

Developing and testing a method for cost-effective investment in building capacities for community-based collaborative natural resource management

Working Paper 4 from the project 'Improving economic accountability when using decentralised, collaborative approaches to environmental decisions'

Graham R. Marshall

Institute for Rural Futures,
University of New England, Armidale, Australia

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INFORMATION ON THIS PROJECT

Further information on, and documents from, the project *Improving Economic Accountability when using Decentralised, Collaborative Approaches to Environmental Decisions* is available from <http://www.ruralfutures.une.edu.au/staff/3.php?nav=Program%20Leaders&staff=Dr%20Graham%20Marshall>

EXECUTIVE SUMMARY

The present project – ‘Improving economic accountability when using decentralised, collaborative approaches to environmental decisions’ – has sought to formulate and trial methods of strengthening economic accountability of investment decisions in natural resource management (NRM) that: (i) are consistent with an ‘economic way of thinking’; (ii) are within the capacity of collaborative community-based organisations (specifically regional NRM organisations) to apply proficiently; (iii) can accommodate value systems decided collaboratively in community-based processes; and (iv) can account for the consequences of NRM investments for community and other socio-economic capacities needed for investments into the future.

Two such methods have been developed and trialled in this project. This has involved participation and feedback from members of the three CMAs which agreed to work with us in the project – Border Rivers – Gwydir CMA, Namoi CMA, and Northern Rivers CMA. The first of the two methods applies to ‘asset-focused’ investments (i.e., investments focused directly on protecting or enhancing the condition of natural resource assets). An account of that method, trials, and feedback from the three CMA partners on the trials was presented in Working Paper 3 from this project.

The second of these methods applies to ‘capacity-focused’ investments, the direct focus of which is on building the capacities needed for feasible asset-focused investments into the future (regardless of whether the content of the asset-focused investments is known at the time of applying this method). Investments of this type are referred to in this working paper as ‘capacity-building’ investments, where capacity building refers ‘to a range of activities by which individuals, groups and organisations improve their capacity to achieve sustainable natural resource management’. The present document provides an account of the method developed in this project for developing cost-effective capacity-building investments, and of its trials by the three participating CMAs.

Background to the method trialled

A range of commentators have emphasised the importance of capacity-building investments for the success of Australia’s regionalised approach to NRM, and thus of making these investments strategically. Such a strategic approach includes targeting investments at cost-effectively building the ‘project-specific’ capacities needed for asset-focused projects we can confidently predict will occur. Given the considerable funding uncertainties faced by Australian regional NRM bodies, and the fact that capacities for many longer-term asset-focused investments cannot be built overnight, a strategic approach to investing in ‘general’ capacity-building activities is also required. Such activities are needed to enable regional NRM bodies to cost-effectively adapt their investment programs as the outcomes of present funding (and other) uncertainties unfold.

Hence, the present project sought to develop a method for investing strategically in building both the project-specific and general capacities needed by community-based regional NRM organisations to achieve sustainable NRM. This method would strengthen their economic accountability by providing a structured process for developing cost-effective capacity-building projects.

The Investment Framework for Environmental Resources (INFFER), and particularly step 3 of this framework which involves completion of a Project Assessment Form (PAF), was used as a starting point in pursuing this aim. This starting point was limited to identifying what project-specific capacity-building activities will contribute to the cost-effectiveness of an organisation’s investment program. The PAF is not designed to contribute towards decision-making about investments in general capacity building.

Hence, the method developed was designed to complement INFFER by encompassing both general and project-specific capacity-building activities in a broader framework for developing cost-effective capacity-building projects. In developing such projects, the method explores how various capacity-building activities identified for investment might be coordinated to enhance their overall cost-effectiveness. Where a capacity-building project developed in this manner includes project-specific capacity-building activities (i.e. included in particular on-ground-action projects), the intention is not for these activities to be managed only as parts of the capacity-building project, independently of the on-ground projects that depend on them. The intention is rather for these activities to be managed both as part of the relevant on-ground-action projects and as part of the capacity-building project.

This intention recognises, firstly, that the expertise required to successfully design and implement capacity-building activities is specialised. It is sometimes not held by managers of on-ground-action projects who tend to be technically trained. Secondly, this intention recognises the benefits that can arise from coordinating the management of capacity-building activities included as part of different on-ground-action projects.

Aside from this departure from the PAF starting point to explore how different capacity-building activities might be coordinated cost-effectively as projects, a range of further steps were required to arrive at a comprehensive method of developing such projects. These steps addressed the following issues which are not systematically accounted for in the PAF:

- (i) Where payment mechanisms are the appropriate main policy tool for motivating private citizens to adopt on-ground actions, capacity-building activities may still be needed as supplementary policy tools to ensure successful engagement with the payment mechanisms;
- (ii) Capacity-building activities may sometimes be the appropriate main policy tool for motivating private citizens to adopt on-ground actions when those actions would not already be attractive to fully-informed private citizens. This possibility can arise when individuals lack trust that others will reciprocate their own adoption rather than 'free ride'. The appropriate main policy tool here may be a capacity-building intervention designed to remedy the lack of trust.
- (iii) Capacity-building may be required for the organisation proposing/leading a project (the 'lead organisation'), not only for private citizens and organisations other than the lead organisation.
- (iv) There are risks that the lead organisation may fail to fully implement the project tasks it is responsible for – in addition to the risks that private citizens and other organisations may fail to implement the project tasks for which they are responsible.
- (v) The PAF may be unsuitable for a lead organisation to use because it is (a) unable or unwilling to apply this method, and/or (b) insufficiently informed about future funding of its investment program to be able to prioritise how that funding should be allocated between different asset-focused projects.

The method trialled

The method developed in this project for strengthening the economic accountability of community-based regional NRM organisations in respect of their investments in capacity building consists of the four forms – A, B, C and D – comprising the Capacity Building Project Development Framework (CBPDF). Accompanying each form is a user manual containing further instructions than was possible to include in the form, and also examples that illustrate to the user how particular questions might appropriately be answered. Excel spreadsheet calculators have also been developed

for each of Forms B and C to automate some of the more demanding calculations required in completing these forms, and also to automate some of the data transfers between questions that are required when completing these forms.

Forms A, B and C of the framework deal with situations where an organisation is sufficiently informed about future funding of its investment program that it can plan at least part of that program for at least one year ahead. Form D applies to those situations where an organisation is not sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead. The first question of Form A identifies whether the user should continue with that form or proceed directly to Form D.

Where an organisation is sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead, it is able to identify (a) the project-specific capacities that need to be developed for those plans to be successfully implemented, and (b) other general capacity-building activities to be undertaken with the available funding. General capacity-building activities are not focused on capacities needed for individual projects, but rather on capacities that a variety of unspecified projects may benefit from.

The roles of Forms A, B and C can be summarised briefly. One purpose of Form A is to identify sets of on-ground actions that the user's organisation expects to invest in and that depend for their successful implementation on capacity-building activities that need to be resourced from the organisation's investment funding for the coming year. ('On-ground action' is defined as any behaviour undertaken by an individual, organisation or agency that directly affects the condition of natural resources or how they are used.) The other purpose is to identify the value of investments in general capacity-building activities that need to be resourced from the organisation's investment funding for the coming year.

Subsequent to completing Form A, Form B is completed for each set of on-ground actions identified in pursuing the first purpose of Form A in order to develop cost-effective projects for implementing them. Completion of Form B for a particular set of on-ground actions includes calculating the Feasibility Adjusted Cost (FAC) of the particular project design developed in the form to achieve implementation of the goal set in respect of those actions. Calculation of the FAC for a project design takes into account not only the costs of implementing the project design but also the probability of that project design fully achieving its on-ground-action goal(s) (i.e. the probability of the project being fully feasible). The FACs of different project designs intended to deliver the same goal(s) can be compared to identify the project design that achieves the goal(s) most cost-effectively.

Form C is then used to:

- (a) compile the details of the capacity-building activities included in the 'on-ground-action' projects that were developed using Form B;
- (b) detail how the organisation's investment budget for general capacity-building activities over the coming year (identified in Form A) will be allocated between activities of this kind; and
- (c) consider how to manage all these capacity-building activities cost effectively as coordinated projects.

The four forms comprising the CBPDF are designed to provide a structured comprehensive process for developing cost-effective capacity-building projects. Such a process is required to ensure that those developing such projects consider all key considerations in a logical and accountable manner,

including by making transparent the evidence, assumptions and judgements on which their responses to questions in the forms are based.

The CBPDF is not just a form-filling exercise. Answers to many of the questions in the framework will benefit considerably from discussion among organisational staff and other stakeholders with the requisite knowledge and experience. The CBPDF is meant to add value to such group discussions by providing a logical structure for them and a mechanism for ‘surfacing’ and recording the assumptions and judgements underlying the discussions that frequently remain unstated or unsupported by evidence. Moreover, the CBPDF is not meant to be applied as a one-way linear process. Answering one question will not uncommonly identify weaknesses in one or more of the answers provided earlier, and thus prompt reconsideration of those answers. Although users can find it frustrating to have their initial judgements challenged in this way, this iterative process is essential for ensuring that the capacity-building projects which are developed are indeed cost effective.

Trialling the CBPDF

It was agreed at meetings with the three CMAs that the trial for each CMA would involve: (i) completing Form A; (ii) completing Form B for two of the sets of on-ground actions identified in Form A as depending on capacity-building activities undertaken during the coming year; and (iii) completing Form C based on the information contained in the completed copies of Form B. Form D was not relevant to the participating CMAs as they were each in a position to plan their investment programs for at least one year ahead.

The three CMAs chose different ways of participating in the trials. Border Rivers – Gwydir CMA chose to complete Forms A, B and C in a series of three separate meetings. A common group of five staff was nominated to participate in each of these meetings, which were all held in Inverell. In the case of Namoi CMA, it was decided that a meeting with the project leader was not required to complete Form A. The staff member from that CMA who had attended both preparatory meetings agreed to complete a draft of Form A in consultation with his colleagues and to present this draft to the project leader for feedback. Forms B and C were then completed in two separate meetings in Tamworth attended by this staff member. This staff member consulted colleagues as required between meetings to obtain the information and judgements he required to complete the forms. Northern Rivers CMA chose to complete the forms in a single meeting run in Grafton over two consecutive days. This meeting was attended by three staff from that CMA.

At the end of the trials of the CBPDF, participants were asked to provide feedback, initially orally within a workshop format. At the conclusion of each workshop, a short questionnaire was distributed to each participant. The questionnaire includes two tables – A and B – plus three additional questions. Table A lists 13 criteria identified as relevant to CMAs in choosing a method for developing cost-effective capacity-focused investments. For each criterion, respondents were asked to rate what they perceived to be its importance to their CMA in choosing such a method. Table B in the questionnaire lists the same set of criteria. Respondents were asked to rate the performance of the CBPDF against each of these criteria relative to their CMA’s current practice. Completed questionnaires were received from all workshop participants.

Findings from reviewing the trials

Findings from workshop discussions

The perceived *strengths* of the CBPDF compared with the CMAs’ current approaches, as identified during the review workshops, include:

- prompts a process of looking ahead at what capacities will be needed in future that need to start being built now;
- prompts a more rigorous process of developing capacity-building projects by ensuring that key considerations are not overlooked or glossed over;
- strengthens accountability by better recording the assumptions, judgements and reasoning involved in the process of developing capacity-building projects;
- providing a way of testing the assumptions made in developing a project design and thus assessing more realistically the risks associated with that design;
- calculation of the FAC for a particular project design developed in Form B offers a useful way of comparing the cost-effectiveness of alternative project designs sharing the same goal;
- provides a structured process for considering how the different capacity-building activities to be undertaken can be coordinated to maximise their overall cost-effectiveness in building the capacities needed for sustainable NRM; and
- counters the tendency of project-specific and general capacity-building activities, and also general capacity-building activities and on-ground-action projects, to be planned and implemented in isolation from one another.

The perceived *weaknesses* of the CBPDF compared with the CMAs' current approaches, as identified during the review workshops, include:

- some questions in the forms were too wordy and complex;
- transferring information from one question to another, or from one form to another, can be time-consuming and cumbersome;
- completing the framework is markedly more time-consuming than the CMAs' current processes because the framework requires documented responses to questions that cover a much wider set of factors than are currently considered;
- the process trialled was not easy enough for professionals to persevere with rather than revert to a less formalised process;
- consideration of general and project-specific capacity-building activities within a single framework creates a risk of general capacity building receiving less priority because it cannot be justified as directly as can project-specific capacity building.; and
- there is a risk of CMAs and other users viewing the CBPDF as purely a form-filling exercise when successful completion of the framework will often require group-based deliberation by those with the relevant knowledge and experience.

The perceived *obstacles* to applying the CBPDF include:

- adopting the framework would create further pressures on CMA staff fatigued from the period of major changes, and of learning how to apply new systems, that they emerged from only recently; and
- the risks for a CMA (e.g. for prospects of ongoing investment funding) of not adopting a more accountable process of developing capacity-building projects are currently perceived as insufficient for them to justify adopting such a process.

Actions suggested by workshop participants to overcome such obstacles included:

- simplify the wording of questions in the forms, relying on the manuals to provide clarifications where these are required;
- automate the various steps within the CBPDF of transferring information from one question or form to another, and/or combine some of the forms, perhaps using an A3 format, to reduce the need to transfer information and to flip back and forth through the framework;
- trim the framework to a smaller set of core questions that CMA staff could answer more easily and quickly;
- the CBPDF, or elements of it, could be used by CMAs in the upcoming process of reviewing their Catchment Action Plans, particularly to help achieve integration within those plans of general ('community') capacity-building investments with other investments (including project-specific capacity-building investments);
- elements of the CBPDF could be integrated into CMAs' existing approaches for developing capacity-building projects; and
- integrate the CBPDF into investment management systems that CMAs in NSW are already using.

Findings from questionnaire feedback

Of the 13 criteria listed in the questionnaire as relevant to CMA in choosing a method to develop cost-effective capacity-building projects, the three ranked on average as of *greatest importance* across the three CMAs were:

- | | |
|-----------------------|--|
| Equal 1 st | 'ensures that capacity-building projects are based on sound logic and evidence'; |
| Equal 1 st | 'is practical to apply given the skills and time available to CMA staff'; and |
| 3 rd | 'helps justify investment decisions to your CMA's regional community'. |

The high rankings for these criteria are consistent with the emphases of the present project in developing the CBPDF.

The three criteria ranked on average as of *least importance* across three CMAs were:

- | | |
|------------------|--|
| 11 th | 'keeps a record of all the judgements and assumptions that need to be made'; |
| 12 th | 'can incorporate local knowledge and values'; and |
| 13 th | 'avoids subjective judgements'. |

The low importance ranking for the three CMAs combined of the criterion 'keeps a record of all the judgements and assumptions that need to be made' runs counter to the focus of the present project on strengthening the economic accountability of community-based investment decisions.

The three criteria that the CBPDF *performed best* against on average across the three CMAs, compared with their current approaches to developing capacity-building projects, were:

- | | |
|-----------------|--|
| 1 st | 'keeps a record of all the judgements and assumptions that need to be made'; |
| 2 nd | 'makes transparent all the judgements and assumptions that need to be made'; and |
| 3 rd | 'ensure that capacity-building projects are based on sound logic and evidence'. |

Each of these criteria was emphasised strongly when developing the CBPDF.

The three criteria that the CBPDF *performed worst* against on average across the three CMAs, compared with their existing approaches to developing capacity-building projects, were:

- 11th ‘avoids subjective judgements’;
- 12th ‘can incorporate local knowledge and values’; and
- 13th ‘is practical apply given the skills and time available to CMA staff’.

The criterion ‘is practical to apply given the skills and time available to CMA staff’ was the only one against which the performance of the CBPDF was rated lower on average by the three CMAs than their existing practice for developing capacity-building projects. As observed above, this criterion was ranked across the three CMAs the equal-first most important criterion for choosing a method to develop cost-effective capacity projects. Despite close attention to this criterion in developing the draft version of the CBPDF trialled by the CMAs, it is evident that they were not satisfied that enough had been done in this direction.

The nine CMA staff who participated in the trials were asked to rate how user-friendly they had found the draft versions of the CBPDF forms they had trialled. None rated them as highly user-friendly. One rated them as moderately user-friendly, four as slightly user-friendly, and three as not at all user friendly. These ratings are consistent with the performance of the CBPDF against the questionnaire criterion ‘is practical to apply given the skills and time available to CMA staff’ being rated on average by the three CMAs as less than that of their existing approach to developing capacity-building projects.

Discussion

Building on INFFER

Although the focus of the Investment Framework for Environmental Resources (INFFER) was on strengthening the cost-effectiveness of ‘asset-focused’ investments, it contributed significantly towards strengthening the cost-effectiveness of ‘project-specific’ investments in capacity building. It did so by incorporating the Public: Private Benefits Framework as a logical way of checking whether proposed investments in capacity-building will feasibly and cost-effectively deliver the on-ground behaviour changes by private citizens that are required. The present project employed this contribution as a foundation for developing a more comprehensive framework (the CBPDF) for strengthening the cost-effectiveness of investments in the capacities needed for sustainable NRM.

CMA assessments of the method trialled

CMA participants in trials of the CBPDF recognised in workshop discussions the need for a more accountable approach to investing in capacity-building activities. They valued the contribution of this framework by way of providing a platform for integrating the planning and implementation of their various capacity-building activities. They recognised that planning of general capacity-building activities (typically within a CMA’s ‘community’ program) had typically been isolated from planning of on-ground projects and the (project-specific) capacity-building activities required to support these projects.

Nevertheless, their questionnaire responses revealed on average that they rated accountability, in terms of documenting the key assumptions and judgements made in the process of developing a project, as a relatively unimportant criterion for choosing a method for developing capacity-building projects. Although these responses revealed on average that the trial participants found the

CBPDF to perform most strongly (compared with their existing approaches) against this criterion, the low importance rating on average for this criterion suggests that these perceptions of strong performance may not figure highly in their CMAs' decisions about whether to adopt the CBPDF.

Part of the problem here may be that the mounting pressures from government audit offices and treasuries for greater outcomes-based and economic accountability of regional NRM bodies relate largely to these bodies as a group. Responding to these pressures requires these bodies to demonstrate collectively how they have strengthened their accountability of this sort. In doing so, these bodies face temptations to 'free ride' on each others' contributions. While adoption among regional NRM bodies of methods for strengthening their economic accountability remains low, moreover, they perhaps enjoy a certain 'safety in numbers' to the extent that governments are unwilling to antagonise, by punishing non-adoption, most of the organisations they depend upon to achieve the on-ground behaviour changes required to fulfil their NRM policy objectives. These considerations may explain why the participating CMAs rated accountability on average as a relatively unimportant criterion for choosing a method of developing capacity-building projects, despite the existence of strong pressures on regional NRM bodies collectively to make this criterion a high priority.

The importance to CMAs of the criterion of user-friendliness in choosing a method of developing capacity-building projects was strongly emphasised in both workshop discussions and questionnaire responses, as was the perceived poor performance of the CBPDF against this criterion. (This was the only criterion in the questionnaire against which the performance of the CBPDF was rated lower than that of their current approaches to developing capacity-building projects.) A common view of the trial participants was that the CBPDF is too time-consuming and cumbersome for their CMAs to be able to adopt it. This was not unexpected given that:

- (a) the performance of INFFER's PAF against the criterion 'is practical to apply given the skills and time available to CMA staff' was rated by the same three CMAs earlier in the present project as substantially worse than their current approaches to developing and evaluating on-ground projects; and
- (b) the CBPDF incorporates (as Form B of the framework) an adapted version of the PAF, as well as adding a number of additional forms.

One of the participating CMAs commented further that the benefits it would gain from using the CBPDF, compared with its existing approach, were not sufficient to outweigh the adoption costs it would incur. This CMA expressed confidence that the rationale and logic informing its investments is already sound. Various modifications have been made to the CBPDF since the trials to make it more user-friendly, less time-consuming, and thus more adoptable. Further modifications are possible that may contribute significantly towards this end but are beyond the scope of the present project. For instance, a web-based version of the framework would simplify the process of transferring information from one form, or section of a form, to another, and also make it easier to check responses made elsewhere in the framework. Further trialling and evaluation of the framework could also be undertaken to demonstrate the benefits of adopting the framework.

It should be noted that recurrent funding of CMAs in NSW is greater than in some other states and territories, so that the issues with the practicality and user-friendliness of the CBPDF that were identified by the three NSW CMAs might be more pronounced elsewhere.

Institutional and cultural obstacles to adoption of a more rigorous approach

It is clear from the foregoing remarks that less progress was achieved than hoped in achieving part (ii) of the aim of the project, which was to formulate and trial methods of strengthening economic accountability of NRM investment decisions that are within the capacity of collaborative

community-based organisations (specifically regional NRM organisations) to apply proficiently. This experience echoes that of the INFFER team which found that regional NRM organisations remain reluctant to adopt investment decision-making frameworks that are more onerous and time-consuming than the simpler and more partial approaches they have become used to, and that it is not possible to overcome this reluctance by simplifying such frameworks without compromising their essential rigour and comprehensiveness. A number of suggestions were made by CMA participants in the trials of the methods developed in this project regarding how most per cent of its benefits might be achieved with a much briefer time commitment. The view of the author of this report is that these suggestions are unrealistic, and symptomatic of the following observation by the INFFER team:

The INFFER team concluded that acceptance of more rigorous and comprehensive approaches to economic accountability of NRM investment decisions requires a change in mindset and possibly also organisational culture. They argued that such changes are unlikely to occur without changing the institutional context within which regional NRM organisations operate so that real incentives exist for them to adopt investment decision-making methods that are rigorous and more comprehensive.

Although the INFFER team's focus was on lack of incentives from governments for regional NRM bodies to make their investment decision-making more 'upwardly' accountable to them, their concerns about lack of incentives apply equally to the incentives that lower levels of the governance system (e.g. local groups and individual landholders) are able to create for regional bodies to make their investment decision-making more 'downwardly' accountable to them. Despite the policy rhetoric from Australian governments signalling intentions for the regional delivery model for NRM to be community-based (or 'community-owned') and thus downwardly accountable to community members and groups, the model has been implemented in a top-down manner that has focused regional bodies much more on upward accountability.

Aside from affecting the incentives faced by regional NRM organisations when deciding whether to adopt more systematic decision-making tools, the institutional arrangements surrounding these organisations strongly influence how practical it is for that adoption to occur. This practicality has until now been undermined significantly by the time pressures experienced by staff of these regional bodies as a result of government investments occurring within short funding cycles, and governments expecting these bodies to adopt new management and reporting systems.

Another likely part of the reason for reluctance by staff of regional NRM organisations to adopt a substantially more rigorous investment decision-making framework relates to the large number of projects that many such organisations currently invest in, and the major time and resource demands of developing and evaluating all these projects more rigorously. Pannell et al. (2010c p. 4) remarked on 'a tendency [of regional NRM organisations in Australia] to shy away from targeting of investment to projects that are most likely to deliver valuable outcomes, preferring a philosophy of broad participation, despite the limited success of that approach'. CMAs in recent years have tended to move towards targeting investments at priority sub-catchments. However, if changes in the institutional context of these organisations were enacted to also strengthen their incentives to invest in fewer projects, the time and resource demands of adopting a more rigorous investment decision-making framework would be reduced accordingly.

A further likely part of the reason for reluctance by regional NRM bodies to adopt a more rigorous investment framework relates to this adoption involving substantial upfront investments of their time in learning the framework, whereas the benefits from demonstrating stronger accountability (e.g. increased competitiveness in applying for investment funding) are spread into the future. The considerable uncertainty that CMA staff perceive concerning future funding of their programs, and

even persistence of their organisations beyond the short term, makes it likely that the future benefits from adopting a more rigorous decision-making framework are being discounted by them markedly more than would be the case in a more secure environment. These costs were identified by the CMAs participating in the trials as a key obstacle to them adopting the CBPDF given the reductions in their staffing over recent years.

Even in the absence of the abovementioned institutional obstacles to regional NRM organisations adopting more rigorous and comprehensive approaches for demonstrating economic accountability, it appears that the culture of some such organisations would remain a significant obstacle to routine application of the CBPDF. A fairly common view among the CMA staff participating in the trials was that the weaknesses in their existing investment planning approaches were not sufficient to justify shifting to a substantially more rigorous framework. The work of the INFFER team demonstrated that the investment decisions found to be optimal using their method often in fact differ considerably from the decisions they would otherwise have made. Another obstacle of this kind may reside in staff predisposed to perceive such frameworks as tedious and an unproductive use of their time. Previous studies of regional NRM bodies have remarked on the dominant desire of staff in these bodies to ‘get on with the job’ of implementing their investment strategies and plans and avoid further evaluation of these.

Conclusion

There is more that could be done with the CBPDF (e.g. running training events, offering help-desk support, developing a web-based version, and/or embedding the framework in management systems that regional NRM bodies are already using) beyond the present project to overcome perceptions by CMA staff that it is currently impractical to apply routinely given the time and skills they currently have available. Ultimately, however, significant changes in the institutional and governance context of regional NRM bodies are needed to create incentives (both upwards from their constituents, downwards from governments, and sideways from other organisations) strong enough for them to embrace investment decision-making frameworks that are more rigorous and comprehensive than those currently in use.

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1. INTRODUCTION

The project ‘Improving economic accountability when using decentralised, collaborative approaches to environmental decisions’ has sought to develop and trial methods of strengthening economic accountability of investments decisions in natural resource management (NRM) that:

- (i) are consistent with an ‘economic way of thinking’;
- (ii) are within the capacity of collaborative community-based organisations (specifically regional NRM organisations) to apply proficiently;
- (iii) can accommodate value systems decided collaboratively in community-based processes; and
- (iv) can account for the consequences of NRM investments for community and other socio-economic capacities needed for investments into the future.

Economic and other methods of evaluating and prioritising decision alternatives are ‘value articulating institutions’ (1997 p. 3). Such institutions define the rules to be followed in the process of evaluation, which Vatn (2005 pp. 301-302) identified as concerned with:

- participation – who participates, on what premises (position or role), and by which method (e.g., responding to a survey, attending a meeting, written submission);
- what counts as data, and what form it should take (e.g., prices, weights, arguments); and
- the kind of data handling procedures to be used (how data is produced, weighted and aggregated).

Choosing a method to use in evaluating environmental investment decisions is thus a choice between alternative institutions. The consensus in neoclassical welfare economics is that institutional choices are evaluated most appropriately using a comparative institutions approach ‘in which the relevant choice is between alternative real institutional arrangements’ (Demsetz 1969 p. 1). It follows that no single institutional arrangement is universally optimal, but rather that the optimal arrangement in any given context depends on the specifics of that context.

Thus the process of choosing a method to trial began with a scoping study (Marshall 2008b) to understand the decision-making contexts of the three New South Wales (NSW) Catchment Management Authorities (CMAs) participating in the project (i.e., Border Rivers – Gwydir, Namoi and Northern Rivers CMAs)¹. This included obtaining an understanding of the procedures currently followed by these CMAs in setting their investment priorities each financial year given the funding opportunities available to them.

The process of choosing an evaluation method continued with a review of the international literature on methods of evaluating and prioritising NRM investments (Marshall et al. 2009). The aim of the review was to identify a method with good prospects of fulfilling the four conditions stated above. This review covered methods falling into the three categories of benefit-cost analysis, multi-criteria analysis and deliberative methods.

¹ ‘Catchment Management Authority’ is the name given in NSW and Victoria to regional NRM organisations.

Based on these steps, I recommended to this project's Steering Committee, at its meeting on 4th June 2009, that two methods be developed and trialled in the project. The first of these would apply to 'asset-focused' investments (i.e., investments focused directly on protecting or enhancing the condition of natural resource assets). The other method would apply to 'capacity-focused' investments, the direct focus of which is on building the capacities needed for feasible asset-focused investments (whether or not the content of these asset-focused investments is known at the time of applying the method to capacity-focused investments).

I also recommended at that meeting that the method for asset-focused investments build on the foundation established by way of the Investment Framework for Environmental Resources (INFFER) (Pannell et al. 2009). It was noted, however, that INFFER does not fulfil the fourth of the conditions stated above; i.e., it does not account for the consequences of NRM investments for social capacities needed for investments into the future. I explained at the meeting my intention was to supplement the INFFER method in order for this condition to be satisfied. Such a 'supplemented INFFER method' for evaluating asset-focused investments was subsequently developed and trialled in this project with the three CMA partners. An account of this method, the trials, and feedback from the CMA partners on the trials, was presented in Working Paper 3 from this project (Marshall 2010a), and a summary was presented in a conference paper (Marshall 2010b).

The purpose of the present working paper is to explain and justify the method that was trialled with the three CMAs in respect of capacity-focused investments, provide details of the trials, and to review the performance of the method in these trials. The paper is organised in nine further sections. Background to the method trialled is provided in section 2. The method itself – the Capacity-Building Project Development Framework (CBPDF) – is explained in section 3. The process of trialling the method is described in section 4. The process of reviewing those trials is discussed in section 4. Findings from the reviews of the trials for the Border Rivers – Gwydir, Namoi and Northern Rivers CMAs are discussed in sections 5, 6 and 7, respectively. The findings from analysing questionnaire data across the three CMAs from those reviews are summarised in section 8. A summary of the working paper is presented in section 9. Conclusions are presented in section 10.

2. BACKGROUND TO THE METHOD

The method arising from the present project for developing cost-effective capacity-building projects built on earlier work by others. A brief account of this earlier work is provided in this section.

2.1 Building capacities for natural resource management

The importance of capacity-building investments for the success of Australia's regionalised approach to natural resource governance has been highlighted by authors including Paton et al. (2004), Broderick (2005), Robins (2008), Seymour et al. (2008) and Marshall (2008a, 2011). Among the set of principles proposed recently by the Australian Regional Chairs Group to underpin the design of future changes in NRM governance was the following: 'Knowledge and innovation: equip the governance system with skills, capacity and knowledge, and encourage innovation' (Ryan et al. 2010 p. vi).

For Coutts et al. (2005), 'capacity' relates to the ability of individuals, communities or organisations to act or manage change, and this ability derives from various types of capital including natural, human, economic and social capital. A *National NRM Capacity Building Framework* for the 'regional delivery model' (comprising at that time the National Action Plan for Salinity and Water Quality (NAP) and the second phase of the Natural Heritage Trust (NHT2)) was endorsed by the Programs Committee of the NRM Ministerial Council (Australian Government 2002a). Capacity building was described in this framework as relating:

... to a range of activities by which individuals, groups and organisations improve their capacity to achieve sustainable natural resource management. Capacity in this context includes awareness, skills, knowledge, motivation, commitment and confidence. While regional bodies are a key target for capacity building, it is equally an issue for diverse players such as Landcare groups, indigenous communities, industry sectors, local government and State/Territory and Commonwealth Government agencies (ibid. p. 1).

The framework recognised that:

... in addition to the transfer of technology and technical capability, capacity building should foster social cohesion within communities, and build both human and social capital. For the purposes of this framework, human capital refers to the capability of individuals, and social capital refers to the level to which social networks, relationships and processes within a community support individuals to exercise their capabilities (ibid. p. 1).

The importance of investing in capacity-building activities was explained as follows:

To obtain on-ground improvement in our environment, those who live and work directly with it have a major role to play along with government and industry. It is well recognised that in order to achieve long-term environmental outcomes, investments in people are as critical as investments in on-ground works. ... Without this investment in people at all levels, including Government, there will be little chance of securing positive and long-lasting natural resource outcomes. In essence, long-term sustainable NRM depends largely on building human and social capital (ibid. pp. 1-2).

The Australian Government Natural Resource Management Team (2007) sought to demonstrate that the Australian Government had acknowledged this importance in practice by allocating about 30 per cent of the funds available through its current NRM programs to capacity building activities. More recently, the 2010–11 business plan for the Australian Government's Caring for our Country

program (which succeeded the NAP and NHT2 programs) ‘contains targets that specifically address the importance of building skills and knowledge about natural resource management and encouraging participation of individuals and groups in activities that result in a better managed and protected environment’ (Commonwealth of Australia 2010 p. 89). Other governments in Australia have also identified capacity building as a key element of successfully pursuing sustainable NRM. For instance, Priority E4 (concerned with NRM) of the New South Wales State Plan lists 13 targets, including: ‘There is an increase in the capacity of natural resource managers to contribute to regionally relevant natural resource management’ (Natural Resources Commission 2007 p. 3).

Despite the stated priorities of Australian governments, Robins (2008) noted how various commentators (e.g. Lane et al. 2004; Marshall 2008c; Paton et al. 2004) found these governments to be more adept at devolving responsibilities to regional NRM bodies than supporting them to develop the capacities needed to undertake them. She observed from the literature that the situation was similar in at least Canada, the European Union, New Zealand and the United States. Included in a report to the Australian Government’s Minister for Agriculture, Fisheries and Forestry was the comment that ‘the capacity of regional groups to achieve their objectives varies – for some it remains a significant problem’ (Agriculture and Food Policy Reference Group 2006 p. 145). Seymour et al. (2008 p. 220) found similarly that ‘the roles that regional bodies are expected to perform are very complex and the capacities of individual organisations to tackle the job of NRM decision-making vary greatly’.

2.2 Investing strategically in capacity building for NRM

The need to invest strategically in protecting or enhancing the condition of Australia’s natural resources has been emphasised by various authors (e.g. Hajkowitz 2009; Marshall 2010b; Pannell et al. 2010a; Pannell et al. 2009). For instance, Pannell et al. (2010a p. 443) observed in respect of the NAP that:

There is a strong tendency for environmental programs to attempt to achieve too much, allocating too few resources to too many projects, and the NAP fell into this usual pattern. ... We judge that most of the small projects funded by the program would not have generated worthwhile outcomes – their costs would have exceeded their benefits ... Given these considerations, there is clearly an imperative to target salinity funds to high-priority projects.

The importance of applying a strategic approach more specifically to NRM capacity-building has also been emphasised. One of the guiding principles of the *National NRM Capacity Building Framework* was that capacity building ‘should ensure that the key stakeholders and priority issues are targeted to meet the priority NRM outcomes of the region’ (Australian Government 2002a p. 3). Accompanying this framework was the document *NRM Capacity Building Program-Planning Logic* which:

... recognised that in order to have any discernible impact on resource condition, investments in capacity building must be strategically and purposefully targeted. ... [Given] the fact that many of the change targets may be non-biophysical and may appear somewhat removed from the ‘on-the-ground’ outcomes that investors are looking for, a sound program logic is particularly important in providing the arguments to support investment in these non-biophysical areas (Australian Government 2002b p. 1).

It continued:

Capacity building is not an end in itself, but is a mechanism for meeting resource condition targets. Although there are likely to be additional ‘knock-on’ effects from capacity-building investments – for example, enhanced social capital or community leadership capabilities – our core business is NRM. If we cannot demonstrate that capacity building investments are moving us towards our NRM outcomes, we will have a hard time convincing decision makers in the NRM sector to support this line of investment (ibid. p. 1).

The document explains that the proposed NRM capacity building program logic:

... provides a structure within which to set short-term change targets (expressed as 1-5 year management action targets), and subsequently make strategic decisions about what investments are going to be most effective in helping to achieve those targets.

In setting short-term change targets, consideration needs to be given to:

- *Where* within the catchment do we need to see change?
- Specifically *what* change is required?
- *Who* within the catchment (both in terms of individual landholders and institutions/organisations) needs to participate in that change? (ibid. pp. 1-2).

2.3 The need for both ‘project-specific’ and ‘general’ capacity building

Nevertheless, the value of such a strategic approach to prioritising capacity-building investment options depends on the confidence with which short-term change targets of this kind can meaningfully be set. Marshall (2010a) observed that investing strategically in building the capacities needed to implement the on-ground actions included in specific asset-focused projects has value to a regional NRM organisation and its stakeholders only to the extent that it feels confident those projects will actually occur. He continued:

The shift in recent years by Australian governments to shorter-term NRM funding commitments and to leaving regional NRM organisations less discretion in how funds are to be invested tends to work against this confidence. Indeed, uncertainty of such organisations regarding their own persistence, their future investment budgets and governments’ future investment priorities lessens their motivation to pursue any strategy of building community and socio-economic capacities that have value beyond the short term (ibid. p. 93).

This observation suggests that a strategic approach to investing in capacity building in such a situation of uncertainty needs to extend beyond targeting capacity-building investments at the *where*, *what* and *who* associated with specific asset-focused projects that can confidently be predicted to occur. It suggests that such an approach needs to target some significant share of capacity-building investments at developing the kinds of capacities that enable regional NRM organisations to cost-effectively adapt their investment programs (i.e. with transaction costs that are affordable not only to themselves but also to their stakeholders) as the outcomes of present uncertainties unfold. These uncertainties relate not only to future government decisions about funding levels and investment priorities but also to ecological uncertainties (e.g. regarding future climatic conditions and their effects on particular ecosystems) and social uncertainties (e.g. regarding future economic conditions and their consequences for landholders’ motivations to adopt conservation practices).

The importance of investing in such ‘adaptability’ or ‘adaptive capacity’ was acknowledged in the *National NRM Capacity Building Framework* which remarked on the need for capacities ‘that will enable key stakeholders to be pro-active about change, and direct it rather than being overtaken by it’ (Australian Government 2002a p. 2). This importance was recognised too by the Regional NRM Chairs Group when it advocated a ‘focus on long-term capacities and processes that enable societies to be learning and adaptive oriented’ (Ryan et al. 2010 p. 12). A recent report of progress achieved towards sustainability by NSW’s regionalised model of NRM governance found that many of the 13 regional NRM bodies in that state (i.e. CMAs) needed to strengthen their capacities for adaptively managing their investment portfolio (Natural Resources Commission 2010).

A comprehensive resilience-based assessment of sustainability in one of the 56 NRM regions defined for the regional delivery model – the Goulburn-Broken region within the southern Murray-Darling Basin - highlighted critical threats to that region’s sustainability arising from gaps in its adaptive capacity (Walker et al. 2009). Contributing to the debate in Australia about whether the regional model is an appropriate approach for delivering NRM outcomes, Robins et al. (2009 p. 12) recognised the importance for this model of adopting ‘approaches that better cope with uncertainties arising from rapid changes, such as in socio-economic conditions, global markets and climate ... Associated with this is a need for methods that develop participants’ critical capacity to enable adaptation to changing circumstances’.

None of the above denies the value of a strategic approach to investing in capacity building. However, it does identify the limitations of such an approach focusing entirely on building those capacities that are needed to deliver specific targets or projects that can be confidently defined now given existing knowledge. Aside from a need to invest strategically in building ‘project-specific’ capacities of this kind, this discussion highlights the importance also of investing in adaptive capacities enabling a regional community-based organisation to adaptively pursue its goals as uncertainty unfolds.

Regional NRM organisations in Australia tend to refer to projects focused on such adaptive capacities as concerned with ‘general capacity building’. This phrase resonates with the term ‘general resilience’ used by Walker et al. (2009) in their resilience assessment of the Goulburn-Broken NRM region. This term relates to the capacity of a system to ‘cope, generally, with unidentified shocks’ (ibid. p. 3). Of relevance for capacity building as it is defined in the *National NRM Capacity Building Framework*, the options identified by these authors as potentially strengthening general resilience in this regional NRM context included ‘building and deploying human and social capital (including political influence)’ and ‘fostering experimentation and learning’ (ibid. p. 13).

2.4 Contributions of the present project

In accordance with the foregoing observations, the present project aimed to contribute towards developing a method for investing strategically in building the capacities needed by community-based regional NRM organisations to fulfil their responsibilities. The method would need to encompass investments in both ‘project-specific’ and ‘general’ capacities. Given the particular focus of the present project, it would strengthen the economic accountability of such organisations by providing them with a structured process to develop cost-effective capacity-building projects.

INFFER was used as a starting point in pursuing this aim. The Project Assessment Form (PAF) to be completed in step 3 of this framework is designed to develop a feasible and cost-effective project for achieving a SMART (Specific, Measurable, Achievable, Realistic, Time-bound) goal set for the condition of a spatially-delineated natural asset. It prompts users to identify the on-ground actions

and quantity of their implementation that are required to achieve this goal, and also to specify in detail the ‘policy tools’ that would be needed to motivate this quantity of implementation. Embedded in the PAF is a structured process based on the Public: Private Benefits framework (Pannell 2008) that is designed to identify the policy tools(s) most likely to be cost-effective in gaining the required level of adoption of on-ground actions by private citizens. This framework distinguishes the four classes of policy tools (as well as a ‘no action’ option) identified in Table 1.

Table 1: Alternative policy tools for seeking management changes on private lands

<i>Class of policy tool</i>	<i>Policy tools included in class</i>
<i>Positive incentives</i>	<i>Financial or regulatory instruments to encourage change</i>
<i>Negative incentives</i>	<i>Financial or regulatory instruments to inhibit change</i>
<i>Extension</i>	<i>Technology transfer, education, communication, demonstrations, support for community networks</i>
<i>Technology development</i>	<i>Development of improved land management options, such as through strategic R&D, participatory R&D with landholders, provision of infrastructure to support new management options</i>
<i>No action</i>	<i>Informed inaction</i>

Source: Pannell (2008)

It is apparent from the policy tools included in the ‘extension’ class that this class includes much of what would be regarded as capacity-building tools. Hence, the PAF offers a starting point for a method of identifying what, if any, capacity-building activities should be included in a particular asset-focused project to enhance its feasibility and cost-effectiveness.

This starting point is limited, however, to identifying what project-specific capacity-building activities will contribute to the cost-effectiveness of an organisation’s investment program. The PAF is not designed to contribute towards decision-making about investments in general capacity building. Hence, the method developed in the present project was designed in part to complement INFFER’s important contribution by encompassing both general and project-specific capacity-building activities in a broader framework for developing cost-effective capacity-building projects. In developing such projects the method explores how various capacity-building activities identified for investment might be coordinated to enhance their overall cost-effectiveness. Where a capacity-building project developed in this manner includes project-specific capacity-building activities (i.e. included in particular on-ground-action projects), the intention is not for these activities to be managed only as parts of the capacity-building project, independently of the on-ground projects that depend on them. The intention is rather for these activities to be managed both as part of the relevant on-ground-action projects and concurrently as part of the capacity-building project.

This intention recognises, firstly, that the expertise required to successfully design and implement capacity-building activities is specialised and not always held by managers of on-ground-action projects who tend to be technically trained.

Secondly, this intention recognises the benefits that can arise from coordinating the management of capacity-building activities included as part of different on-ground-action projects. Such benefits can arise from similarities in the resource demands of different capacity-building activities, which offer possibilities for either: (a) saving costs by spreading ‘overheads’ over a greater number of

such activities (e.g. running two workshops targeting similar groups of landholders back-to-back on the same day at the same venue), and/or (b) increasing the capacity-building ‘outputs’ achieved for a given cost outlay (e.g. increasing landholders’ overall attendance at these two workshops because running them together makes it more worthwhile to travel to where they are held). Benefits from coordinating the management of capacity-building activities included in different on-ground-action projects can also arise from the greater opportunities to share the lessons gained in running these activities across the staff managing them.

Aside from the foregoing departure from the PAF starting point in order to explore how different capacity-building activities might be coordinated cost-effectively as projects, further departures from this starting point were required to arrive at a comprehensive method of developing cost-effective capacity-building projects. These were required to address the following issues:

(i) *Capacity building can be either a main policy tool or supplementary*

The PAF presumes that the choice of policy tools for motivating on-ground actions by private citizens is limited to positive incentives (‘payment mechanisms’) versus extension. The logic of the PPB framework is used to guide the user to one of these alternatives. This framework provides valuable guidance in identifying the most appropriate *main* policy tool for this purpose in a particular context. However, the effectiveness of a main policy tool (e.g. payments mechanism) depends not uncommonly on the application of supplementary policy tools (e.g. extension activities that make the target population aware of this mechanism and provide information on how to access it). The method developed in the present project prompts users, where payment mechanisms have been identified as the main policy tool for private citizens, to identify any extension (or other capacity-building) tools needed to support the main policy tool.

(ii) *Sometimes it may be appropriate to use capacity building as the main policy tool for motivating adoption of on-ground actions that currently are unattractive to the target population*

The logic of the PPB framework embedded in the PAF leads the user away from identifying extension as the appropriate main policy tool for a project unless the user has rated the on-ground actions included in the project as being already ‘slightly attractive’ to private citizens (i.e. in the absence of the project). Although extension *per se* is not appropriate as the main policy tool where this condition is not satisfied, this does not necessarily exclude from contention other capacity-building activities as the main policy tool. In particular, the on-ground actions included in a project may be rated as less than slightly attractive to individual citizens because the attractiveness of the actions is diminished by expectations that others will not cooperate as required to make those actions effective.

This can occur where citizens need to reciprocate each other’s actions to solve a problem of collective action they share (e.g. outbreaks of insect pests in their locality due to losses of biodiversity on their properties) but lack trust that this reciprocation will occur, and thus come to conclude that acting themselves would be financially unattractive (Marshall 2004b, 2004a, 2009b; Pannell et al. 2006). The appropriate main policy tool in such a situation may be some intervention designed to build social capital and thus reverse the mistrust responsible for the perceptions of financial unattractiveness. However, capacity-building interventions of this kind are often overlooked by those in the NRM domain who tend to understand adoption issues through a rural extension lens (Marshall 2011). Consequently, the method developed in the present project elaborates the logic of the PPB framework so that it does not inappropriately rule out capacity-building interventions of this kind as the main policy tool used in a project.

(iii) *Capacity building for the lead organisation*

The PAF prompts the user to identify what policy tools (or ‘delivery mechanisms’) the organisation developing the project would need to apply to motivate private citizens and ‘other organisations’ (i.e. organisations other than the one developing the project) to successfully implement the on-ground actions and any other measures included in the project for which they are responsible. Included in these policy tools may be capacity-building activities designed to enable these other organisations to fulfil their responsibilities. The PAF also prompts the user to identify the works and actions and investigations that the organisation developing the project (‘lead organisation’) would itself be responsible for.

The PAF also requires the user to specify what management arrangements would be applied by the lead organisation to ensure that it successfully implements the works, actions, investigations and policy tools it is responsible for. This is the closest the PAF gets to prompting the user to identify any capacity-building activities that need to be included in the project to enable the lead organisation to fulfil its own responsibilities in the project. Representatives from the partner CMAs attending early meetings about the method for capacity-building projects observed that it should not be taken for granted that their organisations already possess all the capacities they need to deliver upon their own project responsibilities. Hence, the method developed in the present project builds on the PAF by explicitly asking the user to identify any such capacity-building activities required to enable the lead organisation to fulfil its own responsibilities in a project.

(iv) *Risk of the lead organisation failing to fulfil its responsibilities in a project*

The PAF prompts the user to rate the ‘socio-political risk’ of the project failing to achieve its stated goals due to one or more of (a) non-cooperation by other organisations responsible for natural resource management, and (b) social, administrative or political constraints. Included in the risk of (a) are the risks of others organisations failing to undertake the on-ground actions and other measures identified in the project as their responsibilities. Included in the risk of (b) are the risks of the lead organisation, due to the social, administrative and political constraints it faces, failing to fulfil its own responsibilities in the project. Given that the user has not been explicitly prompted by the PAF to identify whether the lead organisation lacks any of the capacities it requires to fulfil its own responsibilities (see (iii) above), risks arising from such capacity shortfalls may not be adequately accounted for by the PAF when the user rates the overall socio-political risk faced by the project.

As noted in (iii) above, the method for capacity-building projects developed in the present project does explicitly prompt the user to identify any capacity shortfalls likely to be experienced by the lead organisation. Building on this elaboration, this method asks the user to rate the risk of (a) – non-cooperation by other organisations with responsibilities in achieving a project’s goal – separately from the risk of (b) – social, administrative or political constraints faced by the lead organisation in striving to fulfil its own responsibilities within a project. Rating these different aspects of socio-political risk separately enables the user to consider more clearly for a particular project how each aspect of risk is affected by the capacity-building activities included in the project that are targeted at other organisations and/or the lead organisation.

(v) *Constraints on an organisation’s ability and willingness to plan future on-ground investments using INFFER*

For INFFER to provide a means of identifying the project-specific capacity-building activities into which investment in the coming period should occur, the lead organisation (i.e. the organisation developing the investment program) needs to be: (a) able and willing to apply this framework, and

(b) sufficiently informed about future funding of its investment program to be able to prioritise how that funding should be allocated between different asset-focused projects.

Lack of ability or willingness to apply INFFER

In respect of (a), there are various reasons for why an organisation may not be able or willing to apply INFFER. Two reasons for why it may not be *able* to do so are highlighted by two questions in the ‘Pre Assessment Checklist’ included in step 2 (‘Filtering significant assets prior to detailed assessment’) of the INFFER process (Pannell et al. undated). These questions are:

- Can you clearly identify the environmental or natural resource asset? (The asset needs to be identified spatially).
- Will it be possible to define a goal for the asset that is ‘SMART’?

The documentation for INFFER’s step 2 states that ‘if you cannot answer ‘yes’ to both these questions, it is likely that the project is not suited to being assessed by INFFER’ (ibid. p. 4). Some regional NRM organisations in Australia lack the databases and mapping capabilities needed to spatially identify natural assets within their regions. Even where these capabilities exist it may not be possible to define a SMART goal.

Even where an organisation is able to apply INFFER in developing its investment program, it may not be *willing* to do so for various reasons. The INFFER team itself recognises that some regional NRM organisations have found the process time-consuming and cumbersome (Marsh et al. 2010; Pannell et al. 2009) and this was corroborated by feedback from trials of step 3 of the INFFER process (‘INFFER Project Assessment Form’) earlier in the present project (Marshall 2010a). Another reason is that the institutional and policy environment surrounding an organisation may provide it with little or no incentive to make the extra effort, compared with current practice, involved in applying a more rigorous planning process for on-ground investments like INFFER (Pannell et al. 2010a). Regional NRM organisations are unlikely to adopt a more resource- and skill- intensive process unless they expect that doing so will significantly increase their access to public funding or engender greater trust and cooperation from those (e.g. private landholders) they depend on for implementation of their investment plans. Some regional NRM organisations find INFFER to offer little additional rigour compared with what their existing planning practices for on-ground investments already offer (Marshall 2010a).

Recognising that not all regional NRM organisations are currently able or willing to apply INFFER in developing their investment programs, it was decided in the present project to devise a method of developing cost-effective capacity-building projects that can be applied by such organisations irrespective of their ability or willingness to apply INFFER in developing their programs of on-ground investments. The method complements the use of INFFER where this has occurred, but does not depend on the ability of a regional organisation to spatially define specific natural assets or to define SMART goals for the assets that have been defined. Development of the method in this way also recognised that organisations unwilling to apply INFFER, because they do not perceive it to be sufficiently superior to their existing methods for on-ground investments, may nonetheless perceive a need to improve their existing methods for capacity-building investments and consequently be willing to try a new method for this purpose.

The part of the method concerned with project-specific capacity-building activities (i.e. the part which is adapted from the INFFER approach) focuses on how capacities built via such activities contribute towards implementation of the on-ground actions and other measures that are required to achieve desired outcomes for natural asset condition – rather than on the contribution to those

outcomes *per se*. Hence, this part of the method requires specification of goals for on-ground actions rather than for natural asset condition. An organisation that is unable to spatially define natural assets or to specify SMART goals for those assets will nonetheless be able to apply this method if it knows enough about the context of the required on-ground actions (e.g. concerning the availability of the various capacities that will be needed) to enable it to develop a project through which those actions can feasibly be delivered. Given that most regional NRM organisations have identified, when developing their regional NRM strategies or shorter-term investment programs, priority subcatchments in respect of certain categories of on-ground actions, it can reasonably be expected that most such organisations will have the contextual information they need to apply this part of the method.

Lack of information about future investment funding

It was observed above that the ability of INFFER to provide a means of identifying the project-specific capacity-building activities into which investment in the coming period should occur depends on two conditions. The preceding paragraphs addressed the first of these ('the lead organisation needs to be: (a) able and willing to apply this framework') and now we turn to the second ('the lead organisation needs to be: ... (b) sufficiently informed about future funding of its investment program to be able to prioritise how that funding should be allocated between different asset-focused projects').

The shift in recent years to Australian governments funding regional NRM organisations on a shorter-term basis than previously (i.e. under NHT2 and the NAP), and leaving them less discretion in deciding how to allocate the funds they do receive, was noted above. Australia's regionalised approach to NRM delivery was originally envisaged as moving as it matured towards a 'block funding' model (Agriculture Fisheries and Forestry Australia 1999). Longer-term regional strategies developed by regional NRM organisations would be accredited by investing governments if they fulfilled specified criteria. This accreditation would enable each organisation, once it had matured, to receive a quantum of funding into the medium term which it would be able to allocate with considerable autonomy between alternative investment opportunities. The main constraint on this autonomy was to be that a regional organisation's investment allocation decisions needed to be consistent with its accredited regional strategy.

Progress towards a block funding model stalled, however, when the NHT2 and NAP programs ended and were replaced by the Australian Government's Caring for our Country (CfoC) program. The 'core funding' of regional NRM organisations, which they could previously allocate between investment options into the medium term with reasonable autonomy, was reduced substantially under the new program. Their autonomy in deciding how to allocate this core funding was also reduced substantially by requiring them to align these allocation decisions with priorities specified in the current CfoC Business Plan. A key implication of these changes has been that the confidence with which regional NRM organisations could apply INFFER as a self-contained process of prioritising what alternative on-ground investment options to invest in, and thus in planning their on-ground investment programs, diminished considerably when CfoC was introduced.

The method developed in the present project for developing cost-effective capacity-building projects recognises this reality. It starts by asking the following question: 'Is your organisation sufficiently informed about future funding of its investment program to plan at least part of that program for at least one year ahead?' If the answer to this question is negative then the organisation is not in a position to confidently identify any on-ground investments it will be undertaking, and thus it is unable to identify what project-specific capacity-building activities will be required to service its ongoing on-ground investment program. Where this is the case, scope remains

nevertheless for the organisation to develop general capacity-building projects to be submitted for funding, and the method developed in the present project is designed to support it in doing so.

3. THE METHOD

The method arising from the present project for developing cost-effective capacity-building projects is discussed in this section.

3.1 Overview

The method developed in this project for strengthening the economic accountability of community-based regional NRM organisations in respect of their investments in capacity building consists of the four forms – A, B, C and D – comprising the Capacity Building Project Development Framework (CBPDF). Accompanying each form is a user manual containing further instructions than was possible, for space reasons, to include in the form, and also examples that illustrate to the user how particular questions might appropriately be answered. An ‘introduction for users’ is also available. Excel spreadsheet calculators have also been developed for each of Forms B and C to automate some of the more demanding calculations required in completing these forms, and also to automate some of the data transfers between questions that are required when completing these forms. Use of each calculator is explained in the relevant manual. These forms, manuals and calculators can be downloaded from

<http://www.ruralfutures.une.edu.au/projects/3.php?nav=Environmental%20Impacts%20of%20Change&page=117>

Forms A, B and C of the framework deal with situations where an organisation is sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead. Form D applies to other situations; i.e. where an organisation is not sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead. Question A1 in Form A (the first question of the framework) identifies whether the user should continue with that form or proceed directly to Form D.

Where an organisation is sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead, it is able to identify (a) the project-specific capacities that need to be developed for those plans to be successfully implemented, and (b) other general capacity-building activities to be undertaken with the available funding. General capacity-building activities are not focused on capacities needed for individual projects, but rather on capacities that a variety of unspecified projects may benefit from.

It may be useful here to describe briefly the respective roles of Forms A, B and C. One purpose of Form A is to identify sets of on-ground actions that the user’s organisation expects to invest in and that depend for their successful implementation on capacity-building activities that need to be resourced from the organisation’s investment funding for the coming year. The other purpose is to identify the value of investments in general capacity-building activities that need to be resourced from the organisation’s investment funding for the coming year.

‘On-ground action’ is defined for the purposes of the CBPDF as any behaviour undertaken by an individual, organisation or agency that directly affects the condition of natural resources or how they are used. In some cases this behaviour involves adoption of ‘on-ground actions’ as they tend to be conventionally understood, like planting trees or building fences. In other cases the behaviour may be more management-oriented, like more sparing use of water. Examples of ‘non-on-ground’ actions include attendance at training events like field days, monitoring, reporting, distributing information sheets, etc.

Subsequent to completing Form A, Form B is completed for each set of on-ground actions identified in pursuing the first purpose of Form A in order to develop cost-effective projects for implementing them. Form C is then used to:

- (a) compile the details of the capacity-building activities included in the ‘on-ground-action’ projects that were developed using Form B;
- (b) detail how the organisation’s investment budget for general capacity-building activities over the coming year (identified in Form A) will be allocated between activities of this kind; and
- (c) consider how to manage all these capacity-building activities cost effectively as projects.

The four forms comprising the CBPDF are designed to provide a structured comprehensive process for developing cost-effective capacity-building projects. Such a process is required to ensure that those developing such projects consider all key considerations in a logical and accountable manner, including by making explicit the evidence, assumptions and judgements on which their responses to questions in the forms are based. Systematic recording of these assumptions, judgements and evidence contributes to adaptive management by enabling subsequent diagnosis at the project monitoring and evaluation stage of how these tallied with what actually occurred – thereby contributing to more realistic project designs thereafter.

The CBPDF is not meant as simply a form-filling exercise. Answers to many of the questions in the framework will benefit considerably from discussion among organisational staff and other stakeholders with the requisite knowledge and experience. Group discussion of this kind is commonly employed by regional NRM organisations when developing their investment programs. The CBPDF is meant to add value to such group discussions by providing a logical structure for them and a mechanism for ‘surfacing’ and recording the assumptions and judgements underlying the discussions that often remain unstated and are sometimes not supported by the best available evidence.

Moreover, the CBPDF is not meant to be applied as a linear process, starting with the first question of Form A and proceeding ever-onwards to the final question (of Form C or Form D, whichever is applicable). Answering one question will not uncommonly identify weaknesses in one or more of the answers provided earlier, and thus prompt reconsideration of those answers. Although users can find it frustrating to have their initial judgements challenged in this way, the iterative process prompted by the CBPDF is essential for ensuring that the capacity-building projects which are developed are indeed cost effective.

3.2 Details of the Capacity-Building Project Development Framework

The main elements of each of the forms comprising the CBPDF are identified and explained in this section.

3.2.1 Form A

One purpose of the CBPDF’s Form A is to identify sets of on-ground actions that your organisation expects to invest in and which depend on capacity-building activities that need to be resourced from the investment funding for the users’ organisation for the coming year (i.e. the next financial or calendar year, depending on how the investment funding cycle is administered). The other purpose

is to identify the budget this organisation expects to allocate in the coming year to general capacity-building activities.

As indicated previously, Question A1 (the first question) of Form A asks users of the form: ‘Is your organisation sufficiently informed about future funding of its investment program to plan at least part of that program for at least one year ahead?’. An affirmative answer here means that the remainder of Form A, as well as Forms B and C, are relevant for these users. The users in this case are in a position to plan how the available investment funding will be allocated to different sets of on-ground actions and also to general capacity-building activities. A negative response signifies that the users are not in such a position, so that these forms are not relevant to them, and that they should therefore proceed directly to Form D.

Question A2 asks the users to identify the future years over which her organisation is sufficiently informed about funding of its investment program to be able to plan at least part of that program. It proceeds to ask: ‘What level of investment funding is your organisation sufficiently sure of having available in each of these years that it can now plan with reasonable confidence how it will be invested?’. The sum of these annual levels of investment funding is referred to henceforth as the organisations ‘total investment budget’.

Question A3 requires the users to identify how her organisation’s total investment budget will be allocated between achieving implementation of on-ground actions and implementing general capacity-building projects. It requires further that the users identify how the allocation to implementing on-ground actions will be allocated between particular groups of ‘similar on-ground actions’. Fencing native vegetation is given as an example of one such group of similar on-ground actions – a group of similar actions by multiple parties. The users are asked to quantify the on-ground actions to be undertaken within each group, and to specify what the sub-allocation from the previously-identified allocation to implementing on-ground actions will be for each particular group of on-ground actions. The foregoing information for Question A3 will be available from the INFFER process if it has been applied. Finally, Question A3 asks the users to identify which of the groups of on-ground actions depend for their successful implementation on capacity-building activities undertaken during the coming year.

Question A4 asks the users to ‘explain how the total investment budget was allocated between achieving on-ground actions and undertaking general capacity-building activities’. The users are thus required to make transparent the logic and evidence underpinning this allocation decision.

Question A5 asks: ‘For which sets of on-ground actions is it appropriate to develop distinct projects?’. Some of the groups of on-ground actions that were identified in Question A3 as depending for their implementation on capacity-building activities undertaken in the coming year may include subgroups which differ sufficiently in their capacity-building needs that it may be appropriate to develop separate projects for them. These subgroups may be distinguished in various ways; for instance, according to the district or subcatchment where they would be implemented, or according to who would be doing the implementation (e.g. private versus public landholders). The groups and subgroups of on-ground actions for which it is appropriate to develop distinct projects are referred to henceforth as ‘sets’ of on-ground actions. In answering Question A5 the users are required to quantify the level of actions to be implemented with each set and to identify what allocations from her organisation’s investment budget will be required to implement each set of actions. The responses are inserted into a table.

Question A6 asks: ‘What capacity constraints need to be alleviated for successful implementation of each of the sets of on-ground actions listed in the table above?’. The users are asked more specifically to identify:

- ‘the capacity constraints that need to be alleviated for successful implementation of these on-ground actions at the specified scale;
- the available evidence that these constraints exist and are serious enough to be worth alleviating; and
- why it is timely to alleviate these capacity constraints during the coming year (i.e. why it is not too early or too late to alleviate these constraints given the timeframe within which implementation of the on-ground actions is required)’.

This question provides a check to confirm it is appropriate to proceed to completing Form B for each of the sets of on-ground actions identified in response to Question A5. If no capacity constraints can be identified for a particular set, or if the available evidence does not suggest that any constraints identified for that set are serious enough to be worth alleviating, or if it is not timely during the coming year to alleviate any capacity constraints identified for that set, then this set should be removed from the responses to Questions A3 and A5 and consequently it should not proceed to the Form B stage. Where it is appropriate for a set of on-ground actions to proceed to the Form B stage, responses to Question A6 provide useful background information for answering those questions in Form B that require identification of the capacity-building activities that are needed to ensure successful implementation of a particular set of on-ground actions.

Question A7 asks: ‘What amount from your organisation’s allocation to general capacity building is available for the coming year?’. The organisation’s allocation to general capacity-building activities from its total investment budget was specified when answering Question A3. That allocation covers all the years covered by that budget. Answering this question requires the users to specify what amount from that allocation is allocated for general capacity-building activities to be undertaken during the coming year. The response to this question is transferred as the answer to Question C3(a) when that point of the CBPDF process is reached.

3.2.2 Form B

The purpose of Form B is to help develop a cost-effective project for each of the sets of on-ground actions identified in Form A as depending on capacity-building activities undertaken during the coming year. Completion of Form B for each of these sets of on-ground actions serves to identify the range of ‘project-specific’ capacity-building activities to be undertaken as part of a cost-effective program of implementing those sets of actions. It also identifies any general capacity-building activities that, despite not targeting any particular sets of on-ground actions, would contribute towards successful implementation of the set of actions focused upon in a copy of Form B.

Section 1

The focus of section 1 of Form B is on (a) the goal(s) of the project to be developed for a particular set of on-ground actions identified in Form A as depending on capacity-building activities undertaken during the coming year, and (b) obtaining information on other projects, past and current, that are relevant to the goal(s) set for the project. Question B1.1 (the first question in section 1) nominates (i) which of the sets of on-ground actions identified in Form A is to be addressed in that particular copy of Form B, (ii) the quantity of those actions to be implemented (as identified in Form A), and (iii) the estimated allocation required from the lead organisation’s investment budget in order to implement this quantity of on-ground actions (also as identified in Form A).

Question B1.2 asks users of the form to specify one or more SMART goals for the project. As previously explained when discussing issue (v) within section 2.4, the goal(s) to be specified are for implementation of on-ground actions rather than, as is the case with INFFER's PAF, for the condition of the natural asset(s) at which the on-ground actions are targeted. Each goal identifies who will be responsible for ensuring implementation of the on-ground actions (private citizens, the lead organisation, or some other organisation).

In section 3.1 of this report the point was made that completing the CBPDF involves more than a form-filling exercise, and normally will rely heavily on deliberation among staff and other stakeholders with the requisite knowledge and experience. Deliberation of this kind will be important in answering Question B1.2, involving as it does the translation of the type and quantity of on-ground actions listed in Form A into more specific project goals (i.e. assigning responsibility for specified shares of those actions). This step of defining one or more project goals requires at least a preliminary sense of what the project will involve, which in many cases cannot be determined by individuals in isolation. These goals defined at this initial step may subsequently need to be revised if responses to subsequent questions raise doubts about the feasibility of these goals, but group discussion at this point is nonetheless important as a way of ensuring that the goals initially set are reasonably feasible (thus reducing the need for subsequent iterations in completing the form).

Question B1.3 asks the users to identify what other projects, past or present, are relevant for achieving the goal(s) specified in response to Question B1.2. Experiences with other projects may offer insight into the kinds of challenges that may be faced in the present project, and thus into the feasibility of achieving the goal(s) set for the project given the budget available to it (as identified for Question B1.1). Identifying other related projects is also important to ensure that the present project will build on those other projects rather than duplicate or compete with them.

Section 2

Section 2 of Form B focuses on those on-ground actions included in the project, if any, for which implementation responsibility resides with private citizens (whether landholders or other citizens). Question B2.1 checks whether any of the on-ground actions included in the project do need to be implemented by private citizens. An affirmative answer to this question leads the users to proceed to subsequent questions in the section. A negative answer leads the users directly to the start of section 3.

Question B2.2 asks whether the aim of the project in respect of on-ground actions by private citizens is to encourage beneficial actions, or discourage adverse actions, by these citizens. A beneficial action is one that enhances the condition of the natural asset(s) of concern, whereas an adverse action is one which degrades their condition. If the focus is on encouraging beneficial actions, the users are led to Question B2.2. If the focus is on discouraging adverse actions, the users are led to Question B2.4. If the aim is both to encourage beneficial actions and discourage adverse actions, the users are led to both Questions B2.3 and B2.4.

Question B2.3 focuses on assessing the feasibility of achieving full adoption by private citizens of the beneficial actions that the project requires from them, as specified in the project goal(s). Similar to INFFER's PAF, part (a) of this question asks the users: 'In the absence of this project, how attractive would full adoption of these on-ground actions be to the relevant private citizens if they were fully informed about them?'. The users can choose between 'highly attractive', 'slightly attractive', 'neutral', 'slightly negative' or 'highly negative'. Also similar to INFFER's PAF, part (b) of Question B2.3 asks the users: 'How favourable are the circumstances of this project for

adoption of the desired on-ground actions by the relevant private citizens?'. The users can choose between 'very favourable' and 'less favourable'. Part (c) of the question then asks the users to assign a score for the parameter *A* based the responses to parts (a) and (b). The matrix below, transferred from the PAF, is presented in the form as a guide, although the users have scope to choose a customised value (e.g. where the available categories are considered to be too coarse). The parameter *A* measures the probability that the beneficial actions specified in the project will actually be adopted by private citizens assuming the project is fully funded and the policy tools included in the project to motivate this adoption are implemented. For instance, a score for *A* of 0.8 signifies an 80 per cent probability that the beneficial on-ground actions required from private citizens will actually be adopted.

<i>Average score</i>	<i>Very favourable adoption circumstances</i>	<i>Less favourable adoption circumstances</i>
<i>Highly attractive</i>	1.0	0.9
<i>Slightly attractive</i>	1.0	0.8
<i>Neutral</i>	1.0	0.7
<i>Slightly negative</i>	0.8	0.6
<i>Highly negative</i>	0.6	0.4
<i>Question not relevant</i>	1.0: No private adoption required.	1.0: No private adoption required.

Question B2.4 focuses on assessing the feasibility of avoiding adoption by private citizens of the adverse actions that the project seeks to discourage them from adopting, as specified in the project goal(s). Part (a) of this question asks the users to assess how attractive the relevant adverse practices are to the private citizens of concern. A score for the parameter *B* is to be assigned depending on the assessed level of attractiveness. This parameter measures the probability that the project will not fail due to the adverse actions actually being adopted. The options and their corresponding *B* scores are 'highly attractive' (*B* = 0.4), 'slightly attractive' (0.7), 'neutral' (0.9), 'slightly negative' (0.95), 'highly negative' (1.0) or 'enter a customised value for *B*'.

Question B2.5 asks whether payment mechanisms (e.g. incentive payments, stewardship payments and conservation tenders) are intended to be used as the main policy tool for encouraging private citizens to adopt the on-ground actions that the project requires from them. If the response is affirmative the users proceed to answer the remaining parts of the question. If the response is negative, the users are led directly to Question B2.6.

Part (a) of Question B2.5 (answered only if payments mechanisms are intended as the main policy tool) asks for an estimate of the average level of payments (per ha, km, etc.) that would be required to achieve the project goal relevant to on-ground actions by private citizens. Parts (b) and (c) seek details of the particular payment mechanism(s) to be used. Part (d) recognises that even though payment mechanisms may be the main policy tool there may be value in using capacity-building activities as a supplementary policy tool. Part (e) asks 'what types of capacity-building activities specific to this particular project will be used in this way?'. Part (f) asks 'which of these project-specific capacity-building activities would be undertaken during the coming year?'. The focus here

is on ‘the coming year’ because the focus of the Capacity-Building Project Development Framework is on developing the next round of capacity-building projects.

Part (g) of Question B2.5 starts by asking ‘what types of general capacity-building activities will be used to support financial payments as the main delivery mechanism?’. This recognises that the effectiveness of payments mechanisms in motivating adoption of on-ground actions by private citizens can sometimes be enhanced by capacity-building activities focused more broadly than those particular actions (e.g. engagement with the payments mechanism may be improved by activities that strengthen private citizens’ general awareness of the lead organisation and/or NRM issues generally. Part (g) continues by asking: ‘What, if any, additional cost will be incurred in these activities due to implementing this project?’. This question relates to the wider one of establishing what additional costs will be incurred as a result of undertaking the project. It recognises that the costs of general capacity-building activities are often unaffected by whether particular on-ground-action projects benefiting from them are undertaken or not. In some cases, however, a decision to undertake a particular on-ground-action project may require some upscaling of one or more general capacity-building activities that contribute to their effectiveness. In these cases the additional costs due to upscaling these activities should be included as costs of the project. Part (h) asks ‘which of the general capacity-building activities identified in (g) would be undertaken during the coming year?’. Again, the focus here is on ‘the coming year’ because the focus of the Capacity-Building Project Development Framework is on developing the next round of capacity-building projects.

Question B2.6 is relevant where the response to Question B2.5 was negative. It asks whether capacity-building activities will be relied upon as the main policy tool for encouraging private citizens to adopt the on-ground actions that the project requires from them. (The answer should be ‘yes’ here if it was ‘no’ to Question B2.5.) Given an affirmative response to this question, the process of answering the remaining parts of the question is similar to that of answering the corresponding parts of Question B2.5. Over parts (a) to (d) of Question B2.6, the users are led to identify (i) those project-specific and general capacity-building activities comprising the main policy tool(s) for encouraging adoption by private citizens of the on-ground actions required from them in the project, and (ii) the subsets of these activities that would be undertaken during the coming year. Part (e) of the question asks whether there is an intention to use payment mechanisms as a supplementary policy tool supporting capacity-building activities as the main policy tool (e.g. offering small temporary payments as a means of broadening participation in these activities). Given an affirmative answer the users are led to parts (f) to (h) which require specification of the average level of payments to be offered and how these payments will be administered.

Within the process of answering Questions B2.5 and B2.6 is embedded the logic of the Public: Private Benefits framework. Thus after being asked in Question B2.5 part (a) to estimate the average level of payments required to sufficiently motivate private citizens to adopt the nominated on-ground actions, the users face Consistency Check B3 where they are asked whether this average level of payments is consistent with the attractiveness of these actions to the citizens as specified in Question B2.3. If the users indicate in response to Question B2.6 that their intention is to rely on capacity-building activities as the main policy tool for motivating private citizens, they are prompted to complete Consistency Check B4 which explores whether capacity building is indeed the appropriate policy tool. This consistency check is adapted from one in INFFER’s PAF as explained when discussing issue (ii) in section 2.4.

Section 3

Section 3 of Form B focuses on those actions included in the project, if any, for which implementation responsibility resides with organisations other than the lead organisation. The lead organisation is defined here as including external parties (e.g. private contractors) whose

implementation of on-ground actions is directly supervised by the lead organisation. Hence section 3 is concerned with other organisations responsible for implementing project actions without direct supervision by the lead organisation (e.g. government agencies, local governments, local NRM groups, subcatchment groups, etc.).

Question B3.1 asks whether any of the *on-ground* actions specified in the goal(s) of the project are to be implemented by such ‘other organisations’. Question B3.2 then asks whether achieving the goal(s) of the project depends on any *non-on-ground* actions by these other organisations. Examples of such non-on-ground actions include: monitoring and enforcing compliance with regulation, releasing environmental water flows, running field days, providing reports to the lead organisation, etc. An affirmative answer to this question leads the users to Question B3.3 which asks for a description of the non-on-ground actions to be undertaken by other organisations. A negative answer leads her directly to section 4 if the answer to Question B3.1 was also negative (meaning that other organisations have no significant roles to play in the project).

Question B3.4 asks for details of the policy tools to be used to motivate the organisations to undertake the on-ground and non-on-ground actions required from them. Part (a) asks users to identify what project-specific capacity-building activities will be used to motivate other organisations to undertake these actions, and part (b) asks them to identify which of these activities would be undertaken during the coming year. Part (c) asks users to identify what general capacity-building activities will be applied to motivate other organisations to undertake the project activities for which they are responsible, and part (d) asks them to identify which of these activities will be undertaken during the coming year. Part (e) asks users to detail any other policy tools to be used in the project (e.g. financial payments, memoranda or understanding, meetings, etc.) to motivate the other organisations to fulfil their responsibilities in the project.

Like Question B2.3, the focus of Question B3.4(f) is on assessing the feasibility of achieving implementation of actions comprising the project – the difference here is that the focus is on actions by other organisation rather than by private citizens. Based on Question 4.4 of INFFER’s PAF, Question B3.4(f) states: ‘Presuming that the delivery mechanisms identified under (a), (c) and (e) are applied, estimate the probability that these other organisations will fail to fully implement the on-ground actions and other actions they are responsible for’. Based on the response a value is assigned for the parameter P which measures the probability that implementation failure by other organisation will *not* prevent the project from achieving its goals. Users can choose between ‘0-5% (very low probability of other organisations failing to implement the actions they are responsible for, $P = 0.97$), ‘6-25%’ ($P = 0.85$), ‘26-50%’ ($P = 0.62$), ‘51-75%’ ($P = 0.37$), ‘76-100% (very high risk of other organisations failing to fully implement the actions they are responsible for, $P = 0.12$), and ‘Enter a customised value for P ’. The option of users entering a customised value provides flexibility when the scoring categories provided are regarded as too coarse. To illustrate, a score for P of 0.62 signifies a 62 per cent probability that implementation failure by other organisations will *not* prevent the project from achieving its goals.

Section 4

Section 4 of Form B focuses on those on-ground actions included in the project, if any, for which implementation responsibility resides with the lead organisation. As explained above, the lead organisation is defined as including external parties (e.g. private contractors) whose implementation of on-ground actions is directly supervised by the lead organisation.

Question B4.1 asks whether any of the on-ground actions included in the goals of the project are to be implemented by the lead organisation. A negative answer here lead the users directly to section 5, while an affirmative response leads them to proceed to Question B4.2 which asks them to

identify what policy tools will be employed to motivate members of the lead organisation to undertake the on-ground actions they are responsible for. Part (a) of this question asks for details of the capacity-building activities (e.g. awareness-raising, training, etc.) that will be employed in the project to support members of the lead organisation to undertake the on-ground actions they are responsible for. Part (b) asks users to identify which of these capacity-building activities will be undertaken in the coming year. Part (c) asks them to identify any other policy tools (e.g. payments to subcontractors, contract conditions, etc.) to be used in the project to encourage members of the lead organisation to undertake the on-ground actions they are responsible for.

Section 5

The focus in Section 5 of Form B is on actions *other than* on-ground actions that the lead organisation needs to undertake to ensure project success. These actions were identified in earlier sections:

- Section 2 identified various activities (e.g. payment mechanisms, capacity-building activities, monitoring, enforcement, etc.) that the lead organisation needs to undertake to motivate the on-ground actions required from *private citizens*;
- Section 3 identified various activities (e.g. capacity-building activities and other delivery mechanisms) that the lead organisation needs to undertake to motivate the actions required from *other organisations*; and
- Section 4 identified various activities (e.g. capacity-building activities and other policy tools) that the lead organisation needs to undertake to motivate the on-ground actions required from *its own members* for the project to succeed.

Question B5.1 identifies the capacity-building activities and management arrangements that the lead organisation needs to undertake to enable it to complete the non-on-ground actions required from it to ensure project success. Part (a) of this question seeks details of the capacity-building activities to be undertaken to ensure the lead organisation can complete these actions. Part (b) asks ‘which of the capacity-building activities identified in (a) would be undertaken during the coming year?’. Part (c) asks for details of the management arrangements for the project.

Like Question B3.4(f) the focus of Question B5.2 is on assessing the feasibility of achieving implementation of actions comprising the project – the difference here is that the focus is on actions by the lead organisation rather than by other organisations. Question B5.2 asks users to consider all the project activities (on-ground and non-on-ground) that the lead organisation is responsible for implementing and estimate the probability that it will fail to fully implement these activities. Based on the response a value is assigned to the parameter Q which measures the probability that implementation failure by the lead organisation will *not* prevent the project from achieving its goals. Users can choose between ‘0-5%’ (very low probability of the lead organisation failing to implement the actions it is responsible for, $Q = 0.97$), ‘6-25%’ ($Q = 0.85$), ‘26-50%’ ($Q = 0.62$), ‘51-75%’ ($Q = 0.37$), ‘76-100% (very high risk of the lead organisation failing to fully implement the actions it is responsible for’ ($Q = 0.12$), and ‘Enter a customised value for Q ’. The option of users entering a customised value provides flexibility when the scoring categories provided are regarded as too coarse. To illustrate, a score for Q of 0.0.85 signifies an 85 per cent probability that implementation failure by the lead organisation will *not* prevent the project from achieving its goals.

Section 6

The focus in section 6 of Form B is on estimating the costs of the various activities comprising the project, its total cost, and its cost-effectiveness compared with alternative project designs for achieving the same goal(s). Question B6.1 is concerned with estimating the costs. The cost estimates are inserted into a table that is broken into three parts. Part A is concerned with estimated costs in delivering project tasks by private citizens. Part B is concerned with estimated costs in delivering project tasks by organisations other than the lead organisation. Part C is concerned with estimated costs in delivering project tasks by the lead organisation. Users are prompted to return to answers to relevant earlier questions in order to remind themselves of the details of the various actions to be undertaken and of the policy tools identified for motivating implementation of these actions. The focus in the tables is not only on the project costs to be covered from the lead organisation's investment budget. Users are also prompted to estimate costs to be covered by cash from other sources (e.g. contributions from local governments or other agencies) and costs incurred in the form of in-kind contributions to the project (e.g. uncompensated contributions by landholders of their labour or knowledge).

Question B6.2 is concerned with comparing the cost-effectiveness of the project design as developed in one Form B process with the cost-effectiveness of alternative project designs for achieving the same goal(s). It does so by calculating the 'feasibility-adjusted cost' (FAC) of the project design in order that this FAC can be compared with the FACs of alternative project designs intended to deliver the same goal(s). The rationale for this step is explained under Question B6.2 as follows:

This form seeks to help design a project that achieves its goal(s) as cost-effectively as possible (i.e. at least cost). The project design developed in preceding sections may not be the only one that could feasibly achieve the goal(s) defined in Question B1.2(d). Hence, it is important at this point to explore whether the project developed in this form is in fact the most cost-effective of the project designs that might be tried. This exploration involves completing a separate Form B for each project design 'candidate' and comparing the FACs of the candidates to identify which one is most cost effective. Of course, cost-effectiveness may not be the only criterion your organisation ultimately applies in selecting a particular project design.

Calculation of the FAC for a project design takes into account not only the costs of implementing that design (i.e. the costs estimated when answering Question B6.1) but also the probability of fully achieving its SMART goal(s) for on-ground action (i.e. the probability of the project being fully feasible).

A simple example may help to illustrate the underlying logic. Suppose that the estimated total cost for a project design is \$100,000 and it is estimated that there is an 85 per cent probability of this design fully achieving the goal(s) of the project. How much would it cost to implement this project design with a 100 per cent probability of fully achieving the goal(s) of the project (i.e. so that the project is expected to be fully feasible)? One way to estimate this 'feasibility-adjusted cost' of the project design is to reason that the project design would need to be scaled up by a factor of $100 \div 85 = 1.176$ to increase the probability of fully achieving its goals from 85 per cent to 100 per cent, and to assume that this would require the total cost of the project design to be increased by the same factor. Hence, the feasibility-adjusted cost of the project design would be estimated as $\$100,000 \times 1.176 = \$117,600$. This 'back of an envelope' approach assumes that (i) the probability of fully achieving the goal(s) of a project design is proportional to the scale at which the design is implemented, and (ii) the total cost of a project design changes in direct proportion to its scale. Although 'rough and ready', these assumptions provide a transparent basis for comparing the cost-

effectiveness of project designs with different probabilities of fully achieving a common goal(s) (i.e. with different feasibilities) that is sufficiently user-friendly to include in the Capacity-Building Project Development Framework (CBPDF).

The approach to estimating the FAC of a project design that is operationalised in Question B6.2 of Form B is a little more involved than illustrated by the foregoing example. This approach actually estimates feasibility-adjusted costs for three different components of a project's total cost:

- (i) the cost of delivering project tasks by private citizens (as calculated in part A of the table under Question B6.1);
- (ii) the cost of delivering project tasks by organisations other than the lead organisation (as calculated in part B of that table); and
- (iii) the cost of delivering project tasks by the lead organisation (as calculated in part C of that table).

Estimating the feasibility-adjusted cost from the cost for each component involves dividing the unadjusted cost for that component by the relevant feasibility factor.

- For component (i) the relevant feasibility factor is the product of the values assigned when answering Questions B2.3 and B2.4 for parameters *A* (measuring the feasibility of the project achieving full adoption by private citizens of the beneficial on-ground actions required from them) and *B* (measuring the feasibility of the project avoiding adoption by private citizens of the adverse on-ground actions that the project seeks to prevent), respectively. To illustrate, suppose that the cost of delivering project tasks by private citizens is calculated to be \$50,000, the value assigned to *A* is 0.7 and the value assigned to *B* is 0.9. Hence, the product of *A* and *B* is $0.7 \times 0.9 = 0.63$, which indicates a 63 per cent probability of private citizens doing everything required from them for the project to achieve its goal(s). In this example, therefore, the feasibility-adjusted cost for this cost component is obtained dividing \$50,000 by 0.63 which gives \$79,365.
- For component (ii) the relevant feasibility factor is the value assigned when answering Question B3.4(f) for parameter *P* (measuring the feasibility of the project achieving full implementation by organisations other than the lead organisation of the actions required from them). To illustrate, suppose that the cost of delivering project tasks by 'other organisations' is calculated to be \$30,000 and the value assigned to *P* is 0.97. This indicates a 97 per cent probability of other organisations doing everything required from them for the project to achieve its goal(s). In this example, therefore, the feasibility-adjusted cost for this cost component is obtained dividing \$30,000 by 0.85 which gives \$35,294.
- For component (iii) the relevant feasibility factor is the value assigned when answering Question B5.2 for parameter *Q* (measuring the feasibility of the project achieving full implementation by the lead organisation of the actions required from it). To illustrate, suppose that the cost of delivering project tasks by the lead organisation is calculated to be \$20,000 and the value assigned to *Q* is 0.85. This indicates an 85 per cent probability of the lead organisation doing everything required from it for the project to achieve its goal(s). In this example, therefore, the feasibility-adjusted cost for this cost component is obtained dividing \$20,000 by 0.85 which gives \$23,529.

The total feasibility-adjusted cost of the project design referred to in the foregoing example (i.e. the FAC for this project design) is thus \$138,188 (= \$79,365 + \$35,294 + \$23,529), which compares with the unadjusted cost for the project design of \$100,000 (= \$50,000 + \$30,000 + \$20,000).

The FAC calculated for a particular project design can be compared the FACs for one or more alternative project designs pursuing the same goal(s). One alternative design, for instance, may involve a different mix of project activities that cost more in total than the first project design that was developed but which confer higher feasibility.

Continuing the foregoing example, suppose that the amounts calculated for each of the cost components of this alternative project design are \$52,000 (cost component (i)), \$33,000 (cost component (ii)), and \$22,500 (cost component (iii)). Hence, the total unadjusted cost for this alternative project design is \$107,500, which is \$7,500 greater than that of the earlier project design. Suppose also that the values assigned to the feasibility parameters for this alternative project design are higher than those for the first project design, with $A = 0.8$, $B = 1.0$, $P = 0.97$ and $Q = 0.97$. The feasibility-adjusted cost for component (i) is thus given by $\$52,000 \div (0.8 \times 1.0) = \$65,000$. The feasibility-adjusted cost for component (ii) of this alternative project design is given by $\$33,000 \div 0.97 = \$34,021$. The feasibility-adjusted cost for component (iii) of the alternative project design is given by $\$22,500 \div 0.97 = \$23,196$. Hence, the total feasibility-adjusted cost (FAC) of the alternative project design is $\$65,000 + \$34,021 + \$23,196 = \$122,217$. Although the unadjusted total cost of the alternative project design is \$7,500 higher than that of the earlier project design, the FAC for the alternative design is \$15,971 lower than that of the earlier design (\$122,217 versus \$138,188). The higher unadjusted cost of the alternative project design is more than compensated by the higher values of its feasibility parameters, so that its FAC is lower. We can thus conclude that the alternative project design is more cost-effective in achieving the relevant goal(s) than is the earlier project design.

The step in Form B of calculating the FAC of a particular project design for pursuing a set of goals is thus valuable as a way of resolving trade-offs between the cost of a project design and its feasibility when deciding whether that project design is more cost-effective in pursuing that set of goals than alternatives to, or variations on, that design. *It is important to note, however, that the FACs of different project designs can only be used to compare their cost-effectiveness when the goal(s) of these alternatives are identical.*

Section 7

The process of completing Form B involved, among other tasks, identifying the capacity-building activities needed to ensure successful implementation of the project and that would need to be undertaken during the coming year. The focus of Section 7 in Form B is to bring together in one table details of these capacity-building activities, to facilitate the process of transferring these details into Form C (together with equivalent details for the other projects developed using Form B). These capacity-building activities include those specific to the project (project-specific capacity-building activities) and those focused more generally than the project (general capacity-building activities).

The project-specific activities include those for:

- private citizens (identified in answering Questions B2.5(f) and B2.6(b) and that were budgeted in section A3a of part A of the table under Question B6.1);

- organisations other than the lead organisation (Question B3.3(b), and section B2a of part B of the table under Question B6.1);
- the lead organisation – to support its on-ground actions (Question B4.2(b), and section C2a of part C of the table under Question B6.1); and
- the lead organisation – to support its non-on-ground actions (Question B5.1(b) and section C4a of Part C of the table under Question B6.1).

The general capacity-building activities include those for:

- private citizens (Questions B2.5(h) and B2.6(d), and section A3c of part A of the table under Question B6.1); and
- organisations other than the lead organisations (Question B3.3(d), and section B2c of part B of the table under Question B6.1).

Section 8

Section 8 of Form B provides a snapshot of the project developed using the form, including details of: the project title; the project goals; a project summary (less than 150 words); names of people who completed the form; date of when the form was last updated; values of feasibility parameters; the feasibility-adjusted cost (FAC) of the project design developed using the form; knowledge gaps encountered in completing the form; and the quality of information used to complete sections 1 to 5 of the form. (The last question in each of these sections asks the user to identify key knowledge gaps encountered in completing the section and to score – on a five-point scale from ‘very poor’ to ‘very good’ – the quality of information used to complete the section).

Compatibility with INFFER

Completing Form B for each of the relevant sets of on-ground actions that were identified in Form A clearly involves a significant time commitment. Where these sets of on-ground actions were identified using the INFFER process, however, the Project Assessment Forms (PAFs) completed as part of this process for the projects including these sets of actions will already contain much of the information needed to complete Form B, and will also have prompted much of the discussion and thinking needed to provide the other information that is required. Hence, the time commitment needed to complete Form B for the various sets of on-ground actions will not be great in these circumstances. Where the INFFER process has not already been applied, the time commitment required to complete Form B for these sets of actions does remain an issue. However, this time commitment may be less than required for the INFFER process since the Form B process does not involve the significant challenges in completing a PAF of spatially defining specific natural assets and setting one or more SMART goals for each of these assets.

3.2.3 Form C

Once Form B is completed for each of the sets of on-ground actions identified in Form A as depending on capacity-building activities undertaken during the coming year, Form C is then used to:

- (i) pull together details of the capacity-building activities included in the on-ground-action projects developed with Form B;

- (ii) detail how the lead organisation's budget for general capacity-building activities in the coming year will be allocated between activities of this kind; and
- (iii) prompt consideration of how to manage these capacity-building activities cost effectively as projects.

Answering Question C1 of Form C involves completing a table that is designed to summarise the expenditures during the coming year that the lead organisation would undertake to ensure implementation of the capacity-building activities included in the on-ground-action projects that have been developed using Form B. Each row of the table refers to a different on-ground-action project. The 2nd to 6th columns of the table for a particular on-ground-action project identify what expenditures from the lead organisation's investment budget for the coming year are required to ensure implementation of the different categories of capacity-building activities that were distinguished in the table accompanying Question B6.1 of Form B.

In the rightmost column of the table is entered the allocation from the lead organisation's investment budget for the coming year that would be required to undertake all the relevant capacity-building activities identified in the copy of Form B completed for the on-ground-action project. Finally, to be inserted in the rightmost bottom cell of the table is the total allocation from the lead organisation's investment budget for the coming year that is required to undertake all the capacity-building activities identified for all of the on-ground-action projects developed using Form B.

Answering Question C2 involves identifying all those capacity-building activities that (i) support the on-ground-action projects developed using Form B, and (ii) will be undertaken during the coming year. The information required to answer this question will have already been compiled when filling in section 7 of the copies of Form B that were completed for the on-ground-action projects developed using that form. At this point the users of Form C need to copy each of the equivalent tables completed in a copy of Form B and paste the tables under Question C2 in ascending order of their project codes.

Question C3 asks users of Form C to detail the general capacity-building activities to be undertaken during the coming year. Part (a) of the question asks them to transfer to this point of Form C their response to Question A7 of Form A ('What amount from your organisation's allocation to general capacity building is available for the coming year?'). Part (d) asks them to insert into the table provided details of each general capacity-building activity to be funded from the budget allocation specified in response to (a), as well as the budget allocations to each of these activities. It prompts them to include in this list of activities those general capacity-building activities that were identified in Questions B2.5(h), B2.6(d) and B3.3(d) of the various completed Forms B as contributing to the feasibility of the on-ground-action projects developed in those forms.

Question C4 asks for a cost breakdown for each of the general capacity-building activities identified when answering Question C3. Costs are required to be broken down into different cost items, as well as according to whether the costs will be covered from the lead organisation's investment budget, from cash contributions from other sources, or from in-kind contributions.

Question C5 asks for rationale to be provided for the total budget allocation to general capacity-building and for each of the general capacity-building activities to be funded from this total budget. Part (a) of this question asks for one or more rationale to be provided for each of the budget allocations to general capacity-building activities that were identified when answering Question C3. Part of the rationale for investing in a particular general capacity-building activity may be that the activity contributes to the feasibility of one or more of the on-ground-action projects developed using Form B. Where this is the case, users of Form C are prompted to list as part of the

justification for a general capacity-building activity the codes of the on-ground-action projects the feasibility of which is enhanced by it. However, the rationale for investing in some, or perhaps most, of the general capacity-building activities listed may have little or nothing to do with contributing to the feasibility of the on-ground-action projects developed using Form B. The rationale for these general capacity-building activities will mostly or entirely revolve around developing capacities of value in strengthening the feasibility of on-ground and other NRM actions beyond the term of the on-ground-action projects presently under consideration. The following questions are included under Question C5 to guide users of Form C in articulating their rationale for investing in such general capacity-building activities:

- what ‘capacity constraint(s)’ limiting your organisation’s ability to protect the natural resources it is responsible for would be alleviated by undertaking this activity?
- what reasoning and evidence indicates that these constraints exist and are serious enough to be worth alleviating?
- what reasoning and evidence offers confidence that the particular general capacity-building activity can succeed in cost effectively alleviating these capacity constraints?
- what other rationale are there for investing this activity? (e.g. matches investor priorities, aligned with your organisation’s strategic targets, contributes to government strategic targets, etc.).

Part (b) of Question C5 asks for a rationale to be provided for how the total investment budget for general capacity-building will be allocated between the various general capacity-building activities that the response to Question C3(b) indicated will be funded in the coming year. The focus here is on justifying the relative sizes of the allocation to these different activities.

Question C6 prompts users of Form C to consider how the various capacity-building activities (project-specific and general) listed in response to Questions C2 and C3 should be organised into capacity-building *projects*. Part (a) of this question asks: ‘How should the activities listed in response to Questions C2 and C3 be organised into capacity-building projects?’. Users are advised that:

Benefits can arise from coordinated management of complementary capacity-building activities; i.e. by combining them into designated capacity-building projects. In the tables below, group the capacity-building activities listed in Questions C2 and C3 into sets that would appropriately and cost-effectively be managed together as capacity-building projects. Complete a separate table for each set of capacity-building activities so identified. ... Each of the activities listed in Questions C2 and C3 should be assigned to one capacity-building project.

They are then instructed as follows:

Assign at the top of each table a unique name for the corresponding project. In the 2nd row of the table the code *CBP1* is assigned to the first of capacity-building projects that has been distinguished. In the tables added for other such projects, assign the codes *CBP2*, *CBP3* and so forth consecutively to these projects. Insert in the 2nd column of the body of the table the code for each listed capacity-building activity as it was identified in response to either Question C2 or Question C3. In the 3rd column insert the allocations from your organisation’s investment budget that you previously estimated (when answering Questions C2 and C3) would be needed to undertake each capacity-building activity.

Some of the capacity-building projects identified in this step will include capacity-building activities included in on-ground-action projects that were developed using Form B. Clearly it is not appropriate to manage these activities only as parts of capacity-building projects, independently of the on-ground projects that depend on them. The intention (as stated previously in section 2.4) is rather for these activities to be managed, in a coordinated manner, both as part of an on-ground-action project and as part of a capacity-building project.

Part (b) of Question C6 asks users: ‘What allocation from your organisation’s investment budget is required to undertake each of these capacity-building projects?’. They are instructed as follows:

In the rightmost column of each table below estimate what allocation from your organisation’s investment budget is required to undertake each capacity-building activity as part of the project defined in that table. This estimate may be the same as previously identified for the activity and inserted in the column to the left. In some cases, cost-savings may be available from including an activity as part of a wider project. In these cases the budget-allocation estimate for an activity in the rightmost column should reflect these cost-savings. ...

Estimated allocations from your organisation’s investment budget towards managing the various capacity-building projects should be inserted in the bottom row of each of the tables below. (This estimated allocation will be zero where the costs of project management would be fully covered from your organisation’s recurrent budget.) Finally, the total allocation from your organisation’s investment budget to undertake each capacity-building project needs to be calculated and inserted in the bottom right cell of each table.

A ‘notes’ section at the bottom of each table provides an opportunity to explain why capacity-building activities have been combined into a capacity-building project, including any consequences of the combination for your organisation’s investment funding budget.

Question C7 asks: ‘What total allocation from your organisation’s investment budget for the coming year is required for your organisation to undertake all the capacity-building projects developed above?’. Users are required to transfer (from the various tables completed in response to Question C6(a)) details of each capacity-building project (name of project, project code, and total allocation to the project from the investment budget for the coming year) to a row of the table provided. They are required also to sum the budget allocations to the various capacity-building projects.

Question C8 asks: ‘What total allocation to capacity-building activities from the coming year’s investment budget was originally budgeted?’. A table is provided into which users are required to enter in the first row the ‘total allocation to *project-specific* capacity-building activities from your organisation’s investment budget for the coming year, as calculated for Question C1’. In the second row they are required to enter the ‘total allocation to *general* capacity-building activities from your organisation’s investment budget for the coming year, as calculated for Question C3(a)’. In the third row they are required to sum the budget allocations entered into the preceding two rows to obtain the ‘total allocation to both project-specific and general capacity-building activities from your organisation’s investment for the coming year’. Note that this is the total of the allocations that were originally budgeted, prior to any cost-savings identified from combining capacity-building activities into coordinated projects.

Form C ends with Consistency Check C1, which checks whether the total allocation to capacity-building projects from the lead organisation’s investment budget for the coming year, as calculated for Question C7, does not exceed what was originally allocated to capacity-building activities from

the coming year's investment budget, as calculated for Question C8. Provided that the allocation calculated for Question C7 does not exceed that calculated for Question C8, the process of completing Form C is complete. Otherwise, users are advised that a data entry error or miscalculation has occurred, and they are instructed to identify where this problem has arisen and remedy this problem before completing the Form C process.

3.2.4 Form D

Question A1 in Form A steers users of the CBPDF directly to Form D in those situations where their organisation is not sufficiently informed about future funding of its investment program that it can plan at least part of that program for at least one year ahead. This lack of information constrains the organisation from developing project-specific capacity-building activities. Nevertheless, scope remains in these circumstances for the organisation to develop general capacity-building projects to be submitted for funding. The purpose of Form D is to identify, justify and budget the general capacity-building activities for which the organisation intends to apply for funding in order to undertake them in the coming year. Once completed, this form provides a sound information base upon which the organisation can apply for the funding it requires to invest in the general capacity-building activities identified in Form D.

Question D1 (the first of Form D) asks: 'Does your organisation intend to seek funding to undertake general capacity-building activities in the coming year?'. An affirmative answer leads users to continue with the form. A negative response means they are instructed to 'not continue with the Capacity-Building Project Development Framework'.

Question D2 asks: 'For what general capacity-building activities in the coming year does your organisation intend to seek funding?'. A table is provided in which these activities can be listed.

Question D3 instructs users to 'justify investments in the general capacity-building activities that were identified for Question D2'. Users are instructed to provide at least one justification for each activity, and that justifications for a particular general capacity-building activity relate to the following questions:

- what 'capacity constraint(s)' limiting your organisation's ability to protect the natural resources it is responsible for would be alleviated by undertaking this activity?
- what reasoning and evidence indicates that these constraints exist and are serious enough to be worth alleviating?
- what reasoning and evidence offers confidence that the particular general capacity-building activity can succeed in cost effectively alleviating these capacity constraints?
- what other rationale are there for investing this activity? (e.g. matches investor priorities, aligned with your organisation's strategic targets, contributes to government strategic targets, etc.).

Question D4 requires users to provide a cost breakdown using the table provided for each of the general capacity-building activities listed in response to Question D2. Costs are required to be broken down into different cost items, as well as according to whether the costs will be covered from the lead organisation's investment budget, from cash contributions from other sources, or from in-kind contributions.

Question D5 enquires about the quality of the information used in completing Form D (rated on a five-point scale from 'very poor' to 'very good') and on any key knowledge gaps encountered in completing the form that may require additional research, analysis or investigation.

4. TRIALLING THE CAPACITY-BUILDING PROJECT DEVELOPMENT FRAMEWORK

In this section the process of trialling the Capacity-Building Project Development Framework (CBPDF) is discussed.

4.1 Preparatory steps

The trial process commenced by convening initial meetings with staff from each of the three CMA partners in the project – Border Rivers - Gwydir CMA, Namoi CMA and Northern Rivers CMA – at which the purpose of the method was explained, the staff were led through draft versions of Forms A, B and C of the CBPDF, and they were asked to provide feedback.

The meeting for Border Rivers – Gwydir CMA was held on 23rd August 2010 at the CMA’s office in Armidale, and was attended by the project leader (Marshall) as well as the Catchment Coordinator (Community) and the Planning Officer from that CMA. The meeting for Northern Rivers CMA was held on 26th August 2010 and was attended by the project leader as well as the Catchment Coordinator (Aquatic) and the Community Program Coordinator (also the Coordinator for the CMA’s northern zone) from that CMA. The meeting for the Namoi CMA was held on 27th August 2010 and was attended by the project leader as well as by the Program Manager (Operations) from that CMA. A subsequent preparatory meeting was held for the Namoi CMA on 16th September 2010, which was attended by the project leader as well as by the CMA’s Program Manager (Operations) and two members of its Community team.

It was agreed as a result of these initial meetings that the trial for each CMA would involve:

- completing Form A;
- completing Form B for two of the sets of on-ground actions identified in Form A as depending on capacity-building activities undertaken during the coming year;
- completing Form C based on the information contained in the completed copies of Form B.

Form D was not relevant to the three participating CMAs since they were each in a position to plan their investment programs for at least one year ahead; hence Form D was not included in the trial process.

The number of copies of Form B to be completed was limited to two in response to the CMA’s limited availability of staff time to participate in the trials. Despite the trials being partial in this sense, the CMAs agreed that proceeding with the trials in this form would be sufficient for them to assess the value of the CBPDF to them and provide feedback on how it might be improved. Based on the information presented at these meetings, the three CMAs agreed to proceed to a trial of the CBPDF on this basis.

The draft versions of Forms A, B and C presented at these meetings were substantially revised prior to commencing the trials on the basis of feedback obtained from the meetings. For instance, staff from the Namoi CMA’s Community team expressed concern about the focus of the CBPDF on building capacities for strengthening the feasibility of implementing on-ground actions. Their concern was particularly with the term ‘on-ground actions’ which they perceived to exclude many of the kinds of behaviour changes that general capacity-building activities tend to be ultimately

concerned with. They perceived this term to refer narrowly to traditional kinds of landholder conservation practices like weed-control practices, fencing off remnant vegetation, etc., whereas the kinds of general capacity-building activities commonly undertaken by their CMA are often focused more broadly than this (e.g. focused on motivating adoption of management-oriented changes contributing towards water- or energy- efficiency). They were concerned that the CBPDF would come to be applied in a way biased against investing in general capacity-building activities unless the term ‘on-ground action’ was clearly defined to include not only traditional actions of this kind but also the more ‘behavioural’ or management-oriented actions that general capacity-building activities often seek to support. These concerns were addressed by coming to define ‘on-ground action’ as it was in section 4.1.

One of the staff present at the initial meeting with Border Rivers – Gwydir CMA raised a concern about the time required to carry out the various calculations required in the forms and to transfer data from one form to another, and suggested that such calculations and data transfers be automated in some way. The spreadsheet calculators mentioned in section 4.1 were developed in response to this concern. Although considerable potential exists to automate the process further, further work along these lines was outside the scope of the present project.

4.2 The trials

The three CMA partners chose different ways of participating in the trials, as detailed below. Note that although the staff participating in the trials completed the forms to the best of their ability given the limited time available, the trials were entered into as an illustrative exercise rather than with the intention of actually deciding investment priorities. *Hence the excerpts from completed forms presented below were included only to illustrate how the CBPDF may be applied. They do not necessarily indicate the actual investment intentions of the participating CMAs.*

4.2.1 Trials by Border Rivers – Gwydir CMA

Border Rivers – Gwydir CMA (BRGCMA) chose to complete Forms A, B and C in a series of three separate meetings. A common group of staff was nominated to participate in each of these meetings, which were all held in Inverell.

The meeting with BRGCMA to trial Form A occurred from 10am to 3pm on 22nd October 2010. It was attended by the Acting Program Manager (Landscapes and Community), the Catchment Action Plan (CAP) Review Officer, the Catchment Coordinator (Community), the Catchment Officer (Property Planning), and two Catchment Officers (Projects). These individuals constituted the regional working group for this CMA’s trial process.

The response to Question A2 of Form A from this CMA was that it is sufficiently informed about funding of its investment program over the two-year period July 2011 to June 2013 to be able to plan at least part of that program. A copy of the table completed in response to Question A5, which identifies the sets of on-ground actions in this investment program that depend on capacity-building activities to be funded in the coming year (2011-12) is presented below as Table 2. The figures inserted in the table were illustrative for the purposes of the trial, and should not be construed as reflecting this CMA’s actual investment intentions.

Form B was trialled by this CMA at a meeting held from 10am to 3.30 pm on 7th November 2010. This meeting was attended by each of those who attended the Form A meeting. This trial focused on two of the seven sets of on-ground actions that were listed in Table 2.

Table 2: Sets of on-ground actions identified in response to Question A5 of Form A as depending on capacity-building activities to be funded in the coming year: Border Rivers – Gwydir CMA*

<i>Set code</i>	<i>Set of on-ground behaviour changes</i>	<i>Quantity of actions</i>	<i>Estimated allocation from investment budget (\$)</i>	<i>Project already developed using INFFER? (Tick if 'yes')</i>
og1	Riparian fencing and revegetation	70 km	728,000	
og2	Native vegetation protection and enhancement	700 ha	728,000	
og3_1	Control of weeds	1000 ha	139,000	
og3_2	Control of feral animals	1000 ha	139,000	
og4	Protection of Indigenous Cultural Heritage	6 sites	278,000	
og5	Water-use efficiency	20 ha	728,000	
og6	Fencing to land capability	6,000 ha	278,000	
<i>Total estimated allocation from your organisation's investment budget</i>			\$3,022,000	

* The figures inserted in this table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA's actual investment intentions.

The first of these sets was 'control of weeds'. The on-ground-action project goal specified under Question B1.2 of Form B for this set was:

By June 2013 local councils will have undertaken weed-control practices over 1,000 hectares of private and public land infested with St Johns Wort (with private and public landholders will be responsible for the non-on-ground actions of helping to identify the areas in need of control and allowing access to their lands).

The second of the sets was 'protection of Indigenous Cultural Heritage'. The on-ground-action project goal specified under Question B1.2 of Form B for this set was:

By June 20013, six Indigenous Cultural Heritage sites will be protected by the relevant landholders with management actions put in place to maintain and improve the condition of each site.

The meeting with this CMA to trial Form C occurred from 11am to 3.30pm on 11th November 2010. Those present at the prior two meetings attended except for the CAP Review Officer. The table completed in response to Question C2 for the 'control of weeds' project is copied below as Table 3 to illustrate the range of capacity-building activities that may be identified in a copy of Form B as contributing to the feasibility of an on-ground-action project developed using that form. Since the code assigned to this project was *og3*, the capacity-building activities were coded consecutively as *og3_1*, *og3_2*, *og3_3*, etc. The entries in the 'Est. allocation from investment budget' column are zero for a number of capacity-building activities because the costs of these activities were intended to be covered from outside the CMA's investment budget (e.g., from its recurrent budget, or from cash or in-kind contributions from other organisations).

The table completed by BRG CMA in response to Question C3 of Form C is copied below as Table 4 to illustrate the range of general capacity-building activities that may be funded within a CMA's investment program.

Question C5 of Form C prompts users of the form to organise the capacity-building activities identified in Questions C2 and C3 of the form into cost-effective capacity-building projects to be funded from their organisation's investment budget for the coming year. One of the tables completed by BRG CMA in response to Question C5 is copied below as Table 5 to illustrate a response to this question.

For space reasons, and because the responses by the CMA to questions in the CBPDF are illustrative only, it is sufficient to include in this report excerpts of responses to Form C from only one of the participating CMAs (i.e., BRG CMA).

4.2.2 Trials by Namoi CMA

In the case of Namoi CMA (NCMA), it was decided that a meeting with the project leader was not required to complete Form A. The CMA's Program Manager (Operations) agreed to complete a draft of Form A in consultation with his colleagues and to present this draft to the project leader for feedback. Forms B and C were then to be completed in two separate meetings in Tamworth attended by the Program Manager (Operations) and the project leader. This staff member consulted colleagues as required between meetings to obtain the information and judgements he required to complete the forms. The regional working group for this CMA's trial process consisted of this staff member.

Table 3: Capacity-building activities identified in response to Question C2 of Form C as contributing to the ‘control of weeds’ project developed by the BRG CMA*

Category of capacity-building activity		Capacity-building activities included in project	Activity code	Est. allocation from investment budget (\$)
Project-specific capacity-building activities for on-ground behaviour changes by:	Private landholders and other citizens	Two field days on demonstration farms	og3_1	4,000
		Two weed identification workshop	og3_2	4,000
		Four catchment planning workshops	og3_3	8,000
	Organisations other than your own	Training of LHPA and Council staff in mapping and reporting St John’s Wort	og3_4	0
		Staff training in vehicle hygiene	og3_5	0
		Facilitation of planning	og3_6	0
	Your own organisation	Training in vehicle hygiene	og3_7	2,000
		Staff training in recognising and reporting St John’s Wort	og3_8	6,000
General capacity-building activities for:	Private landholders and other citizens	Support from the Farming Management Systems project	og3_9	0
		General media awareness by Council, LHPA, Landcare newsletter, radio shows, Landcare group meetings, CMA newsletter.	og3_10	2,000
		Continued support of the Northern Inland Weeds Advisory Committee.	og3_11	0
		Stands at shows to deliver information on St John’s Wort e.g. distribution of brochures	og3_12	1,000
	Organisations other than your own	GPS training to identify location of treated/untreated areas.	og3_13	1,000
		Training for the weed tracer program	og3_14	0
Total estimated allocation from investment budget				28,000

* The figures inserted in this table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA’s actual investment intentions.

Table 4: General capacity-building activities identified in response to Question C3 of Form C as to be undertaken in the coming year by the BRG CMA*

General capacity-building activities to be undertaken with the budget allocation to such activities that was specified in response to (a)	Activity code	Estimated allocation from investment budget (\$)
Property Management Planning	gcb1	350,000
Landcare Community Support Officer	gcb2	560,000
Media promotion	gcb3	40,000
Schools education programs	gcb4	39,000
Water watch	gcb5	39,000
Support for the Aboriginal Reference Advisory Group	gcb6	80,000
Indigenous community support	gcb7	200,000
Promotion at events	gcb8	1,000
Website	gcb9	1,000
Information distribution	gcb10	40,000
Total		1,350,000

* The figures inserted in this table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA's actual investment intentions.

Table 5: Composition of one capacity-building project as identified in response to Question C6 of Form C: Border Rivers – Gwydir CMA*

Name of capacity-building project:	Capacity building through property management planning
Project code:	CBP1

Capacity-building activities included in project	Activity code	Est. allocation from investment budget as estimated for Qu. C3 or Qu. C4 (\$)	Est. allocation from investment budget when activity included in this project (\$)
Property Management Planning	gcb1	350,000	350,000
Field days on demonstration farms	og3_1	4,000	0
Catchment planning workshops	og3_3	8,000	0
Support from Farm Management Systems project	og3_9	0	0
Facilitation of planning	og3_6	0	0
Project management			
Total estimated allocation to the project from your organisation's investment budget			350,000
Notes: The Property Management Planning activity (gcb1) will be able to accommodate the other four activities included in this project with no additional cost, provided this activity is funded.			

* The figures inserted in this table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA's actual investment intentions.

A draft of Form A was submitted to the project leader in late September 2010, and was finalised after feedback from the project leader. The response to Question A2 of Form A from this CMA was that it is sufficiently informed about funding of its investment program over the three-year period July 2011 to June 2014 to be able to plan at least part of that program. A copy of the table completed in response to Question A5, which identifies the sets of on-ground actions in this investment program that depend on capacity-building activities to be funded in the coming year (2011-12) is presented below as Table 6. The figures inserted in the table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA's actual investment intentions.

Two of the three sets of actions listed in Table 3 were chosen for the trials with Form B:

- increase or maintain native vegetation in extent in priority zones; and
- protection of Indigenous Cultural Heritage.

The meeting to complete Form B for these sets of on-ground actions occurred on 29th October 2010 from 9.30am to 1pm. Form B was completed for the first of these sets in this time. After completing Form B for this set, the CMA's Program Manager (Operations) felt confident to complete Form B for the other set in the absence of the project leader, consulting his colleagues as required. A completed copy of Form B for the second set of on-ground actions was submitted to the project leader a few days later.

The on-ground-action project goals specified under Question B1.2 of Form B for the set of actions 'increase or maintain native vegetation in extent in priority zones' were:

By June 2014

- 2,813 ha of native vegetation canopy will be increased by private landholders.
- 937 ha of native vegetation canopy will be increased by Livestock Health and Pest Authorities and the Department of Lands.

The on-ground-action project goal specified under Question B1.2 of Form B for the set of actions 'protection of Indigenous Cultural Heritage' was:

By June 2013, six Indigenous Cultural Heritage sites will be protected by the relevant landholders with management actions put in place to maintain and improve the condition of each site.

The meeting with NCMA to complete Form C occurred from 9.30am to 1pm on 10th November 2010.

4.2.3 Trials by Northern Rivers CMA

Northern Rivers CMA (NRCMA) chose to complete the forms in a single meeting run in Grafton from 12 noon on 19th October to 3pm on 20th October. This meeting was attended by three staff from that CMA – the Catchment Coordinator (Terrestrial and Native Vegetation), the Catchment Coordinator (Aquatic), and the Community Program Coordinator. Each of the meetings was also attended by the project leader. These individuals constituted the regional working group for this CMA's trial process.

Table 6: Sets of on-ground actions depending on capacity-building activities to be funded in the coming year: Namoi CMA*

<i>Set code</i>	<i>Set of on-ground behaviour changes</i>	<i>Quantity of actions</i>	<i>Estimated allocation from investment budget (\$)</i>	<i>Project already developed using INFFER? (Tick if 'yes')</i>
og2	Conserve key aquatic habitat refugia	6 sites	300,000	
og4	Maintain or recover geomorphic condition on high priority river reaches	75 km	1,500,000	
og1	Increase or maintain native vegetation extent in priority zones	3,750 ha	2,400,00	
<i>Total estimated allocation from your organisation's investment budget</i>			4,200,000	

* The figures inserted in this table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA's actual investment intentions.

The response to Question A2 of Form A from this CMA was that it is sufficiently informed about funding of its investment program over the two-year period July 2011 to June 2013 to be able to plan at least part of that program. A copy of the table completed in response to Question A5 of Form A, which identifies the sets of on-ground actions in that investment program that depend on capacity-building activities to be funded in the coming year (2011-12) is presented below as Table 7. The figures inserted in the table were illustrative for the purposes of the trial, and should not be construed as reflecting this CMA's actual investment intentions.

Two of the 11 sets of on-ground actions listed in Table 7 were chosen for the trials with Form B:

- reducing the impact of WoNS - Terrestrial; and
- protecting High Conservation Value Aquatic Ecosystems.

The on-ground-action project goal specified under Question B1.2 of Form B for the set of actions 'reducing the impact of WoNS – Terrestrial' was:

By 30 June 2013, private landholders and contractors will have conducted primary weed control of Lantana over 180 ha in the NR CMA region.

Due to lack of time during the meeting, it was not possible to complete Form B for the second of the two sets of on-ground actions chosen for trialling this form. Given that completing the second copy of Form B would have left insufficient time to trial Form C satisfactorily, the NR CMA staff at the meeting elected to bypass this step and proceed directly to trialling Form C. With Form B completed for only one set of on-ground actions, it was necessary to complete the trial of Form C with less data than was available for the other two CMAs.

Table 7: Sets of on-ground actions depending on capacity-building activities to be funded in the coming year: Northern Rivers CMA*

<i>Set code</i>	<i>Set of on-ground behaviour changes</i>	<i>Quantity of actions</i>	<i>Estimated allocation from investment budget (\$)</i>	<i>Project already developed using INFFER? (Tick if 'yes')</i>
og1.1	Increasing native habitat within littoral rainforest	140 ha	300,000	
og1.2	Increasing native habitat within endangered ecological communities in the New England Tablelands	100 ha	275,000	
og2	Reduce the impact of vertebrate pest animals	430 ha	215,000	
og3.1	Reducing the impact of WoNS (Weeds of National Significance) - Terrestrial	180	210,000	
og3.2	Reducing the impact of WoNS - Aquatic	180	350,000	
og4.1	Managing World Heritage Areas- Terrestrial	200	275,000	
og4.2	Managing World Heritage Areas- Aquatic (Lord Howe Island)	50	170,000	
og5	Protecting High Conservation Value Aquatic Ecosystems	650	575,000	
og6.1	Improving management practices - cropping (farmers)	38 farms 1125 ha	120,000	
og6.2	Improving management practices - grazing	113 farmers 1125 ha	355,000	
og7	Increasing landscape scale conservation	270 ha	700,000	
Total estimated allocation from your organisation's investment budget			3,545,000	

* The figures inserted in this table were illustrative for the purposes of the trial, and should not be taken as reflecting this CMA's actual investment intentions.

5. REVIEWING THE TRIALS

At the end of each of the meetings held as part of the process of trialling the CBPDF, participants (i.e. members of the regional working group for that trial process) were asked to provide oral feedback. Towards the end of the closing meeting of the trial process for each CMA, a workshop was run in which members of the regional working group for that process were asked to provide oral feedback regarding the whole process. Feedback at each point was recorded with their permission. The discussion was guided by the following three broad questions:

1. What are the strengths of the CBPDF compared with your CMA's current practice for developing capacity-building projects?
2. What are the weaknesses of the CBPDF compared with your CMA's current practice for developing capacity-building projects?
3. Can you see the CBPDF, or elements of it, being applied by your CMA? How might it be made more useable and useful for your CMA?

Towards the conclusion of each of the end-of-trial review workshops, a short questionnaire was distributed to each participant. A copy of this questionnaire can be found in Appendix A. The questionnaire includes two tables – A and B – plus three additional questions.

Table A in the questionnaire lists 13 criteria identified as relevant to CMAs in choosing a method for developing cost-effective capacity-focused investments. For each criterion, respondents were asked to rate what they perceived to be its importance to their CMA in choosing such a method. This involved marking one box on a seven-point scale of importance from 'very low' to 'very high'. Space was left at the bottom of the table for respondents to add further criteria which they considered important.

Table B in the questionnaire lists the same set of criteria. Respondents are asked to rate the performance of the CBPDF against each of these criteria relative to their CMA's current practice. This rating is on a seven-point scale of relative performance from 'much worse' (-3) to 'much better' (+3) including a scale midpoint of 'about same' (= 0).

Completed questionnaires were received from all workshop participants.

6. REVIEW FINDINGS: BORDER RIVERS – GWYDIR REGION

Findings from analysis of the workshop and questionnaire feedback from the staff of Border Rivers – Gwydir CMA who participated in the trials are presented in this section.

6.1 Workshop feedback

Comments from Border Rivers – Gwydir CMA in relation to each of the guiding questions are presented below.

<i>1: What are the strengths of the CBPDF compared with your CMA's current practice for developing capacity-building projects?</i>		
Comment code	Who?	Comment
B1_1	S1	Capacity building activities are at present developed usually using a 'many heads' approach during project planning exercises. Professional experience and past experiences with similar projects are used to plan for the future. Needs are discussed and options for community capacity building projects are developed. Often this works well, as the right people are in the room at the right time and there is enough understanding that the right path is chosen. Sometimes it is not done well though; often things are missed as you cannot really measure the value of different options (usually done fairly subjectively). In general, the pattern of discussion and planning is very similar to that provided in the framework we trialled [the CBPDF], but it is not a written process like in that framework.
B1_2	S2	It [the CBPDF] is probably a bit more formalised as a process. I think we've captured similar stuff before, but not at the same depth as in this exercise.
B1_3	S2	You do capture a lot [using the CBPDF]. And you capture it in a structured way, especially with the recording and justification of why you're actually doing that activity. It's a very structured process, and if that's how it was meant to come out, it's done.
B1_4	S1	The process leads you through a series of set steps, so nothing is overlooked.
B1_5	S4	I think it [Form B] is a good mechanism, especially when you get to the end and you can compare one project design against another project design for achieving the same goal.
B1_6	S1	Because it is a written process, reasons for undertaking community capacity-building activities are recorded more comprehensively.
B1_7	S2	When we develop up our projects, I guess we think about capacity in terms of our projects, but not on a broader scale. So I guess this method is a good way of broadening that focus, and capturing where those common elements are between projects for capacity-building activities, where there are similarities and where those things can be streamlined.
B1_8	S1	[The method is] a good way of testing a few of our assumptions, looking at the different capacities, and what stops people doing things. We make assumptions that something will work, but maybe don't take into account what else needs to be done first.
B1_9	S3	In the past we've always reviewed our projects, or mostly always, and said: "What worked well, what didn't work well? Let's keep going with what worked well". We haven't actually sat down and said: "What are the options?" This is one way of doing that.

1: What are the strengths of the CBPDF compared with your CMA's current practice for developing capacity-building projects? (continued)

Comment code	Who?	Comment
B1_10	S2	The best part about Form B for me was the formula at the end [for the Feasibility Adjusted Cost] where you come up with the figure, and if you wanted to go back in and readjust some of the activities or some of the money you're spending, where you're spending it, and also the risk within the project by knowing what the risks are, and covering your tracks better, then you'll come up with a better result so that you can actually work the project around to get a better response as long as everything's okay in that.
B1_11	S3	There's plenty of scope in there for testing your assumptions as you go through the process, which probably reduces the risks involved in the project being developed.
B1_12	S1	The [CBPDF] process is similar to what we use, except we use a much more informal process, and the record-keeping is not as good as it probably should be. So I like the idea of having the record-keeping in this specific format. But you need to do a bit of planning before you get to this stage [of completing the CBPDF], so that it becomes easier to fill in the answers. If you're planning and then come to the stage of thinking about, say, whether capacity-building is the focus, or extension is the focus, and you haven't thought of that yet, then it's good because it's triggering you to plan better.

2: What are the weaknesses of the CBPDF compared with your CMA's current practice for developing capacity-building projects?

Comment code	Who?	Comment
B3_1	S1	It is repetitive, with many iterations of the same information from sheet to sheet.
B3_2	SI	It is a structured process, but there are still a number of subjective judgements that have to be made – therefore you still need the professional knowledge and expert experience based on past projects and evaluation of their success or failure.
B3_3	SI	Since it does not replace the need for the many heads approach (i.e. you probably need the same people in the room at the same time as if you did it the old way), then the CBPDF needs to be very easy to use (hence my suggestion for the Excel sheet that carries data over), otherwise professionals in the field will just revert to the more informal process with the knowledge that often the decisions they make will be the same as if they used the CBPDF anyway.
B3_4	S1	There's a potential bias in how users might use the framework, towards kinds of general capacity-building activities that support upcoming on-ground actions and away from kinds with a broader or longer-term focus. I don't think it's a bias in the process itself, just that users might pay more attention to general capacity-building activities with benefits for upcoming on-ground projects because those kinds of activities are easier to justify.

3: Can you see the CBPDF, or elements of it, being applied by your CMA? How might it be made more useable and useful for your CMA?		
Comment code	Who?	Comment
B4_1	S1	My suggestion is to put the information into a Excel sheet that does the automatic carry over of figures from one sheet to another.
B4_2	S4 Project leader S1	It would help to come into the using the framework having developed up all the answers through group activity, or a brainstorming thing, or a project planning process, coming into that with a good idea of how you're going to do it, and what you're going to do, and what your risks are, what the actions are that you are going to take. And otherwise it's going to be a drawn-out process answering every question with: "Oh, I haven't thought of that one ..." It is true it is a step-by-step process. Which is great, because then you can do capture everything that maybe you'd leave out if you were just throwing it out on the table, informally. But maybe the framework needs to include some tools like brainstorming to help you think about all the things you'll need before you get to the form.
B4_3	S1	Perhaps you could make the forms web-based; so answers to earlier questions automatically carry forward as required for completing later questions. So step-by-step the project builds up. That way I think you'd have a lot less risk of losing integration; like when you carry forward codes, then carry forward budgets.
B4_4	S4	If I had something in mind, like a project I'm doing out at ... , I know what activities I have in mind to do capacity-building. It seems to be a long process to get those listed, and then the budget allocated to them. In reality you should know that earlier on. ... It seems to be a long, slow process, where in reality we should be coming in with a project in mind and knowing what sort of capacity activities you were looking at other stages. So it seems for me to be sort of a roundabout way of getting that down.
B4_5	S2	Drop-down boxes in a web-based form would make filling out the forms quicker. So to make it quicker you can use the drop-down box and pick the code GCB1 or whatever it is out of the group of ten or twelve that you've got in there that you put in earlier.

6.2 Questionnaire feedback

Five staff of Border Rivers – Gwydir CMA who had participated in the trials of the CBPDF responded to the questionnaire.

Ratings of the importance of different criteria in choosing a method for developing cost-effective capacity-building projects

The ratings of the five staff in respect of the 13 criteria listed in Table A of the questionnaire are presented in Table B1 (see Appendix B). Recall that a rating (score) of 1 for a criterion denotes a very low importance, and a rating of 7 denotes very high importance.

The mean of the importance ratings assigned by the five staff to each of the criteria are presented in Table 8. The criteria are listed in the table in descending order of mean importance rating for all respondents. Rankings of the various criteria according to their respective mean importance ratings are also shown in the table.

Table 8: Relative importance of various criteria in choosing a method for developing capacity-building projects: Border Rivers – Gwydir CMA

The method ...	Criteria:	Mean score for criterion importance (n = 5)	Rank by mean importance score
Keeps a record of all the judgements and assumptions that need to be made		6.00	1
Makes transparent all the judgements and assumptions that need to be made		5.80	2
Ensures that capacity-building projects are based on sound logic and evidence		5.80	2
Helps justify investment decisions to your CMA's regional community		5.60	4
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		5.40	5
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		5.40	5
Helps justify investment proposals to government investors		5.00	7
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		5.00	7
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		4.80	9
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		4.80	9
Is practical to apply given the skills and time available to CMA staff		4.80	9
Can incorporate local knowledge and values		4.80	9
Avoids subjective judgments		4.40	13

The three criteria ranked on average highest in importance by these staff were:

- | | |
|-----------------------|--|
| 1st | keeps a record of all the judgements and assumptions that need to be made; |
| Equal 2 nd | makes transparent all the judgements and assumptions that need to be made; and |
| Equal 2 nd | ensures that capacity-building projects are based on sound logic and evidence. |

The five criteria ranked on average *lowest* in importance by the five respondents were:

- | | |
|-----------------------|--|
| Equal 9 th | strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'; |
| Equal 9 th | helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects; |
| Equal 9 th | is practical to apply given the skills and time available to CMA staff; |
| Equal 9 th | can incorporate local knowledge and values; and |
| 13 th | avoids subjective judgments. |

Given the workshop responses from three staff to the effect that the CBPDF could be made more useable for them by making it less cumbersome and time-intensive, it is interesting that the criterion '[the method] is practical to apply given the skills and time available to CMA staff' was ranked on average of one of the lowest-importance criteria for choosing a method for developing cost-effective capacity-building projects. Scrutiny of the individual staff ratings in Table B1 (Appendix B) reveals that two of the staff did rate this criterion as of 'very high importance' (ratings of 7 in each case), but the other three staff rated this criterion as of moderate importance (ratings of 3 or 4 in each case).

Aside from the criteria pre-specified in Table A, respondent S1 suggested three further criteria were relevant to their CMA in choosing a method for developing cost-effective capacity-building projects. These criteria were: [the method] ...

- is an experience that provides social opportunities and opportunities for staff to learn from each other;
- is enjoyable and fun; and
- is visual (using diagrams, brainstorming, active participation).

This respondent rated the importance of these three suggested criteria as 7 in each case, or equal 1st in importance alongside five of the pre-specified criteria.

Ratings of the performance of the CBPDF relative to the CMA's current practice

The responses of the five Border Rivers – Gwydir CMA staff in respect of the 13 criteria listed in Table B are presented in Table B2 (Appendix B). Recall that a score of -3 for a criterion denotes a

rating of very low performance of the CBPDF relative to current practice, +3 denotes a rating of very high performance of the CBPDF relative to current practice, and a score of 0 denotes a rating that the performance of the CBPDF is ‘about same’ as that of the CMA’s current practice.

The mean of the performance ratings assigned by the five staff to each of the criteria are presented in Table 9. The criteria are listed in the table in descending order of mean performance rating for all respondents. Rankings of the various criteria according to their respective mean performance ratings are also shown in the table.

Table 9 reveals that the three criteria that the CBPDF method scored on average *highest* against in terms of its performance were: The method ...

- | | |
|-----------------|---|
| 1 st | keeps a record of all the judgements and assumptions that need to be made; |
| 2 nd | makes transparent all the judgements and assumptions that need to be made;
and |
| 3 rd | helps justify investment proposals to government investors. |

The four criteria that the CBPDF method scored on average *lowest* against in terms of its performance were: The method ...

- | | |
|------------------------|---|
| Equal 10 th | avoids subjective judgments; |
| Equal 10 th | helps justify investment decisions to your CMA’s regional community; |
| 12 th | can incorporate local knowledge and values; and |
| 13 th | is practical to apply given the skills and time available to CMA staff. |

The mean scores against all but two of the criteria are positive, signifying that the respondents on average rated the performance of the CBPDF against 11 of the 13 criteria as superior to their CMA’s current practice. The mean score for the criterion ‘can incorporate local knowledge and values’ was zero, indicating that the respondents on average rated the performance of the CBPDF against this criterion equally with that of their CMA’s current practice. The mean score for the criterion ‘is practical to apply given the skills and time available to CMA staff’ was -1.2, indicating that the respondents on average rated the performance of the CBPDF against this criterion as markedly less than that of their CMA’s current practice.

In Table 10 the criteria are ranked in descending order of their mean importance scores, as in Table 8, with the mean score for the CBPDF’s relative performance against each criterion also presented. We can see from this table that the two criteria against which the CBPDF was perceived on average to perform best (compared with current practice) – ‘keeps a record of all the judgements and assumptions that need to be made’ and ‘makes transparent all the judgements and assumptions that need to be made’ – were also rated highest on average in terms of their importance to this CMA in choosing a method for developing cost-effective capacity-building projects. This table reveals also that the criterion ‘is practical to apply given the skills and time available to CMA staff’ was ranked equal 9th in importance for this CMA. Hence, the fact that respondents on average rated the performance of the CBPDF against this criterion as (markedly) inferior to current practice seems not to be a major hurdle to be addressed for this CMA to adopt this method. Overall, therefore,

Table 9: Relative performance of the CBPDF against the various criteria: Border Rivers – Gwydir CMA

The method ...	Criteria:	Mean CBPDF performance score (n =5)	Rank by mean performance score
Keeps a record of all the judgements and assumptions that need to be made		2.00	1
Makes transparent all the judgements and assumptions that need to be made		1.80	2
Helps justify investment proposals to government investors		1.40	3
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		1.20	4
Ensures that capacity-building projects are based on sound logic and evidence		1.20	4
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		1.20	4
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		0.60	7
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		0.60	7
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		0.40	9
Avoids subjective judgments		0.20	10
Helps justify investment decisions to your CMA's regional community		0.20	10
Can incorporate local knowledge and values		0.00	12
Is practical to apply given the skills and time available to CMA staff		-1.20	13

Table 10: Criteria ranked by mean performance of the CBPDF against each: Border Rivers – Gwydir CMA

The method ...	Criteria:	Ranking by mean criterion importance score	Mean CBPDF performance score (n = 5)
Keeps a record of all the judgements and assumptions that need to be made		1	2.00
Makes transparent all the judgements and assumptions that need to be made		2	1.80
Ensures that capacity-building projects are based on sound logic and evidence		2	1.20
Helps justify investment decisions to your CMA's regional community		4	0.20
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		5	1.20
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		5	0.60
Helps justify investment proposals to government investors		7	1.40
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		7	0.40
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		9	0.60
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		9	1.20
Is practical to apply given the skills and time available to CMA staff		9	-1.20
Can incorporate local knowledge and values		9	0.00
Avoids subjective judgments		13	0.20

these results indicate that conditions are reasonably favourable for this CMA coming to apply the CBPDF.

However, recall from above that respondent S1 suggested three additional criteria were relevant to their CMA in choosing a method for developing cost-effective capacity-building projects. These criteria were: [the method] ...

- is an experience that provides social opportunities and opportunities for staff to learn from each other;
- is enjoyable and fun; and
- is visual (using diagrams, brainstorming, active participation).

This respondent rated the performance of the CBPDF against these criteria as -3 in each case (i.e. very low performance relative to their current approach). Hence, at least this respondent may have significant reservations about their CMA moving towards applying the CBPDF more routinely, especially since the importance of each of these three criteria was rated 'very high' by this respondent.

User-friendliness of the forms comprising the CBPDF

The questionnaire asked: 'How 'user-friendly' did you find the forms?'. Of the five respondents for this CMA, one chose the response option 'moderately' and four chose 'slightly' (the remaining unutilised option was 'not user-friendly at all').

Three of the five respondents provided written elaboration of their ratings. Respondent S1 commented: 'Instructions and descriptions of what to do was very good. Need to continually refer back and forth and copy information across, which is not user friendly'. Respondent S4: 'Form C needs automating'. Respondent S5: 'Would work better if fully automated'.

Helpfulness of the manuals

The questionnaire also asked: 'How much did the manuals for the method trialled help you when completing the forms?'. Of the five respondents for this CMA, one chose the response option 'considerably', three chose 'moderately', and one chose 'no help - I didn't get around to consulting the manuals'.

One of the five respondents provided written elaboration of their rating. Respondent S2 commented: 'I liked the examples given for clarification of questions'.

Rating how worthwhile was the experience of trialling the CBPDF

One of the questions in the questionnaire asked: 'How worthwhile for you was the experience of trialling the method?'. Of the five respondents for this CMA, one answered that their experience had been 'highly' worthwhile, one that it had been somewhere between 'highly' and 'moderately' worthwhile, two that it had been 'moderately' worthwhile, and one that it had been 'slightly' worthwhile (the remaining unutilised option was 'not at all worthwhile').

Two of the five respondents provided written elaboration of their ratings. Respondent S1 commented: 'Very time intensive - i.e. used a good block of 3 days when there is always more to do back at the office! Otherwise an interesting process to change our current method and bring in some

record keeping / justification process'. Respondent S4 observed: 'Overall, the process promotes consistency, using sequential pathways'.

7. REVIEW FINDINGS: NAMOI REGION

Findings from analysis of the workshop and questionnaire feedback from the staff member of Namoi CMA who participated in the trials are presented in this section.

7.1 Workshop feedback

Comments from Namoi CMA in relation to each of the guiding questions are presented below.

1: What are the strengths of the CBPDF compared with your CMA's current practice for developing capacity-building projects?		
Comment code	Who?	Comment
N1_1	S1	Capacity-building activities to get the behavioural changes are going to become more and more important. I think what the framework does is it really makes you think about what that capacity-building is going to deliver at the end of the day. I think it starts to ask questions like: "Is more capacity-building warranted? Is it going to be effective, or cost-effective? Is the amount of capacity-building that it gives you going to be enough to deliver the on-ground works that you want to deliver at the end of the day?" It asks you those questions, or at least makes you think about that. ²
N1_2	S1	For general capacity-building activities, what the three forms do – most seriously in Form C – is make sure those activities are linked to your ultimate goals. The general capacity-building budget [for the CMA] consists of salaries and also some operational money annually. Now that money is spent is done in isolation to the strategy of the organisation's operations unit. So if the general capacity-building people wanted to run, say, a scholarships program, those decisions are made without considering the larger on-ground and partnership programs that we run. So general capacity-building activities can be thought of in isolation, and you end up with a suite of projects that may or may not help deliver against the CAP [Catchment Action Plan] and your on-ground targets. What Form C provides is an opportunity to talk about those linkages and find the synergies and stuff so you can mesh your on-ground capacity-building activities, on-ground works, and also your general capacity-building activities.
N1_3	S1	What's really good about it is that it makes you do the thinking; you know, like even if you forgot about the numbers to some degree. It makes you understand the processes and asks you some of the hard questions. Instead of just being process-orientated, it does make you do the thinking. But what this process does is makes you do the thinking of why you're putting in figures at the end of the day. It also helps to identify your knowledge gaps, and what's some of the more subjective, and things that you're putting in there, some of the assumptions that you're using in your form. It can highlight those, and may even sort of give you a bit of an 'ah-ha' moment where you go: "Oh gee, that's a bit subjective, or it's too much of an assumption to build a program around".
N1_4	S1	The framework provides some level of objectivity to the discussion. I think if you just get a general approach of people around the table, you get a lot of other variables – the group dynamics, like some people's personalities start to dominate, some people want their agendas driven. You would need a facilitator to counter those group dynamic effects. What this framework would do is move you through that process. If someone did come up with something that you thought is a bit skewed, the questions in the framework would highlight that.

² Reviewing these comments later, the staff member who offered them expressed concern that they 'sound like we don't have processes to assess and target our investments. We do have significant processes that assess cost effectiveness of our investment plans. ... We would argue that we have good rationale and logic informing our investments'.

2: What are the weaknesses of the CBPDF compared with your CMA's current practice for developing capacity-building projects?		
Comment code	Who?	Comment
N2_1	S1	It [the CBPDF] would involve considerably more time from our staff, but offers only marginal benefits in my view. It needs to provide clear benefits, helping us to make our investments more cost-effective, for us to want to use it. If it doesn't, you know, if there was only a small benefit from using it, the organisation would start to ask, 'Why are we doing all this when it's made just a marginal difference at the end of the day?'.

3: Can you see the CBPDF, or elements of it, being applied by your CMA? How might it be made more useable and useful for your CMA?		
Comment code	Who?	Comment
N3_1	S1	Something that's more compact and easier to fill in is going to be more attractive to CMAs to use – if it's something you want to get widely adopted.
N3_2	S1	Form C really needs to be done with the right players there, in a workshop even, just to get the right information and the right thinking. That would start to ask the hard questions about general capacity and how you could link it into more effective on-ground programs. Generally, the form was relatively easy to fill in. But the quality of it would depend on the overall information you get from your workshops and stuff.

7.2 Questionnaire feedback

The one staff member of Namoi CMA who had participated in the trials of the CBPDF responded to the questionnaire.

Ratings of the importance of different criteria in choosing a method for developing cost-effective capacity-building projects

The ratings of this staff member in respect of the 13 criteria listed in Table A of the questionnaire are presented in Table B3 (see Appendix B). Recall that a rating (score) of 1 for a criterion denotes very low importance, and a rating of 7 denotes very high importance.

The importance ratings assigned by this staff member to each of the criteria are presented in Table 11. The criteria are listed in the table in descending order of the importance ratings for this respondent. Rankings of the various criteria according to their respective importance ratings are also shown in the table.

The criterion ranked highest in importance by this respondent was '[the method] is practical to apply given the skills and time available to CMA staff'. Seven criteria were ranked 2nd highest in importance:

- helps justify investment proposals to government investors;
- helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects;

Table 11 Relative importance of various criteria in choosing a method for developing capacity-building projects: Namoi CMA

The method ...	Criteria:	Score for criterion importance (n = 1)	Rank by importance score
Is practical to apply given the skills and time available to CMA staff		7	1
Helps justify investment proposals to government investors		6	2
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		6	2
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		6	2
Helps justify investment decisions to your CMA's regional community		6	2
Ensures that capacity-building projects are based on sound logic and evidence		6	2
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		6	2
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		6	2
Makes transparent all the judgements and assumptions that need to be made		5	9
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		5	9
Keeps a record of all the judgements and assumptions that need to be made		4	11
Avoids subjective judgments		4	11
Can incorporate local knowledge and values		4	11

- strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money';
- helps justify investment decisions to your CMA's regional community;
- ensures that capacity-building projects are based on sound logic and evidence;
- helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects; and
- helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities.

The three criteria ranked on average *lowest* in importance by the respondent were:

- Equal 11th keeps a record of all the judgements and assumptions that need to be made;
- Equal 11th avoids subjective judgments; and
- Equal 11th can incorporate local knowledge and values.

Ratings of the performance of the CBPDF relative to the CMA's current practice

The responses of the Namoi CMA staff member in respect of the 13 criteria listed in Table B are presented in Table B4 (Appendix B). Recall that a score of -3 for a criterion denotes a rating of very low performance of the CBPDF relative to current practice, +3 denotes a rating of very high performance of the CBPDF relative to current practice, and a score of 0 denotes a rating that the performance of the CBPDF is 'about same' as that of the CMA's current practice.

The performance ratings assigned by the respondent against each of the criteria are presented in Table 12. The criteria are listed in the table in descending order of the performance ratings by the respondent. Rankings of the various criteria according to their respective performance ratings are also shown in the table.

Table 12 reveals that the three criteria that the CBPDF method scored on average *highest* against in terms of its performance were: The method ...

- Equal 1st makes transparent all the judgements and assumptions that need to be made;
- Equal 1st keeps a record of all the judgements and assumptions that need to be made; and
- Equal 1st ensures that capacity-building projects are based on sound logic and evidence.

The four criteria that the CBPDF method scored on average *lowest* against in terms of its performance were: The method ...

- Equal 10th avoids subjective judgments;

Table 12: Relative performance of the CBPDF against the various criteria: Namoi CMA

The method ...	Criteria:	Mean CBPDF performance score (n =5)	Rank by mean performance score
Makes transparent all the judgements and assumptions that need to be made		2	1
Keeps a record of all the judgements and assumptions that need to be made		2	1
Ensures that capacity-building projects are based on sound logic and evidence		2	1
Helps justify investment proposals to government investors		1	4
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		1	4
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		1	4
Helps justify investment decisions to your CMA's regional community		1	4
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		1	4
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		1	4
Avoids subjective judgments		0	10
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		0	10
Can incorporate local knowledge and values		0	10
Is practical to apply given the skills and time available to CMA staff		-1	13

- Equal 10th helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects;
- Equal 10th can incorporate local knowledge and values; and
- Equal 10th is practical to apply given the skills and time available to CMA staff.

The scores assigned against all but four of the criteria were positive. A performance score of zero was assigned against three of these four criteria, indicating that the CBPDF's performance was rated against these criteria equally with that of current practice. These three criteria were: 'avoids subjective judgements', 'helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects', and 'can incorporate local knowledge and values'. The fourth of these criteria was 'is practical to apply given the skills and time available to CMA staff'. The score assigned to it was -1, indicating that the respondent rated the performance of the CBPDF against this criterion as markedly inferior to that of their CMA's current practice.

In Table 13 the criteria are ranked in descending order of their importance scores, as in Table 11, with the mean score for the CBPDF's relative performance against each criterion also presented.

We can see from this table that the three criteria against which the CBPDF was perceived to perform best (compared with current practice) – 'ensure that capacity-building projects are based on sound logic and evidence', 'makes transparent all the judgements and assumptions that need to be made', and 'keeps a record of all the judgements and assumptions that need to be made' – were not rated highest in terms of their importance to this CMA in choosing a method for developing cost-effective capacity-building projects. Given that the criterion 'is practical to apply given the skills and time available to CMA staff' was ranked equal 1st in importance for this CMA, the fact that the respondent rated the performance of the CBPDF against this criterion as inferior to current practice represents a hurdle to be addressed for this CMA to adopt this method.

User-friendliness of the forms comprising the CBPDF

The questionnaire asked: 'How 'user-friendly' did you find the forms?'. The respondent for this CMA chose the response option 'not user-friendly at all'. The respondent provided the following written elaboration of this rating: 'On first attempt they are difficult in some areas. Would need a training workshop prior to staff using in earnest'.

Helpfulness of the manuals

The questionnaire also asked: 'How much did the manuals for the method trialled help you when completing the forms?'. The respondent for this CMA chose the response option 'no help - I didn't get around to consulting the manuals'. The respondent provided the following written elaboration of this rating: 'I didn't really use them. I relied on Graham'.

Rating how worthwhile was the experience of trialling the CBPDF

One of the questions in the questionnaire asked: 'How worthwhile for you was the experience of trialling the method?'. The respondent for this CMA answered that the experience had been 'moderately' worthwhile. The respondent provided the following written elaboration of this rating: 'Mainly it challenges thought processes, assumptions and subjectiveness'.

Table 13: Criteria ranked by mean performance of the CBPDF against each: Namoi CMA

The method ...	Criteria:	Ranking by mean criterion importance score	Mean CBPDF performance score (n = 5)
Is practical to apply given the skills and time available to CMA staff		1	-1
Helps justify investment proposals to government investors		1	1
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		1	1
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		4	1
Helps justify investment decisions to your CMA's regional community		4	1
Ensures that capacity-building projects are based on sound logic and evidence		4	2
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		4	0
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		4	1
Makes transparent all the judgements and assumptions that need to be made		4	2
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		10	1
Keeps a record of all the judgements and assumptions that need to be made		10	2
Avoids subjective judgments		10	0
Can incorporate local knowledge and values		13	0

8. REVIEW FINDINGS: NORTHERN RIVERS REGION

Findings from analysis of the workshop and questionnaire feedback from the staff of Northern Rivers CMA who participated in the trials are presented in this section.

8.1 Workshop feedback

Comments from Northern Rivers CMA in relation to each of the guiding questions are presented below.

<i>1: What are the strengths of the CBPDF compared with your CMA's current practice for developing capacity-building projects?</i>		
Comment code	Who?	Comment
NR1_1	S1	<p>We do already have a process. But I must say we don't always actually go through that process. It's just a time thing, we seem to be always racing to keep up because of our current annual cycle. So realistically I don't think we document things as rigorously as we would if we went through this process [the CBPDF]. But the opportunity is there to do it if we actually followed through with what we have established.</p> <p>We certainly consider many of the same factors [as considered in the CBPDF] in that process. when we're discussing how projects are going to be delivered. The difference is that the factors aren't always documented. They're not always looking for synergy in terms of the delivery of the building-capacity. It's a lot quicker, the way we do things.</p>
NR1_2	S2	I think there's some similarities [between the CBPDF and their existing approach]. Like, at least administratively, we kind of allocate our dollars across different streams [biodiversity, water, etc.], and allocate CCB projects to project activities. There is some similarity there, but perhaps it doesn't happen so much at the operational level.
NR1_3	S3	I don't think we deal with the risk issues as well as what you do in this framework [the CBPDF]. We don't do it nearly as clearly and as up-front.
NR1_4	S3	The rationale for community capacity-building is not identified as clearly in our process as it is here [in the CBPDF].
NR1_5	S3	Investment in general capacity-building, where we want to lay the foundations of planning or other things that will assist us to get on-ground change in the future, is something we do think about in a structured way at one level. But perhaps this [the CBPDF] could help us to think more about: 'Well, where should we invest in building that community capacity to perhaps help us achieve future changes with less direct investment?'.
NR1_6	S2	It [the CBPDF] provides a consistent structure that can be used across our programs [biodiversity, water, etc.]. The programs do it in different ways, and some things may not always get covered. And I think a benefit of the framework is that it has a documented method, makes sure we tick everything that we need to tick, in terms of what we need to consider. And the framework is transparent, so we can come back and ask 'Well, how did you get to that?' and the answer is 'We got the figures from here in Table C, Question C3 or whatever'. It maintains the links through the process so that you can get this transparency. It does get confusing because of those links, but at least you can follow the thread that snakes its way through the process of actually going: 'Oh, that's right. That's where that \$825,000 came from. And that's for those three to four activities listed there, or whatever'.

2: What are the weaknesses of the CBPDF compared with your CMA's current practice for developing capacity-building projects?		
Comment code	Who?	Comment
NR2_1	S1	It's a lot quicker, the way we do things.
NR2_2	S1	It [the CBPDF] is much more onerous. I just couldn't see us implementing it in its current form, because it's too complex.
NR2_3	S2 S3	There's a lot of copying and pasting text from one section of a form to another, or from one form to another form, that makes the process arduous. Since you're filling in the forms with a computer, the rolling up and down, backwards and forwards, from one section to another, is tedious. We overcame a bit of that by using a split screen, but it makes it hard when you're constantly referring back to something that you've already done.
NR2_4	S3	In our CMA we constantly report, we're constantly developing projects, monitoring projects, reporting on projects, developing more projects, monitoring more projects, reporting on projects. We understand the requirements for this [the CBPDF], but it'd be such a stress on our resources.
NR2_5	S2	We've gone through a big period of change in the way we do our business. We've gone to very heavy reporting requirements, especially reporting on milestones, and actually having standard outputs and measuring everything. We've gone from what was basically, 'Here's some money. Go away and do what you want with it', to something like, 'OK, have some money, tell us all the things you're going to do against six-monthly and twelve-monthly milestones, and tell us three years in advance'. And our staff have had to get onboard new reporting systems to handle all that.
NR2_6	S2	It [the CBPDF] is another change, and it's harder to push through. As I said before, we've just gotten over implementing a couple of big systems. And they've taken their toll. We've done that a couple of times over the last five years. We just get used to them, and then they get turned off and we've got another new system. There's a fair bit of stress involved in training and getting used to new stuff. But if this new framework [the CBPDF] could be slowly introduced, say through the CAP review process, that might work. Also a good way, which I think is a less stressful way, is to do this kind of stuff in a forum, so people are in the right place and you can pull it all together with minimal pain.
NR2_7	S3	There's a risk management issue in deciding whether to put in the extra effort that it [the CBPDF] involves. Are management prepared to continue on doing what we do as we now do it, which is much more seat-of-the-pants based on very well-informed gut feelings, or on educated guesses? I suppose it depends on how we assess the risks of not going ahead with a documented, all-encompassing process. You know, what is the difference going to be for our CMA? And then there's the need to consider the resourcing side of going for a more documented process and comparing it with the benefits.

3: Can you see the CBPDF, or elements of it, being applied by your CMA? How might it be made more useable and useful for your CMA?		
Comment code	Who?	Comment
NR3_1	S1	The bottom line is that there's good positive elements in there [the CBPDF], but the only way I could see that we would implement them would be through a much simpler approach.
NR3_2	S1	I'd be aiming for 80 per cent of the benefits of the framework with 20 per cent of the effort. Because I think there's some really good concepts in there. If you teased out two or three of the main concepts, and perhaps reduced it all to a few tables as it's been suggested, I think you probably could get to 80 per cent of the end result quite quickly. So you kind of have a sheet, you identify the capacity-building activities in there for delivery of a particular project, and the rationale for those, and the indicative budget. And you do that for each of the projects the CMA or one of its themes is thinking about, and then just have a workshop process around that. I reckon with perhaps just a little bit more refining you'd get 80 percent of the result with a much reduced effort. Maybe over time the process could be built up to capture the additional 20 percent, if that was felt justified.
NR3_3	S3 S1	And if you're able to somehow brush the language down a bit to make it easier to digest because some of the questions are like a paragraph. So maybe replace them with one sentence. And you could clarify what you mean by that sentence in the manual. That might make filling the form out less onerous.
NR3_4	S2	You might help with that [the cumbersomeness of copying and pasting text from one section of a form to another, as raised in comment NR2_3] if you could somehow combine some of those forms. I find it hard when I lose sight of stuff. If all the project codes are there in front of me, for instance, I can make sense of it better. If I have to split a line to get sub-codes for a project or a capacity-building activity, I can still see how they nest together. I understand that's hard to do when you're using an A4-sized format for the forms. But maybe you have to consider going to an A3 format, so you could reduce the number of those tables, so you could follow through the process a bit easier. And that would cut out a lot of the steps.
NR3_5	S1	One possible use of this framework [the CBPDF] could be in a CAP review. We're going through a CAP review phase. So for this review there could be a way that the framework, or parts of it, could be built into reviewing the CAP in relation to the community theme – especially that section about the rationale behind why we do the general capacity-building stuff. That could be a really good way of building the way forward for the community capacity-building theme. And it wouldn't just fall on the leader of the community theme, it'd be more of a workshop-style thing. It could be something we go to the community with. You can go to the community and ask, "Why do we do all this stuff?".
NR3_6	S3	We could integrate parts of the framework into our existing approach for developing projects. Like its logic of identifying a gap in capacity before developing a capacity-building activity to remedy that gap. We rushed ahead and said, 'We'll have a workshop on this and a field day on that'. But then you got us to think about what gaps they would actually fix, and we realised they are not the right activities for the gaps that are there. So doing the gap analysis properly to start with gave us a much more targeted approach to developing capacity-building projects. It led us to the capacity-building product we needed to fill the gap rather than just another workshop. That was a good thing from the framework. Or like identifying all the tasks required for community-capacity building, to make sure we hit them all on the head, and then look for amalgamation of the tasks with those in other projects. You know, make sure that we have those points covered in the project development sheet, and to make sure we touch on them every time we consider a project.

3: Can you see the CBPDF, or elements of it, being applied by your CMA? How might it be made more useable and useful for your CMA? (continued)		
Comment code	Who?	Comment
NR3_7	S2	<p>There's some good opportunities and maybe these are something that could be looked at. All our CMAs use a thing called a Catchment Information Management System (CIMS). It's a database thing, a project contract management system. There could be an opportunity to create another module in that system, basically a project development module. The good thing about that is you could take all these components and get a computer program and just stitch it all together, and have it as a hot link in CIMS. So maybe there's an opportunity with that. ... And the great thing about it is all the CMAs pretty much are using it, and we all contribute money to support it. But there's never really been a good project development module. Maybe this [the CBPDF] is it. Because, like that, it'd be corporately-supported. And 11 of the 13 CMAs are using it. So you've got a good buy-in already.</p> <p>Another opportunity is SCARPA [Site and Catchment Resource Planning and Assessment system], which is another basic prioritisation and project management sort of software that's been developed through the Tools2 Project. There may be an opportunity to plug your framework [the CBPDF] or parts of it into the front end of that. What's missing out of CIMS and SCARPA is really the project development, and prioritisation, and costing module. Your framework could help fill that gap.</p> <p>There's those two opportunities. They offer pathways for initially integrating your framework into our existing system. Because the NRC [Natural Resources Commission] say to us: "What are your systems,? Make sure that they're adaptive", and all that sort of stuff. Well, without a project development component to our systems, there really is quite a big hole.</p>

8.2 Questionnaire feedback

All three staff of Northern Rivers CMA who participated in the trials of the CBPDF responded to the questionnaire.

Ratings of the importance of different criteria in choosing a method for developing cost-effective capacity-building projects

The ratings of the three staff in respect of the 13 criteria listed in table A of the questionnaire are presented in Table B5 (see Appendix B). Recall that a rating (score) of 1 for a criterion signals very low importance, and a rating of 7 signals very high importance.

The mean of the importance ratings assigned by the three staff to each of the criteria are presented in Table 14. The criteria are listed in the table in descending order of mean importance rating for all respondents. Rankings of the various criteria according to their respective mean importance ratings are also shown in the table.

The five criteria ranked on average highest in importance by these staff were:

- 1st is practical to apply given the skills and time available to CMA staff;
- 2nd helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities;
- Equal 3rd makes transparent all the judgements and assumptions that need to be made;

Table 14: Relative importance of various criteria in choosing a method for developing capacity-building projects: Northern Rivers CMA

The method ...	Criteria:	Mean score for criterion importance (n = 5)	Rank by mean importance score
Is practical to apply given the skills and time available to CMA staff		6.67	1
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		6.33	2
Makes transparent all the judgements and assumptions that need to be made		6.00	3
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		6.00	3
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		6.00	3
Keeps a record of all the judgements and assumptions that need to be made		5.67	6
Ensures that capacity-building projects are based on sound logic and evidence		5.67	6
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		5.50	8
Helps justify investment decisions to your CMA's regional community		5.33	9
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		5.33	9
Can incorporate local knowledge and values		5.00	11
Helps justify investment proposals to government investors		4.67	12
Avoids subjective judgments		4.33	13

- Equal 3rd strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'; and
- Equal 3rd helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects.

The three criteria ranked on average *lowest* in importance by the three respondents were:

- 11th can incorporate local knowledge and values;
- 12th helps justify investment proposals to government investors; and
- 13th avoids subjective judgments.

Consistent with the workshop responses from the three staff to the effect that the CBPDF would need to be made less complex and time-consuming for it to be useable by them, the criterion '[the method] is practical to apply given the skills and time available to CMA staff' was ranked by them the highest-importance criteria for choosing a method for developing cost-effective capacity-building projects.

Aside from the criteria pre-specified in Table A, respondent S1 suggested a further criteria was relevant to their CMA in choosing a method for developing cost-effective capacity-building projects. This criteria was '[the method is] integrated into an existing system, e.g. CIMS or SCARPA'. This respondent rated the importance of this additional criteria as 7, or equal 1st in importance alongside five of the pre-specified criteria.

Ratings of the performance of the CBPDF relative to the CMA's current practice

The responses of the three Northern Rivers CMA staff in respect of the 13 criteria listed in Table B are presented in Table B6 (Appendix B). Recall that a score of -3 for a criterion denotes a rating of very low performance of the CBPDF relative to current practice, +3 denotes a rating of very high performance of the CBPDF relative to current practice, and a score of 0 denotes a rating that the performance of the CBPDF is 'about same' as that of the CMA's current practice.

The mean of the performance ratings assigned by the five staff to each of the criteria are presented in Table 15. The criteria are listed in the table in descending order of mean performance rating for all respondents. Rankings of the various criteria according to their respective mean performance ratings are also shown in the table.

Table 15 reveals that the three criteria that the CBPDF method scored on average *highest* against in terms of its performance were:

- 1st keeps a record of all the judgements and assumptions that need to be made;
- Equal 2nd helps justify investment decisions to your CMA's regional community; and
- Equal 2nd helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects.

The four criteria that the CBPDF method scored on average *lowest* against in terms of its performance were:

- | | |
|------------------------|--|
| Equal 10 th | helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities; |
| Equal 10 th | can incorporate local knowledge and values; |
| 12 th | helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects; and |
| 13 th | is practical to apply given the skills and time available to CMA staff. |

The mean scores against all but one of the criteria are positive, signifying that the respondents on average rated the performance of the CBPDF against 12 of the 13 criteria as superior to their CMA's current practice. The mean score for the criterion 'is practical to apply given the skills and time available to CMA staff' was -3.00, indicating that the respondents on average rated the performance of the CBPDF against this criterion as 'much worse' than that of their CMA's current practice.

In Table 16 the criteria are ranked in descending order of their mean importance scores, as in Table 14, with the mean score for the CBPDF's relative performance against each criterion also presented.

We can see from this table that the three criteria against which the CBPDF was perceived on average to perform best (compared with current practice) – 'keeps a record of all the judgements and assumptions that need to be made', 'helps justify investment decisions to your CMA's regional community' and 'helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects' – were not rated highest on average in terms of their importance to this CMA in choosing a method for developing cost-effective capacity-building projects. This table reveals also that the criterion 'is practical to apply given the skills and time available to CMA staff' was ranked first in importance for this CMA. Hence, the fact that respondents on average rated the performance of the CBPDF method against this criterion as 'much worse' than current practice represents a major hurdle to be addressed for this CMA to adopt this method.

User-friendliness of the forms comprising the CBPDF

The questionnaire asked: 'How 'user-friendly' did you find the forms?'. Of the three respondents for this CMA, two chose the response option 'slightly' and one chose 'not user-friendly at all'.

Three of the five respondents provided written elaboration of their ratings. Respondent S1 commented: 'Needs simple English text, and to combine tables'. Respondent S2: 'Forms were complex, wordy and difficult to follow. Automisation of linkages would help a lot as would simplification of wording and tables (or bunching 2-3 into 1). But overall just need to greatly simplify the process and give more focus to the pointy end'. Respondent S3: 'Too verbose. Questions very long, and we often had to refer to previous answers'.

Helpfulness of the manuals

The questionnaire also asked: 'How much did the manuals for the method trialled help you when completing the forms?'. Of the three respondents for this CMA, one chose the response option 'moderate help'. This respondent elaborated: 'Examples were very useful. Manuals very long.

Table 15: Relative performance of the CBPDF against the various criteria: Northern Rivers CMA

The method ...	Criteria:	Mean CBPDF performance score (n =3)	Rank by mean performance score
Keeps a record of all the judgements and assumptions that need to be made		2.00	1
Helps justify investment decisions to your CMA's regional community		1.67	2
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		1.67	2
Makes transparent all the judgements and assumptions that need to be made		1.33	4
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		1.33	4
Ensures that capacity-building projects are based on sound logic and evidence		1.33	4
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		1.33	4
Helps justify investment proposals to government investors		1.00	8
Avoids subjective judgments		1.00	8
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		0.67	10
Can incorporate local knowledge and values		0.67	10
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		0.50	12
Is practical to apply given the skills and time available to CMA staff		-3.00	13

Table 16: Criteria ranked by mean performance of the CBPDF against each: Northern Rivers CMA

The method ...	Criteria:	Ranking by mean criterion importance score	Mean CBPDF performance score (n = 3)
Is practical to apply given the skills and time available to CMA staff		1	-3.00
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		2	1.33
Makes transparent all the judgements and assumptions that need to be made		3	1.33
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		3	1.33
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		3	1.67
Keeps a record of all the judgements and assumptions that need to be made		6	2.00
Ensures that capacity-building projects are based on sound logic and evidence		6	1.33
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		8	0.50
Helps justify investment decisions to your CMA's regional community		9	1.67
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		9	0.67
Can incorporate local knowledge and values		11	0.67
Helps justify investment proposals to government investors		12	1.00
Avoids subjective judgments		13	1.00

Another chose 'minor help' and elaborated: 'I didn't use them much as the author was with us, but some good examples etc. in the manuals, and I could see they would be helpful'. The other respondent chose 'no help - I didn't get around to consulting the manuals', and elaborated: 'Unfortunately I was too busy to go over the manuals before the trial. I found discussing the questions with Graham and other staff was beneficial. What I did use and read was very complex but the examples were beneficial'.

Rating how worthwhile was the experience of trialling the CBPDF

One of the questions in the questionnaire asked: 'How worthwhile for you was the experience of trialling the method?'. Of the three respondents for this CMA, one answered that their experience had been 'highly' worthwhile, and elaborated: 'Need to trial to find the benefits and issues. Gave a clearer picture of the resources required and the outcomes achieved'. Another answered that their experience had been 'moderately worthwhile, and commented: 'There is a need for a project development procedure for CMAs - maybe this can help fill this gap'. The remaining respondent found the experience to be 'slightly' worthwhile, and observed: 'The process was cumbersome and hard going, but it raised some good concepts and got us thinking'.

9. FINDINGS FROM THE QUESTIONNAIRE FEEDBACK ACROSS THE THREE REGIONS

Questionnaire feedback from staff of the three CMAs participating in trials of the CBPDF were analysed separately in the three preceding chapters. In this section the average responses from the three CMAs to the questionnaire items are discussed and interpreted.

9.1 Ratings of the importance of different criteria in choosing a method for developing cost-effective capacity-building projects

Table 17 brings together the average scores from the three CMAs in respect of their respondents' perceptions of the importance of different criteria for choosing a method to develop cost-effective projects for capacity-building. It presents also the average scores across the three CMAs, calculated as the average of the three CMAs' average scores³. The criteria are listed in the table in descending order of average criterion score across the three CMAs. Table 18 presents the information in Table 17 in the form of ranks of criterion importance for each CMA and the three CMAs combined.

We see from Table 18 that the three criteria ranked on average as of *greatest* importance across the three CMAs are:

- Equal 1st 'ensures that capacity-building projects are based on sound logic and evidence';
- Equal 1st 'is practical to apply given the skills and time available to CMA staff'; and
- 3rd 'helps justify investment decisions to your CMA's regional community'.

The high importance ranking for the criterion 'ensures that capacity-building projects are based on sound logic and evidence' is encouraging for the present project given its focus on developing a rigorous method that helps CMAs demonstrate their economic accountability in developing capacity-building projects. The high importance ranking for 'is practical to apply given the skills and time available to CMA staff' is consistent with the present project's focus on developing a method that is as user-friendly as possible for the CMAs. The third highest importance ranking for the criterion 'helps justify investment decisions to your CMA's regional community' is consistent with the present project's aim of developing a method that is supportive of a community-based, collaborative approach to NRM governance.

The three criteria ranked on average as of *least* importance across the three CMAs are:

- 11th 'keeps a record of all the judgements and assumptions that need to be made';
- 12th 'can incorporate local knowledge and values'; and
- 13th 'avoids subjective judgements'.

The low importance ranking for the criterion 'keeps a record of all the judgements and assumptions that need to be made' is of some concern given the focus of the present project on supporting CMAs

³ This is different from calculating average scores across the full set of 9 respondents (five from Border Rivers – Gwydir CMA, one from Namoi CMA and three from Northern Rivers CMA). Calculating the average scores in this way would have given greater weight to CMAs with larger numbers of respondents.

Table 17: Mean scores for criterion importance, for each CMA and the three CMAs combined

The method ...	Criteria:	Average score for criterion importance by CMA*			Average score for criterion importance across the 3 CMAs (n = 9)
		Border Rivers – Gwydir (n = 5)	Namoi (n = 1)	Northern Rivers (n = 3)	
Ensures that capacity-building projects are based on sound logic and evidence		5.80	6.00	5.90	5.90
Is practical to apply given the skills and time available to CMA staff		4.80	7.00	5.90	5.90
Helps justify investment decisions to your CMA's regional community		5.60	6.00	5.80	5.80
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		5.40	6.00	5.70	5.70
Helps justify investment proposals to government investors		5.00	6.00	5.50	5.50
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		5.00	6.00	5.50	5.50
Makes transparent all the judgements and assumptions that need to be made		5.80	5.00	5.40	5.40
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		4.80	6.00	5.40	5.40
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		4.80	6.00	5.40	5.40
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		5.40	5.00	5.20	5.20
Keeps a record of all the judgements and assumptions that need to be made		6.00	4.00	5.00	5.00
Can incorporate local knowledge and values		4.80	4.00	4.40	4.40
Avoids subjective judgments		4.40	4.00	4.20	4.20

Table 18: Rankings (in descending order) of mean criterion importance, for each CMA and the three CMAs combined

	Criterion ranking in descending order of mean importance			
	Border Rivers – Gwydir (n = 5)	Namoi (n = 1)	Northern Rivers (n = 3)	Combined (n = 9)
Ensures that capacity-building projects are based on sound logic and evidence	2	2	1	1
Is practical to apply given the skills and time available to CMA staff	9	1	1	1
Helps justify investment decisions to your CMA's regional community	4	2	3	3
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects	5	2	4	4
Helps justify investment proposals to government investors	7	2	5	5
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities	7	2	5	5
Makes transparent all the judgements and assumptions that need to be made	2	9	7	7
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'	9	2	7	7
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects	9	2	7	7
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities	5	9	10	10
Keeps a record of all the judgements and assumptions that need to be made	1	11	11	11
Can incorporate local knowledge and values	9	11	12	12
Avoids subjective judgments	13	11	13	13

in demonstrating economic accountability in their investment decision-making to stakeholders. Documenting the judgements and assumptions on which decisions are based is a key element of demonstrating such accountability. Note the higher importance ranking for the criterion ‘makes transparent all the judgments and assumptions that need to be made’. Perhaps the higher importance ranking for ‘mak[ing] transparent’ assumptions and judgements compared with ‘keeping a record’ of them derives from a view among CMA staff that it is more important for the assumptions and judgements they make to be transparent amongst themselves (i.e. through workshop discussions or oral communication more generally) than for them to be transparent to external parties (i.e. by documenting them).

The low importance ranking for the criterion ‘can incorporate local knowledge and values’ is also of some concern given the focus of the present project on supporting a community-based, collaborative process of investment-decision, a process for which incorporation of local community knowledge and values is presumably important. The lowest importance ranking for ‘avoids subjective judgements’ is consistent with views expressed during the workshop discussions that subjective judgements are unavoidable in CMA investment decision-making processes because objective data on which to base decisions are often not available.

Table 18 reveals also that:

- the criterion ‘helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects’ was ranked highly in importance by the three CMAs combined (4th), and also by them individually (5th, 2nd and 4th);
- the criterion ‘helps to ensure that investment decision-making processes give due consideration to ‘project-specific’ capacity-building activities as against ‘general’ capacity-building activities’ was ranked higher in importance by the three CMAs combined than was the related criterion ‘helps to ensure that investment decision-making processes give due consideration to ‘general’ capacity-building activities as against ‘project-specific’ capacity-building activities’. Hence it seems that the three CMAs are, on average, are more concerned with their investment decision-making processes giving due consideration to project-specific capacity-building activities than they are in respect of general capacity-building activities. This is consistent with workshop remarks from some CMA staff to the effect that their CMAs’ decision-making processes for capacity-building investments tend to focus predominantly on general capacity-building activities; and
- the criterion ‘strengthens your CMA’s confidence that the capacity-building projects that are developed represent ‘value for money’ was ranked by the three CMAs on average as only moderately important to them, which highlights a challenge for the present project given its focus on strengthening the cost-effectiveness of such projects. One of the CMAs (Namoi) ranked this criterion appreciably higher in importance than the other two.

9.2 Performance of the CBPDF relative to CMAs’ current practice

Table 19 brings together the average scores from the three CMAs in respect of their respondents’ perceptions of the performance of the CBPDF compared with their current practice for developing cost-effective capacity-building projects. It presents also the average performance scores across the

Table 19: Mean performance scores (compared with current practice) for the CBPDF against the various criteria, for each CMA and the three CMAs combined

The method ...	Criteria:	Average score for PAF method's relative performance against criteria, by CMA*			Average score for performance against criteria across the 3 CMAs (n = 9)
		Border Rivers – Gwydir (n = 5)	Namoi (n = 1)	Northern Rivers (n = 3)	
Keeps a record of all the judgements and assumptions that need to be made		2.00	2.00	2.00	2.00
Makes transparent all the judgements and assumptions that need to be made		1.80	2.00	1.33	1.71
Ensures that capacity-building projects are based on sound logic and evidence		1.20	2.00	1.33	1.51
Helps justify investment proposals to government investors		1.40	1.00	1.00	1.13
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		0.60	1.00	1.33	0.98
Helps justify investment decisions to your CMA's regional community		0.20	1.00	1.67	0.96
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		1.20	0.00	1.67	0.96
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		0.40	1.00	1.33	0.91
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		1.20	1.00	0.50	0.90
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		0.60	1.00	0.67	0.76
Avoids subjective judgments		0.20	0.00	1.00	0.40
Can incorporate local knowledge and values		0.00	0.00	0.67	0.22
Is practical to apply given the skills and time available to CMA staff		-1.20	-1.00	-3.00	-1.73

three CMAs, calculated as the average of the three CMAs' average scores⁴. The criteria are listed in the table in descending order of average performance score across the three CMAs against the criteria. Table 20 presents the information in Table 19 in the form of ranks of performance against criterion for each CMA and the three CMAs combined.

Table 20 reveals that the three criteria that the CBPDF performed *best* against on average across the three CMAs, compared with the CMAs' current evaluation practices, were:

- | | |
|-----------------|--|
| 1 st | 'keeps a record of all the judgments and assumptions that need to be made'; |
| 2 nd | 'makes transparent all the judgements and assumptions that need to be made'; and |
| 3 rd | 'ensures that capacity-building projects are based on sound logic and evidence'. |

Each of these criteria was indeed emphasised strongly in developing the CBPDF. The criterion 'keeps a record of all the judgments and assumptions that need to be made' was ranked by each of the three CMAs as either first or equal first in terms of how strongly the CBPDF performs against this criterion compared with their CMA's current practice. Recall from the previous section, however, that this criterion was not ranked as important for these CMAs as was the criterion 'makes transparent all the judgements and assumptions that need to be made'.

The three criteria that the PAF method performed *worst* against on average across the three CMAs, compared with the CMAs' current evaluation practices, were:

- | | |
|------------------|--|
| 11 th | 'avoids subjective judgments'; |
| 19 th | 'can incorporate local knowledge and values'; and |
| 20 th | 'is practical given the skills and time available to CMA staff'. |

The criterion 'is practical to apply given the skills and time available to CMA staff' was the only one against which the performance of the PAF method was rated lower on average by the three CMAs than their current practices. As observed above, this criterion was emphasised in developing the CBPDF. The CBPDF's bottom-ranking and inferior performance against this criterion across the three CMAs indicates a need to find ways for the CMAs to perform better against it (e.g., through greater resourcing, training and provision of outside support).

Notable discrepancies in performance rankings against particular criteria across the three CMAs include:

- the Border Rivers - Gwydir CMA's equal-10th ranking for 'helps justify investment decisions to your CMA's regional community' is markedly lower than the corresponding rankings for Namoi and Northern Rivers CMAs (equal-4th and 2nd, respectively);

⁴ This is different from calculating average scores across the full set of nine relevant respondents (five from Border Rivers – Gwydir CMA, one from Namoi CMA and three from Northern Rivers CMA). Calculating the average scores in this way would have given greater weight to CMAs with larger numbers of respondents.

Table 20: Rankings (in descending order) of mean performance of the CBPDF against the various criteria, for each CMA and the three CMAs combined

The method ...	Criteria:	Criterion ranking in descending order of mean performance			
		Border Rivers – Gwydir (n = 5)	Namoi (n = 1)	Northern Rivers (n = 3)	Combined (n = 9)
Keeps a record of all the judgements and assumptions that need to be made		1	1	1	1
Makes transparent all the judgements and assumptions that need to be made		2	1	4	2
Ensures that capacity-building projects are based on sound logic and evidence		4	1	4	3
Helps justify investment proposals to government investors		3	4	8	4
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		7	4	4	5
Helps justify investment decisions to your CMA's regional community		10	4	2	6
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		4	10	2	6
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		9	4	4	8
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		4	4	12	9
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		7	4	1	10
Avoids subjective judgments		10	10	8	11
Can incorporate local knowledge and values		12	10	10	12
Is practical to apply given the skills and time available to CMA staff		13	13	13	13

- the Namoi CMA’s equal-10th ranking for ‘helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects’ is markedly lower than the corresponding rankings for Border Rivers - Gwydir and Northern Rivers CMAs (equal-4th and 2nd, respectively); and
- the Northern Rivers CMA’s 12th ranking for ‘helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects’ is markedly lower than the corresponding rankings for Border Rivers – Gwydir and Namoi CMAs (equal-4th in both cases).

Table 20 reveals also that:

- the relative performance of the CBPDF against the criterion ‘strengthens your CMA’s confidence that the capacity-building projects that are developed represent ‘value for money’’ was ranked quite high (5th) for the three CMAs combined. This perception from the CMAs is consistent with the considerable effort invested by the present project in satisfying this criterion; and
- the relative performance of the CBPDF against the criteria ‘helps justify investment proposals to government investors’ and ‘helps justify investment decisions to your CMA’s regional community’ was in each case ranked relatively highly (4th and 6th, respectively).

9.3 Rating the ‘user-friendliness’ of the CBPDF forms

The nine respondents from the three CMAs participating in the trials of the CBPDF were asked ‘How ‘user-friendly’ did you find the forms [Forms A, B and C of the CBPDF]?’ The distributions of responses to this question for each CMA and the three CMAs combined are presented in Table 21. We see that none of the nine respondents rated the forms as highly user friendly, one rated them as moderately user friendly, four rated them as slightly user friendly, and three as not at all user friendly.

Table 21: Ratings from each CMA and overall in response to the question ‘How ‘user-friendly’ did you find the forms?’

How user-friendly are the forms?	Ratings from respondents in each CMA			Total across the three CMAs
	Border Rivers - Gwydir	Namoi	Northern Rivers	
Highly	0	0	0	0
Moderately	1	0	0	1
Slightly	4	0	1	4
Not at all	0	1	2	3
Total	5	1	3	9

9.4 Rating the helpfulness of the user manuals

The nine respondents from the three CMAs were asked ‘How much did the manuals for the method trialled help you when completing the forms [Forms A, B and C of the CBPDF]?’ The distributions of responses to this question for each CMA and the three CMAs combined are presented in Table 22. One of the nine respondents rated the forms as providing considerable help, four as providing moderate help, one as providing minor help, and three as providing ‘no help – I didn’t get around to consulting the manuals’.

Table 22: Ratings from each CMA and overall in response to the question ‘How much did the manuals for the method trialled help you when completing the forms?’

How much help did the manuals provide?	Ratings from respondents in each CMA			Total across the three CMAs
	Border Rivers - Gwydir	Namoi	Northern Rivers	
Considerable	1	0	0	1
Moderate	3	0	1	4
Minor	0	0	1	1
No help - I referred to the manuals but it didn't help	0	0	0	0
No help - I didn't get around to consulting the manuals	1	1	1	3
No help - I didn't need any because the forms were clear enough by themselves	0	0	0	0
Total	5	1	3	9

Few of the participants in the trials appeared to have read the manuals in any depth prior to trialling each form, despite having been encouraged to do so. Hence it seems that the six ratings of ‘considerable’, ‘moderate’ and ‘minor’ help were based predominantly on any use of the manuals during the various meetings held for undertaking the trials. Reference to the manuals during the trials tended to be sporadic, given that participants preferred to ask the project leader directly for advice about how to respond to any question.

9.5 Rating how worthwhile was the experience of trialling the PAF method

The nine respondents from the three CMAs were asked ‘How worthwhile for you was the experience of trialling the method?’ The distributions of responses to this question for each CMA and the three CMAs combined are presented in Table 23. We see that 1.5 of these nine respondents rated the experience as highly worthwhile, 3.5 as moderately worthwhile, 2 as slightly worthwhile, and zero as not at all worthwhile. (One of the respondents rated the experiences as between highly and moderately worthwhile. Half of this respondent was recorded as assigning a rating of highly worthwhile and the other half as assigning a rating of moderately worthwhile.)

Table 23: Ratings from each CMA and overall in response to the question ‘How worthwhile for you was the experience of trialling the method?’

How worthwhile?	Ratings from respondents in each CMA			Total across the three CMAs
	Border Rivers - Gwydir	Namoi	Northern Rivers	
Highly	1.5*	0.0	1.0	1.5
Moderately	2.5*	1.0	1.0	3.5
Slightly	1.0	0.0	1.0	2.0
Not at all	0.0	0.0	0.0	0.0
Total	5.0	1.0	3.0	9.0

* One respondent from BRG CMA provided a rating of between ‘highly’ and ‘moderately’ worthwhile. Hence half of this response (0.5) was assigned to ‘highly’ and the remaining half to ‘moderately’.

10. SUMMARY

In this section a summary of the preceding sections is presented. Conclusions are presented in the final section.

10.1 Background to the method trialled

The present project – ‘Improving economic accountability when using decentralised, collaborative approaches to environmental decisions’ – has sought to formulate and trial methods of developing and prioritising investments in natural resource management (NRM) that:

- (i) are consistent with an ‘economic way of thinking’;
- (ii) are within the capacity of collaborative community-based organisations (specifically regional NRM organisations) to apply proficiently;
- (iii) can accommodate value systems decided collaboratively in community-based processes; and
- (iv) can account for the consequences of NRM investments for community and other socio-economic capacities needed for investments into the future.

Two such methods have been developed and trialled in this project. This has involved participation and feedback from members of the three CMAs which agreed to work with us in the project – Border Rivers – Gwydir CMA, Namoi CMA, and Northern Rivers CMA. The first of the two methods applies to ‘asset-focused’ investments (i.e., investments focused directly on protecting or enhancing the condition of natural resource assets). An account of that method, its trials, and feedback from the three CMA partners on the trials was presented in Working Paper 3 from this project (Marshall 2010a).

The second of these methods applies to ‘capacity-focused’ investments, the direct focus of which is on building the capacities needed for feasible asset-focused investments into the future (regardless of whether the content of the asset-focused investments is known at the time of applying this method). Investments of this type are referred to in this working paper as ‘capacity-building’ investments, where capacity building refers ‘to a range of activities by which individuals, groups and organisations improve their capacity to achieve sustainable natural resource management’ (Australian Government 2002a p. 1).

The need for a method of developing cost-effective capacity-building projects was considered in section 2 of this document. It was noted how various authors have emphasised the importance of capacity-building investments for the success of Australia’s regionalised approach to NRM, and thus of making these investments strategically. Such a strategic approach includes targeting investments at cost-effectively building the ‘project-specific’ capacities needed for asset-focused projects we can confidently predict will occur. Given the considerable funding uncertainties faced by Australian regional NRM bodies, and the fact that capacities for many longer-term asset-focused investments cannot be built overnight, a strategic approach to investing in ‘general’ capacity-building activities is also required. Such activities are needed to enable regional NRM bodies to cost-effectively adapt their investment programs as the outcomes of present funding (and other) uncertainties unfold.

Accordingly, the present project sought to develop a method for investing strategically in building both the project-specific and general capacities needed by community-based regional NRM

organisations to achieve sustainable NRM. This method would strengthen the economic accountability of such organisations by providing them with a structured process for developing cost-effective capacity-building projects.

The Investment Framework for Environmental Resources (INFFER), and particularly step 3 of this framework which involves completion of a Project Assessment Form (PAF), was used as a starting point in pursuing this aim. This starting point was limited to identifying what project-specific capacity-building activities will contribute to the cost-effectiveness of an organisation's investment program. The PAF is not designed to contribute towards decision-making about investments in general capacity building.

Hence, the method developed in the present project was designed to complement INFFER's contribution by encompassing both general and project-specific capacity-building activities in a broader framework for developing cost-effective capacity-building projects. In developing such projects, the method explores how various capacity-building activities identified for investment might be coordinated to enhance their overall cost-effectiveness. Where a capacity-building project developed in this manner includes project-specific capacity-building activities (i.e. included in particular on-ground-action projects), the intention is not for these activities to be managed only as parts of the capacity-building project, independently of the on-ground projects that depend on them. The intention is rather for these activities to be managed both as part of the relevant on-ground-action projects and concurrently as part of the capacity-building project.

This intention recognises, firstly, that the expertise required to successfully design and implement capacity-building activities is specialised. It is sometimes not held by managers of on-ground-action projects who tend to be technically trained.

Secondly, this intention recognises the benefits that can arise from coordinating the management of capacity-building activities included as part of different on-ground-action projects. Such benefits can arise from similarities in the resource demands of different capacity-building activities, which offer possibilities for either: (a) saving costs by spreading 'overheads' over a greater number of such activities (e.g. running two workshops targeting similar groups of landholders back-to-back on the same day at the same venue), and/or (b) increasing the capacity-building 'outputs' achieved for a given cost outlay (e.g. increasing landholders' overall attendance at these two workshops because running them together makes it more worthwhile to travel to where they are held). Benefits from coordinating the management of capacity-building activities included in different on-ground-action projects can also arise from the greater opportunities to share the lessons gained in running these activities across the staff managing them.

Aside from this departure from the PAF starting point to explore how different capacity-building activities might be coordinated cost-effectively as projects, a range of further steps were required to arrive at a comprehensive method of developing such projects. These steps addressed the following issues (discussed more fully in section 2.4) which are not systematically accounted for in the PAF:

- (i) Where payment mechanisms are the appropriate main policy tool for motivating private citizens to adopt on-ground actions, capacity-building activities may still be needed as supplementary policy tools to ensure successful engagement with the payment mechanisms;
- (ii) Capacity-building activities may sometimes be the appropriate main policy tool for motivating private citizens to adopt on-ground actions when those actions would not already be attractive to fully-informed private citizens. This possibility can arise when individuals face a collective action problem in deciding whether to adopt, and

adoption is unattractive to them largely because they lack trust that others will reciprocate their own adoption rather than ‘free ride’. The appropriate main policy tool here may be a capacity-building intervention designed to build social capital in order to remedy the lack of trust.

- (iii) Capacity-building may be required for the organisation proposing/leading a project (the ‘lead organisation’), not only for private citizens and organisations other than the lead organisation.
- (iv) There are risks that the lead organisation may fail to fully implement the project tasks it is responsible for – in addition to the risks that private citizens and other organisations may fail to implement the project tasks that they are responsible for.
- (v) The PAF may be unsuitable for a lead organisation to use because it is (a) unable or unwilling to apply this method, and/or (b) insufficiently informed about future funding of its investment program to be able to prioritise how that funding should be allocated between different asset-focused projects. In respect of (a), the lead organisation may be unable to apply the method because it cannot clearly identify the natural resource asset to be targeted by a project (given that INFFER is an asset-based process), or to define a SMART (Specific, Measurable, Achievable, Realistic, Time-bound) goal for the condition of that asset. It may be unwilling to do so because of perceptions that the INFFER process is too time-consuming or cumbersome or insufficiently superior to their current practice to outweigh these perceived disadvantages. In respect of (b), uncertainty about future investment funding or about investors’ future funding priorities may leave a lead organisation unable to prioritise or plan a future program of asset-focused projects, and thus unable to identify the project-specific capacity-building activities required to support such a program. A lead organisation in this situation is limited to developing general capacity-building activities to be submitted for funding. The method developed in the present project accommodates this possibility.

10.2 The method trialled

The method developed in this project for strengthening the economic accountability of community-based regional NRM organisations in respect of their investments in capacity building consists of the four forms – A, B, C and D – comprising the Capacity Building Project Development Framework (CBPDF). Accompanying each form is a user manual containing further instructions than was possible to include in the form, and also examples that illustrate to the user how particular questions might appropriately be answered. Excel spreadsheet calculators have also been developed for each of Forms B and C to automate some of the more demanding calculations required in completing these forms, and also to automate some of the data transfers between questions that are required when completing these forms. Use of each calculator is explained in the relevant manual. These forms, manuals and calculators can be downloaded from <http://www.ruralfutures.une.edu.au/projects/3.php?nav=Environmental%20Impacts%20of%20Change&page=117> The versions of the forms, manuals and calculators available at this address are the final versions emerging in response to problems that the project leader identified with draft versions, and also in response to feedback from trial participants.

Forms A, B and C of the framework deal with situations where an organisation is sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead. Form D applies to those situations where an organisation is not sufficiently informed about future funding of its investment program that it is able to plan at least

part of that program for at least one year ahead. Question A1 in Form A (the first question of the framework) identifies whether the user should continue with that form or proceed directly to Form D.

Where an organisation is sufficiently informed about future funding of its investment program that it is able to plan at least part of that program for at least one year ahead, it is able to identify (a) the project-specific capacities that need to be developed for those plans to be successfully implemented, and (b) other general capacity-building activities to be undertaken with the available funding. General capacity-building activities are not focused on capacities needed for individual projects, but rather on capacities that a variety of unspecified projects may benefit from.

The roles of Forms A, B and C can be summarised briefly. One purpose of Form A is to identify sets of on-ground actions that the user's organisation expects to invest in and that depend for their successful implementation on capacity-building activities that need to be resourced from the organisation's investment funding for the coming year. The other purpose is to identify the value of investments in general capacity-building activities that need to be resourced from the organisation's investment funding for the coming year.

'On-ground action' is defined as any behaviour undertaken by an individual, organisation or agency that directly affects the condition of natural resources or how they are used. In some cases this behaviour involves adoption of 'on-ground actions' as they tend to be conventionally understood, like planting trees or building fences. In other cases the behaviour may be more management-oriented, like more sparing use of water. Examples of 'non-on-ground' actions include attendance at training events like field days, monitoring, reporting, distributing information sheets, etc.

Subsequent to completing Form A, Form B is completed for each set of on-ground actions identified in pursuing the first purpose of Form A in order to develop cost-effective projects for implementing them. Completion of Form B for a particular set of on-ground actions includes calculating the Feasibility Adjusted Cost (FAC) of the particular project design developed in the form to achieve implementation of the SMART goal set in respect of those actions. Calculation of the FAC for a project design takes into account not only the costs of implementing the project design but also the probability of that project design fully achieving its on-ground-action goal(s) (i.e. the probability of the project being fully feasible). The FACs of different project designs intended to deliver the same goal(s) can be compared to identify the project design that achieves the goal(s) most cost-effectively.

Form C is then used to:

- (a) compile the details of the capacity-building activities included in the 'on-ground-action' projects that were developed using Form B;
- (b) detail how the organisation's investment budget for general capacity-building activities over the coming year (identified in Form A) will be allocated between activities of this kind; and
- (c) consider how to manage all these capacity-building activities cost effectively as coordinated projects.

The four forms comprising the CBPDF are designed to provide a structured comprehensive process for developing cost-effective capacity-building projects. Such a process is required to ensure that those developing such projects consider all key considerations in a logical and accountable manner, including by making transparent the evidence, assumptions and judgements on which their

responses to questions in the forms are based. Systematic recording of these assumptions, judgements and evidence contributes to adaptive management by enabling subsequent diagnosis at the project monitoring and evaluation stage of how these match what actually occurred – thereby contributing to more realistic project designs thereafter.

The CBPDF is not just a form-filling exercise. Answers to many of the questions in the framework will benefit considerably from discussion among organisational staff and other stakeholders with the requisite knowledge and experience. Group discussion of this kind is commonly employed by regional NRM organisations when developing their investment programs. The CBPDF is meant to add value to such group discussions by providing a logical structure for them and a mechanism for ‘surfacing’ and recording the assumptions and judgements underlying the discussions that frequently remain unstated or unsupported by evidence.

Moreover, the CBPDF is not meant to be applied as a one-way linear process. Answering one question will not uncommonly identify weaknesses in one or more of the answers provided earlier, and thus prompt reconsideration of those answers. Although users can find it frustrating to have their initial judgements challenged in this way, the iterative process prompted by the CBPDF is essential for ensuring that the capacity-building projects which are developed are indeed cost effective.

Readers seeking a detailed account of the method are referred to section 3.2 of this working paper, which discusses the main elements of each of the forms comprising the CBPDF.

10.3 Trialling the CBPDF

10.3.1 Preparatory steps

The process of trialling the CBPDF commenced by convening initial meetings with staff from each of the three CMA partners in the project, at which the purpose of the method was explained, the staff were led through draft versions of Forms A, B and C of the CBPDF, and they were asked to provide feedback.

The meeting for Border Rivers – Gwydir CMA was held on 23rd August 2010 at the CMA’s office in Armidale, and was attended by two staff from that CMA. The meeting for Northern Rivers CMA was held on 26th August 2010 and was attended by two staff from that CMA. The meeting for the Namoi CMA was held on 27th August 2010 and was attended by one staff member from that CMA. A subsequent preparatory meeting was held for the Namoi CMA on 16th September 2010, which was attended by the staff member who had attended the prior meeting plus two members of the CMA’s Community team.

It was agreed as a result of these initial meetings that the trial for each CMA would involve: (i) completing Form A; (ii) completing Form B for two of the sets of on-ground actions identified in Form A as depending on capacity-building activities undertaken during the coming year; and (iii) completing Form C based on the information contained in the completed copies of Form B. Form D was not relevant to the participating CMAs as they were each in a position to plan their investment programs for at least one year ahead. The initial draft versions of Forms A, B and C presented at these meetings were substantially revised prior to commencing the trials on the basis of feedback obtained from the meetings.

10.3.2 The trials

The three CMA partners chose different ways of participating in the trials, as detailed below.

Trials by Border Rivers – Gwydir CMA

Border Rivers – Gwydir CMA (BRGCMA) chose to complete Forms A, B and C in a series of three separate meetings. A common group of staff was nominated to participate in each of these meetings, which were all held in Inverell. The meeting with BRGCMA to trial Form A occurred from 10am to 3pm on 22nd October 2010. It was attended by five staff from this CMA, including one of the staff who had attended the preparatory meeting. These individuals constituted the regional working group for this CMA's trial process.

Form B was trialled by this CMA at a meeting held from 10am to 3.30 pm on 7th November 2010. This meeting was attended by each of those who attended the Form A meeting. This trial focused on two of the sets of on-ground actions that were identified in Form A as actions that the CMA intends to invest in and that depend for their successful implementation on capacity-building activities that need to be resourced from its investment funding for the coming year.

The meeting with this CMA to trial Form C occurred from 11am to 3.30pm on 11th November 2010. Those present at the prior two meetings attended except for one staff member.

Trials by Namoi CMA

In the case of Namoi CMA (NCMA), it was decided that a meeting with the project leader was not required to complete Form A. The staff member from that CMA who had attended both preparatory meetings agreed to complete a draft of Form A in consultation with his colleagues and to present this draft to the project leader for feedback. Forms B and C were then to be completed in two separate meetings in Tamworth attended by this staff member. This staff member consulted colleagues as required between meetings to obtain the information and judgements he required to complete the forms. The regional working group for this CMA's trial process consisted of this staff member.

A draft of Form A was submitted to the project leader in late September 2010, and was finalised after feedback from the project leader.

The trials of Form B focused on two of the sets of on-ground actions that were identified in Form A as actions that the CMA intends to invest in and that depend for their successful implementation on capacity-building activities that need to be resourced from its investment funding for the coming year. The meeting to complete Form B for these sets of on-ground actions occurred on 29th October 2010 from 9.30am to 1pm. Form B was completed for the first of these sets in this time. After completing Form B for this set, the staff member from CMA felt confident to complete Form B for the other set in the absence of the project leader, consulting his colleagues as required. A completed copy of Form B for the second set of on-ground actions was submitted to the project leader a few days later.

The meeting with NCMA to complete Form C occurred from 9.30am to 1pm on 10th November 2010.

Trials by Northern Rivers CMA

Northern Rivers CMA (NRCMA) chose to complete the forms in a single meeting run in Grafton from 12 noon on 19th October to 3pm on 20th October. This meeting was attended by the two staff from that CMA who had attended the preparatory meeting and by one other staff member from this CMA. These individuals constituted the regional working group for this CMA's trial process.

The trials of Form B were to focus on two of the sets of on-ground actions that were identified in Form A as actions that the CMA intends to invest in and that depend for their successful implementation on capacity-building activities that need to be resourced from its investment funding for the coming year. However, due to lack of time during the meeting, it was not possible to complete Form B for the second of the two sets of on-ground actions chosen for trialling this form. Given that completing the second copy of Form B would have left insufficient time to trial Form C satisfactorily, the staff at the meeting elected to bypass this step and proceed directly to trialling Form C. With Form B completed for only one set of on-ground actions, it was necessary to complete the trial of Form C with less data than was available for the other two CMAs.

10.4 Reviewing the trials

At the end of each of the meetings held as part of the process of trialling the CBPDF, participants (i.e. members of the regional working group for that process) were asked to provide feedback. Towards the end of the closing meeting of the trial process for each CMA, a workshop was run in which members of the regional working group for that process were asked to provide oral feedback regarding the whole process. The discussion was guided by the following three questions:

1. What are the strengths of the CBPDF compared with your CMA's current practice for developing capacity-building projects?
2. What are the weaknesses of the CBPDF compared with your CMA's current practice for developing capacity-building projects?
3. Can you see the CBPDF, or elements of it, being applied by your CMA? How might it be made more useable and useful for your CMA?

Towards the conclusion of each of the workshops, a short questionnaire was distributed to each participant. The questionnaire includes two tables – A and B – plus three additional questions. Table A lists 13 criteria identified as relevant to CMAs in choosing a method for developing cost-effective capacity-focused investments. For each criterion, respondents were asked to rate what they perceived to be its importance to their CMA in choosing such a method. Table B in the questionnaire lists the same set of criteria. Respondents were asked to rate the performance of the CBPDF against each of these criteria relative to their CMA's current practice. The first of the three additional questions asked respondents: 'How user-friendly' did you find the forms?'. The second of these questions asked: 'How much did the manuals for the method trialled help you when completing the forms?'. The last question asked; 'How worthwhile for you was the experience of trialling the method?'. Completed questionnaires were received from all workshop participants.

10.5 Findings from reviewing trials of the CBPDF

10.5.1 Findings from workshop discussions

The perceived *strengths* of the CBPDF compared with the CMAs' current approaches, as identified during the review workshops, include:

- a. prompts a process of looking ahead at what capacities will be needed in future that need to start being built now;
- b. prompts a more rigorous process of developing capacity-building projects by ensuring that key considerations are not overlooked or glossed over;

- c. the structured process provides a check on groups dynamics (e.g. dominant personalities) that may lead current investment planning processes in sub-optimal directions (related to (b));
- d. strengthens accountability by better recording the assumptions, judgements and reasoning involved in the process of developing capacity-building projects;
- e. providing a way of testing the assumptions made in developing a project design and thus assessing more realistically the risks associated with that design;
- f. provides a better foundation for diagnosing project success or failure, and thus for the monitoring and evaluation crucial for adaptive management (related to (d) and (e));
- g. prompts consideration of alternative project designs for achieving a given goal;
- h. calculation of the FAC for a particular project design developed in Form B offers a useful way of comparing the cost-effectiveness of alternative project designs sharing the same goal but differing in their implementation costs and feasibilities;
- i. provides a structured process for considering how the different capacity-building activities to be undertaken can be coordinated to maximise their overall cost-effectiveness in building the capacities needed for sustainable NRM;
- j. counters the tendency of project-specific and general capacity-building activities, and also general capacity-building activities and on-ground-action projects, to be planned and implemented in isolation from one another and thereby fail to capture the benefits of integrating their management (related to (i)); and
- k. provides a consistent method for developing capacity-building projects that can be used across a CMA's different programs (e.g. biodiversity, water, community, etc.).

The perceived *weaknesses* of the CBPDF compared with the CMAs' current approaches, as identified during the review workshops, include:

- a. there is a risk of CMAs and other users viewing the CBPDF as purely a form-filling exercise when successful completion of the framework will often require group-based deliberation by those with the relevant knowledge and experience;
- b. some questions in the forms were too wordy and complex;
- c. at various steps the process involves transferring information from one question to another, or from one form to another, and this can be time-consuming and cumbersome;
- d. completing the framework is markedly more time-consuming than the CMAs' current processes because the framework requires documented responses to questions that cover a much wider set of factors than are currently considered;
- e. the process trialled was not easy enough for professionals to persevere with rather than revert to a less formalised process;

- f. the benefits from using the framework need to be substantial in order to justify the significantly greater demands on staff time that it entails; and
- g. consideration of general and project-specific capacity-building activities within a single framework creates a risk of general capacity building receiving less priority because it cannot be justified as directly as can project-specific capacity building.

The perceived *obstacles* to applying the CBPDF include:

- a. adopting the framework would create further pressures on CMA staff fatigued from the period of major changes, and of learning how to apply new systems, that they emerged from only recently; and
- b. the risks for a CMA (e.g. for prospects of ongoing investment funding) of not adopting a more accountable process of developing capacity-building (and other) projects are currently perceived as insufficient for them to justify adopting such a process.

Actions suggested by workshop participants to overcome such obstacles included:

- a. clarify that the CBPDF is not meant as a substitute for group-based processes of project development but rather as a way of structuring those processes more rigorously to strengthen their prospects of developing investment programs that are feasible and cost-effective;
- b. automate the various steps within the CBPDF of transferring information from one question or form to another (e.g. using spreadsheet macros or a web-based design for the framework);
- c. simplify the wording of questions in the forms, relying on the manuals to provide clarifications where these are required;
- d. combine some of the forms, perhaps using an A3 format instead of the present A4 format, to reduce the need to transfer information and to flip back and forth through the framework to check what information or responses have been provided earlier;
- e. trim the framework to a smaller set of core questions that CMA staff could answer more easily and quickly;
- f. the CBPDF, or elements of it, could be used by CMAs in the upcoming process of reviewing their Catchment Action Plans, particularly to help achieve integration within those plans of general ('community') capacity-building investments with other investments (including project-specific capacity-building investments);
- g. elements of the CBPDF could be integrated into CMAs' existing approaches for developing capacity-building projects; and
- h. integrate the CBPDF, or elements of it, into investment management systems that most CMAs in NSW are already using (e.g. Catchment Information Management System (CIMS) or the Site and Catchment Resource Planning and Assessment (SCaRPA) software). SCaRPA, for instance, is an output from the TOOLS2 project which was designed as a consistent framework to underpin CMA investment

programs. However, TOOLS2 is biophysically focused and assumes that policy-based prioritisation decisions about what to invest in have already been made. Moreover, it lacks a social / economic / risk framework and thus does not consider whether adoption of land use changes is likely or what socio-economic capacities are needed to facilitate such adoption (Summerell et al. 2009).

10.5.2 Findings from questionnaire feedback

Of the 13 criteria listed in the questionnaire as relevant to CMA in choosing a method to develop cost-effective capacity-building projects, the three ranked on average as of *greatest importance* across the three CMAs were:

- Equal 1st ‘ensures that capacity-building projects are based on sound logic and evidence’;
- Equal 1st ‘is practical to apply given the skills and time available to CMA staff’; and
- 3rd ‘helps justify investment decisions to your CMA’s regional community’.

The high rankings for these criteria are consistent with the emphases of the present project in developing the CBPDF.

The three criteria ranked on average as of *least importance* across three CMAs were:

- 11th ‘keeps a record of all the judgements and assumptions that need to be made’;
- 12th ‘can incorporate local knowledge and values’; and
- 13th ‘avoids subjective judgements’.

The low importance ranking for the three CMAs combined of the criterion ‘keeps a record of all the judgements and assumptions that need to be made’ runs counter to the focus of the present project on strengthening the accountability (particularly the economic accountability) of community-based investment decisions. Similarly, the low importance ranking of the criterion ‘can incorporate local knowledge and values’ runs counter to the focus of the present project on supporting a community-based collaborative approach to NRM investment decision-making. However, the low importance ranking for ‘avoids subjective judgements’ is consistent with the present project’s recognition that subjective judgements are integral to community-based collaborative decision-making, even if the CBPDF does prompt users to justify these judgements with whatever evidence is available.

The three criteria that the CBPDF *performed best* against on average across the three CMAs, compared with their current approaches to developing capacity-building projects, were:

- 1st ‘keeps a record of all the judgements and assumptions that need to be made’;
- 2nd ‘makes transparent all the judgements and assumptions that need to be made’; and
- 3rd ‘ensure that capacity-building projects are based on sound logic and evidence’.

Each of these criteria was emphasised strongly when developing the CBPDF.

The three criteria that the CBPDF *performed worst* against on average across the three CMAs, compared with their existing approaches to developing capacity-building projects, were:

- 11th ‘avoids subjective judgements’;
- 12th ‘can incorporate local knowledge and values’; and
- 13th ‘is practical apply given the skills and time available to CMA staff’.

The criterion ‘is practical to apply given the skills and time available to CMA staff’ was the only one against which the performance of the CBPDF was rated lower on average by the three CMAs than their existing practice for developing capacity-building projects. As observed above, this criterion was ranked across the three CMAs the equal-first most important criterion for choosing a method to develop cost-effective capacity projects. Despite close attention to this criterion in developing the draft version of the CBPDF trialled by the CMAs, it is evident that they were not satisfied that enough had been done in this direction.

The nine CMA staff who participated in the trials were asked to rate how user-friendly they had found the draft versions of the CBPDF forms they had trialled. None rated them as highly user-friendly. One rated them as moderately user-friendly, four as slightly user-friendly, and three as not at all user friendly. These ratings are consistent with the performance of the CBPDF against the criterion ‘is practical to apply given the skills and time available to CMA staff’ being rated on average by the three CMAs as less than that of their existing approach to developing capacity-building projects.

These nine staff were asked also to rate how much the user manuals for the CBPDF’s Forms A, B and C had helped them when completing these forms. One responded that the manuals provided considerable help, four that they provided moderate help, one that they had provided minor help, and three that they had not consulted the manuals. None of the staff had read the manuals in any depth prior to trialling the forms.

Finally, they were asked to rate how worthwhile for them the experience of trialling the CBPDF had been. One rated the experience as highly worthwhile, one as somewhere between highly and moderately worthwhile, three as moderately worthwhile, two as slightly worthwhile, and none as not at all worthwhile.

11. CONCLUSIONS

Conclusions based on the analysis of previous sections are presented below.

11.1 Building on INFFER

Although the focus of the Investment Framework for Environmental Resources (INFFER) was on strengthening the cost-effectiveness of ‘asset-focused’ investments (i.e. concerned with protecting or enhancing the condition of specific natural resource assets) (Pannell et al. 2009), it contributed significantly towards strengthening the cost-effectiveness of ‘project-specific’ investments in capacity building. It did so by incorporating the Public: Private Benefits Framework (Pannell 2008) as a logical way of checking whether proposed investments in capacity-building will feasibly and cost-effectively deliver the on-ground behaviour changes by private citizens that are required.

The present project used this contribution as a foundation for developing a more comprehensive framework (the Capacity Building Project Development Framework, or CBPDF) for strengthening the cost-effectiveness of investments in building the capacities needed for sustainable NRM. As discussed in section 2.4 of this document, formulation of the CBPDF involved:

- (a) adapting (as Form B of the CBPDF) INFFER’s Project Assessment Form (PAF) to address some limitations in how it identifies the project-specific capacity-building activities needed for feasible, cost-effective implementation of asset-focused projects; and
- (b) adding other forms (A, C and D) to identify (i) which of the project-specific capacity-building activities identified using Form B will be undertaken in the coming year; (ii) what general capacity-building activities will be undertaken in the coming year; and (iii) how these various capacity-building activities will be managed cost-effectively as integrated projects.

11.2 CMA assessments of the method trialled

CMA participants in trials of the CBPDF recognised in workshop discussions the need for a more logical, rigorous and accountable approach to investing in capacity-building activities. They valued the contribution of CBPDF in terms of providing a platform for integrating the planning and implementation of their various capacity-building activities. They recognised that planning of general capacity-building activities (typically within a CMA’s ‘community’ program) had typically been isolated from planning of on-ground projects and the (project-specific) capacity-building activities required to support these projects.

Nevertheless, the questionnaire responses from staff of the participating CMAs revealed on average that they rated accountability, in terms of documenting the key assumptions and judgements made in the process of developing a project, as a relatively unimportant criterion for choosing a method for developing capacity-building projects. Although these responses revealed on average that the trial participants found the CBPDF to perform most strongly (compared with their existing approaches) against this criterion, the low importance rating on average for this criterion suggests that these perceptions of strong performance may not figure highly in their CMAs’ decisions about whether to adopt the CBPDF.

Part of the problem here may be that the mounting pressures from government audit offices and treasuries for greater outcomes-based and economic accountability of regional NRM bodies (Marshall et al. 2009) relate largely to these bodies as a group. Responding to these pressures

requires these bodies to demonstrate collectively how they have strengthened their accountability of this sort. In doing so, these bodies encounter a problem of collective action since they each face temptations to ‘free ride’ on other bodies’ contributions. While adoption among regional NRM bodies of methods for strengthening their economic accountability remains low, moreover, they perhaps enjoy a certain ‘safety in numbers’ to the extent that governments are unwilling to antagonise, by punishing non-adoption, most of the organisations they depend upon to achieve the on-ground behaviour changes required to fulfil their NRM policy objectives. These considerations may explain why the participating CMAs rated accountability on average as a relatively unimportant criterion for choosing a method of developing capacity-building projects, despite the existence of strong pressures on regional NRM bodies collectively to make this criterion a high priority.

The importance to CMAs of the criterion of user-friendliness in choosing a method of developing capacity-building projects was strongly emphasised in both workshop discussions and questionnaire responses, as was the perceived poor performance of the CBPDF against this criterion. (This was the only criterion in the questionnaire against which the performance of the CBPDF was rated lower than that of their current approaches to developing capacity-building projects.) A common view of the trial participants was that the CBPDF is too time-consuming and cumbersome for their CMAs to be able to adopt it. This was not unexpected given that:

- (a) the performance of INFFER’s PAF against the criterion ‘is practical to apply given the skills and time available to CMA staff’ was rated by the same three CMAs earlier in this study as substantially worse than their current approaches to developing and evaluating on-ground projects (Marshall 2010a); and
- (b) the CBPDF incorporates (as Form B of the framework) an adapted version of the PAF, as well as adding a number of additional forms. Although completing Form B for each set of relevant on-ground actions will in most cases consume most of the time needed to apply the CBPDF, it is inevitable that applying this framework will be more time-consuming than only applying the PAF. (Where INFFER and its PAF process has already been applied, however, much of the thinking and work involved in completing the Form B step of the CBPDF will have already occurred, so that the demands on CMA staff time of completing the CBPDF will be much reduced.)

One of the participating CMAs commented further that the benefits it would gain from using the CBPDF, compared with its existing approach, were not sufficient to outweigh the adoption costs it would incur. This CMA expressed confidence that the rationale and logic informing its investments was already sound. Various modifications have been made to the CBPDF since the trials to make it more user-friendly, less time-consuming, and thus more adoptable. Further modifications are possible that may contribute significantly towards this end but are beyond the scope of the present project. For instance, a web-based version of the framework would simplify the process of transferring information from one form, or section of a form, to another, and also make it easier to check responses made elsewhere in the framework. Further trialling and evaluation of the framework could also be undertaken to demonstrate the benefits of adopting the framework.

It should be noted that recurrent funding of CMAs in NSW is greater than in some other states and territories, so that the issues with the practicality and user-friendliness of the CBPDF that were identified by the three NSW CMAs may be more pronounced elsewhere.

11.3 Institutional obstacles to adoption of a more rigorous approach

It is clear from the foregoing remarks that less progress was achieved than hoped in achieving part (ii) of the aim of the project which was to formulate and trial methods of strengthening economic accountability of NRM investment decisions that are within the capacity of collaborative community-based organisations (specifically regional NRM organisations) to apply proficiently. This experience echoes that of the INFFER team which found that regional NRM organisations remain reluctant to adopt investment decision-making frameworks that are more onerous and time-consuming than the simpler and more partial approaches they have become used to, and that it is not possible to overcome this reluctance by simplifying such frameworks without compromising their essential rigour and comprehensiveness. A number of suggestions were made by CMA participants in the trials of the methods developed in this project regarding how most per cent of its benefits might be achieved with a much briefer time commitment. The view of the author of this report is that these suggestions are unrealistic, and symptomatic of the following observation by the INFFER team:

In many environmental management bodies, there is lack of capacity to formally integrate disparate technical and socio-economic information for decision making. Such integration as does occur is informal and often weak. Participants are used to simplistic decision processes and can feel that a systematic, comprehensive process is unnecessarily difficult and time consuming. They are generally unaware of the very great difference to outcomes that can be made by the quality of the decision process, the choice of policy mechanisms and the project design (Pannell et al. 2010c).

Training and support for users of such frameworks is necessary but not sufficient to overcome their reluctance to adopt them. The team working to promote adoption of INFFER among Australian regional NRM organisations found accordingly that ‘acceptance of INFFER requires more than training in its mechanics. It requires support for a change in mindset, and in some cases even a change in organizational culture. Users need to be persuaded that it is worthwhile investing the time and effort into a more comprehensive assessment’ (Pannell et al. 2009 p. 10). They concluded that such a change of mindset requires substantial changes to the institutional context within which regional NRM organisations operate. Pannell et al. (2010c p. 7) found:

Environmental managers often have little or no incentive to do a more rigorous, comprehensive assessment of investment priorities. If they make weak decisions, they face little or no penalty in the current institutional arrangements, which often discourage, rather than encourage, good decision processes. ... [F]or widespread use of INFFER (or any other systematic decision tool), there need to be supportive changes in institutional arrangements, including rewards for organisations that make appropriate use of sound decision methods, and/or punishment for those who do not.

Although the INFFER team’s focus was on lack of incentives from governments for regional NRM bodies to make their investment decision-making more upwardly accountable to them, their concerns about lack of incentives apply equally to the incentives that lower levels of the governance system (e.g. local groups and individual landholders) are able to create for regional bodies to make their investment decision-making more downwardly accountable to them. Despite the policy rhetoric from Australian governments signalling intentions for the regional delivery model for NRM to be community-based (or ‘community-owned’) and thus downwardly accountable to community members and groups, the model has been implemented in a top-down manner that has focused regional bodies much more on upward accountability (Davidson et al. 2008; Marshall 2009a; Marshall et al. 2010; Wallington et al. 2009). Davidson et al. (2008 p. 18) found:

Although regional NRM bodies have made significant efforts to engage their local communities, they do not necessarily have broad-based support since individuals in the regions have limited means for influencing the choice and actions of members of regional boards or for recourse in the event of disagreement with their actions.

The *Evaluation Framework for CMA Natural Resource Management* (NSW Government 2009) distinguishes, for instance, between external and internal drivers for CMAs in NSW to undertake evaluation activities. It defines external drivers as those that explicitly require the CMAs to undertake evaluation (e.g. legislation, bilateral agreements between state and federal governments, etc.). Internal drivers are defined as those that arise from within a CMA for ‘continuous improvement’. Neither class of drivers recognises the possibility that individuals, groups and organisations within a region may exert external pressures on their CMA to carry out evaluation activities in order to strengthen its downward accountability. Remedying such oversights and moving towards an authentic community-based model could be expected to strengthen markedly the incentives for regional NRM bodies to make investment decisions in the rigorous, comprehensive manner required for effective accountability.

Aside from affecting the incentives faced by regional NRM organisations when deciding whether to adopt more systematic decision-making tools, the institutional arrangements surrounding these organisations strongly influence how practical it is for that adoption to occur. In their review of the National Action Plan for Salinity and Water Quality (NAP), for instance, Pannell and Roberts (2010a p. 90) observed:

Good prioritization requires good information and good analysis, which takes time. Programs need to be run with the patience to allow this to happen. In the NAP, CMOs [catchment management organisations] were placed under severe time pressure to complete the planning processes and commence spending the money, irrespective of the quality of those plans.

In the scoping phase of the present study, a Monitoring and Evaluation Officer with one of the CMA participants in the trials remarked along similar lines that:

We pay lip-service to the longer-term stuff, but it’s not really getting into the consciousness at the moment. And that’s understandable. People who have to deliver these things have got relatively short timeframes. ... I’m trying to give one message [about the need for monitoring and evaluation], but for the Board and management it’s not what they’re being judged on. ‘Let’s stop and think’ is an unpopular message, because if you stop and think you mightn’t be able to spend the money quickly enough.

Another likely part of the reason for reluctance by staff of regional NRM organisations to adopt a substantially more rigorous investment decision-making framework relates to the large number of projects that many such organisations currently invest in, and the major time and resource demands of developing and evaluating all these projects more rigorously. Pannell et al. (2010c p. 4) remarked on ‘a tendency [of regional NRM organisations in Australia] to shy away from targeting of investment to projects that are most likely to deliver valuable outcomes, preferring a philosophy of broad participation, despite the limited success of that approach’. CMAs in recent years have tended to move towards targeting investments at priority sub-catchments. However, if changes in the institutional context of these organisations were enacted to also strengthen their incentives to invest in fewer projects, the time and resource demands of adopting a more rigorous invest decision-making framework would be reduced accordingly.

A further likely part of the reason for reluctance by CMA staff to adopt a more rigorous investment framework relates to this adoption involving substantial upfront investments of their time in learning to apply the framework, whereas the benefits from demonstrating stronger accountability (e.g. in terms of increased competitiveness in applying for investment funding) are spread into the future. The considerable uncertainty that CMA staff perceive concerning future funding of their programs, and even persistence of their organisations beyond the short term, makes it likely that the future benefits from adopting a more rigorous decision-making framework are being discounted by them markedly more, compared with the upfront costs of adoption, than would be the case in a more secure environment. These costs were identified by the CMAs participating in the trials as a key obstacle to them adopting the CBPDF given the reductions in their staffing over recent years.

Wider institutional arrangements also influence the motivation of staff of regional NRM organisations to adopt new decision-making systems by affecting the demands on their time more generally, and thus the time and energy they have left for adopting new ways of working. A common refrain from participants in the review workshops for the CBPDF was that staff in the participating CMAs had been expected by governments to adopt in recent years to adopt a number of new management and reporting systems, and consequently were less motivated to adopt something like the CPBDF than would otherwise have been the case.

A suggestion from one of these CMAs was that the adoptability of the CBPDF by themselves and other CMAs in NSW would likely be enhanced if the framework were embedded in a system they were already using, such as the Catchment Information Management System (CIMS) or the Site and Catchment Resource Planning and Assessment (SCaRPA) system. Pursuing this suggestion was beyond the scope of the present project, however, since the CBPDF was developed for regional NRM organisations around the nation (despite using CMAs in NSW to trial the framework) and CIMS and SCaRPA are systems specific to NSW.

11.4 Cultural obstacles

Even in the absence of such external pressures, however, it appears that the culture of some CMAs would remain a significant obstacle to routine application of the CBPDF. A fairly common view among the CMA staff participating in the trials was that the weaknesses in their existing investment planning approaches were not sufficient to justify shifting to a substantially more rigorous framework. The INFFER team found similarly that ‘sometimes people claim there is nothing new in INFFER – that they are already using an equivalent process. In all the cases we have examined to date, this is far from correct. Usually their process involves a small subset of the INFFER process’ (Pannell et al. 2010c p. 5). Moreover, they found that ‘in the application of INFFER by regional NRM bodies, they have often been led towards substantial changes in their investment priorities. Given the neglect of a number of crucial issues in their past approaches to prioritisation, this is not surprising ...’ (Pannell et al. 2010b p. 11).

A further cultural obstacle to CMAs adopting more rigorous investment decision-making frameworks would seem to lie in staff with temperaments predisposing them to perceive such frameworks as tedious and an unproductive use of their time. One staff participant in the trials of the CBPDF by the Border Rivers – Gwydir CMA responded accordingly in the questionnaire that one of the most important criteria for choosing a method of developing capacity-building projects should be that the method ‘is enjoyable and fun’. Previous studies of regional NRM bodies have remarked on the dominant desire of staff in these bodies to ‘get on with the job’ of implementing their investment strategies and plans and avoid further evaluation of these (Allan et al. 2005; Seymour et al. 2008). The Monitoring and Evaluation Officer referred to earlier observed similarly:

The idea that we plan and strategise is not looked down on, but there's the feeling, 'We've done enough planning, we've done enough thinking, now let's do it'. And monitoring and evaluation runs counter to that, and to many people that feels like stopping in mid-race.

11.5 Closing remarks

In conclusion, there is more that could be done beyond the present project (e.g., developing a web-based version of the framework, or undertaking further trials and evaluation of the framework) to overcome perceptions by CMA staff that the CBPDF is currently impractical to apply routinely given the time and skills they currently have available or that the advantages of the framework are insufficient to justify the added costs of its adoption. However, such moves are unlikely in themselves to overcome these perceptions.

Significant changes in the institutional context of regional NRM bodies are also needed. These changes could create incentives (both upwards from their constituents, downwards from governments, and sideways from other organisations) strong enough for them to embrace investment decision-making frameworks that are more rigorous and comprehensive (and thus, inevitably, more time-consuming and onerous). They could also alleviate the time pressures faced by CMAs in completing their investment planning processes, as well as make available the staff resources needed to make decisions in this arena more rigorously.

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APPENDIX A: QUESTIONNAIRE DISTRIBUTED TO REVIEW WORKSHOP PARTICIPANTS

Instructions:

The following pages contain two tables – Tables A and B – plus three additional questions on the final page. Participants in the trials are asked to respond to all items. Others are asked to respond to all items in Table A. The four questions on the final page are relevant only for participants in the trials.

Table A lists various criteria that you may, or may not, feel are relevant to your CMA in choosing a method for developing cost-effective capacity-building projects. For each criterion, please rate what you perceive to be its importance to your CMA for this purpose – by ticking one box on a 7-point scale of importance from ‘very low’ to ‘very high’. If any criteria relevant to your CMA are not listed in the table, please add these criteria at the bottom of the table and rate your perception of the importance of each to your CMA. Add these criteria also to the bottom of Table B.

Table B lists the same set of criteria. Within this table you are asked to rate against each criterion your perception of the performance of the method of developing capacity-building projects that has been trialled relative to your CMA’s current practice. Please do so in respect of each criterion by ticking one box on a 7-point scale of relative performance from ‘much worse’ to ‘much better’ (the scale midpoint being ‘about same’).

Suggestion: Before starting to tick the boxes in each table, read the list of criteria and identify those for which you are likely to provide the lowest and highest scores. This will help avoid situations where you have left yourself insufficient latitude to tick scores higher or lower than those you have already ticked.

TABLE A: RATING THE IMPORTANCE OF VARIOUS CRITERIA IN CHOOSING A METHOD FOR DEVELOPING CAPACITY-BUILDING PROJECTS	Importance of criterion						
	1	2	3	4	5	6	7
Criteria: The method ...	Very low						Very high
Makes transparent all the judgements and assumptions that need to be made							
Keeps a record of all the judgements and assumptions that need to be made							
Helps justify investment proposals to government investors							
Avoids subjective judgments							
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects							
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'							
Helps justify investment decisions to your CMA's regional community							
Ensures that capacity-building projects are based on sound logic and evidence							
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects							
Is practical to apply given the skills and time available to CMA staff							
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities							
Can incorporate local knowledge and values							
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities							
Other 1:							
Other 2:							

TABLE B: COMPARING THE METHOD TRIALLED AND YOUR CMA'S CURRENT PRACTICE AGAINST THE VARIOUS CRITERIA	Performance of the method trialled relative to current practice						
	-3	-2	-1	0	+1	+2	+3
	Much worse			About same			Much better
Criteria: The method ...							
Makes transparent all the judgements and assumptions that need to be made							
Keeps a record of all the judgements and assumptions that need to be made							
Helps justify investment proposals to government investors							
Avoids subjective judgments							
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects							
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'							
Helps justify investment decisions to your CMA's regional community							
Ensures that capacity-building projects are based on sound logic and evidence							
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects							
Is practical to apply given the skills and time available to CMA staff							
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities							
Can incorporate local knowledge and values							
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities							
Other 1:							
Other 2:							

Further questions:

1. How 'user-friendly' did you find the forms?

Highly user-friendly

Moderately user-friendly

Slightly user-friendly

Not user-friendly at all

Comment:

2. How much did the manuals for the method trialled help you when completing the forms? (Circle one option)

Considerable help

Moderate help

Minor help

No help – I referred to the manuals but it didn't help

No help – I didn't get around to consulting the manuals

No help – I didn't need any because the forms were clear enough by themselves

Comment:

3. How worthwhile for you was the experience of trialling the method? (Circle one option)

Highly

Moderately

Slightly

Not at all

Comment:

Thanks very much for your feedback.

APPENDIX B: QUESTIONNAIRE DATA

Table B1: Individual responses from Border Rivers – Gwydir CMA staff in respect of criteria listed in Table A of the questionnaire

	Score by respondent				
	S1	S2	S3	S4	S5
Makes transparent all the judgements and assumptions that need to be made	6	7	5	6	5
Keeps a record of all the judgements and assumptions that need to be made	6	7	5	6	6
Helps justify investment proposals to government investors	4	6	5	6	4
Avoids subjective judgments	2	6	5	6	3
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects	6	6	5	6	4
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'	6	6	2	6	4
Helps justify investment decisions to your CMA's regional community	6	7	4	6	5
Ensures that capacity-building projects are based on sound logic and evidence	7	6	4	6	6
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects	5	6	4	5	4
Is practical to apply given the skills and time available to CMA staff	7	7	3	4	3
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities	7	6	4	6	4
Can incorporate local knowledge and values	7	6	3	2	6
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities	7	6	3	4	5

Table B2: Individual responses from Border Rivers – Gwydir CMA staff in respect of the criteria listed in Table B of the questionnaire

	Score by respondent				
	S1	S2	S3	S4	S5
Makes transparent all the judgements and assumptions that need to be made	6	7	5	6	5
Keeps a record of all the judgements and assumptions that need to be made	6	7	5	6	6
Helps justify investment proposals to government investors	4	6	5	6	4
Avoids subjective judgments	2	6	5	6	3
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects	6	6	5	6	4
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'	6	6	2	6	4
Helps justify investment decisions to your CMA's regional community	6	7	4	6	5
Ensures that capacity-building projects are based on sound logic and evidence	7	6	4	6	6
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects	5	6	4	5	4
Is practical to apply given the skills and time available to CMA staff	7	7	3	4	3
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities	7	6	4	6	4
Can incorporate local knowledge and values	7	6	3	2	6
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities	7	6	3	4	5

Table B3: Response from Namoi CMA staff member in respect of criteria listed in Table A of the questionnaire

Criteria:	Score by respondent
The method ...	S1
Makes transparent all the judgements and assumptions that need to be made	5
Keeps a record of all the judgements and assumptions that need to be made	4
Helps justify investment proposals to government investors	6
Avoids subjective judgments	4
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects	6
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'	6
Helps justify investment decisions to your CMA's regional community	6
Ensures that capacity-building projects are based on sound logic and evidence	6
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects	6
Is practical to apply given the skills and time available to CMA staff	7
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities	5
Can incorporate local knowledge and values	4
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities	6

Table B4: Responses from Namoi CMA staff member in respect of the criteria listed in Table B of the questionnaire

Criteria:	Score by respondent
The method ...	S1
Makes transparent all the judgements and assumptions that need to be made	2
Keeps a record of all the judgements and assumptions that need to be made	2
Helps justify investment proposals to government investors	1
Avoids subjective judgments	0
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects	1
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'	1
Helps justify investment decisions to your CMA's regional community	1
Ensures that capacity-building projects are based on sound logic and evidence	2
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects	0
Is practical to apply given the skills and time available to CMA staff	-1
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities	1
Can incorporate local knowledge and values	0
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities	1

Table B5: Individual responses from Northern Rivers CMA staff in respect of criteria listed in Table A of the questionnaire

The method ...	Criteria:	Score by respondent		
		S1	S2	S3
Makes transparent all the judgements and assumptions that need to be made		7	5	6
Keeps a record of all the judgements and assumptions that need to be made		7	5	5
Helps justify investment proposals to government investors		5	3	6
Avoids subjective judgments		5	5	3
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		5	-	6
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		6	6	6
Helps justify investment decisions to your CMA's regional community		6	4	6
Ensures that capacity-building projects are based on sound logic and evidence		6	5	6
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		6	6	6
Is practical to apply given the skills and time available to CMA staff		7	6	1
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		6	6	4
Can incorporate local knowledge and values		7	3	5
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		7	6	6

Table B6: Individual responses from Northern Rivers CMA staff in respect of the criteria listed in Table B of the questionnaire

The method ...	Criteria:	Score by respondent		
		S1	S2	S3
Makes transparent all the judgements and assumptions that need to be made		1	1	2
Keeps a record of all the judgements and assumptions that need to be made		2	2	2
Helps justify investment proposals to government investors		1	0	2
Avoids subjective judgments		0	2	1
Helps to ensure that investment decision-making processes give due consideration to capacity-building projects as against on-ground projects		0	-	1
Strengthens your CMA's confidence that the capacity-building projects that are developed represent 'value for money'		1	1	2
Helps justify investment decisions to your CMA's regional community		1	2	2
Ensures that capacity-building projects are based on sound logic and evidence		1	2	1
Helps to ensure that investment decision-making processes give due consideration to building the capacities needed to successfully implement on-ground projects		1	2	2
Is practical to apply given the skills and time available to CMA staff		-3	-3	-3
Helps to ensure that investment decision-making processes give due consideration to 'general' capacity-building activities as against 'project-specific' capacity-building activities		1	1	0
Can incorporate local knowledge and values		1	0	1
Helps to ensure that investment decision-making processes give due consideration to 'project-specific' capacity-building activities as against 'general' capacity-building activities		1	1	2