

From local empowerment to aid harmonisation

A tour d'horizon of capacity development trends and challenges

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Although there are many different interpretations of capacity and how it develops, recent trends point to an emerging consensus on the challenges that professionals need to address. This introductory article traces the evolution of the debate on capacity development, and outlines our ambitions for Capacity.org as a forum for discussion and a gateway to relevant information.

The term capacity development became popular during the 1990s as a result of the limited success with technical and externally induced development efforts. It focused attention on the abilities required to organise and sustain development efforts, and the necessity of 'ownership' by local actors. More recently, capacity has returned to the centre of the international debate on development. It was one of the key notions discussed at the Paris High Level Forum of the OECD-DAC in February 2005 on aid effectiveness. And the UN Millennium Project report, *Investing in Development* [1], convincingly made the case that with real effort it is possible to help countries to escape from poverty, so that capacity is also likely to be prominent at the Millennium +5 summit to be held in New York in September. We know more or less what should be done. But, contrary to what the report seems to claim, we have no experience to guide decisions on how it should be done. Local communities, developing countries, the international community – none of us have a successful track record in achieving effective development results at such a scale. Realising the Millennium Development Goals presents a daunting capacity challenge for us all.

Different approaches

It sometimes seems that capacity development is regarded as a panacea for almost everything in the development sector. The term is used in many, often conflicting ways. It can refer to anything from the training of individuals to large-scale institutional reform. Donors often use the term in the same breath as donor harmonisation and sector-wide approaches, and as the reason for introducing the 'right' policies and institutional frameworks. Civil society equates it with empowerment of local actors, bottom-up development of local organisations and networks, and societal transformation. To some capacity development is a philosophy and attitude, and is almost synonymous with development itself. To others it is a professional practice underpinned by

specific methodologies rooted in organisational development and process facilitation.

It is clear that such different definitions are influenced by the different types of organisations and settings within which people work. But they also reflect differences in perspective. In any discussion of capacity development, it is therefore important always to ask: capacity for what? and for whom? and with what underlying view or purpose? That is what we will continue to do in Capacity.org, in order to move away from general prescriptions, and to foster real debate, progress and deeper understanding.

Advances in understanding capacity development

Notwithstanding the different approaches and definitions discussed above, important shared lessons and trends are emerging from more than a decade of efforts to give substance to capacity development in practice. In reviewing these many efforts, we believe that at least five major trends are shaping today's understanding of capacity.

Trend 1: There is a clear move away from focusing on individual organisations to look at capacity in networks and larger systems (such as sectors, whole-of-government approaches, societal transformation). Capacity often only comes about through an interplay among the capabilities of individuals, organisations, networks and larger institutions or systems.

Trend 2: Greater recognition is now being given to the 'soft' and less tangible aspects of capacity development, as reflected in some of the definitions above. Case studies of successful capacity development have highlighted the importance of factors such as leadership, values, incentives and motivation, legitimacy, power relations and organisational culture. [2]

Trend 3: It is generally accepted that capacity development is a dynamic process that is context and situation specific. It requires continuous strategic planning, interaction, negotiation and action-learning. Capacity development can not be pre-designed and 'implemented', but requires 'strategic incrementalism'. [3]

Trend 4: There is growing recognition that large-scale change can not be simply rolled out from the top; rather, it should be seen as a process of '*decentralised social learning*' [4]. Good policies may create better conditions, but they do not produce development. Experimentation at the work floor and related horizontal and vertical learning are required (micro-macro linkages).

Trend 5: Capacity development is not neutral; it changes social, political, cultural and economic relations. Supporting capacity development requires 'external parties' to maintain a delicate balance between non-partisanship and helping to clarify directions of development. It also requires an understanding of the ongoing processes of change within a society (including the 'drivers of change' [5]).

An emerging agenda of challenges and debate

The above trends in thinking are not uncontested, and readers may wish to respond with criticisms and alternative views. But trying to put these insights into practice certainly brings out a broad array of challenges, dilemmas and debates. In the [guest column](#), Richard Manning, chair of the OECD's Development Assistance Committee, points to the important advances in harmonising aid and in reforms to change donor behaviour on the ground, including introducing more flexible time horizons, more rounded approaches to state building, greater policy coherence and incentive systems. By way of contrast, in an [interview](#) in this issue, Rajesh Tandon, one of India's leading capacity development practitioners, argues that the harmonisation of donor agendas (in an effort to deal more comprehensively with larger systems 'trend 1') is working against the need for decentralised social learning and innovation (trend 4).

Capacity.org will seek to stimulate debates and discussions of methodological progress. For that purpose, in the following paragraphs we identify a number of key topics that we hope will resonate with readers and encourage them to share their experiences and opinions with the



Understanding and supporting capacity in networks and partnerships

Many development efforts require capacities that go beyond the boundaries of individual organisations. In practice, however, the single organisation is still used (often unconsciously) as a frame of reference when we talk and practice capacity development. Analytical tools as well as the intervention repertoire for nurturing networks and partnerships are still weak. Capacity.org will welcome exchanges about interventions that have led to successful networks and partnerships, and about tested concepts and intervention approaches that may be of use to practitioners in other contexts. To open this exchange, we present

[the case of a successful inter-communal partnership in Mali, together with a brief article by Jan Ubels exploring its conceptual dimensions](#). Readers are invited to contribute to this topic, which will be the theme of an upcoming issue of Capacity.org.

Capacity development in fragile contexts

Capacity development ambitions apply equally in fragile contexts, but may require unorthodox

operational responses. The challenges include ensuring basic service delivery in failed states, protecting social capital in areas of conflict, and engaging in contexts where there are insufficient human resources or little commitment to change.

[Capacity development responses in areas affected by HIV/AIDS](#) present a particular challenge, as highlighted by Rick James and Rebecca Wrigley.

Improving aid relationships

The locus of decision making and collective responsibility in international development cooperation is moving to the country level. Country or local ownership, harmonisation and alignment are to define aid partnerships. But the aid relationship is inherently unequal, with financial, decision-making and professional power unevenly distributed. Making the transition from vicious to virtuous dynamics in aid relations and development partnerships is difficult, but both donors and NGOs are engaged in important experiments to try to achieve this. Readers are invited to share their experiences in creating more balanced partnerships, in levelling the playing field between local stakeholders and external partners, and in building openness, trust, mutual accountability and commitment. As a first contribution, Philip Courtnadge describes [how independent monitoring has benefited the aid relationship in Tanzania](#).

Realising effective micro-macro linkages

It is at the local level that essential innovations and learning about 'what really works?' take place and improvements in livelihoods are realised. At the same time, an enabling environment, good policies and effective institutional frameworks are essential for systemic improvements. In practice, these two sides of development do not easily come together. Many donors and national governments work from the perspective of macro systems and centrally guided development, whereas NGOs and local actors seek local solutions but are often unable to share and scale-up important insights and successes. Through the exchange of practical examples, we hope to encourage more systematic methodological learning on how local innovation can be effectively related to central policy and institutional development: what upward and downward linkages, what processes of negotiation, what spaces for learning and intermediary roles actually work in practice in various contexts. Rajesh Tandon refers to these issues in the [interview](#) in this issue.

Capacity development diagnostics, planning, monitoring and evaluation

With the emergence of more advanced notions of capacity development (as under the topics above), questions related to diagnosis, planning, monitoring and measuring results also require a new generation of answers. The issues of diagnosis, planning and M&E will be addressed in future issues of Capacity.org. As a first contribution, Volker Hauck considers the [renewed interest in systems thinking](#), and explores new diagnostic approaches and their implications for planning, monitoring and learning.

Getting to grips with the soft or intangible aspects of capacity development

Leadership, incentives, motivation, attitude, legitimacy, values, power and culture have been identified as key ingredients of successful capacity development. But mainstream thinking still focuses on the formal, more tangible aspects of capacity such as structures, systems, skills, finance, ICTs, etc. For future issues of Capacity.org, practitioners are invited to provide practical examples of how they are integrating such soft factors in their work (and the lessons learned), and how they are making the more formal aspects visible and open to discussion and change.

Postscript

Capacity.org will build on the work carried out over the past six years to demystify what capacity development means, and to develop the practical aspects of how to support it effectively. Capacity.org is part of a stream of ongoing efforts to link bilateral and multilateral development organisations, including the Impact Alliance, the INTRAC Praxis programme, the Learning Networks on Capacity Development and on Programme-based Approaches (LenCD/Govnet and LENPA), a growing number of Southern actors and practitioners, and many more initiatives at regional and local levels. In this sense there is a community of practice around capacity development that is committed to learning from practice, analysis and exchange, building up specialised knowledge and support, and reaching out to and support practitioners and policy makers. As long as Capacity.org can continue to contribute to this ambitious undertaking in the years to come it will have accomplished its prime objective.

[1] UN Millennium Project (2005)

[Investing in Development: A Practical Plan to Achieve the Millennium Development Goals](#) . UNDP/Earthscan.

[2] See the case studies of the Lacor Hospital (Uganda), the COEP network (Brazil) and the ENACT programme (Jamaica) conducted for the ECDPM Study on Capacity, Change and Performance.

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[3] Brian Levy (2005) Presentation to the LENPA Forum, Washington, April 2005.

[4] Ellerman, D. (2004) Autonomy-respecting assistance: toward an alternative theory of development assistance. *Review of Social Economy*, 62(2): 149-168.

[5] DFID (2004)

[Public Information Note: Drivers of Change](#). Department for International Development, UK.