**CAPACITY BUILDING
Models & Definitions**

This training handbook has been created in the frame of a European project called Proact, Leonardo Transfer of Innovation gathering 5 countries. It aims at developing and promoting acquisition of knowledge and key labour competences for employees, volunteers and managers in non-profit sector in order to teach them how through better management promote their organisation.

To achieve this goal, the project will adapt, improve and transfer the methodology of organisational capacity-building carried out by Ifaid Aquitaine

The first step of this methodology is the organisational assessment. This step is very important and the heart of the organisational capacity-building.

This handbook provides theorical concepts of:

- organisational capacity-building

- and organisational assessment.

It also provides different models of organisations.

What is Capacity Building?

Organisational capacity-building is a conscious intervention to improve an organisation's effectiveness and sustainability in relation to its mission and help it continuously adapt to contextual changes.

The Purpose of Capacity Building

To address the internal weaknesses that NGOs experience and to build on their strengths

To help NGOs adjust to the rapidly changing external environment

To ensure that programme performance leads to impact at beneficiary level, and that the mission of the organisation is achieved effectively.

Capacity building of organisational members: to increase their technical expertise as well as their analytical and strategic understanding

Capacity building of the organisation as a whole: to improve its ways of working (strategy development and implementation, leadership development, team

CB as a means: strengthen an organisation's ability to carry our specific activities

CB as an end: strengthen an organisation's ability to survive, become self-sustainable and empowered to fulfil its purpose

Capacity building by whom?

Training institutes, research institutes, non-profit and private consultancies, umbrella organisations, peer networks, organisational learning/ human resource departments, donors,   institutions, international NGOs, NGO support organisations

Ideally, the facilitation of a CB process takes place in an organisation with existing capacities that it wishes to further develop

Consequently, capacity is built by the organisation itself, with the assistance of an external facilitator
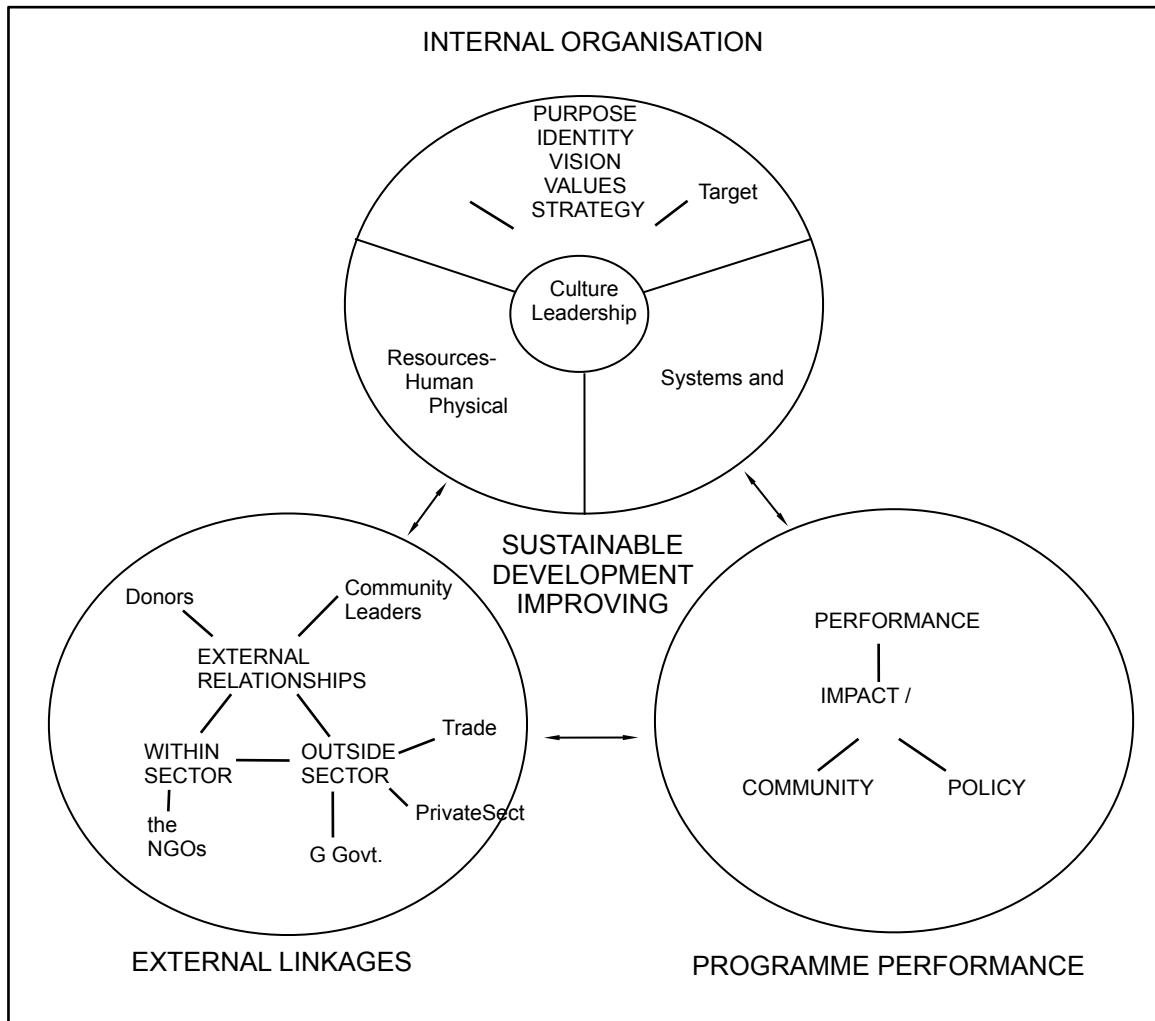
Capacity building of whom?

- Civil society organisations: INGOs, NGO networks, NGOs, CBOs

- Other development actors: public institutions, research institutes, trade unions, private businesses

The Three Circle Model

The three circles represent the key elements of organisational capacity: programme activities, internal organisational dynamics, external relations

The circles are located within the wider context of the organisation

INTERNAL ORGANISATION

PURPOSE
IDENTITY
VISION
VALUES
STRATEGY

Target

Culture
Leadership

Resources-
Human
Physical

Systems and

SUSTAINABLE
DEVELOPMENT
IMPROVING

Donors

Community
Leaders

EXTERNAL
RELATIONSHIPS

WITHIN
SECTOR

OUTSIDE
SECTOR

Trade

the
NGOs

G Govt.

PrivateSect

EXTERNAL LINKAGES

PERFORMANCE

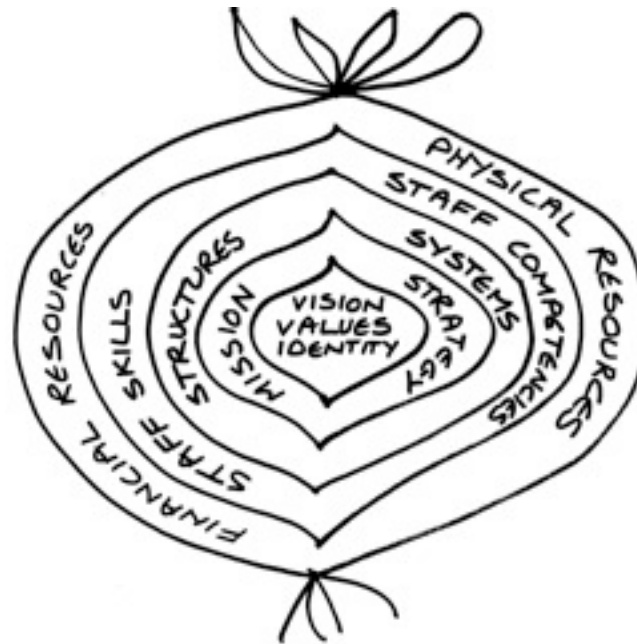IMPACT /

COMMUNITY

POLICY

PROGRAMME PERFORMANCE

The Onion Model

A detailed image of the "to be" circle in the three circles (the internal organisation)

Represents the different layers of the organisation

The Onion Skin model represents a cross-section through the 'To Be' circle of the 3-Circle model.

The outside and most visible layer of the onion represents the physical and financial resources that an organisation needs – the money, the buildings, the vehicles and equipment. Inside that layer are the human skills and knowledge required to carry out the organisation's work – the individual staff competencies and abilities. Within that are the structures and systems (such as monitoring and evaluation, HR, IT, fundraising and financial management systems) needed to make the organisation work. Getting closer to the centre are the mission and strategy of the organisation – what it wants to achieve and how it plans to do so.
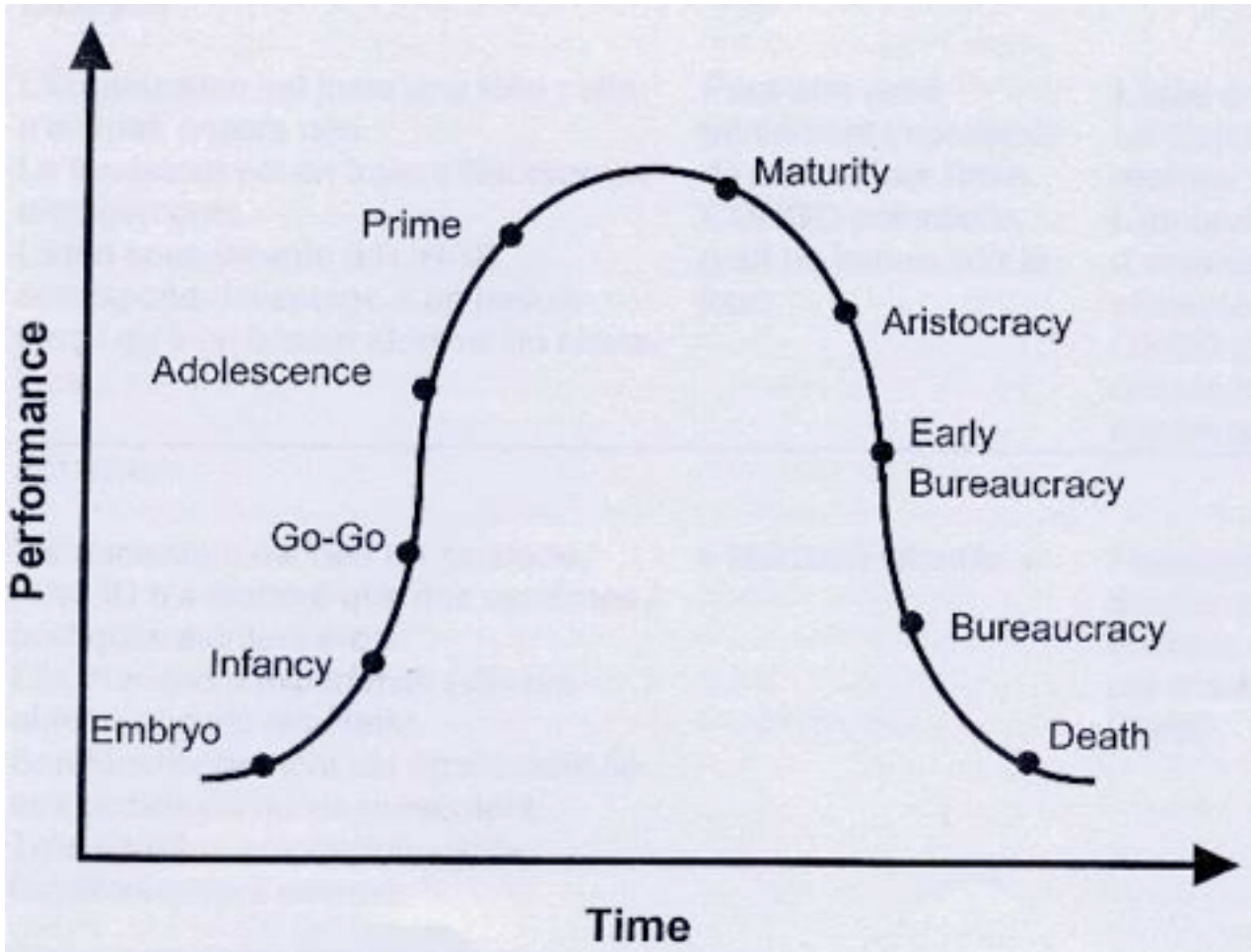
Finally – right at the centre – lies the heart of the organisation: its identity, values, and its vision of the future world it is trying to shape.

This model is based on the ideas that there is a need for coherence and consistency between the different layers and that any changes in one layer are likely to have implications for the other layers. The Onion Skin model also emphasises the importance of ensuring that the heart of the organisation is sound before embarking on a capacity-building process aimed at the other layers.

Remember: "The onion grows (and rots) from the heart"

Model of Life Cycle of an organisation
from works of Management Institute of Manitoba

Stages & characteristics	Problems	Solutions
Embryo		
The organization is just an idea, born. The founder is preparing commitments. The underlying idea of the NGO is more a perceived need to a need identified at the local level.	Perhaps it is completely impossible to achieve the idea. The potential NGOs can never see the day.	The idea must cope with realities. The embryonic organization is powered by NGOs and donors
Infancy		
The organization was born. At this point, l'ONG has developed only basic political systems. It lacks of experience. Its operation is closely related to opportunities that arise. Very sensitive to changes of the external environment.	"Infant mortality"	Funding Support brought by the NGOs
Go - Go		

Stages & characteristics	Problems	Solutions
The NGO sees many opportunities of diversification but has very little experience in matter of priorities. Communication is good. Everyone knows what the others are doing.

Each person shares responsibility with other. This step strongly supports the participation of all. | Can be a trap where sinks the founder: he stifles the new organization by an excess of " love "and prevents it to live its own life in an independant way. Risk : diversify too early its activities and to be overwhelmed. May engage in unrealistic projects that the organization is not able to implement. | Share responsibilities with other members Learn to identify priorities |
| **Adolescence** | | |
| The stage of change. This can take the form of a renaissance excluding founders. The changes can occur in the head of the organization and affect its culture. The emphasis is on developing Administrative systems requiring different skills and recruitment of new staff. The founders may tend to "buy" member engagement, which can cause a line break between the members. Conflicts may arise between the "old" and "new" members. | Rebellion against the founders. Premature aging. Internal conflict, Doubts concerning how the organization can work | Reenergizing the members. Institutionalize a set procedures. Promote open ways of communication for issues which must be immediately investigated. |

Stages & characteristics	Problems	Solutions
Prime		
Prevalence of goals. The organization is highly focused on results. The organization knows how to control, is flexible and takes its responsibilities. His vision and creativity are reflected in all initiatives. The strategic approach is strong: the organization knows what it is doing, where it is going and how to get there.	Risk : to focus on internal problems. Internal conflict. Weakening commitments. Interest declines. Doubts can emerge about what are the priorities for the organization.	Decentralize the process of decision Diversify activities, if necessary. Focusing on the human Development
Maturity		
Still solid, but flexibility and creativity begin to weaken. Take fewer risks and resist more and more to changes. Encourages insufficiently its members to reflect the vision of the organization. New ideas do not raise enthusiasm. Growth prospects are weak. Begins to focus on the results obtained in the past instead of developing projects for coming years. End of the growing season and the beginning of the decline	Lack of vision	Renewal of the vision

Stages & characteristics	Problems	Solutions
Aristocracy		
A larger part of the budget is devoted to administrative control systems. The emphasis is put on how things are done, rather than on the choices made or the reasons for these choice. Few innovations internally. Decline of the results Formalism versus organization's functions	Stagnation	The disruption is triggered from outside
Early-bureaucracy		
Many difficulties : focused on internal conflicts,instead of solving the (s) problem (s) on research (s) (s) responsible. Members do not feel responsible for what happens. Decline results. The priority is not given to growth but to the survival of the organization or the personal interests of individuals.	Lack of credibility at a local level Searching of «black sheeps»	An external consultant can make a deep analysis of all aspects of the organization. It may be necessary to exclude the older members of the staff
Bureaucracy		
Nothing great is achieved. Dissociates of environment and focuses mainly on itself. Hinders access of outsiders (including local executives). The only systems that remain are the rules and administrative regulations. Members know the rules but don't remember anylonger why they exist.	No activity Paperwork	At this point, perhaps the death is the best solution.

Stages & characteristics	Problems	Solutions
Death		
The organization expires (in pain if members are not prepared to do something else)	Can not accept the idea that death is certain.	Plan a farewell ceremony and organize mourn

Organisational Assessment

Effectiveness - ability to achieve its programme and strategic goals

Health - general condition in terms of well functioning structures and systems

Resilience - ability to recover quickly from setbacks and adapt to changes without compromising its overall purpose or identity

How can Organisational Assessment (OA) be used?

Taking a holistic approach to OA, i.e. looking at the whole organisation and how the different parts inter-relate, makes it easier to decide how the organisation should develop.

If carried out in a participatory way, OA can itself be used to build capacity: by stimulating reflection, learning and dialogue, new and old problems and their causes, as well as opportunities, are examined and ideas for addressing them generated.

OA can be used as a monitoring framework for the organisation to measure its progress and development over time.

The results of an OA can constitute a good basis for seeking funding for organisational development

OA can help an organisation take charge of its own development (e,g, through guided/supported self-assessment), and start a process of on-going organisational reflection

Questions to consider

Motivation:

- Who commissioned the OA? Why was OA commissioned?

- Who are the stakeholders, and what are their reasons for supporting/opposing the OA?

- How great is the commitment to the OA of the leading forces in the organisation?

Clarify Purpose:

Accountability or learning motive?

What are the specific objectives?

Develop Approach:

Obtain understanding of organisational mental model and ways of working

Clarify concerns of different groupings in the organisation as well as issues/risks/tensions

Design the overall approach (tailor it to the client´s/organisation´s needs, select tools, design process, budget time and costs)

Design Approach:

Prioritisation of the most important areas to be addressed: choice of indicators/questions to be asked, prioritise organisational aspects to guide further investigation and analysis

Decide on how information gathered and analysed will be used and communicated

Issues to Address During the Process:

• Ownership

• Timing

• The project trap

• Contextualisation:

 - situate the OA exercise in the pattern of events

 - adapt selected diagnostic frameworks

Tools and Methodology

• Situational Analysis

• SWOT: strengths, weaknesses (internal), opportunities, threats (external)

• Capacity Assessment

• Using the Three Circles (e.g. the WWF OA tool)

Guided self-assessment

Helps organisations recognise their own potential and decide for themselves how to best address the challenges they face.

The self-assessment process alows to :

- Identify capacity needs

- Envision future strong capacities

- Generate capacity indicators

- Formulate an action plan and strategy

- The participants will identify the priority capacities to be strengthened in order to improve the effectiveness and sustainability of their activities and of their organisations as a whole.

- For each of these capacity needs, participants formulate their own indicators to be used to evaluate the organisation's current capacity and to monitor progress over time. The process of identifying and prioritizing capacity needs and generating indicators is as important as the indicators themselves.

  It can strengthen the participants' analytical skills and contribute to creating a culture of learning within the organisation.

- Guided self-assessment is based on the principle that on-going self-assessment and learning is integral to being a learning organisation.

- The true value of guided self-assessment is its potential to stimulate more systematic and on-going organisational reflection and development.

- The challenge is to move from learning to action. This relies heavily on the motivation of the organisation's leaders and their ability to foster a strong commitment to change among the organisation's staff and members.

Organisational Development and Change
Organic and emerging

Organisations as complex adaptive systems

Complexity: multiple relationships and interactions

Adaptation: an evolutionary process which can be influenced but not controlled (intended and unintended consequences)

Organisational evolution

- The Life-Cycle Model

- The Organisational Time Line change

Planned change:

- Appreciative inquiry: a process for developing a collective positive vision of the organisation's future

- Beckard and Harris´"Standard Model": a simple tool for strategic planning

- where are we now ?

- where do we want to be ?

- how do we get there ?

Pressures for change:

• Internal pressures (restraining or promoting): e.g. demotivated staff, group development of innovative ideas, leadership change

• External pressures (restraining or promoting factors): e.g. withdrawal of funding or new grants, societal changes (political, economic, social), changing beneficiary needs

Analytical capacity

Observe and critically reflect on the internal and external context

Understand patterns, dynamics, relationships

Identify reasons for success and failure

Think differently, develop new ideas

Adaptive capacity

• Anticipate and respond proactively to changing circumstances

• Use understanding obtained through analysis to adjust actions strategically

• Draw lessons from changed actions and integrate them into a future cycle of analysis and adaptation

Organisations with strong or weak analytical and adaptive capacity :

• Short or long-term thinking

• Reactive or proactive behaviour

• Rigid or flexible organisation

• Understanding of organisational dynamics: partial and static or systemic and dynamic

-> Struggle for survival or empowered actor

Organisational Development
Interventions Diagnostic activities and survey-feedback exercises

Individual level: coaching and councelling, life and career planning, education and training

Group level: team-building and inter-group activities (e.g. for conflict resolution)

Organisational level: structural and systems changes, changing ways of working

Process consultation (can take place at all levels)

Leadership Development

Distinction between leadership, management, and governance roles and responsibilities

Centralised versus decentralised, more collective forms of leadership

Team Building

Develop understanding of existing group dynamics in the organisation, and build new groups around projects and processes in the organisation

Recognise that different personalities have different ways of working and engaging in the organisation, and turn these differences into organisational strengths (e.g. using personality test such as Belbin)

Evolving Responses to Change

Denial

Awareness

Confusion

Acceptance

Testing

Searching

Integration

Renewal

Anticipating and minimising resistance to the change process:

Involve staff and the principal stakeholders early

Develop an understanding of the need for change, and seek allies that are committed to supporting the process

Encourage honest dialogue, seek support and guidance

Address fears, turn perceptions of threats into opportunities

Web sites :

www.capacity.org : focused on cooperation with the South

http://www.12manage.com/index_fr.html : explication of more than 400 methods of management & theories of organisations

www.idrc.ca/fr/ev-8958-201-1-DO_TOPIC.html: "Improve the organisational performance ", Self assessment (CRDI – Canada)

http://tilz.tearfund.org" : AUTOCAP" tool (self assessment)/ Tearfund (UK)

www.intrac.org, in particular : http://www.intrac.org/pages/praxis_french.html

ANNEXES

Criteria for partner selection
(adapted from HI CB guide)

- Implemented activities and projects: history and previous experiences of cooperation

- Size (in terms of human, financial and physical resources)

- Legitimacy and credibility: level of member satisfaction and representation, credibility among stakeholders

- Relationships : links with influential people in the community, representatives of influential institutions (public, private, non-governmental, the media)

- Type of organisation: identity (vision, ambitions, motivation, organisational culture), mission, internal structures, systems, processes, ways of working, staff (paid and volunteer staff)

- Commitment to organisational change and development, capacity to learn and evolve [to analyse and adapt]

- Impact on target groups or beneficiaries

- Efficiency and effectiveness: strategy development and implementation, quality of performance

- Informal contacts/ personal relationships

- Capacity to take initiatives and negotiate

- Transparency : clear internal and external communication, transparent decision-making process, honest reporting

- Compatibility with potential partner: shared values, vision, development approach

- Willingness to participate in and share ownership of the partnership

EXAMPLE of HANDICAP INTERNATIONAL :

Handicap International : the ideal partnership (partnership guide) :

- An ideal partnership is an equal relationship between two organisations
- All actors involved have made a conscious choice to participate in and identify with the relationship.
- Each partner is independent to a certain extent
- The objectives and the terms of the relationship are negotiated by the two partners, and the purpose of the partnership is agreed on.
- The two partners complement each other, and the relationship is characterised by mutual exchange (the principal of interdependence)
- The relationship is based on trust, respect, reciprocity and commitment
- The relationship is long-term and evolving
- Project design, implementation and evaluation is carried out jointly
- Power and decision-making are shared
- Roles and responsibilities are shared or delegated openly, based on a negotiated agreement

Coordination Sud (French NGDO network): 9 quality criteria :

- Convergence of project goals
- Implementation strategy is developed jointly
- Both partners are involved in the project implementation
- Agreement on the distribution of roles and responsibilities (for activities and resource provision)
- Complementary competencies and means
- Reciprocity
- Long-term relationship
- Human relationships of high quality
- Transparency (regular communication, honest reporting)

Save the Children UK : partnership principles

- convergence of missions, values and principles of implementation
- effectiveness
- responsibility
- transparency
- reciprocity (equality of commitments, recognition of the contribution by each partner)
- no hidden agendas (clearly expressed motivations and objectives)
- sustainability
- minimise expectations of the partner (Nord->South)
- optimise the core competencies
- establish a partnership calender

The workshop of trainers (Lisbon, April 2013)

«**What is a healthy organisation?»** (answers of participants)

- with a set of rules (constitution (memorandum article), articles, « status »...)
- Mission(s)
- Transparency (financial) → annual report
- Official registration
- Strategy goal / planning
- Conscious of their capacities
- Governance (good)
- Management accounting (gestion financière)
- Financial planning (expected)
- Having cash flow
- Incoming / expenditures
- Different skills, different peoples, ages
- not relying on one person
- « people happy » / desire
- Good relationship with bank (a miracle for Bill)
- Borrow money (Capacité d'emprunt / loan capacity)
- Grant schemes
- Good reputation with other community org (NGOs, private entrreprises, local authorities, bank, networks, voluntary org, other org...)
- NETWORKS
- not isolated organisation
- insurances, public liability
- quality standards (ISO, environmental...)
- evaluation process / assessment
- external communication system (website, brochure...)
- internal communication / methods of communication (système d'information en FR)
- CRM (customer relationship management)
- Etude de marché / market awarnesss, understanding
- Analysis of the target group
- open to new ideas / to change
- Good Human ressources management
- modèle économique (business plan or action plan: it's global) Business plan is more focused on financial methods. Action plan: already start to find solutions; a further stage