

Rethinking capacity building

The need for analytical and adaptive capacity

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Capacity building projects are often seen as a means of providing NGOs with the tools they need to effectively deliver programmes or services, and of ensuring the ability of recipients to demonstrate accountability for the financial aid received. However, insights from over fifty years of experience suggest that conventional types of capacity building have often failed to bring about improvements in organisational effectiveness, performance, and accountability.

This failure has several causes. First, the providers of capacity building often misunderstand the capacity needs of their grantees. Donors need to take responsibility for enhancing their own understandings of the capacity shortfalls and strengths of their grantees. The expectations of short-term results, frequently associated with logical frameworks and results-based management matrices, can often be at odds with actual grantee needs.

Second, capacity building efforts tend to focus on 'technical' capacities in NGOs, such as financial management, strategic planning, and indicator development. These technical skills do not strengthen an organisation's analytical capacity - that is the organisation's ability to step back and critically review its work and the changing environment in which it functions. Nor does traditional capacity building strengthen an NGO's adaptive capacity - its ability to change behaviour as a result of that learning and reflection.

Strengthening an organisation's ability to analyse and adapt requires different types of assistance than has traditionally been offered to NGOs. Capacity building needs to be seen as a means of encouraging learning. Thus, effective capacity building often requires a revisiting of an organisation's aspirations and strategy, as well as its standard operating procedures; simple training programmes can achieve little on their own.

One implication for donors is that they need to look at capacity building projects in the long term. This requires a shift towards an expectation of results over years rather than quarterly or annual budget cycles. Furthermore, capacity building projects need to combine consulting, coaching, training and peer exchanges which are appropriate to the needs of the organisation. The plans and training processes should be locally designed and managed in order to make them appropriate to the needs of the field staff. For instance, a practical approach may be to develop simpler reporting systems (rather than those with complex sets of indicators) that are congruent with existing resources and which can be built up if resources increase.

Another implication is that donors need to accept some responsibility for failure and ambiguity in capacity building. Non-profit organisations that lack analytical and adaptive capacities cannot be expected to identify their own capacity needs. They thus require the support of donors or capacity builders who can help them think through their priorities, assets, and needs.

For NGOs, the greatest challenges lie in understanding the fact that capacity building is not just a 'quick fix' to satisfy donors. Building analytical and adaptive capacity requires organisational commitment to painful self-scrutiny. One way that this can be achieved is by insisting on working with consultants who are willing to serve as coaches during various stages of strategic thinking and project implementation (rather than simply using consultants who help design new strategic plans or information systems but then disappear during implementation). It requires that NGOs take the time and risk to educate their donors as to their capacity needs so as to build long-term relationships of mutual understanding.

The broader challenge for NGOs and funders alike lies in working towards building analytical and adaptive capacities across the sector as a whole, rather than only in atomised organisations. If the long-term goal is to influence social policy and implementation ? on health and human services, on poverty, on environmental management, on fiscal and economic regulation ? then it will also be necessary to build capacities for sector-wide communication, analysis and adaptation.