

Capacity Building

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Capacity building also referred to as Capacity Development is a conceptual approach to development that focuses on understanding the obstacles that inhibit people, governments, international organizations and non-governmental organizations from realizing their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results.

The term capacity building emerged in the lexicon of international development during the 1990s. Today, "capacity building" is included in the programs of most international organizations that work in development, the World Bank (World Bank), The United Nations (UN) and non-governmental organizations (NGOs) like Oxfam International. Wide usage of the term has resulted in controversy over its true meaning. Capacity building often refers to strengthening the skills, competencies and abilities of people and communities in developing societies so they can overcome the causes of their exclusion and suffering.

Organizational capacity building is used by NGOs to guide their internal development and activities.

Definitions

The United Nations Development Programme (UNDP) was one of the forerunners in developing an understanding of capacity building or development. Since the early 70's the UNDP offered guidance for its staff and governments on what was considered "institution building." In 1991, the term evolved to be "capacity building." The UNDP defines capacity building as a long-term continual process of development that involves all stakeholders; including ministries, local authorities, non-governmental organizations, professionals, community members, academics and more. Capacity building uses a country's human, scientific, technological, organizational, and institutional and resource capabilities. The goal of capacity building is to tackle problems related to policy and methods of development, while considering the potential, limits and needs of the people of the country concerned. The UNDP outlines that capacity building takes place on an individual level, an institutional level and the societal level.

Individual Level- Capacity-building on an individual level requires the development of conditions that allow individual participants to build and enhance existing knowledge and skills. It also calls for the establishment of conditions that will allow individuals to engage in the "process of learning and adapting to change"

Institutional Level- Capacity building on an institutional level should involve aiding pre-existing institutions in developing countries. It should not involve creating new institutions, rather modernizing existing institutions and supporting them in forming sound policies, organizational structures, and effective methods of management and revenue control.

Societal Level- Capacity building at the societal level should support the establishment of a more

"interactive public administration that learns equally from its actions and from feedback it receives from the population at large." Capacity building must be used to develop public administrators that are responsive and accountable.

The World Customs Organization-an Intergovernmental Organization (IO) that develops standards for governing the movement of people and commodities, defines capacity building as "activities which strengthen the knowledge, abilities, skills and behaviour of individuals and improve institutional structures and processes such that the organization can efficiently meet its mission and goals in a sustainable way."It is, however, important to put into consideration the principles that govern community capacity building.

Oxfam International- a globally recognized NGO, defines capacity building in terms of its own principals. OXFAM believes that capacity building is an approach to development based on the fundamental concept that people all have an equal share of the world's resources and they have the right to be "authors of their own development and denial of such right is at the heart of poverty and suffering."

Organizational Capacity Building another form of capacity building that is focused on developing capacity within organizations like NGOs. It refers to the process of enhancing an organization's abilities to perform specific activities. An Organizational capacity building approach is used by NGOs to develop internally so they can better fulfil their defined mission. Allan Kaplan, a leading NGO scholar argues that to be effective facilitators of capacity building in developing areas, NGOs must participate in organizational capacity building first. Steps to building organizational capacity include:

- Developing a conceptual framework
- Establishing an organizational attitude
- Developing a vision and strategy
- Developing an organizational structure
- Acquiring skills and resources

Kaplan argues that NGOs who focus on developing a conceptual framework, an organizational attitude, vision and strategy are more adept at being self-reflective and critical, two qualities that enable more effective capacity building.

History

The term capacity building has evolved from past terms such as institutional building and organizational development. In the 1950s and 1960's these terms referred to community development that focused on enhancing the technological and self-help capacities of individuals in rural areas. In the 1970s, following a series of reports on international development an emphasis

was put on building capacity for technical skills in rural areas, and also in the administrative sectors of developing countries. In the 1980s the concept of institutional development expanded even more. Institutional development was viewed as a long-term process of building up a developing country's government, public and private sector institutions, and NGOs.

Though precursors to "Capacity Building" existed before the 1990s, they were not powerful forces in International development like "capacity building" became during the 1990s.

The emergence of capacity building as a leading developmental concept in the 1990s occurred due to a confluence of factors:

New philosophies that promoted empowerment and participation, like Paulo Freire's "Education for Critical Consciousness" (1973), which emphasized that education, could not be handed down from an omniscient teacher to an ignorant student rather it must be achieved through the process of a dialogue among equals.

Commissioned reports and research during the 1980s, like the Capacity and Vulnerabilities Analysis which posited three assumptions:

development is the process by which vulnerabilities are reduced and capacities increased
no one develops anyone else
relief programs are never neutral in their developmental impact

Changes in International Developmental approaches

During the 1980s many low income states were subject to "structural adjustment packages" - the neo-liberal nature of the packages led to increasing disparities of wealth. In response, a series of "social dimension adjustments were enacted." The growing wealth gap coupled with "social dimension adjustments" allowed for an increased significance for NGOs in developing states as they actively participated in social service delivery to the poor.

Then, in the 1990s a new emphasis was placed on the idea of sustainable development.

Reports like the CVA and ideas like those of Freire from earlier decades emphasized that "no one could develop anyone else" and development had to be participatory. These arguments questioned the effectiveness of "service delivery programs" for achieving sustainable development, thus leading the way for a new emphasis on "capacity building."

Capacity Building in Developing Societies

In the UNDP's 2008-2013 "strategic plan for development" capacity building is the "organization's core contribution to development." The UNDP promotes a capacity building approach to development in the 166 countries it is active in. The UNDP focuses on building capacity on an

institutional level and offers a 5-step process for systematic capacity building. The steps are:

1. Engage stakeholders on capacity development

An effective capacity building process must encourage participation by all those involved. If stakeholders are involved and share ownership in the process of development they will feel more responsible for the outcome and sustainability of the development. Engaging stakeholder's who are directly affected by the situation allows for more effective decision-making, it also makes development work more transparent. UNDP and its partners use advocacy and policy advisory to better engage stakeholders.

2. Assess capacity needs and assets

Assessing preexisting capacities through engagement with stakeholders allows capacity builders to see what areas require additional training, what areas should be prioritized, in what ways capacity building can be incorporated into local and institutional development strategies. The UNDP argues that capacity building that is not rooted in a comprehensive study and assessment of the preexisting conditions will be restricted to training alone, which will not facilitate sustained results.

3. Formulate a capacity development response

The UNDP says that once an assessment has been completed a capacity building response must be created based on four core issues:

A. Institutional arrangements- assessments often find that institutions are inefficient because of bad or weak policies, procedures, resource management, organization, leadership, frameworks, and communication. The UNDP and its networks work to fix problems associated with institutional arrangements by developing human resource frameworks "cover policies and procedures for recruitment, deployment and transfer, incentives systems, skills development, performance evaluation systems, and ethics and values."

B. Leadership-the UNDP believes that leadership by either an individual or an organization can catalyze the achievement of development objectives. Strong leadership allows for easier adaption to changes, strong leaders can also influence people. The UNDP uses coaching and mentoring programmers to help encourage the development of leadership skills such as, priority setting, communication and strategic planning.

C. Knowledge- The UNDP believes knowledge is the foundation of capacity. They believe greater investments should be made in establishing strong education systems and opportunities for continued learning and the development of professional skills. They support the engagement in post-secondary education reforms, continued learning and domestic knowledge services.

D. Accountability- the implementation of accountability measures facilitates better performance and efficiency. A lack of accountability measures in institutions allows for the proliferation of corruption. The UNDP promotes the strengthening of accountability frameworks that monitor and evaluate institutions. They also promote independent organizations that oversee, monitor and evaluate institutions. They promote the development of capacities such as literacy and language skills in civil societies that will allow for increased engagement in monitoring institutions.

4. Implement a capacity development response

Implementing a capacity building program should involve the inclusion of multiple systems; national, local, institutional. It should involve continual reassessment and expect change depending on changing situations. It should include evaluative indicators to measure the effective of initiated programs.

5. Evaluate capacity development

Evaluation of capacity building promotes accountability. Measurements should be based on changes in an institutions performance. Evaluations should be based on changes in performance based around the four main issues: institutional arrangements, leadership, knowledge, and accountability.

The UNDP integrates this capacity building system into its work on reaching the Millennium Development Goals(MDGs). The UNDP focuses on building capacity at the institutional level because it believes that "institutions are at the heart of human development, and that when they are able to perform better, sustain that performance over time, and manage 'shocks' to the system, they can contribute more meaningfully to the achievement of national human development goals."

Capacity Building in Governments

One of the most fundamental ideas associated with capacity building is the idea of building the capacities of governments in developing countries so they are able to handle the problems associated with environmental, economic and social transformations. Developing a government's capacity whether at the local, regional or national level will allow for better governance that can lead to sustainable development and democracy. To avoid authoritarianism in developing nations, a focus has been placed on developing the abilities and skills of both national and local governments so power can be diffused across a state. Capacity building in governments often involves providing the tools to help governments best fulfil their responsibilities. These include building up a government's ability to budget, collect revenue, create and implement laws, promote civic engagement, be transparent and accountable and fight corruption. Below are examples of capacity building in governments of developing countries:

In 1999, the UNDP supported capacity building of the state government in Bosnia Herzegovina. The program focused on strengthening the State's government by fostering new organizational, leadership and management skills in government figures, improved the government's technical abilities to communicate with the international community and civil society within the country.

Since 2000, developing organizations like the National-Area-based-Development-program have approached the development of local governments in Afghanistan, through a capacity building approach. NABDP holds training sessions across Afghanistan in areas where there exist foundations for local governments. The NABDP holds workshops training community leaders on how to best address the local needs of the society. Providing weak local government institutions with the capacity to address pertinent problems, reinforces the weak governments and brings them closer to being institutionalized. The goal of capacity builders in Afghanistan is to build up local governments and provide those burgeoning institutions with training that will allow them to address and advocate for what the community needs most. Leaders are trained in "governance, conflict resolution, gender equity, project planning, implementation, management, procurement financial, and disaster management and mitigation."

The Municipality of Rosario, Batangas, Philippines provided a concrete example related to this concept. This municipal government implemented its Aksyon ng Bayan Rosario 2001 And Beyond Human and Ecological Security Plan using as a core strategy the Minimum Basic Needs Approach to Improved Quality of Life - Community-Based Information System (MBN-CBIS) prescribed by the Philippine Government. This approach helped the municipal government identify priority families and communities for intervention, as well as rationalize the allocation of its social development funds. More importantly, it made definite steps to encourage community participation in situation analysis, planning, monitoring and evaluation of social development projects by building the capacity of local government officials, indigenous leaders and other stakeholders to converge in the management of these concerns.

Local Capacity Building in Practice

Capacity building is a catch phrase in the international aid sector. The capacity building approach is used at many levels throughout, including local, regional, national and international levels. Capacity building can be used to reorganize and capacitate governments or individuals. International donors like USAID, often include capacity building as a form of assistance for developing governments or NGOs working in developing areas. However many NGOs participate in a form of capacity building that is aimed toward individuals and the building of local capacity. For individuals, capacity building may relate to leadership development, advocacy skills, training/speaking abilities, technical skills, organizing skills, and other areas of personal and professional development. One of the most difficult problems with building capacity on a local level is the lack of higher education facilities in developing countries. Between 2-5 percent of Africans

have been to tertiary school. Another difficulty is ongoing brain drain that takes place in developing countries. Often, young people who develop skills and capacities that can allow for sustainable development leave their local origins. Damtew Teferra of Boston College's Center for African Higher Education argues that local capacity builders are needed now more than ever and increased resources should be provided for programs that focus on developing local expertise and skills. Below are some examples of NGOs and programs that utilize the term "capacity building" to describe their activities on a local scale:

The Centre for Community Empowerment CCEM- is an NGO working in Vietnam that aims to "train the trainers" working in the development sector of Vietnam. The organization believes that the sustainability of a project depends on the level of involvement of stakeholders and so they work to train stakeholders in the skills needed to be active in development projects and encourage the activity of other stakeholders. The organization operates by providing weeklong training courses in for local individuals in issues such as: project management, report writing, communication, fund-raising, resource mobilization, analysis, and planning. The organization does not create physical projects, rather develops the capacity of stakeholders to initiate, plan and analyze and develop projects on their own.

Mercy Ships-A Christian,healthcare NGO, provides another example of an NGO participating in localized "capacity building." While CCEM devotes it's energy to training individuals to be better project managers and participants- Mercy Ships participates in a form of capacity building that focuses on the pre-existing capacities of certain individuals and builds on those. For example, Mercy Ships focuses on training doctors and nurses about new procedures and technologies. They also focus on building leadership skills through training workshops for teachers, priests and other community leaders. Leaders are then trained in other areas such as, proper care and construction of hygienic water wells.

The first example depicts capacity building as tool to deliver individuals the skills they need to work effectively in civil society. In the case of Mercy Ships, the capacity building is delivering the capacity for individuals to be stakeholders and participants in certain defined activities, such as health care.

Organizational Capacity Building in NGOs

Societal development in poorer nations is often contingent upon the efficiency of organizations working within that nation. Organizational Capacity Building focuses on developing the capacities of organizations, specifically NGOs, so they are better equipped to accomplish the missions they have set out to fulfil. Failures in development can often be traced back to an organization's inability to deliver on the service promises it has pledged to keep. Capacity Building in NGOs often involves building up skills and abilities such as; decision making, policy-formulation, appraisal, learning. It is

not uncommon for donors in the global north to fund capacity building for NGOs themselves. For organizations, capacity building may relate to almost any aspect of its work: improved governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), program development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, positioning, planning. Capacity building in NGOS is a way to strengthen an organization so that it can perform the specific mission it has set out to do and thus survive as an organization. It is also an ongoing process that incites organizations to continually reflect on their work, organization, and leadership and ensure that they are fulfilling the mission and goals they originally set out to do. Alan Kaplan an international development practitioner asserts that capacity development of organizations involves the build up of an organization's tangible and intangible assets. He argues that for an NGO to work efficiently and effectively in developing country they must first focus on developing their organization. Kaplan argues that capacity building in organizations should first focus on intangible qualities such as:

Conceptual framework-an organization's understanding of the world, "This is a coherent frame of reference, a set of concepts which allows the organisation to make sense of the world around it, to locate itself within that world, and to make decisions in relation to it."

Organizational attitude-this focuses on the way an organization views itself. Kaplan asserts that an organization must view itself not as a victim of the slights of the world, rather as an active player that has the ability to effect change and progress.

Vision and Strategy-this refers to the organization's understanding of it's vision and mission and what it is looking to accomplish and the program it wishes to follow in order to do so

Organizational Structure-a clear method of operating wherein communication flow is not hindered, each actor understands their role and responsibility.

Though he asserts that intangible qualities are of utmost importance-Kaplan says that tangible qualities such as skills, training and material resources are also imperative.

Another aspect of organizational capacity building is an organization's capacity to reassess, reexamine and change according to what is most needed and what will be the most effective.

Evaluating Capacity Building

Since the arrival of capacity building as such a dominant subject in international aid, donors and practitioners have struggled to determine a concise mechanism for determining the effectiveness of capacity building initiatives. In 2007, David Watson, developed specific criteria for effective evaluation and monitoring of capacity building. Watson complained that the traditional method of monitoring NGOs that is based primarily on a linear results-based framework is not enough for capacity building. He argues that evaluating capacity building NGOS should be based on a

combination of monitoring the results of their activities and also a more open flexible way of monitoring that also takes into consideration, self-improvement and cooperation. Watson observed 18 case studies of capacity building evaluations and concluded that certain specific themes were visible:

monitoring an organization's clarity of mission-this involves evaluating an organization's goals and how well those goals are understood throughout the organization

monitoring an organization's leadership-this involves evaluating how empowered the organization's leadership is-how well the leadership encourages experimentation, self reflection, changes in team structures and approaches.

monitoring an organization's learning-this involves evaluating how often an organization participates in effective self-reflection, and self-assessment. It also involves how well an organization "learns from experience" and if the organization promotes the idea of learning from experience.

monitoring an organization's emphasis on on-the-job-development- this involves evaluating how well an organization encourages continued learning, specifically through hands on approaches.

monitoring an organization's monitoring processes- this involves evaluating how well an organization participates in self-monitoring. It looks at whether or not an organization encourages growth through learning from mistakes.

In 2007, USAID published a report on its approach to monitoring and evaluating capacity building. According to the report, USAID monitors: program objectives, the links between projects and activities of an organization and its objectives, a program or organization's measurable indicators, data collection, and progress reports. USAID evaluates: why objectives were achieved, or why they were not, the overall contributions of projects, it examines qualifiable results that are more difficult to measure, it looks at unintended results or consequences, it looks at reports on lessons learned. USAID uses two types of "indicators" for progress. "output indicators" and "outcome indicators." Output indicators measure immediate changes or results such as the number of people trained. Outcome indicators measure the impact, such as laws changed due to trained advocates.

Specification

Capacity Building is much more than training and includes the following:

Human resource development, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.

Organizational development, the elaboration of management structures, processes and procedures, not only within organizations but also the management of relationships between the different organizations and sectors (public, private and community).

Institutional and legal framework development, making legal and regulatory changes to enable

organizations, institutions and agencies at all levels and in all sectors to enhance their capacities (citation: Urban Capacity Building Network).

It also interfaces with some work by the New Institutional Economics association led notably by the 1994 Nobel prize winner Douglass North. It tries to lay out the essential organizational and institutional prerequisites for economic and social progress (See the paper by North, Wallis and Weingast) modestly entitled 'A conceptual framework for interpreting recorded human history', NBER working paper 12795, (www.nber.org/papers/w12795).

Capacity building is defined as the "process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world." (Ann Philbin, Capacity Building in Social Justice Organizations Ford Foundation, 1996)

Capacity building is the elements that give fluidity, flexibility and functionality of a program/organization to adapt to changing needs of the population that is served.

Infrastructure development has been considered "Economic Capacity Building" because it increases the capacity of any developed or developing society to improve trade, employment, economic development and quality of life. It is also true that where institutional capacity is limited, infrastructure development is probably constrained. Currently the United States infrastructure is rated D or worse by the American Society of Civil Engineers (ASCE). This may be an indication that the Institutional Capacity of the USA is constrained and will impact future quality of life issues.