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PAPER SERIES ON CAPACITY AND CAPACITY STRENGTHENING

Inquiry 2: Determining Existing Capacity

INTRODUCTION TO THIS PAPER SERIES

USAID is committed to partnering with countries along their Journeys to Self-Reliance, as reflected in [USAID's Policy Framework](#). *Self-reliance* refers to a country's capacity to plan, finance, and implement solutions to local development challenges, and a commitment to see these through effectively, inclusively, and with accountability.¹ The [Self-Reliance Learning Agenda \(SRLA\)](#) contributes to a broader understanding of self-reliance and aid effectiveness, and addresses critical knowledge gaps.

The papers in this series summarize a landscape analysis² conducted by USAID to better understand how existing evidence can contribute to addressing the [SRLA learning questions](#). Initiated during the developmental stages of the SRLA, the aim of this landscape analysis was to conduct an extemporaneous and iterative examination of how concepts related to self-reliance are discussed in existing international development literature.

Capacity and capacity strengthening quickly emerged as complex and contested terms, prompting the four inquiries examined in this series of papers:

- Inquiry 1:** What are the different perspectives that development practitioners have on organizational capacity?
- Inquiry 2:** How do development practitioners determine what capacity already exists within an organization?
- Inquiry 3:** How should development practitioners approach strengthening organizational capacity with local actors?³
- Inquiry 4:** How can development practitioners strengthen their own capacities to better facilitate the Journey to Self-Reliance?

Each paper in the series summarizes perspectives found in the literature examined by the team, first through an analysis of external literature and then by looking at USAID documentation. These findings are shared in the hope of prompting further discussion, and are by no means comprehensive. In particular, while the investigation was largely conceptual, we know that programmatic examples pertaining to these inquiries abound. USAID invites you to share your experience and evidence. Please refer to the *How to Stay Engaged* section at the end of each paper.

INQUIRY 2: HOW CAN DEVELOPMENT PRACTITIONERS DETERMINE WHAT CAPACITY ALREADY EXISTS WITHIN AN ORGANIZATION?

This landscape analysis found a general consensus in the literature that development practitioners should seek to understand and leverage capacities that already exist within local organizations before making decisions about how to approach capacity strengthening. However, the literature also raises nuanced points about the process of determining existing levels of capacity that may challenge entrenched assumptions. Moreover, development practitioners' perspectives on capacity implicitly inform

¹ The literature examined for this landscape analysis engaged with issues of capacity at the level of organizations and individual actors, not at the country level as defined by USAID's [Self-Reliance Country Roadmaps](#).

² Between December 2018 and June 2019, the research team reviewed more than 50 USAID documents (e.g., policy, strategy, and learning documents produced at the bureau or office level, dating back to 2011) and more than 60 external documents (e.g., academic journal articles, gray literature).

³ *Local actors and local organizations* refer to the range of indigenous organizations and individuals engaged in development work within their own country, including government agencies and NGOs.

considerations for how to assess it. Please refer to the [Inquiry 1](#) paper in this series, which explores different perspectives on capacity and their implications in greater detail.

Deficit-Based vs. Asset-Based Capacity Assessments

Some of the literature points out that there is a tacit assumption that development practitioners have capacity, while local organizations do not. One consequence of this assumption is that power, authority, and control become embedded in assessments of local capacity carried out by external organizations. Some authors suggest that this imbalanced power dynamic can lead to generic statements that local capacity is lacking across the board, rather than assessments that identify specific shortages or skill gaps. As such, the framing of a capacity assessment, usually determined by development practitioners, has the potential to influence what types of existing capacity are recognized and leveraged in addition to what recommendations are made to strengthen capacity.

Capacity assessments (formal or informal) of local organizations that look for specific or narrow interpretations of capacity will, for instance, likely notice deficits in certain areas and prioritize addressing them. Asset-based approaches to determining existing capacity, by contrast, often take a broader view and make a point of looking for examples of what is already working well. Participatory approaches to determining capacity actively engage local actors in identifying capacity strengths and weaknesses within the complex dynamics of the local context — including informal practices and social norms — that might not be obvious to outsiders, and that help to identify what is already working well. The perspectives and approaches that development practitioners take in carrying out a capacity assessment, therefore, will likely influence their findings and subsequent programming. USAID is interested in how these conceptual perspectives on capacity assessment manifest in practice. If you have experience to share about different approaches to capacity assessment, please refer to the *How to Stay Engaged* section at the end of this paper.

Participatory approaches to determining capacity actively engage local actors in identifying capacity strengths and weaknesses within the complex dynamics of the local context.



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Outcome-Oriented vs. Skill-Oriented Assessments

Some of the literature argues that the degree to which capacity exists should be assessed based on organizational performance and contributions to systemic outcomes, rather than scoring specific skills or counting the number of people trained. [Pact's Organizational Performance Index Handbook](#) (2015) offers one approach to measuring organizational change at the outcome level with a focus on external performance. Assessing degrees of capacity by examining areas of organizational effectiveness and potential might lead to the identification of existing strengths overlooked by commonplace technical audits or skills assessments. If you have used this tool or approaches for assessing capacity based on what an organization does (i.e., organizational performance and outcomes), rather than what an organization has (i.e., an organization's procedures or facilities), USAID is interested to learn about your experience.

In USAID Literature

A review of documents produced by USAID suggests general alignment with the themes outlined above. USAID's [Self-Reliance Country Roadmaps](#) (2017) assess a country's overall level of capacity across a number of dimensions related to government, civil society, the citizenry, and the economy. However, much development programming takes place through local organizations and systems whose capacities are not directly captured by the roadmap metrics. USAID's Automated Directives System (ADS) 201, Additional Help Document: [Local Capacity Development: Suggested Approaches](#) (2017)

addresses the challenge of determining capacity at a sub-national level. In doing so, it acknowledges that a local organization's staff and stakeholders tend to have the best understanding of its capacity, further noting that local actors can support or obstruct capacity-strengthening efforts in ways that outsiders cannot. This emphasis on local ownership of capacity strengthening likewise runs through subsequent considerations for strategy development, project design, and implementation. Similarly, the [Monitoring Organizational Capacity Development Efforts](#) resource (2018) reiterates that the first step in monitoring a capacity strengthening activity entails articulating the expected results in terms of improvements in organizational performance. This resource goes on to describe a highly effective organization as one that continues to achieve its objectives despite contextual shifts because of its ability to adapt. In terms of methodological considerations, the [Organizational Capacity Assessment](#) (2012) offers guidance for facilitating a participatory organizational self-assessment through collaborative reflection, leading to the identification of capacity strengthening priorities by the local organization.

Implications for the SRLA

The ideas discussed throughout this paper should prompt critical reflection about how development practitioners define, assess, and leverage existing capacity in partner organizations. The ideas also surface broader points about how to most effectively measure different types of capacity, especially when such measurements are often a matter of perspective.

The SRLA will continue to explore these issues while addressing the following learning questions:

What are the change pathways around how capacity and commitment come together to build self-reliance, and what are the implications for USAID programs? How can we foster the capacity and commitment of all actors at different levels of the system (local, sub-national, national, and regional)? (SRLA, Q1)

How can we best measure USAID's specific contribution to countries' progress on the Journey to Self-Reliance at the local, sub-national, national, and regional levels? (SRLA, Q12)

Over time, learning about how local, sub-national, national, and regional voices, priorities, and contributions can be integrated into how USAID fosters self-reliance (SRLA, Q10) could also contribute to a more nuanced discussion about how local perspectives of capacity and capacity strengthening can meaningfully inform capacity assessments.

HOW TO STAY ENGAGED

The issues raised here are central to current discussions about aid effectiveness. Continuing to explore them critically will benefit USAID as it supports countries on their journeys toward self-reliance, as well as the wider development community. Perspectives and evidence generated in practice by USAID Missions and other organizations are essential for building a more robust understanding of what makes capacity strengthening effective.

We are excited to learn from your experience or evidence that you would like to share in this collaborative effort:

- If you are working to strengthen local capacity, please let us know how you assess capacity and what areas of capacity you most frequently prioritize.
- If you have conducted capacity assessments, please share your experiences.
- Also, please let us know about your experience using any other tools or frameworks for assessing capacity that would help inform the SRLA.

Please contact USAID at SRLA@usaid.gov to share your experiences or evidence. You can also learn more about the Journey to Self-Reliance at <https://www.usaid.gov/selfreliance>.

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