LOGISTICS CLUSTER
FIELD-BASED PREPAREDNESS PROJECT (FBPP)
Fundamentals of Institutional Capacity Strengthening

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Who is this document for?	Anyone interested in understanding the principles underlying the FBPP's Institutional Capacity Strengthening approach.
What does it contain?	An introduction to the core concepts, principles and tools that underpin and guide the FBPP's approach to operationalising sustainable Institutional Capacity Strengthening (ICS) through its country-level support to key actors operating in the national Humanitarian Supply Chain & Logistics (HSC&L) preparedness context.
Where can I find a softcopy?	https://logcluster.org/document/fbpp-ics-capacity-strengthening-fundamentals

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Fundamentals of Institutional Capacity Strengthening

What is Capacity Strengthening?

Capacity strengthening is about enabling **transformations** that empower individuals, leaders, organisations and societies to enact change that is generated, guided and sustained by those whom it is meant to benefit. If it does not do this, it cannot be said to have enhanced capacity, even if it has served a valid development purpose[1].

Capacity strengthening can take place in many different spaces. It can be offered at the **household or community level** to support people in better meeting their own needs or it can be offered at the **institutional level** to support people in better meeting the needs of others, through better provision of effective systems and services. FBPP provides capacity strengthening at the *institutional* level to support sustainable localisation of humanitarian supply chain and logistics (HSC&L) capacities.

A brief history

Institutional capacity strengthening (ICS) was born over 70 years ago and was called ***Capacity Building*** (or ***Technical Assistance***). It emerged as a technical process, from North to South, to address national capacity destruction or capacity flight caused by crisis and conflict situations.

Yet capacity ***building*** rarely left behind sustainable, long-term change. Motivation for engagement and objectives were generally externally driven, engagement was typically of short duration, and contextual understanding and stakeholder needs, and participation were not prioritised.

By the 1990s, practitioners had begun to appreciate that *capacities must grow from within systems,* and that while capacity building provided by external parties could yield some results, external parties could not spearhead the internal development process itself.

Today, even though views on what makes ICS effective have changed, some practices (and practitioners) have not.

Why is ICS so difficult?

Unlike capacity strengthening that targets individuals at the household or community level, which aims to meet a specific, immediate requirement that those individuals might have, *institutional* capacity strengthening – or ICS – is about ***enabling change within systems and services so they can autonomously adapt and meet their own targets*** over time generally to the benefit of the wider population as a whole.

Systems and services are by their very nature complex and dynamic. Changing how systems perform hinges on the capacities of individuals, their organisations and enabling environments to transform to reach shared objectives.

However, catalysing such processes is challenging. There is a need for more **strategic and conceptual clarity** around critical concepts, including:

- The complexity of system behaviours.
- The importance of defining clear objectives.
- The nature of sustainability and capacity change.

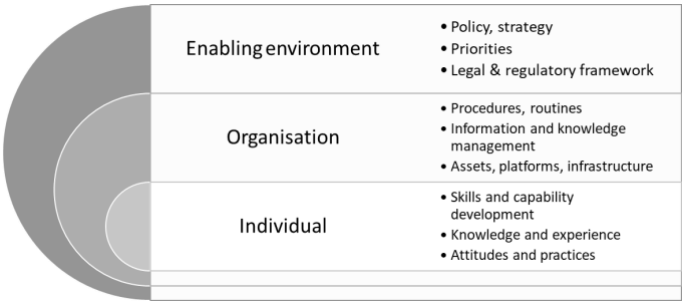
There is also a need for more **operational clarity** on:

- How to establish institutional capacity baselines.
- How to identify the right entry points for support.
- How to ensure and measure sustainability of results.
- How to document and report on progress.
- How to define what resources are required.

Complex systems

Well-functioning systems depend on *different* capacities being able to *adapt* to contexts and circumstances and *work together smoothly* in a reliable and predictable manner. These capacities often reside in different people, in different locations and at different levels.

For this to happen, a supportive **political** and regulatory domain, a well-functioning **organisational** domain with operational infrastructure, and a critical mass of appropriately skilled **people** are vital.



[1] Capacity Development: A UNDP Primer (2009), available here.

Achieving optimal performance therefore requires transforming the capacities of *both* individuals *and* organisations – often simultaneously – with a view to gradually shifting societal capacities (including, among other things, addressing preconceptions, beliefs and expectations in and across the larger society around who should be doing what when it comes to preparedness, prevention and emergency response).

Efforts that acknowledge the complexity of – and **interdependencies** across – capacities and domains will likely be more effective than those that do not.

In this regard, single interventions that focus on a specific capacity element only are unlikely to make a significant difference unless they impact a key leverage point that can shift an entire system's behaviour.

ICS objectives

Effective ICS interventions must always work towards **two** complementary and inter-dependent objectives.

1. **Growth** refers to the increased capacity of stakeholders to do things on their own over time. It is expressed as a sustained change in desired and relevant stakeholder **behaviours and practices**.
2. **Results** are measurable project or programme outcomes that stakeholders are able to achieve as a consequence of their growth. Short-term results can be achieved by external players, but they are rarely sustainable.

Growth drives sustainability and ownership of results. However, in all cases, these elements must be underpinned by a clear recognition of benefit to be achieved from engaging in the capacity strengthening process.

Stakeholder **growth** also refers to an increased ability of key humanitarian supply chain and logistics (**HSC&L**) actors to:

- Change current HSC&L behaviours and practices to better respond to **anticipated** changes in contexts and forecasted stakeholder needs.
- **Absorb** unexpected shocks to HSC&L mechanisms through proper contingency planning and to quickly return to pre-shock performance levels.
- Incrementally **adapt** institutional HSC&L behaviours and practices to evolving needs.
- **Transform** HSC&L behaviours and practices through continuous improvement through research, development and innovation.

Stakeholder anticipatory, absorptive, adaptive, and transformative capacities are measures of **systemic resilience** and their development needs to play a central role in any effective ICS intervention.

Sustainability of capacity change

What makes changes in capacities "stick" over time? Embedding changes in daily behaviours and practices and "backstopping" them at all levels through various mechanisms can support the **institutionalisation** of enhanced capacities.

How is this done? It is important to recognise and understand the differences between the phases of the capacity transformation process. These phases include establishing stakeholder **demand** for ICS support, capacity **creation**, **retention**, **availability**, **modernisation** and **institutionalisation** (though not always in this order, and often in parallel).

The first – and most essential – phase, refers to **determining stakeholder demand** for ICS support and relies on the premise that *stakeholder motivation to engage in ICS must be demand-driven, and capacity needs, objectives and expectations must be jointly defined and documented.* Generally, stakeholder ownership, buy-in and long-term commitment to ICS processes emerge when the ICS speaks to the stakeholder's own long-term, value-driven targets, whose achievement requires them to have specific capacities.

Capacity **creation** is the phase through which *people acquire new skills and capabilities,* through targeted capacity strengthening activities (e.g. on-the-job training, workshops, seminars, events, etc). It does not mean these skills will be used to achieve a specific result; but having them is a key step for this to happen. Importantly, if the capacity transformation process stops with capacity creation, then both individuals and organisations risk losing the capacity acquired, even quite quickly, as time goes by.

Capacity **retention** is the phase through which *opportunities are created for people to use the new skillsets in their daily realities,* and it has meaning for both individuals and organisations. For people to retain capacity, using it regularly is essential – or it fades due to lack of relevance; for organisations to retain capacity, they need to ensure the need for specific capacities is formally acknowledged, valued and compensated, and reflected in human resource policies and practices, including individual performance assessment mechanisms. If this is not done, organisations become vulnerable to low motivation and disillusionment among staff, "brain drain" and high staff

turnover. Retention is therefore essential for the sustainability and longevity of organisational change.

Capacity **availability** is the phase through which *organisations ensure they have enough skilled staff to meet current and forecast organisational needs*. If this is not done, organisations become vulnerable to "single supplier"-type dependencies and dynamics and/or inability to meet organisational demands, which can have costly financial and operational consequences.

Capacity **modernisation** is the phase through which *organisations ensure internal capabilities remain aligned with emerging contexts, needs and innovations*. This is important because as the external environments in which organisations operate evolve, so to do the capacities required to effectively interact within them, to maintain organisational comparative advantage, strategic and operational niche.

Capacity **institutionalisation** is the phase through which *organisations achieve and sustain improved performance by themselves because the new behaviours and practices become part of their regular way of working*. This is the goal of ICS –i.e., to enable organisations to autonomously achieve their targets and objectives consistently, over time, without (or with little) external assistance. Thus, ownership and internalisation of capacities are essential.

For a more detailed description of each phase, see **Capacity Transformation**.

Handling complexity

Complex systems take on dynamics of their own. It can be hard to know **where** to intervene, **what** to influence and **how** to do so sustainably.

Many players take the "easy" way out and focus on capacity creation within people through singular time-bound actions (e.g. trainings, assets). Yet, single interventions are insufficient to shift systemic behaviours. So, what to do?

Bundle and unpack the system. Critical and similar system capacities can be grouped into easily **recognisable bundles**. This facilitates (and systematises) the process of assessing and identifying weaknesses and practical entry-points across the multiple, interdependent domains of the ecosystem.

In this way, the right actions can be identified for the right needs, and the capacity transformation process can be actively supported. But how?

Purpose and process

Defining purpose: The Capacity Outcome Statement (COS)

Complex systems perform many different functions. Agreement between enabling partners and key stakeholders on clear capacity strengthening outcomes is essential to ensuring the **right** functions are addressed.

A **capacity outcome statement (COS)** clearly states:

- **Whose** capacities are being supported.
- **Which** of their many capacities are being targeted.
- **Why** those capacities specifically are being supported (i.e. to achieve what?).

A standard formulation can be useful:

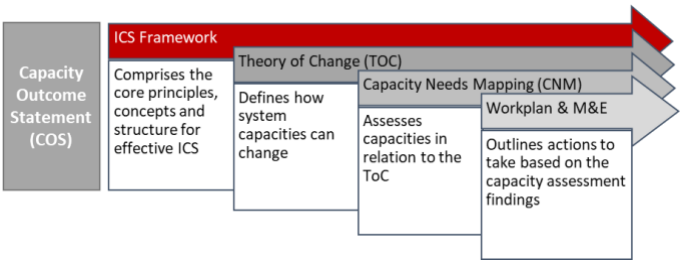
- Enhanced capacities of [**whose capacities**] to effectively [**achieve what**] as a result of [**which capacities**].

A **COS** contains key words (**qualifiers**) that highlight and anchor important expectations of the capacities. These qualifiers define ***what*** (results) the capacities need to achieve as well as ***how*** (growth) they should do so. For example:

> *Enhanced capacities of local humanitarian actors to effectively deliver timely and appropriate emergency response services nationally and in neighbouring countries as required, as a result of strengthened coordination and more coherent operational supply chain and logistics behaviours and practices that are systematically informed by comprehensive and accurate real-time data and information on population and sector needs, roles and capacities.*

See the **Capacity Outcome Statement** guidance document for more information.

Defining process: The ICS Framework



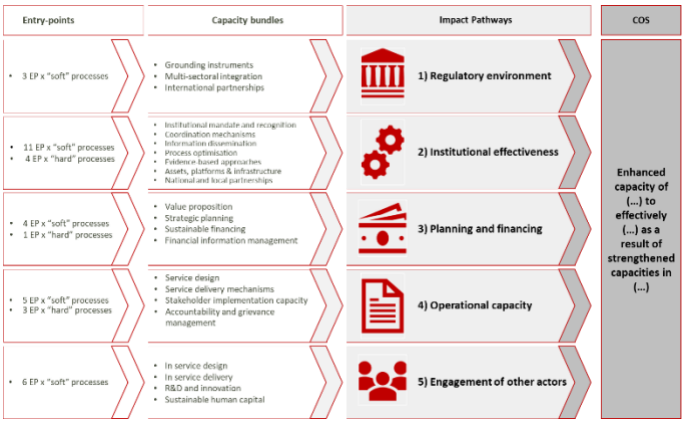
The ICS Framework is the conceptual model that underpins the strategy and operational tools used to put institutional CS support into practice, and is articulated through the Theory of Change (ToC). *Together with* the **core principles** (see below) and **fundamental concepts and definitions**, the ToC is the pillar on which the approach rests.

The ICS Framework also:

- Defines what the ToC elements **relate to** in real life, when pursuing the COS.
- Makes it easier to put a coherent systems-strengthening approach **into practice.**
- Articulates a comprehensive and considered programme **rationale.**
- Offers a change process **monitoring** framework.
- Supports systematic and structured documentation and **reporting.**

In addition to laying out the core concepts and principles that are essential to effective ICS, the framework also unpacks complex institutional systems into five **pathways** of engagement.

Each pathway is further "unpacked" into **capacity bundles** that are critical for that pathway's optimal performance, and each capacity bundle suggests one or more specific capacity strengthening **entry-points** that ICS practitioners and key stakeholders can consider and jointly prioritise as areas to work on.



How these entry-points are addressed will depend on current stakeholder capacities, resources and demand. In all cases, each entry-point or activity, in order to be considered successfully completed from a *sustainable capacity strengthening perspective*, needs to progress along a sequence of specific **process milestones**.

Each process milestone is associated with specific **outcome and output indicators** to help track progress and support longer-term assessment of capacity change. When performance across all capacity bundles improves, performance across pathways improves. Enhanced performance across all pathways contributes to enhanced performance of the system as a whole.

Unpacking a complex system this way helps identify specific capacity assets and gaps and define appropriate and targeted capacity strengthening support.

The interaction between the three tools (ToC, CNM, Workplan), and the underlying elements (pathways, capacity bundles, entry-points, process milestones, indicators) is described in the Framework Overview document.

The Theory of Change (ToC)

The **Theory of Change** (**ToC**) for ICS elaborates on the **capacity change process** required to make progress towards the COS, in line with the overarching ICS framework**.** It labels the different elements of the process and lays out the **causal relationships** across the elements. This helps ensure coherence between intervention and achievements and helps manage expectations in complex conditions.

The ToC model acknowledges complexity and interdependency. For ICS processes it defines the:

- Desired objective or outcome.
- Primary impact pathways.
- Necessary preconditions.
- Essential behaviours and practices.
- Critical functional and technical capacities.

Assessing Contribution to Change

One of the biggest challenges affecting capacity strengthening is that of documenting, measuring and describing changes in capacity levels and clarifying the role and contribution that specific capacity strengthening interventions may (or may not) have played in triggering and supporting those changes.

An ICS engagement that is stakeholder driven and validated becomes even more robust, credible and measurable if the rationale of the intervention is grounded in a solid *Theory of Change* and the *Framework for System Capacities* is used to systematise and guide, in a participatory manner, intervention design.

How do we track this? Establishing clarity around the desired capacity outcomes (whose growth and which results apply) and beginning with a comprehensive capacity assessment to establish a baseline are essential. Then the systematic monitoring of the growth process (process monitoring) and the collection of appropriate results indicators will help elaborate and support later statements around the intervention's contribution to change and results.

Still, there are two key factors that will inform how much a specific capacity strengthening intervention – even at its most effective – is likely to contribute to stakeholders achieving their desired results. These are:

1. How **relevant** is the change in behaviour emerging from the capacity strengthening intervention to achieving the desired result? If relevance is very high, contribution is more likely; if relevance is relatively low, contribution may be marginal. For example: acquiring knowledge of the principles of supply chain optimisation and the capacity to undertake multi-sectoral policy revision is *less relevant* to ensuring proper fleet management than acquiring skills in vehicle tracking and maintenance is, but becomes *more relevant* if the objective is ultimately to guide national supply chain policy reform.
2. The **proximity** between the people receiving the capacity strengthening support and the individuals who will undertake the actions leading to improved performance and achievement of results. If they are close, the contribution of the capacity strengthening is likely to be higher than if they are not.

Core Principles

Rigour in the design and implementation of ICS interventions is critical. The following principles must also be adhered to if the capacity strengthening effort is to be effective:

Partnerships: Establishing positive, equitable partnerships – including beyond and across sectors and areas of expertise – are critical to effective ICS, particularly when circumstances might

suggest power and knowledge differentials between the ICS practitioner(s) and the stakeholder(s); and between the different stakeholders within the partnership.

Ownership: ICS cannot be imposed from the outside; stakeholder engagement – and preferably leadership – and consensus on approach are the most critical elements of ICS. Having this facilitates constructive approaches to reaching capacity goals and achieving sustainable results.

Recognition: Identifying and recognising existing capacity assets is critical to effective ICS; if interventions do not build on the existing capacities, the integrity of development achievements can be compromised (UNDP 2009).

Trust: The relationships established based on mutual trust and commitment are more important to the long-term success of ICS initiatives than the plans themselves.

Time: ICS requires time, commitment, investment and patience on all sides, flexibility to recognise changing needs over time and acceptance of its complexity.

Partnerships and roles

Partnerships and the roles they define can vary greatly, particularly as responsibilities for stakeholder growth and results shift between the two parties.

All parties involved in an ICS engagement must have a clear and shared understanding of what roles prevail at any given time during the process. Roles may change over time, and changes may not be linear nor fixed.

Under the FBPP, where stakeholder capacities are less developed at the outset of the ICS engagement, the FBPP role may focus on supporting actors in addressing immediate bottlenecks and capacity creation needs, but as stakeholder capacities are strengthened, the FBPP may shift to supporting stakeholders in leading the institutionalisation of new behaviours and practices that sustain organisational and regulatory growth.

In all cases, enablers must be ready to relinquish (or take back) responsibility for results as stakeholders are ready to assume it (or relinquish it).

The ICS Practitioner or 'enabler' role

Not all organisations or individuals are ready (and able) to be effective "enablers". To be effective enablers, organisations or individuals must be able to:

- **Perform the function** in question in an effective, replicable, legitimate and credible manner.
- **Externalise their knowledge** by packaging it in an understandable and context-sensitive way.
- **Transfer their knowledge to others** through appropriate and effective actions.
- **Institutionalise** knowledge through the capacity transformation process.
- **Evolve** in their own identity to reflect the changing nature of the partnership.
- **Relinquish** control and accountability for specific results.

Each can be done in different ways, and will require different skills, approaches and professional profiles.

Where to from here?

When there is explicit stakeholder demand for ICS support, a clear 9-step Roadmap can help operationalise all the above, to ensure – as much as possible – that the original partnership objectives are achieved and sustainably institutionalised.

The 9 essential steps for the ICS practitioner are to:

1. Familiarise with the ICS framework.
2. Map key stakeholders, partners and other actors for engagement in ICS discussions and decision-making.
3. Engage with stakeholders and partners to socialise the ICS approach, secure and formalise stakeholder commitment and buy-in.
4. Draft a Capacity Outcome Statement (COS) after stakeholder discussions and share for stakeholder dialogue and validation.
5. Decide if a Capacity Needs Mapping (CNM) (baseline exercise) is required and engage stakeholders to socialise the CNM process.
6. Preliminarily complete the CNM using available information and knowledge, bilateral discussions, interviews, etc.
7. Engage key stakeholders to complete and validate the CNM and identify key areas for ICS support.
8. Prioritise entry-points for ICS support and draft an ICS Strategy for stakeholder review and validation.
9. Articulate multi-year work-plan for stakeholder validation and approval.