

The 'What is' and 'How to' of Capacity Development

An inventory study by Femke Gordijn, November 2006

1 Introduction

Capacity Development has become one of the leading issues in the current development discussions. Many countries declare that they need more knowledge and skills on this subject. The increased interest in Capacity Development in recent years is a response to widely acknowledged shortcomings in development assistance over the past fifty years, e.g. the dominant role of donor-led projects and inadequate attention to long-term 'capacity' issues. A consequence of these shortcomings has been limited sustainable impact in priority areas such as poverty reduction.

PSO members are intent in somehow supplying, or at least, inducing capacity development. Their mission is to 'contribute to the structural alleviation of poverty throughout the world by strengthening the capacity of civil society organisations in developing countries.' All members of PSO use Capacity Development as a means for achieving their goals. Mostly it is one of several other means. The need among PSO-members for a learning trajectory on the basics of capacity development surfaced as a result of previous work of the PSO-KC in general and from the OA-trajectory in particular.

Capacity development remains a concept of generality and vagueness. Capacity Development is a term which is widely used in a variety of development fields but which, upon further examination, encompasses a wide variety of approaches and methodologies and is open to different interpretations and definitions. Discussions contain more advocacy than operational advice. A host of concepts are included under its general umbrella such as participation, organizational development, exclusion and inclusion, technical assistance, performance, institutional economics, empowerment and many others with no clear sense of their interrelationships. How are we going to work on this topic called Capacity Development? What to do? Where to start? There is definitely a need for a better understanding of what 'capacity' of organisations means, and in particular which are the potential constraints and the realistic options for changing and enhancing organisations' capacity? (S. Wagenaar, 2006)

The purpose of this Inventory Study is to gain better insight on Capacity Development by means of:

- The current literature on Capacity Development/building (predominantly 2000 and later);
- Research results and ongoing research in this domain;
- Organisations and networks (e.g. pelican group) that focus explicitly on capacity building from an international perspective;
- Websites (website guide) and (active) discussion groups';
- Recognised professionals and peers in capacity building and development.

The PSO Knowledge and Learning Centre is currently developing a learning trajectory on Capacity Development, as we believe that both amongst our members and 'partners' it is time to actively explore the different key concepts, underlying thinking and experience. As part of the initial design this literature inventory is giving a first overview of the current thinking and writing on Capacity Development. This document can be of further use during the learning trajectory as a resource document with many valuable links.

Capacity Development: *'If you have it, you hardly notice it; if you try to grab it, it slips through your fingers and if you don't have it, it is difficult to get.'* (speaker Unesco)

2 What is Capacity Development?

Many development organisations are currently working on Capacity Development in some shape or form. The definitions and approaches taken vary enormously. Some organisations reduce Capacity Development to purely training tasks, and generally ignore the wider issues. Others see their entire programme (e.g. empowerment of agricultural groups) as contributing to Capacity Development. Below you find some content information about Capacity Development, stemming from conversations with the international Advisory Board (Alan Fowler, Sheela Pattel and Alfonso Gumucio-Dagron) and other resource persons (Nomvula Dlamini, H. Walters, I. Guijt) as well as from studying recent articles and internet resources.

Some organisations make a distinction between Capacity *Building* and Capacity *Development*, others use both expressions for the same meaning. The difference is that *building* could implicitly mean that you start from nothing to build up capacities, whereas *development* starts from what is already there and strengthens that. Nomvula Dlamini, CDRA: “Good that you are not talking about Capacity *Building* but Capacity *Development*. Because we are enhancing and strengthening what is already there, we focus on what is already present in an organisation or person. How to enhance what is there, to help finding the power, to help change other people’s environment. But often organisations don’t spend enough time to see what is already there.”

Some perspectives on the concept

To PSO Capacity Development means the process through which individuals, groups, organisations, institutes and society increase their capacity to: “*Carry out their main tasks, solve their own problems, and define (and achieve) their particular goals; understand what their development needs are, in a wider context, and to cope with this in a sustainable fashion.*”

Carlos Lopes and Thomas Theisohn (UNDP, 2003) mentioned: “*In taking on the subject of Capacity Development, we surely have been humbled by reality, which is so multifaceted that no single mind or book can ever grasp it adequately.*”

A few other perspectives on Capacity Development:

- Capacity development as an indigenous process of change in another country (dealing with factors like power and control, the influence of culture and history, the emergence of new values and attitudes, the growth of confidence, the search for legitimacy, etc.) and capacity development as a donor-supported intervention in that process (technical assistance, the management of project resources, adaptation and adjustment, results-based management, organizational learning and the pursuit and assessment of results).
- Capacity Development as an approach or process, e.g. towards reduction of poverty, or a development objective, e.g. targeting the development of individual or organizational capacity.
- Capacity Development refers to the approaches, strategies and methodologies which are used by national participants and/or outside interveners to help organizations and/or systems to improve their performance. This is about process and the ‘how’ issues. Capacity is defined as the organizational and technical abilities, relationships and values that enable countries, organizations, groups and individuals at any level of society to carry out functions and achieve their development objectives over time. Capacity is about institutional, organizational and behavioral outcomes.

To understand better the meaning of Capacity Development, I will try to distinguish different stakeholder groups dealing with this concept. International development cooperation can be bilateral or multilateral or from NGO's or consultancy organisations¹. It is interesting to see whether these different aid agencies have different perspectives on Capacity Development.

Multilateral Aid agencies and capacity development

- "Capacity Development means investment in learning and knowledge-sharing that strengthens institutions and gives individuals the skills they need to problem solve, innovate, educate, and harness productive potential of societies."
(Frannie Léautier, Vice President, World Bank Institute, 2002)
- An endogenous course of action that builds on existing capacities and assets, and the ability of people, institutions and societies to perform functions, solve problems and set and achieve objectives. Inspire new ways to care for the fertile ground on which local ownership and capacity grow. (UNDP, Carlos Lopes and Thomas Theison, 2003).
- Grounded in ownership, guided by leadership, and informed by confidence and self-esteem, Capacity Development is the ability of people, institutions and societies to perform functions, solve problems, and set and achieve objectives. It embodies the fundamental starting point for improving people's lives. (UNDP, Carlos Lopes and Thomas Theison, 2003)

Bilateral Aid Agencies and capacity development

- Capacity building definition: The process of developing competencies and capabilities in individuals, groups, organisations, sectors or countries which will lead to sustained and self-generating performance improvement. (AusAID, Capacity Development Principles and Practices, 2004)
- Capacity Development involves much more than enhancing the knowledge and skills of individuals. It depends crucially on the quality of the *organisations* in which they work. In turn, the operations of particular organisations are influenced by the *enabling environment* – the structures of power and influence and the institutions – in which they are embedded. Capacity is not only about skills and procedures. It is also about incentives and governance. (OECD DAC)
- The new consensus, articulated strongly in the 2005 *Paris Declaration*, sees Capacity Development as a necessarily endogenous process, strongly led from within a country, with donors playing a supporting role. According to this vision, political leadership and the prevailing political and governance system are critical factors in creating opportunities and setting limits for capacity development efforts. Country policy ownership is not a simple yes/no issue, however, but a matter of processes and trends. It is also not monolithic. The conditions may be right for donors to support locally-owned processes of improvement in certain organisational spheres even when the conditions in the wider system are suboptimal. (OECD DAC)
- It is important to begin by asking the question "capacity for what?" and focus on the specific capacities needed to accomplish clearly defined goals. Capacity Development OECD DAC (GOVNET, 2005)

¹ Bilateral cooperation is cooperation between one country and another. Multilateral cooperation is financed jointly by a large number of states, and multilateral activities are directed towards most developing countries. Much multilateral cooperation is channelled through UN agencies such as UNDP, UNICEF and WHO. Then there is a group summarized as the NGO's (like INTRAC) and a group of consultants and consultancy organisations.

- Sida defines Capacity Development as ‘the conditions that must be in place, for example knowledge, competence, and effective and development-oriented organisations and institutional frameworks, in order to make development possible’. Capacity is defined as the knowledge and competence of individuals, well functioning organisations and legal and other frameworks that promote the alleviation of poverty. (Manual for Capacity Development, 2005)

NGO’s and capacity development

- Capacity building entails enabling a self-managed process of organizational change by which leaders and members learn to identify critical problems and diagnose and strengthen their organizational abilities in order to take collective action to solve them. The end result is that people develop more effective viable and legitimate forms of local organization that succeed in creating long-term solutions to meet local needs. World Neighbors Local Capacity Building (<http://www.wn.org>)
- Capacity Development is the emergence of power to perform. It is successful when change in performance happens. SNV sees Capacity Development as an instrument in realising nationally and locally(!) owned MDG-related poverty reduction efforts.

Capacity **for what?** Capacity is on real-life issues. It is about improved access to water, effective forms of local government, increased production and income for small farmers, or realisation of concrete rights of a minority. That’s why SNV works in specific practice areas, combining generic capacity development expertise with sectoral knowledge. Capacity **for whom?** Capacity is not neutral. It changes social, political, economic and cultural relations. Capacity development for local actors is different (though related to) capacity development for national governments. Capacity is the result of the interplay between individual, organisational, network and policy-institutional factors. SNV helps its clients to do effective capacity development by helping them to deal with these.

To engage in Capacity Development deliberately requires **an understanding of and an ability to deal with:**

- larger forces, incentives and dynamics that drive the present situation and the ways that these can be influenced (political- economy, social and cultural understanding);
- relevant organisational and institutional arrangements at different levels and the ways that they can be better adjusted (IDOD expertise);
- the nature of the primary process and supporting processes in the sector concerned and the ways that these can be improved (technical, business knowledge);
- individual motivation and abilities and change dynamics of actors and between actors (change and facilitation skills).

Capacity can not be implemented, it unfolds. Its development can be pursued and facilitated by a process of action-learning and continuous adaptation of actions and interventions (strategic incrementalism). Capacity is simply too complicated to be created by one person, one actor or one type of intervention. It requires **a set of players** that bring in complementary roles and abilities. Supporting it requires multiple disciplines and skills.

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Consultancy (organisations) and capacity development

- For Wageningen International capacity development means enhancing the ability of organisations, communities or partnership groups to effectively plan for the future, solve problems and realise their goals and objectives. Consequently, organizational and institutional change processes and (continuous) learning are at the heart of capacity building. The focus is on linking individual development with institutional change in an integrated way. This recognizes that success requires both competent individuals and a supportive organizational or social context.

- Alan Fowler²: *“When you look at capacity development, you have to start with defining what you mean with capacity. Capacity is the emergent power to perform (from an SNV document). Now capacity development is improving an organisations capabilities or abilities. To increase the ability to be, to do, to relate to others, to change, to evolve, etc. It is a Means – End debate.”* Is capacity an end or a means towards an end? For Alan Fowler there doesn't need to be a contradiction in this, it can be both a means and an end at the same time. Related to that and very important are the fundamental questions: capacity “for what”, and capacity “of what”?
- Alfonso Gumucio³: *“I subscribe the meaning that "capacity" or "capability" have for Amartya Sen. People cannot face the challenges of development if they are not empowered to participate and gain ownership of the programmes and projects. Participation in development is much more than just having access to certain phases of a programme, or being involved in concrete activities. Participation is a process by which people become subjects -not objects- of development, and are "capable" of making decisions on the issues that affect their lives. Collective action for development can take place when people, communities, have developed a level of "capacity" that allows them to dialogue on equal basis with development planners and implementers. Dialogue is only an illusion if the voices of people involved in dialogue are not empowered.”*
- Irene Guijt⁴: *“Capacity development refers to the process of improving one's self-critical analytical intentionality and practice, practical competencies, theoretical understanding and communication skills that address problems with the development efforts in which you are involved”.*
- Sheela Patel⁵: *“CD is ones ability to understand that not only your own paradigm but that of others is critical. The most valuable starting point is to understand the limitations of ones own institutional setting and be able to honestly communicate with each other. The process of capacity building is mainly through a combination of professionals and community leaders creating a common knowledge base from their own understanding of what is happening and a common but evolving and deepening understanding of how the world around impact the choices that are available to the poor. Together we seek to explore simple but powerful strategies that allow larger numbers of the poor to start getting involved in choices for change and expanding the number of community leaders to participate in making that change happen. Mentoring those who are the next line of leaders and collectively keeping large numbers of the urban poor mobilised on sustained basis to achieve the political pressure needed for change is the basis of the process.”*

Literature, reference:

- Ownership, Leadership and Transformation: Can We Do Better for Capacity Development? Carlos Lopes and Thomas Theison (2003) [Download the summary or order full publication](#)
- Study on Capacity, Change and Performance (ECDPM 2006) <http://www.ecdpm.org/dcc/capacitystudy>
- [Capacity Building: Myth or Reality?](#) From the CDRA Annual Report 1994/95
- www.capacity.org

² Alan Fowler Independent development adviser and analyst and Honorary Professor at the Centre for Civil Society in the School of Development Studies.

³ Alfonso Gumucia writer, filmmaker, journalist

⁴ Irene Guijt consultant learning by design

⁵ Sheela Patel, Society for Promotion of Area Resource Centres (SPARC)

3 What dimensions of capacity development are used?

PSO (amongst others) defines capacity development on three levels: Human Resource Development (HRD), Organisational Development (OD), and Institutional Development (ID). In general, these terms can be roughly split into three levels of intervention. ID concerns the macro level, OD focuses on the meso level, and HRD concerns the micro level. These levels are closely linked and there will always be a certain amount of overlap.

1. **Human Resources Development:** HRD means improving and maintaining the quality and quantity of the personnel resources of an organisation. This includes training activities (both formal training and 'on the job' training), exchange (of experience and staff) and periodic coaching. HRD also includes the development of a personnel strategy.
2. **Organisational development:** OD refers to the sustainable improvement and strengthening of an organisation's internal capacity, so that the organisation is better able to fulfil its responsibilities. This is more than just improving the quality of the staff, although this may form part of the organisational development. OD primarily concerns improving the financial position of the organisation, improving the internal consultative structures, working processes and feedback mechanisms.
3. **Institutional development:** Institutional development means the sustainable improvement and strengthening of an organisation so that it is: better embedded in a relevant civil society environment, harmonises with other organisations and maintains its position within this environment able to develop and realise its own policy capable of making a relevant contribution to developments within the sector in which it operates, and is able to learn from and apply this to its individual policy and the implementation thereof.

OECD DAC: **individual, organisational, and enabling environment.**

Skill creation should always be integrated with the organisational and institutional changes necessary to put new skills to work effectively. A particularly high priority should be given to building shared understanding about what works and what doesn't in terms of improving the enabling environment. Monitoring of training impacts should not be limited to the immediate benefits to the individual trainee, but include the effects on organisational capacity. Successful capacity development is based on a good multi-level understanding of the country context. Capacity development OECD DAC (GOVNET, 2005)

UNDP: **individual, institutional and societal**

An endogenous strengthening of existing capacities and assets, it takes place across three overlapping layers: individual, institutional and societal. Each point involves learning and adopting acquired knowledge to meet local needs. This learning is always voluntary, includes trial and error, and is open to the wealth of opportunities from "scanning globally and reinventing locally" (Stiglitz, 1999). (UNDP Carlos Lopes and Thomas Theison 2003)

Sida: **individual, organisations and society**

The different levels defined by Sida are: individual, organisations and society (legal and other frameworks).

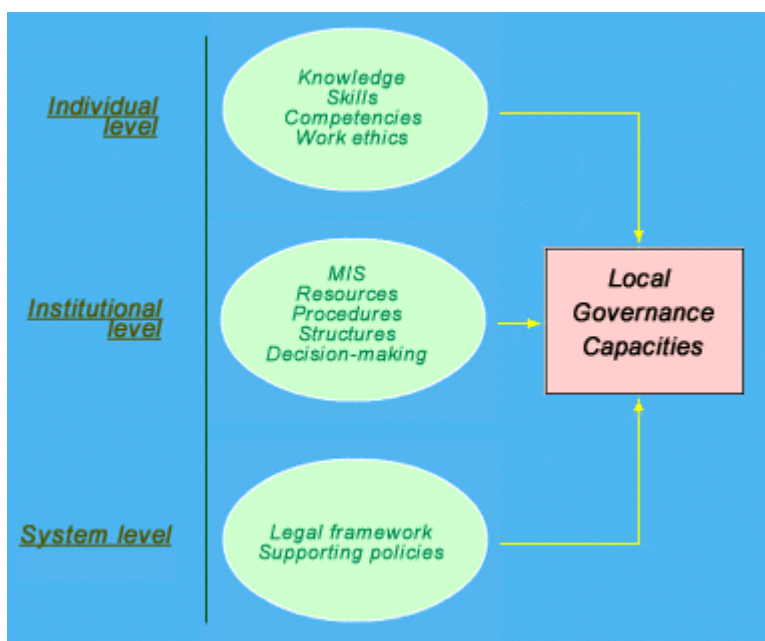
Alan Fowler regarding levels of capacity development: "*I mainly look at **organisations**, seeing no clear difference between an organisation and an institution. An institution can be described as stable patterns of behaviour, by example marriage, and money. But with capacity development we are not trying to change laws. An organisation can be seen as a purposeful social unit. Institutions may include organisations but not necessarily are so*". (interview Alan Fowler October 2006)

Sheela Patel: “I do distinguish different levels, like the grassroots level or global advocacy level but the level you work on capacity development, depends on the change you want to bring about and how levels are inter-linked.”

Irene Guijt: “I do not really distinguish between different level of Capacity Building – except the idea of single/double/triple loop learning. But I do look at area’s of Capacity Development, like political capacities, technical and financial capacities, communication capacities, capacity to maintain value-driven work, etc.”

GTZ: individual, entity and systems level

In the understanding of the study team, the capacity of organisations has to be analysed on three different levels, viz. the individual level (skills, knowledge, qualifications), the entity level (organisational structure, decision-making system, work culture etc.) and the systems level (regulatory framework, supporting policies). Capacity building cannot be limited to training, but has to address constraint and support factors on all three levels.



Source: GTZ

4 What are basic principles for capacity development?

Capacity Development is based on ownership, sustainability, context analysis, local mobilisation, process- and programme based approach. Furthermore:

- Broad-based participation and a locally driven agenda;
- Building on local capacities;
- Ongoing learning and adaptation;
- Long term investments;
- Integration of activities at various levels to;
- Addressing complex problems.

What are those principles about? What makes them important? What effect do we hope to achieve by using these principles in practice? How can we use those kinds of principles in our communication with partner organisations? How can we implement them in our programmes and projects? (source: PSO)

10 DEFAULT PRINCIPLES FOR CAPACITY DEVELOPMENT

01 Don't rush

Capacity development is a long-term process. It eludes delivery pressures, quick fixes and the search for short-term results.

02 Respect the value system and foster self-esteem

The imposition of alien values can undermine confidence. Capacity development builds upon respect and self-esteem.

03 Scan locally and globally; reinvent locally

There are no blueprints. Capacity development draws upon voluntary learning, with genuine commitment and interest. Knowledge cannot be transferred; it needs to be acquired.

04 Challenge mindsets and power differentials

Capacity development is not power neutral, and challenging mindsets and vested interests is difficult. Frank dialogue and a collective culture of transparency are essential steps.

05 Think and act in terms of sustainable capacity outcomes

Capacity is at the core of development; any course of action needs to promote this end. Responsible leaders will inspire their institutions and societies to work accordingly.

06 Establish positive incentives

Motives and incentives need to be aligned with the objective of capacity development, including through governance systems that respect fundamental rights. Public sector employment is one particular area where distortions throw up major obstacles.

07 Integrate external inputs into national priorities, processes and systems

External inputs need to correspond to real demand and be flexible enough to respond to national needs and agendas. Where national systems are not strong enough, they should be reformed and strengthened, not bypassed.

08 Build on existing capacities rather than creating new ones

This implies the primary use of national expertise, resuscitation and strengthening of national institutions, as well as protection of social and cultural capital.

09 Stay engaged under difficult circumstances

The weaker the capacity, the greater the need. Low capacities are not an argument for withdrawal or for driving external agendas. People should not be held hostage to irresponsible governance.

10 Remain accountable to ultimate beneficiaries

Any responsible government is answerable to its people, and should foster transparency as the foremost instrument of public accountability. Where governance is unsatisfactory it is even more important to anchor development firmly in stakeholder participation and to maintain pressure points for an inclusive accountability system.

Source: Carlos Lopes and Thomas Theison (2003).

A sense of ownership of the activities is a key principle in capacity building. (AusAID (2004) *Capacity Development Principles and Practices*, p.4.)

Nomvula Dlamini, CDRA: *“Empowerment is critical when talking about capacity development. Empowerment is the process through which people can be connected to their own power and understand their situation. When people are connected to their power, they are able to act on the situation and take responsibility. Very important is the ability of having knowledge, understanding and the ability to question (question your situation, questions to connect to your power, etc.)”*

5 Intriguing questions regarding capacity development

For this inventory study, five recognised professionals and peers in capacity building and development were asked about their opinion and vision on capacity development. We also asked them about their most intriguing question regarding capacity development at the moment. An overview:

Alan Fowler: "How can we make Capacity Development demand led in stead of supply driven? This means empowering those whose capacity is to be developed greater control over the resources to do so and greater choice in who they choose to provide the technical assistance required."

Alfonso Gumucio: "In my view, the most intriguing question at this moment is the lack of understanding by the international development community, about the importance of participatory communication processes as enabling factor for sustainable development. Both multilateral and bilateral organisations, as well as international NGOs and governments, have a poor understanding of communication for development, as it was clear during the World Congress of Communication for Development (WCCD), in Rome, 25-27 October 2006. The confusion that exists between "communication" and "information", or between "access" and "participation", do not contribute to understand the important role of communication in development. Many organisations believe that communication is equivalent to information dissemination, or to strengthening institutional visibility through public relations and advertising. Very few are capable of acknowledging that the role of communication is to facilitate dialogue around programmes and projects, and to build local capacity of development, through the strengthening of voices!

Irene Guijt: "How to build the capacity for critical intent (critical self-reflective consciousness) at ALL levels within a single social change development initiative? And how to do this despite the restrictive procedures that are often imposed by funding agencies - whether government, NGO, bilaterals, IFIs, etc?"

Sheela Patel: "We all operate out of institutional settings that are inter-linked. In the development process there are Northern NGO's and members/institutions in the South. Often, these Southern partners are intermediaries in transactions trying to make a change happen for others. Whether this is successful, depends on the situation and institutions around. The Northern NGO's try to stimulate the most effective change and development and they try to quantify that but it is not always that easy, they do not always understand the local process. Capacity Development is also related to the ability to analyse a location and the relationships and see the potential to change. And crucial is how to communicate this to others. The challenge we face these days is that the world is changing rapidly, including our roles, relationships, there is a very high interdependency. We are not so sure anymore how to produce change, it is not a matter of undertaking 3 steps to get the desired results, it is far more complex. There is more distance to each other and therefore understanding the relationships and communication is very important. How to make a change is the big question for all of us. A combination of actors is required to produce sustainable solutions. So the capacity to explore these solutions should follow from capacity development in our work."

Nomvula Dlamini: "Why is the development sector continuing to grapple with Capacity Development for such a long time? What is illuming, what are we missing in the development sector, what do we not understand for such a long time. What do we need to understand capacity development better?"

A second remark, made by *Sheela Patel:* There is a crisis in the developmental sector that people try to understand situations and document but stay with their (scientific) background, see it in their framework of reference (people cannot think out of the box). This rarely produces change. Before, I

thought if you have good management and/or good financial systems, then you can create good change. But it has much more to do with having the right power to participate and negotiate about what you want. Connecting people to their power is most important in our work, that is a key element to what we see as Capacity Development.”

6 Ways to help diagnose capacity problems

What are the underlying causes of the lack of capacity? What are its symptoms? What is causing the current capacity gap? How can we make sure problems and solutions will match? At what level can and should this capacity issue be addressed? What, for example, is the best way to intervene in environmental issues? The context in which organisations are embedded shape the conditions for their Capacity Development. The context provides drivers of change as well as constraints to change. Reasons for poor performance – and explanations for success – are not to be found only inside organisations, but must also be sought in the wider context in which they perform. There exist several models and techniques to help diagnose capacity problems. There are many good models for analysis of the internal and external elements of individual organisations. A short overview to have an idea of such models:

Staged Capacity Building Model (Australian Government AusAID)

The staged capacity building model is a methodology for planning and monitoring capacity development. It is a systematic approach to assess the capacity of work groups and individuals, identify needs, develop strategies to build capacity and assess the results. The model is, very simply, a structure to use when assessing the capacity of a work group or team. It recognises that capacity development is a process in which the role of the adviser(s) will change over time as counterpart staff develop competencies to do the work, systems and processes are improved, and other causes of lack of capacity are addressed. Four stages are proposed which reflect the degree of reliance on and involvement of the adviser, and the degree of ‘ownership’⁶ or responsibility by counterparts: Dependent, Guided, Assisted and Independent. To work with this model, one needs to identify the functions of a working group, assess their current stage of capacity, identify strategies to build capacity and review the progress. This includes celebrating achievements

The model uses functions (or tasks) as the basic starting point as this is usually the easiest way to understand capacity building. It also means that capacity building efforts are practical and focused on the real work being done. However, in some cases, a simple analysis by function or task might not be enough to provide the basis for assessing current capacity or developing capacity building strategies. This is particularly the case if there are systemic problems, for example a lack of understanding of the need for quality control. If counterparts are competent at doing the work, but are not so good at following through or checking its quality and effectiveness, it might be appropriate to include quality control as a separate function.

Leading questions as point of departure (SIDA)

- Whose capacity will be strengthened by this programme/project?
- Will this particular activity that Sida is currently planning, or taking a decision on, contribute or undermine the ability of the partner in development to control the process?
- What does the interplay between the individual, the organisation, the framework and broader social and economic factors of importance to the activity look like?

⁶ The test used in East Timor when the model was first developed was ‘on whose computer did the work reside – the adviser’s or the counterpart’s?’

- What capacity is in place that we can build on?
- How can Sida create the conditions for learning in this project/programme?

The following levels are defined for a need analysis (and at each level there are guiding questions for the analyses): individual knowledge and professional skills, units in an organisation, organisation, systems of organisations, institutional frameworks, and environment/contextual factors.

Literature, references:

- The staged capacity building model is a methodology for planning and monitoring capacity building. It is a systematic approach to assess the capacity of work groups and individuals, identify needs, develop strategies to build capacity and assess the results. Staged Capacity Building Model (2006) Australian Government AusAID
- Training Needs analyses. When we talk about capacity building through trainings it is very important to start with a Training Needs Analysis. (TNA Tool 1-8-2006)
- Methods Document: Manual for Capacity development. SIDA, october 2005, department for policy and methodology

7 How can we approach capacity development? What to 'do'?

There is a broad range of possible approaches for capacity development available. We will introduce this broad range, combined with the suggestion to be able to combine them in ways that can respond to the escalating complexity of development. Just to get an idea of possible approaches, I introduce:

An overview made by Peter Morgan:

- Supplying additional financial and physical resources;
- Helping to improve the organisational and technical capabilities of the organisation (technical assistance, training, systems improvement, better working conditions, etc);
- Helping to settle on a clear strategic direction;
- Protecting innovation and providing opportunities for experimentation and learning;
- Helping to strengthen the bigger organisational system;
- Helping to shape an enabling environment;
- Creating more performance incentives and pressures.

Strategies like training, coaching and exchange, often used strategies, belong primarily to 'helping to improve the organisational and technical capabilities'. How can we make organisational capacity change happen?

Carlos Lopes and Thomas Theison(2003):

The idea that capacities exist in developing countries and need to be developed synthesizes the acknowledgement that development strategies do not have to, and indeed should not, be imported from outside. This, in turn, leads to two conclusions: one, that only home-grown policies based on local capacities are sustainable and potentially successful; and two, that there is no "one-size-fits-all" economic development model, applicable to all situations and all national realities.

There is an even more fundamental conclusion stemming from the idea of capacity development: the main objective of technical cooperation should be to contribute to the utilization and expansion of local capacities. Drawing from the United Nations Conference on Trade and Development's (UNCTAD) experiences on trade and development issues, this means, for instance, supporting the capacity of national trade ministries to formulate and implement home-grown trade policies. This also means ensuring that national research capacity is developed in order to match the scope of the trade agenda

that the country requires; that the government officials in charge of decisions affecting the trade and investment regime are fully aware of the features of the country's production and export goals; and that the various institutions needed to manage the complexities of economic liberalization are in place – from customs to environmental authorities, from negotiators to financial intermediaries, from private sector groupings to technology transfer mechanisms. In other words, this means giving a predominant role to local expertise and local institutions, while also providing them with the tools they need to be effective in their functions.

Nomvula Dlamini, CDRA:

“Many organisations only think of training and skills development when they talk about capacity development. But it is MUCH more, it goes way beyond that. Sometimes capacity development can be just conversations and dialogue, or mentoring support, or organisational accompaniment. There are many different ways through which you can do capacity development and training is only one way. For example many community based organisations mainly focus on training as this is the most practical way to do capacity development, it is the most appropriate way for skill development. But also in government departments training is most commonly used as a package of knowledge and information, it's the most meaningful way to import skills.

From the CDRA perspective training is an effective way to equip individuals but it is not enough unless they get institutional support from their organisations. Otherwise it's on one time event, people go back to their organisations and nothing will change. So we have to combine training with other forms to make a real impact.”

Nomvula Dlamini has worked with an organisation in Cape Town for the last 3 years and saw the changes in strategic thinking within the organisation. There was a shift from focus on activities towards questions regarding the purpose of the organisation, so capacity was being developed. They institutionalised reflection sessions (in their own form), and this is now part of the life of the organisation. The financial sustainability also improved, and the collective responsibility, and a coherent approach is now developed. The pioneer had moved out of the position of leadership but kept on working in the organisation while another person took over this leading role. The organisation became a lot stronger inside and was able to manage the internal change processes. Nomvula Dlamini came in when there was a question, she undertook different interventions starting from strategic planning towards institutionalising learning, mentoring leadership, etc. Some people from this organisation did attend CDRA training courses but this was one element of capacity development amongst many others. So it is a long time process.

PRIA about methods for capacity development:

Wide varieties of methods are used in enhancing and strengthening capacity at all levels. Besides structured training of short and long durations such methods also include exposure visits, field placements, apprenticeships, project work, library work and systematic reflection of experiences. Innovations in capacity building themes and methods must guide PRIA's efforts in future. Information dissemination becomes a major mechanism for a multiplier effect in capacity building.

Information dissemination can benefit by using new Information Technology. Better synthesis, packaging and promotion of new knowledge can be enabled through this. Better use of existing media for communicating knowledge should include print and electronic media, journals, conferences, academia, etc. ([PRIA Website](#)).

8 Effectiveness of and learning about capacity development

Monitoring and Evaluation (M&E) is another big concept in the development sector. How can we evaluate the effects of Capacity Development? There exist different ways to judge the effectiveness of efforts, both internal and external, aimed at developing capacity. It might be interesting to share experiences with those M&E tools, especially from the perspective of monitoring and evaluation being more than a control mechanism designed mainly to satisfy donor accountability requirements. How can we design, manage, use M&E to encourage learning about capacity development?

Monitoring of training impacts should not be limited to the immediate benefits to the individual trainee, but include the effects on organisational capacity. (ECD DAC)

Nomvula Dlamini, CDRA (9-11-06): When we talk about an organisation with capacity we talk about an organisation:

- With good understanding of the context in which it is operating, its position in the world and the challenges it's facing there.
- A conceptual framework that reflects the organisations understanding of this world and its purpose/role, the challenges there are and the issues they want to address. An organisation making sense of the world around it and able to make decisions within this world.
- Able to develop a clear purpose in this particular context.
- Out of this understanding develop clear strategies to pursue the purpose; have the confidence and responsibility to pursue this purpose meaningfully
- An organisational culture which gives rise to other elements, a reservoir of power as a source of operation, creativity, inspiration. And also being able to shape that organisational culture.
- Good structure within the organisation: clear roles and functions, lines of communications, accountability, procedures and structures
- The skills and competencies needed are present within the organisation
- Sufficient material resources to support its activities and programmes.

But *how* do you measure Capacities Development and *what* do we measure? For example one could see changes in behaviour and action so there is a change in capacity, but most things are intangible! Only observable.

At CDRA is a person working in the office and at first this person was only implementing task, directing al problems to the supervisors. After years this person has grown and taking on new tasks, this person can now think 'out of the box' to deal with problems. There is maturity in the way of thinking of this person; the capacities of this person have developed.

A way (not the way) of measuring the capacity or area's that give some understanding of the Capacity Development of an organisation is looking at:

- The kind of questions an organisation is asking
- The understanding of the context where you are operating
- The organisations understanding of the world
- The contribution it is trying to make

"When working with an organisation for a longer time you can see these kind of changes. Though it is slow, and you can't always say that it is due to your intervention. Every person has its own agency and your intervention is one of many others that have contributed to the change.

When you see an organisation developing from a situation where it is not able to move beyond problems towards an organisation that is able to identify the problems and explore solutions and has a good understanding of their 'core process', then you can say their has been capacity developed."
(Source: Nomvula Dlamini, CDRA, 2006)

Literature, reference:

- Planning, Implementing, and Evaluating Capacity Development, ISNAR Briefing Paper 50. July 2002 Douglas Horton This paper discusses 10 basic issues involved in planning, implementing, and evaluating capacity-development efforts in research and development organizations. Capacity development is the process by which individuals, groups, and organizations improve their ability to perform their functions and achieve the desired results over time. Without capacity development in research and development organisations
- Initial mapping of approaches towards M&E of Capacity and Capacity Development¹, Please find more information on this study on the ECDPM website: <http://www.ecdpm.org>
- Empowerment: if it matters, how do we measure it? Empowerment, that is 'enhancing an individual's or group's capacity to make purposive choice and transform that choice into desired actions and outcomes', is now part of development rhetoric. This paper offers a conceptualization of empowerment that can be used to turn the idea into measurable actions. Link: http://www.undp-povertycentre.org/md-poverty/papers/Ruth_.pdf
- MONITORING AND EVALUATING CAPACITY AND CAPACITY DEVELOPMENT. Embracing innovative practice, David Watson

9 The role of NGOs (PSO members) in capacity development

Capacity Development implies a shift for NGOs leading to a significantly diminished role in problem identification, design and implementation of interventions and greater emphasis on facilitation, strategic inputs and supporting processes aimed at strengthening developing country capacity. Functionally, this means a move away from 'NGO projects' to investments in developing country programs and less reliance on expatriate technical assistance. The roles of outsiders, including external support organizations, in such a context, have to be negotiated, they cannot be assumed. NGOs can contribute to Capacity Development, but how? They cannot force, impose, buy or insist on Capacity Development – but they can support it. How does that look like? How can we organise a dialogue about Capacity Development? Who is in the lead? What Capacity Development targets are feasible? What kind of partner relationships is required to support Capacity Development?

We asked our four recognised professionals and peers in capacity building and development about their most important message for the Dutch NGOs and their advice or inspiring question for the PSO learning trajectory (vision/point of view/way of working)?

Alan Fowler (interview 26-10-2006): "*Technical assistance for capacity development must increasingly be located in the South. In other words, build the capacity of capacity builders, which could mean a northern NGO becoming truly international through franchising, federating, etc. The elephant in the room is the implication of southern based and southern driven CD resources and processes on the eventual viability of northern CD organisations. A possible DGIS trend is towards more direct CSO funding in the South through Embassies. This will alter the supply-demand geography and Dutch NGOs need to be ahead of the game rather than reacting to it. They need their own long-term strategy to present to DGIS rather than waiting and reacting to changes in the MFS rules and processes.*"

Alfonso Gumucio: *"Dutch NGOs had a better understanding of communication for social change a couple of decades ago, as they were supporting projects that dealt with community participation and participatory communication. My message to them and to PSO, is to develop communication policies and strategies that are consistent with participatory approaches and to the efforts of developing "capacity" within the subjects of development. The drafting of policies and strategies should at the same time allow to review the place that communication has within the Dutch NGOs. Is it a priority or not? If it is, this should be reflected in the quality of specialised communication staff and the budget that is allocated to communication, as opposed to the budget allocated to information dissemination activities, marketing, advertising or public relations. Capacity development initiatives that do not include participatory communication components are not sustainable. People need to have their own voice, empowered voice, to build capacity. Capacity is not built from the outside, but from the inside. Outside initiatives should be seen as facilitating the process, but not substituting local processes."*

Irene Guijt: *"Do a thorough critical analysis of your funding systems, procedures, regulations, funding allocations from the perspective of whether or not there is anything that hinders rather than helps 'critical intent'. Do a self-critical analysis to see if there is anything you are asking of your partners that you are not doing yourself in terms of learning and capacity building? Many Dutch NGOs do not dare to ask tough questions and provide very few internal resources and time for reflections and capacity building."*

Nomvula Dlamini, CDRA: *"I cannot do to others what I cannot do to myself". So when working with Capacity Development in other organisations one first needs to work on it's own capacity, your own capacity has priority. And again, you need to ask the questions: "capacity for what and capacity to what end? The Dutch NGO's do have an important role in Capacity Development but training is only one small aspect through which CD can happen, they should explore other forms of CD. They need to begin to acknowledge all different forms through which CD can be facilitated, and to engage with organisational challenges. This could be through forms like dialogue sessions, community exchanges (as an opportunity to learn from each others experience), horizontal learning, bringing people together, create an environment where people have the space to talk, mentoring support, coaching, creating responsibility and creating own learning. Another strong form is accompaniment of people/ organisations over a longer time period. Then you can see how the questions are changing over time. It is a process of supporting the implementation process of the new changes in the organisation. You are less reliant on magical workshops that create a lot of good energy but ones people go back and start implementing, it quickly disappears. Though, this accompaniment is an investment in time and resources, but when you do it, you can see remarkable changes."* (Nomvula Dlamini, CDRA)

Sheela Patel, SPARC: *"The capacity to act and demonstrate what communities can do emerges from the resources that we have got from NGOs in the North, including from a Dutch NGO. Paradoxically, while all the other actors in the development chain, negotiate with us, argue and dialogue with us, our discourse with Northern NGOs is the toughest. It is a problem not only with the Dutch NGOs but with almost all officers assigned to us by any NGO by and large. My analysis is that almost all northern NGOs have deeper collective knowledge about rural development, and this is further deepened by the fact that almost all those who have a development linked education have almost all rural curriculum."*

There is a global development paradigm that if you sort out rural problems you can reverse urbanisation, and that intrinsically urbanisation is bad. I also believe that architects and planners who may do some work about cities have a deep need to stay within the realms of formal planning which in and of itself excludes the poor in cities. How they assess change, log frames that assess and quantify change somehow don't work in the context of urban poverty, and given the reality that in the last ten years no project officer lasts more than 2-3 years makes this dialogue very difficult. Since negotiations

for grants are done within these constraints the inability of the project officers to understand and validate what we do gets that much harder. Further our global advocacy work also is seen as problematic as there is an imagery of what global advocacy is about, and who does it and how. Interestingly more and more NGOs in the north are fascinated by the process but find they cannot locate such activity in their spectrum of financing.”