Developing Capacity, Improving Performance

Capacity development is not simply about improved accounting systems, better strategic plans or new staff skills. Rather, investments in capacity must lead to improved organizational performance. High performing institutions are more effective, efficient, relevant and sustainable, and better able to achieve their missions and develop lasting local solutions.

The impact of capacity development is notoriously difficult to measure. Many capacity developers analyze the results of their work by measuring changes in organizational systems, practices, policies and staff skills. However, even where such internal organizational change is achieved and documented, the question remains, “so what?” Capacity development practitioners must go further, connecting internal organizational change to improvements in the lives of beneficiaries and communities. The missing link is evidence that new policies, systems and skills contribute towards improved organizational performance. Once we document the link between capacity development initiatives and organizational performance, the connection to beneficiary impact becomes apparent.

The Pact Organizational Performance Index (OPI) supports measurement of change in organizational performance, and clarifies the link between capacity development inputs and community level impact. It is a revolutionary yet user-friendly approach that looks beyond the development of organizational systems or skills, and analyzes the actual value added through capacity development efforts.

**Effectiveness:** achieving results and meeting standards

**Efficiency:** delivering services and increasing reach

**Relevance:** engaging target populations and promoting learning

**Sustainability:** mobilizing resources and increasing social capital

IDRC/Universalia Capacity Development Outcomes Framework

Each of these domains includes benchmarks that describe a progression of four levels of increasing performance.

Partner organizations self-identify their current level in each domain and provide tangible evidence to support their conclusions.

Pact staff reviews the evidence provided, verifies achievements and agrees on final scores together with each organization.

The partner organization is re-assessed annually, and the results are used to track changes in organizational performance.

Partner organizations are able to analyze the impact and ‘so what’ of capacity development, confront their challenges and prioritize areas for future development.

Globally comparable results allow Pact to see the overarching impact of our work.

**How the Tool Works**

The OPI captures an organization’s performance across four domains: effectiveness, efficiency, relevance, and sustainability.
Since 2008, Pact has been working with four local partners to implement a USAID-funded HIV&AIDS and Livelihoods Development project in rural, urban and semi-urban localities of Yunnan and Guangxi in China. The support provided to partners included various types of organizational and technical capacity development. In 2012, Pact invited staff and beneficiaries of partners together with government representatives to a forum to review capacity development achievements, and engage key stakeholders in a discussion of the results.

The presentations by Pact’s partner’s demonstrated that in the course of the project they had become increasingly capable of meeting the complex needs of beneficiaries, had gained greater understanding of linkages between HIV&AIDS and livelihoods programming, and had developed strong relationships with various stakeholders. OPI data, used to enrich the discussions, demonstrated that project partners became much more efficient in providing timely services and ensuring good project management. The level of partner effectiveness increased greatly as well: organizations had developed mechanisms for measuring progress towards goals, and analyzed how successful they are in reaching them. Partners also increased their relevance by actively engaging beneficiaries in project planning, delivery and assessment. Sustainability showed the least advancement, indicating an important area for future capacity development efforts.

Based on the discussions, participants in the forum drafted a sustainability plan and committed to continue their work beyond the life of Pact’s project. Having good data on capacity development results during an important conversation with project stakeholders helped to ensure everyone’s agreement on future needs and commitments going forward.