

NGO Capacity Building: Key Concepts

Q. What is capacity building?

A. At its core, capacity building is a participatory process, which seeks to improve a non-governmental organization's (NGO) ability to accomplish its mission. It takes into account the quality of the NGO's performance, the achievement of concrete results over time and the responsible use of scarce resources. While there is general agreement among international development practitioners that capacity building is necessary to foster the growth and maturity of NGOs, exactly what it entails is subject to many interpretations.

According to La Fond and Brown's article, *A Guide to Monitoring and Evaluation of Capacity-Building Interventions in the Health Sector of Developing Countries*:

- *Capacity* is the "stock of resources available to an organization as well as the actions that transform these resources into performance",
- *Capacity building* is "a process that improves the ability of an organization to meet objectives and perform better".
- *Performance* is "the set of results that represent productivity and competence related to an established objective".¹

This *Tips* paper discusses key concepts to consider when developing a capacity-building strategy as well as the underlying theory of behavior change and the importance of monitoring and evaluation. *Tips* Number 10 presents specific capacity building tools and methods.

Why Capacity Building?

In the *The Earthscan Reader on NGO Management*, Edwards and Hulme cite this analogy coined by NGO guru David Korten for why NGOs seek to build capacity: *You see a baby drowning, so you jump in and save it. You see a second and third drowning, you do the same. Soon, you are so preoccupied with saving drowning babies that you fail to realize someone is tossing them into the river.*²

While the analogy is a brash one, it effectively illustrates the idea that an NGO may be quite successful at small-scale projects, but unable to address the larger challenge of meeting the growing demand for its services; hence, the need to build its capacity to meet the new challenge.

Behavior Change is Key

Building the capacity of an NGO involves more than improving technical skills, developing new strategies or revising a mission statement. While these are obviously important, *building capacity means changing behavior*. This requires paying attention to intangible factors, such as attitude, motivation, values, relationships and commitment, all of which underlie an organization's ability to truly affect meaningful and sustainable change.

At the outset, we note that resistance to the need for change is predictable and when it arises should be viewed as a normal part of the process.³ That is why

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[Capacity building is the] process of developing and strengthening the skills, instincts, process and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world.

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NGOs often entrust capacity-building efforts to skilled facilitators who can implement strategies that meet these challenges directly while creating a safe environment in which to do so.

The Multi-Dimensional Nature of Capacity Building: Dynamism and Volatility

Typically, NGOs seek to develop capacity across several dimensions: organizational, technical, financial management and contextual. The first three are relatively straightforward, and capacity-building efforts are largely dedicated to them; the fourth, discussed later in this *Tips*, is often a wild card.

1. *Organizational capacity* is the ability of an NGO to mobilize its resources (human, financial, material) to maximize quality and timeliness of service delivery at the lowest possible cost;
2. *Technical capacity* involves developing state-of-the-art skills, improving knowledge and applying best practices;
3. *Financial management capacity* encompasses the extent to which the systems, procedures and internal controls within an organization offer confidence that funds are judiciously used and properly accounted for.
4. *Context* refers to the complex, dynamic, unpredictable, difficult-to-control, external forces in developing countries. These might include socio-political and economic instability, cultural and environmental variables and the climate for donor funding, among others.

Setting the Stage for Organizational Change

When trying to build the capacity of an NGO operating in a dynamic and changing environment, keeping in mind a few fundamental principles can help set

the stage for successful NGO strengthening:

➤ Clarity and Relevance

Capacity building interventions require focus, direction and linkage to an overall strategy for improving performance. Initial questions include asking:

- *Where are we now? What is our current capacity? How does it affect performance?*
- *Where do we want to go from here? What improvements in existing capacity or new capacities are required?*
- *Is there consensus on these?*
- *Are proposed interventions relevant to identified problems and designed to address the right elements?⁴*

➤ Readiness

NGOs change when the organizational culture recognizes the need for it and has confidence in its ability to do so successfully. As such, an important task of NGO leadership is to:

- *Assess the readiness* of the organization to succeed at the capacity-building process. Ingrained organizational attitudes may include resistance to and/or fear of change, with people defending their own interests and positions. Such concerns will undermine the entire process unless they are addressed in an open, non-threatening manner.
- *Prepare those involved* for the effort and rigor required. Leadership is essential to breaking down barriers, encouraging personal responsibility, promoting shared values and creating a culture that welcomes critical self-reflection and anticipates the need for change.

➤ Realism

Dispelling unrealistic expectations of what capacity-building efforts can achieve is a key task of NGO leadership. Clarifying expectations in the early stages is an essential part of the change process that

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sets the stage for addressing the challenging and often difficult issues that are likely to surface.

► Participation

Employing participatory approaches to capacity building is essential and empowering, ensuring wide input into, and acceptance of, interventions and expected results. Experience has shown that the people who comprise organizations and who benefit from their services know best the challenges they face and how to address them.

However, Dr. Frances Cleaver, author of *Paradoxes of Participation: Questioning Participatory Approaches to Development*, points out the need to balance the equity and empowerment benefits of participation with the need to ensure that clearly-defined objectives and attention to cost efficiencies drive the overall process.⁵

► Rigor

Capacity-building efforts must be closely linked to clearly-defined results, with a view toward sustaining improvements over the long-term. From the start, it is best to build in feedback mechanisms that assess the quality and effectiveness of interventions and their relationship to the ability of the organization to deliver better services. Quantitative and qualitative measures should be employed to evaluate achievements. Then, the findings should be scrupulously applied to ensure relevance and accountability. Discipline, rigor and clear goals are what separate high-performing NGOs from the rest of the pack. The challenge is to maintain this focus long after the “feel-good” phase of the capacity-building effort has passed.

A Note on Context

NGO capacity is often subject to volatile forces over which there is little control. Thus, what often distinguishes outstanding NGOs from their more ordinary counter-

parts is the ability to excel and perform at sustained levels while grappling with the fourth dimension: the *context* in which they operate.

For example, in Latin America donor-supported NGOs built considerable capacity for local governments to provide high-quality, decentralized services, such as maintaining and creating new infrastructure and streamlining procedures for registering new businesses. When several recently-elected national governments there reverted to more centralized approaches to governing, many of these NGOs fell from favor and their highly-trained and qualified staff were often blacklisted and shunned for their political affiliations.

In Africa, years of investment directed to building the capacity of cooperatives and other NGOs was lost during the period of political instability, unspeakable violence and economic decline there (e.g., Liberia, Rwanda, Sierra Leone, Somalia, Uganda, Zimbabwe, among others) during the 1980s and 1990s. Coups, conflict, corruption, vulnerability to global economic forces, social dislocation, natural and man-made disasters—such all-too-common conditions in the developing world—can destabilize the environment for NGOs, reversing many years of capacity-building efforts.

The NGOs most able to withstand and recover from such circumstances are those that can maintain staff and draw on a storehouse of community confidence developed prior to periods of adversity. NGO development is neither a static nor linear process given these dynamic, multi-dimensional external factors.⁶

Monitoring and Evaluating Capacity-Building Efforts

NGOs are typically accountable not only to donors, but governments (national and/or local) communities and beneficia-

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ries. As such, NGOs engage in capacity building not only for the intrinsic value of improved performance, better services and cost control efficiencies, but also to answer high-level demands for concrete evidence that their work serves the public interest. Responsible NGOs seek to address both and view this need for accountability as an important part of their organizational mission.

Rigorous assessment tools must be applied to capacity building if lasting performance improvement is to take place. Monitoring and evaluation (M&E) are an integral part of the process—offering serious opportunities for learning, reflection and refinement—not ancillary activities tacked on to the end of a training program. M&E mechanisms do not need to be overly complicated or expensive, unnecessarily taxing the very systems they seek to strengthen. Instead, donors increasingly demand simple, practical, user-friendly, cost-effective evaluation processes to measure the success of development interventions.

M&E requires a focus on both measuring actual performance improvements resulting from capacity-building efforts (e.g., increased number of beneficiaries served, higher scores on literacy tests, kilometers of roads maintained, expanded crop yields, increased number of new businesses registered), as well as the processes that lead to improved, sustained performance (e.g., changes in organizational governance, building public-private partnerships, greater communications outreach, new ways to mobilize communities). Both quantitative and qualitative assessment tools are necessary to more

fully explore causal linkages between performance and process.

Attributing organizational change and performance improvement to specific capacity-building efforts is a major M&E challenge. Any attempt to establish such causal linkages is subject to the nature and variety of the interventions employed, the many possible explanations for why change has occurred and external factors (political, social, economic) that often have unpredictable effects. In *NGO Capacity Building: The Challenge of Impact Assessment*, Hailey and Rick advocate for the concept of “plausible association” as opposed to direct attribution to accommodate the possibility that capacity-building interventions contribute to, but may not be the sole cause of, change.⁷

Conclusion

As this brief discussion of capacity building key concepts demonstrates, successful organizations are those that can adapt to the unique and constantly changing social, political and economic conditions that tend to be characteristic of developing countries. However, the term tends to be so over-used as to dilute its meaning. Capacity building requires changing behavior and addressing fundamental issues of perceptions, attitude and motivation, crucial underpinnings to delivering relevant, high-quality services on a sustained basis. Opportunities for ongoing reflection and assessment of the effectiveness of capacity-building interventions need to be integrated into the process at every stage.

Capacity building means changing behavior. This involves attention to intangible factors of attitude, motivation, values, relationships and commitment that underlie an organization's ability to truly affect meaningful and sustainable change.

References

- ¹ La Fond, Anne and Brown, Lisanne. *A Guide to Monitoring and Evaluation of Capacity-Building Interventions in the Health Sector of Developing Countries*. [MEASURE Evaluation Manual Series, No. 7](#), 2003.
- ² Edwards, Michael and Hulme, David. *Making a Difference: Scaling-up the Developmental Impact of NGOs—Concepts and Experiences*. From Edwards and Fowler’s [The Earthscan Reader on NGO Management](#). 2008.
- ³ Prominent social psychologist Kurt Lewin (1890-1947) theorized that behavior change in groups and organizations is dependent on the interplay of “driving and restraining forces.” While the need for change may be widely recognized (driving forces), motivation for change may be lacking because of threats to entrenched interests or fear of the unknown (restraining forces). Lewin’s theory is based on the notion that lasting change occurs when beliefs and behaviors arising from restraining forces are “unfrozen” through a facilitated process of challenging and reexamining cherished assumptions. The process of “unfreezing” often creates tensions that are manifested in conflict, dissatisfaction, denial, finger-pointing, avoidance of responsibility, maneuvering and, finally, bargaining and negotiation. It is only at this latter stage that existing behaviors “unfreeze” and new behaviors, which are transformed into driving forces, take root. Smith, M.K. *Kurt Lewin: Groups, Experiential Learning and Action Research*. The Encyclopedia of Informal Education. [Infed Search, an independent and not-for-profit website \(www.infed.org/thinkers/et-lewin.htm\)](#). 2001. Accessed March 22, 2011
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- ⁵ Cleaver, Frances. *Paradoxes of Participation: Questioning Participatory Approaches to Development*. From Edwards and Fowler’s [The Earthscan Reader on NGO Management](#). 2008.
- ⁶ Avina, Jeffrey. *The Evolutionary Life-cycles of Non-governmental Development Organizations*. From Edwards and Fowler’s [The Earthscan Reader on NGO Management](#). 2008.
- ⁷ Hailey, John and James, Rick. *NGO Capacity Building: The Challenge of Impact Assessment*. [Paper presented to the New Directions in Impact Assessment for Development Methods and Practice Conference](#). INTRAC, Oxford. 2003.

For more information:

This NGO Tips brief is available online at www.NGOConnect.Net. This dynamic and interactive site is dedicated to connecting and strengthening non-governmental organizations (NGOs), networks, and support organizations worldwide.

Acknowledgments:

Our thanks to Lee Rosner of FHI 360, whose experience and insights shaped this publication.

Funding for this publication was provided by the U.S. Agency for International Development, Office of Development Partners under the Capable Partners Program. CAP, implemented by FHI 360 in partnership with MSI, is responsible for managing this publication. Its contents do not necessarily reflect the views of USAID or the U.S. Government.

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