropy, and increased local funding are suggested as ways forward to this challenge.

A third challenge has to do with the prevailing technocratic and unilateral approach to most CD projects which does not pay enough attention to the broader system within which capacity develops. There is a need to increase knowledge on what holistic CD means across the entire stakeholder chain. Moreover, there is a call to move towards more holistic approaches to CD by paying increased attention to functional capacities, promoting synergies between actors, and encouraging MSPs. There is also a need for analyses of the incentives for change and the interests that exist within the system. A holistic approach to CD also requires long-term engagement in order to build trust and find the windows of opportunity for capacity to develop.

Furthermore, flexibility and adaptability are considered important success factors for CD as a recognition of the changing conditions and continuous development of local contexts. However, they are not currently a common practice in the international system. The quixotic

need for control and upward accountability and insufficient incentives along the stakeholder chain constrain the application of these conditions. Donors must ensure that they provide the enabling environment for flexibility and adaptability to translate into local partners. These practices will prove especially relevant for work in fragile and conflict-related contexts, where situations often evolve in unpredictable ways.

At the donors' level, there is a lack of harmonization of procedures and requirements towards the implementing organizations and insufficient communication with implementing organizations and local partners. Power imbalances and differing priorities between donors constrain harmonization, imposing heavy burdens on partners. There is also a call for more dialogue with both implementing organizations and local partners, which indicates that donors wish to be more connected to both partners and projects. A suggested way to move closer to projects and partners is for donors to take on the role of facilitators, which could prove beneficial given their convening power.

Within the Swedish system, there are several factors that enable or constrain effective CD. The first challenge relates to the way one of the Swedish strategies places most of the decision-making power on Swedish CSOs instead of local partners. Furthermore, it is suggested that embassies reporting on local partners' needs could be inconducive to ownership. The second challenge concerns the burden that the CMS places on program managers, which can impede them from focusing on ensuring the principles and conditions for effective CD. Conscientization amongst staff regarding the flexibility of the system is suggested as an important opportunity for the Agency. The third challenge concerns the disproportionate growth of the development cooperation budget over the administrative budget, which places further burden on Sida's staff. Moreover, the way these budgets are divided constrains knowledge management within the Agency and towards its implementing organizations.

Nevertheless, there are two important enablers within Sida. Firstly, the Agency's management seems to be aware of the constraints the organization is under and is actively working on finding solutions. Secondly, the staff is highly committed to the application of the principles and conditions of effective CD. This suggests that there is ample room to steer the Agency towards more holistic approaches to CD.



The findings of this study mostly reflect the viewpoint of Sida staff. More detailed research on other governmental donor agencies' viewpoints would add value and nuance to this work. Furthermore, research into the viewpoint of large multilateral organizations that act as donors, such as the World Bank or the UN, would provide a more complete picture into the challenges and opportunities for CD that exist within the system. Finally, further attention needs to be paid to the viewpoint that local partners have on the subject, as research on the matter is still very limited.

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## **Annex 1. Sample email**

Dear [insert name],

Our names are Jonas Gutheil and Maria Morales and we are students of the MSc. Disaster Risk Management and Climate Change Adaptation at Lund University. We are currently conducting interviews with relevant stakeholders as part of our Master thesis on the topic of Donor agencies' view on Capacity Development. We have now conducted several interviews with colleagues from Sida, who connected us with you. We believe your participation would be greatly valuable since it would provide us with a broader view on Sweden's role as a donor.

The interview would mainly revolve around current and future opportunities and challenges in the field of Capacity Development and it is designed to take around 30 minutes to complete. If you choose to participate, we could arrange a meeting by Skype or another medium of your choice during February or March.

Attached you can find a summary of the research project. Please do not hesitate to contact us for follow-up questions and clarifications. We are reachable by email or phone.

We appreciate your time and consideration.

Best regards,

Jonas Gutheil [phone: +45 53 60 70 84] and Maria Morales [phone: 070 439 32 73]



## Annex 2. Research description



### **Research description: Donors' view on capacity development**

Institution: Faculty of Engineering, Division of Risk Management and Societal Safety, Lund University (Sweden)

Authors: Jonas Gutheil [jonas\\_gutheil@hotmail.dk](mailto:jonas_gutheil@hotmail.dk)

Maria del Mar Morales Burkle, [marimar.9394@gmail.com](mailto:marimar.9394@gmail.com)

Supervisor: Magnus Hagelsteen, [magnus.hagelsteen@risk.lth.se](mailto:magnus.hagelsteen@risk.lth.se)

Capacity Development (CD) has been closely linked to international aid and development cooperation (Scott, Few, Leavy, Tarazona, & Wooster, 2014). Available research on CD suggests that there are key principles that can be applied to CD efforts to overcome the difficulties faced in achieving sustainable results (Boesen, 2015; Hagelsteen & Becker, 2019). These principles are in line with those identified in the 2030 agenda for sustainable development and the High-Level Forums on Aid Effectiveness (OECD, 2008, 2011; UN, 2015). Despite this global consensus, recent studies find that there have been challenges translating these principles into practice (Boesen, 2015; Hagelsteen & Becker, 2013). This challenge extends to the field of CD for Disaster Risk Reduction (DRR), where the small amount of empirical evidence available (Scott & Few, 2016) points towards limited progress in achieving sustainable results (Hagelsteen & Becker, 2019).

Up until now, the research and literature on the topic has mostly focused on collecting the perspectives from experts, project managers and middle/high level management in the international community. However, donor organizations' perspective on the subject has yet to be covered, which provides an opportunity for further inquiry towards increasing understanding of current and future capacity developments efforts for development cooperation.

For these reasons, the purpose of this study is to assemble and highlight the ideas of donor agencies on current capacity development opportunities and challenges in order to advocate for the changes they see necessary. Your participation would be most valuable to gain insight from your perspective. The expected results include a Master's thesis for the Disaster Risk Management and Climate Change Adaptation Programme and an article in a high profile journal.

### Annex 3. Interview Guide

Table 1. Interview guide

Themes		Interview Question	Probing question
General	1.	What is your position and your main responsibilities?	
General	2.	Can you tell us a bit about your background?	
Approach	3.	What is your view on capacity development?	<i>What does effective capacity development mean to you?</i>
Approach	4.	Does your view on capacity development match your organization's?	<i>What are the differences? Why do you think that is?</i>
Challenges	5.	In your view, what are the challenges for effective capacity development?	<i>Why is it like this? What do you mean by that? Are there specific challenges for CD in the Disaster Risk Reduction sector?</i>
Opportunities	6.	What should be done to overcome these challenges?	<i>Is anything being done in your organization to deal with these challenges? What do you expect from implementing agencies/actors? What are the principles that should be ensured?</i>
Opportunities	7.	In 10-15 years time, what has happened/changed in relation to capacity development?	
	8.	Is there anything else you would like to add?	
Snowballing	9.	Do you know anyone that you think we should talk to?	

**Annex 4. Coding examples**

Table 2. Coding Sample

<b>Node</b>	<b>Sub-node</b>	<b>Sub-node</b>	<b>Example</b>
CD View	Definition		<p>“It is a good concept but also a bit complex, because it is being used very widely”</p> <p>“We are only talking about capacity development and everything fits in there and perhaps we’ve given up in trying to agree in what capacity development is, perhaps there is no need to agree on what capacity development is as a subject but more as a process.”</p>
	Conditions for success	Long-term	<p>“We say that if you do some capacity development, you have to stay there for 10 years at least.”</p> <p>“I think there is a lot of elements which are really necessary for it to be successful, for example a long-term engagement, all these types of things.”</p>
		Context	<p>“We always have to look at the context where we are working and where the development is right now.”</p> <p>“And then, of course, in each context it might vary. In some contexts, maybe we should really start to work with the government in other contexts maybe not.”</p>
	Importance		<p>“To me it is the core of what development cooperation is really.”</p> <p>“As simple as maybe one of the most important issues, at the same time one of the most difficult issues.”</p>

CD Challenges	Development cooperation as political	Donor priorities	<p>“So, and that so very strongly determines power relations between people that I think a problem is that often the programs start from where the money comes and (...) they don’t start from the context and where the problem is.”</p> <p>“Because we have our priorities (...): its’s gender, it’s environment, it’s biological diversity and these are important issues, but maybe not necessarily the actual demand of that country or that community.”</p>
		Control	<p>“It is much more difficult to handle a world where things are moving, and of course all of these systems and rules and regulations and the rigidities, it is a way to try and manage this moving, shifting world, and at the same time since those plans don’t match what is actually going on in the world, we don’t achieve the results we want.”</p> <p>“Part of it is the control agenda, it is very difficult to give away control, and partly is that the incentives within the system works very much against.”</p>
	Operationalization of CD	Technical driven	<p>“Because it’s being run by a technical office with people whose training is in the technical expertise areas and so, not out of any ill will, but they kind of just nudge some of what it does into ways of working that are maybe not as strong because their focus and attention is on the areas that they know better.”</p> <p>“If you are an expert and if you know statistics or tax management or whatever, then</p>

			<p>can we expect that they are experts on learning and learning management or whatever? I mean, it's a really hard ask."</p>
		Demand driven	<p>"For example, a local civil society organization, they might work for human rights and democracy according to the concepts that are used in our policy framework, but does that correspond to the poor peoples' needs?"</p> <p>"A colleague of mine met with some women (...) who said 'Please don't give us more money for capacity development, we are capacitated up over our ears, we don't need more training and workshops from you guys. We just need core funding so we can go on with our business... and do what we want to do'".</p>
	Conditions in partner countries		<p>"It's also difficult because of the administrative distance in these countries which is overriding the capacity building itself. It could be anything from procurement systems, the way they recruit people, the way you are promoted, political interference, nepotism, corruption, all these issues which tend to be outside capacity building, tend to maybe influence the organization's efficiency or the organizations effectiveness more than the capacity of the individuals."</p> <p>"The problem now with many conflict or post-conflict countries is that there is nearly nothing that is institutions or public institutions. We want to build the state. So, that is also the dilemma, then building parallel systems and institutions run by international partners,</p>

			organizations, NGOs, and that can actually backfire, you make the government weaker.”
CD Opportunities	Donors as facilitators		<p>“The traditional role is of course important and, I mean, money also comes with a lot of signals. But we cannot just... I mean, the financial part is not everything, it’s also the facilitators, the partnership... Uhm... engaging others that is really important (...) how can we steer different groups, that really plays a crucial role in society and the development but... they don’t need funding but maybe we can be a... a partner and... share our knowledge about the... the perspectives that we think are important: the human rights perspective and gender and... so, I think we can actually play a role as facilitators and partners also, not just having the finance or the money in the sac.”</p> <p>“So, the question... it’s a little bit a matching problem and some.... And that’s something that the colleagues here at [donor agency] are looking at, you know, what can [we] do to improve the pedagogical skills or is there somebody else who should have these skills and then we should do matching in a different way. So, we are looking into various approaches to meet these challenges, but they are still there.”</p>
	Guiding principles	Ownership	<p>“But I’m sure the solutions are... are pretty much there, not here. I mean, when we look at how... government agencies work in [country A], if they want to develop their capacity, they want to improve their performance... to deliver to the</p>

			<p>citizens, they don't call [country B] and say: "Hey, can you come from the mirror agency and teach us how we do it?". No, you call a bunch of consultants or university professors and they help you understanding what your problem is and... and pretty much they can give you a bit of solutions but it is you taking on what you think fits your organization. So, why do we act differently when we are funding capacity development in, in other countries?"</p> <p>"So, then we've been thinking, ok, what is ownership really to us? Maybe we don't feel that this is ownership anymore, we want to think of ownership as something different, we want to think about it more democratic type of ownership, we want to think that we are not limited only to the other state government, especially now since we are seeing this trend of shrinking democratic states in many of our partner countries"</p>
		<p>Working adaptively and flexibly</p>	<p>"I think being... I mean, we need to work, we have to be more quick and agile in our work, so we shouldn't let the, like, technical solutions slow us down. But I think also that we... we should use it in a way... in a more light way, the way it is supposed to be used."</p> <p>"Why we need to be flexible and adaptive, because if we have a plan year 1, then we have a discussion and development year 2, of course, the plan from year 1 won't be as we thought on year 3, so we need to be adaptive all the time. We have- we have tried it and-and where</p>

			we kind of come the furthest is of course on our humanitarian support which, by definition, needs to be extremely flexible and where we need to have very reliable partners”
Methods	Holistic approach		<p>“It’s focused on... yeah, for example a lot of trainings, bringing people together who otherwise cannot make their voices heard in society... financial trainings, you know, helping them set up their organizations, etcetera, helping them to lobby, to do like stakeholder analysis, to find the right people, coaching, so-so it’s things like that that are included in a program.”</p> <p>“We haven’t focused enough on-on the nitty-gritty, daily running of an organization. I mean, how-how is your lead style, how do you recruit people, how do you involve people... there is a lot of issues that is embedded in an organization that is not really capacity building people but looking at the systems that guides the organization.”</p>
		New type of results foci	<p>"I think we need to- because one of the challenges is quick results. Err, maybe I haven’t really said that. I think an opportunity is to, erm, to be better at asking ourselves what is results when it comes to capacity development. And especially for us who- the only reason why we should ever support anything is if it could make a change, err, for people living in poverty.”</p> <p>“Not so much on the actual goal setting, I mean, we in the West, we love setting goals, but I</p>



			<p>would say, more than setting a goal on where you eventually want to be, set... sort of, design, make a draft of the process. What is it that you need to do in order to get better? And then really monitor whether you are doing it or not. It's not very much different from setting a new year's resolution... But instead of saying: 'I'm going to read...uhm... 15 books this year', instead you are going to say: "Well, I'm going to try and read 10 pages every night before I go to sleep and that way I will always know whether I'm on track', and not wait for that magical end result somehow."</p>
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