

CAPACITY BUILDING

An Appreciative Approach

A Relational Process of Building Your Organization's Future

Your Organization's Driving Force is People

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of the requirements for the degree of
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by

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Abstract

The term “capacity building” has caught on quickly within the nonprofit sector, specifically with Nongovernmental Organizations (NGOs). In fact, many funding organizations, agencies and foundations are now requesting that their partners engage in capacity building activities. How then, do we determine which organizations have the capacity to adhere to their mission statements and to deliver their services in a sustained fashion? This is an important question for two reasons. First, it asks us to identify the factors which lead to capacity, and second, it suggests that capacity building is a continuous process.

This study proposes a relational process of building an organization’s future using Appreciative Inquiry. It supports a greater appreciation and awareness of the importance of building multi-organizational and global capacities. The relational capacity building framework introduces definitions, insights and guidelines that help the organization create capacity at different levels as well as define core capabilities. This framework allows organizations to see where they are today and establish a vision for tomorrow. It helps them to clearly understand their directions, views, values and capabilities to create a learning environment for capacity building at the same time they are actively involved in creating their future. In so doing, it offers both utility and value for NGOs, donor organizations, governmental agencies, researchers and policy makers.

While predominately donor driven, capacity building cannot be understood by only considering a Northern NGO (NNGO) or donor’s perspective. The issue is driven by the interdependency between NNGOs and Southern NGOs (SNGOs). This study will consider both perspectives and

was created from an in-depth analysis of four NNGOs, and data from a thorough literature review and meta-ethnography of six SNGOs.

The Global Excellence in Management Initiative (GEM) organization worked with the researcher in the proposal stage to help identify the key research questions and other primary and secondary sources of information. GEM is a university-based program of learning and education that works in partnership with U.S. Private Voluntary Organizations (PVOs) and international NGOs (INGOs) to conduct capacity building programs. The study answers specific questions from multiple perspectives: What is capacity? What is capacity building? What is organizational capacity, multi-organizational capacity and global capacity? What are the core capabilities that allow for capacity at each level?

The nature of the design was a multi-method qualitative study, combining a formal synthesis of selected published studies with original field investigation. The field study used an organization development process known as appreciative inquiry in the design of the interview protocols, collection of data and preparation and grounded theory in analysis of cases. Appreciative inquiry is a method which attempts to discover “the best of what is” in any organizational/human system. Over 100 interviews were completed with 33 participants -- scholars, policy makers and practitioners in the field, primarily from Christian Relief World Resource Committee (CRWRC), the Center for Development and Population Activities (CEDPA), Counterpart International and Pact -- to discover and understand the ways in which these organizations and their partners build capacity. These same research questions were used in a meta-ethnography (interpretive synthesis) of six published studies involving SNGOs.

It is important to note that this project was not intended as a purely theoretical work. Instead, it is the intention of the researcher to offer a contribution which is both practical and actionable. The study concludes with the development of the framework and a discussion of capacity building as a relational process for organizing and creating an organization's future.

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Preface

It is said that a building is only as strong as its foundation. The foundation for my career was laid in my earliest years as a lifeguard and swimming instructor for the local YMCA. I recognized that opportunity follows training and the mastery of qualifications. At the time, my efforts to learn and become prolific in the tools of management paid off when several opportunities presented themselves to me in the form of promotions. Through hard work and some good fortune, I progressed quickly to a leadership position where I was responsible for the organization's programs and coordinating the volunteer and paid staffs. Unbeknownst to me at the time, these experiences would prove to be the foundation for understanding nonprofit organizations from the ground up. The die was cast!

The determination to grow in the nonprofit sector was fed by my success at the YMCA. In turn, this success leads to an increased drive to learn and grow. I was aided in my quest through the well established tradition of mentoring. One of my first marketing professors directed me to move into the private industry to gain experience on how it differs from non-profit. During my junior year in college, he recommended me for a marketing/sales position with Mastr.Soft Corporation (MSC) where I learned the delicate balance between customer satisfaction and profit-making. This experience built upon my understanding of basic management principles and reinforced the concept that meshing the practical with the academic is a model that works for me.

Later, from the vantage point of a graduate with experience in both the non-profit and for-profit sectors, I began to recognize the disparate goals of each model. My experiences had taught me

that for-profit businesses market and sell goods or services. At MSC, our goal was to sell equipment maintenance software to hospitals around the world at the most profitable price. The task was completed when the customer purchased the product, obtained training and was fully satisfied with it. On the contrary, nonprofit organizations were human change agents. At the YMCA, our ultimate goal was to help a child learn or a young person grows into a self-respecting productive adult citizen, in short, to change human life for the better.

Somehow, the objective of the two sectors seemed a world apart. While inherently attracted to the humanistic mission of the YMCA, I understood the need to keep an eye on the bottom line. A dedication to the service of others does not necessarily dictate insolvency; nor does the dedication to profit necessarily obscure the service of values. It was then that my desire to merge the two began. I realized that in order to provide the civic-minded benefits of nonprofit organizations, they must become more mindful of the management lessons that the for-profit sector has to teach. Likewise, for-profit organizations must learn that their actions incur ramifications. Through their pursuit of profits, the fabric of people's lives is irrevocably shaped, and the desire for profit at all cost can lead to environmental/societal degradation. Clearly, each system had something to teach the other, and if I were going to play a role in this development, I had a lot to learn about both of them. Thus, I decided to reintroduce myself to the nonprofit sector.

Concurrent with my employment at MSC, I arranged an internship with the Michigan Small Business Development Center (MI-SBDC) Network. This position provided an interesting opportunity for me to view both worlds. The MI-SBDC was a non-profit organization

established by the U.S. Small Business Administration (SBA) in 1981 to assist for-profit enterprises in developing their products and services and expanding to international markets. During this phase of my life, I was working, studying and volunteering for a total of 80 hours a week. Many asked, “How can you work so hard?” The energizing effect of working with people and learning to balance the multivariate goals of differing sectors offset the difficulty of the undertaking. Once again, my career “flip-flopped” from the for-profit sector back to the nonprofit sector where I accepted a position as a Director of the Michigan International Business Development Center.

Somewhere along this journey, I realized that I learned best when I was teaching. By organizing and articulating my understanding of nonprofits, for-profits, leadership and management skills, I found success and joy in sharing these understandings with others. This fueled my desire to pursue more teaching opportunities in which I could grow and share my experience with others. It became clear to me, however, that if I were to move ahead as an instructor I would need to increase my educational base. Over the next several years, I obtained an MBA in international business, accepted a four month overseas assignment in the Pacific Rim, traveled to over a dozen countries to understand entrepreneurship in developed and developing countries and attended several certification courses in international trade, international business development, procurement, total quality management, manufacturing assessment and business counseling. During this journey, I had the opportunity to share my experience through several part-time teaching positions at the community college level, an Asian undergraduate school, a private business college and a major university.

My experiences in international business have led to a number of interesting opportunities with other nonprofit organizations. One of the latest projects was funded by the United States Agency for International Development (USAID) to set up an International Business Development Centers in Eastern Europe, Newly Independent States and the Middle East. In the Fall of 1994, I was recommended by the Governor of Michigan and appointed by the Secretary of Commerce to serve on the state's District Export Council (DEC) to help new-to-export companies gain access to international markets. In serving on the DEC, the members volunteer their time and expertise to create and foster a greater awareness of a nation's need to get involved in international trade, build relationships to achieve objectives and understand the National Export Strategy. The Michigan DEC represents a cross-section of Michigan industry, government, service organizations and other trade-related groups.

The last fifteen years have enriched my experiences with nonprofit and for-profit organizations. The contacts developed overseas helped me to build a strategic network of relationships in the education, business community and government institutions. However, to continue to grow and to become a leader in the global environment, I needed the development of theories and applications in an academic environment.

In 1995, I enrolled in the Executive Doctorate Management (EDM) Program at Case Western Reserve University's Weatherhead School of Management. This doctorate program allowed me to pursue advance academic studies without having to sacrifice my professional career. The professors, participants and contacts developed in the program has enriched my everyday life

experiences and strengthened my resolve to act as a conduit for the growth and development of peoples around the globe.

My experiences to date had illustrated to me the differences between nonprofit and for-profit organizations, differences which I had always intuitively understood, but which had never been placed into a structured format which could be easily articulated. The EDM program has given me the opportunity to research and explore the concepts which I had known to exist but with which I had had little formal exposure. In particular, three papers were produced with my dear colleague, Shawana Johnson whose friendship guidance and strength have made these projects meaningful and complete. In co-authoring these papers, Shawana brought different views and unique perspectives to our research. Our initial project, entitled *Civil Society in the Next Millennium*, began with an analysis of “civil society”. We reviewed its relationship to various indicators and finally discussed the role of intermediaries - nongovernmental organizations (NGOs) in building a civil society. To supplement this work, we decided to take the next logical step to discover and understand how NGOs contribute to building a civil society. In the second paper, *NGOs A Link to Building Civil Society*, through an appreciative inquiry process, we researched the role of leaders of these NGOs and how these organizations work together to contribute to building a civil society.

The context in the first two papers has centered on the concept of sustainable development of the environment and policy issues. This led us to the third research project, *Trade, Environment and Megacities: How To Achieve Sustainable Urban Development*. This paper demonstrated ways in which the world manages its environment and how developed countries can support

environmental NGOs who are focused on sustainable urban development within developing countries.

Based upon my experiences and the projects completed in the EDM program, I am the fortunate benefactor of increased sensitivity to nonprofit organizations in the global economy. My work, however, is not yet finished. In this final project, I will be completing my work on NGOs, by learning and understanding how these organizations build capacity to achieve sustainable service delivery within a multi-method approach of discovery.

I believe that organizations are a place to learn and create, to contribute and revolutionize, to grow and be meaningful, not just a place to make money. I am interested in knowing what gives an organization life and the ability to sustain itself beyond the internal components of an organization. In order to accomplish this, I will study U.S. based private voluntary organizations (PVOs) and their indigenous nongovernmental organizations (NGOs) to find out what capacity means to these organization and identify their capabilities that ensure organizational excellence. Ultimately, this research may have the potential to provide the initial framework of finding a delicate balance between the nonprofit and for-profit agendas. To help to build social change organizations who are grounded in strong managerial practice and have the tools necessary to sustain and prosper.

For me personally, the goal goes beyond the completion of an applied project; it goes beyond getting a doctorate; it is the pursuit of being a “change agent” in organizations. It is only the beginning of a continuous pursuit in applied research, publishing, consulting and teaching new

and existing theories and models to the most valuable asset of any organization, its people. The reasons stem from the values and the vision to which I am committed. The “meanings” of my life spring from clear values which have been instilled in me over the years. These values are: *relationships, integrity, self-actualization, positive attitude, service, appreciation for diversity and humor.*

These values have developed over my lifetime and are the culmination of my experiences. My desire to work with NGOs as a social change agent is a natural outcome of these values, and stem from the overriding belief that we are placed on this planet for two reasons - to learn and to teach. To learn means to constantly seek to develop ourselves to our fullest potential. To be self-actualized is a fundamental responsibility and cannot be accomplished without a commitment to personal integrity and a positive attitude. To teach we must build relationships, appreciate diversity and commit ourselves to service.

Finally, I value *humor*. Mental health requires that we live with ambiguity. In fact, life never fails to give us ample opportunity to encounter ambiguity. When encountered, it is either a challenge to be overcome or a quagmire to be avoided. Taken too seriously, it can quickly trap you in the inescapable mire of despair. Every day, I strive to see the inherent humor in life. Laughter is healthy and an overemphasis on stern realities does not help us to live with them. I was fortunate to grow up with family and friends who always found humor in many things.

“Life is often the master teacher” to draw forth from within is exemplified in the multi-facet experiences from which I have launch a professional dedication to business -- both for-profit and non-profit, academic and community which will affect generations to come.

My life values, curious nature, ability to help organizations create partnerships and build opportunities and the pursuit to life-long learning are the foundations upon which my intention to discover the “life-giving” forces that gives organizations the capacity to move forward to achieve their missions and sustain their existence is firmly built.

- Jacqueline M. Stavros, May 1998

Acknowledgments

As I have shared with many people, the act of researching and writing can be a lonely process at times. However, what has made the journey a lot less lonely and allowed the project to take on a life of its own has been the people who have helped along the way. It has been through both existing and new relationships that I have been enlightened and inspired to shape this project. My favorite part of this entire project is taking this opportunity to say a simple, yet most sincere “thank you” to all of you who have been a significant part of the final product.

First, I would like to thank The Center for Development and Population Activities, Christian Relief World Resource Committee, Counterpart International and Pact for agreeing to participate in the study. Several of the staff from these four organizations gave generously of themselves in this year long study. Without their insights, memories, stories and suggestions, this study could not have been nearly as lively or complete. My heartfelt thanks go to: Patricia Bell, Evan Bloom, Phyllis Craun-Selka, Peggy Curlin, John DeHann, Ivan DeKam, Caspar Geisterfer, Joe Lamigo, Scott Johnson, Arlene Lear, William Postma, Hannah Searing, Doug Seebeck, Deleski Smith, Ralph Stone and Karl Westerhof.

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GEM office when I came to Washington, DC. Lou Stamberg also played a large role in this project. Lou worked with USAID for over 34 years and proved to be a generous and reliable key informant. Thank you Lou for sharing with me a 25 year history of capacity building as it relates to United States Agency for International Development (USAID) and NGOs and for reading the many drafts in the earlier stages of the study.

Near the end of the project, I am also profoundly grateful to the team of editors who joined in: Lynn Kelley, Bill McMillian, Martha Kimball, Paul Stavros and Bruce Sweet. They were meticulous and professional as editors yet sensitive and thoughtful in expressing their comments to me. Once again, I am pleased to acknowledge Paul and my father, Stan Baran, for the creative design of the framework which adorns the front cover of this project. Your artistic talents have helped to capture the essence of my research.

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what you have to offer. Thank you to John Aram, the program director, who provided invaluable insight at the very early stages of this project as to the rigor and relevance of an applied research project. A special thanks to Sue Nartkar, the program manager, who took care of every little detail to smooth my path along the way.

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I would like to thank my co-chairs David Cooperrider and Paul Salipante who guided me unconditionally from project conception to completion. David you have provided me with several learning opportunities and new relationships from as far west as Taos, New Mexico to the south, Birmingham, Alabama and back up to Washington, DC. This provided several opportunities to expand and enrich my research. I also had a lot of fun on these excursions along the way. Paul, in your concern for academic rigor, action research and relevance, you provided the academic structure to meet the scholarly standards and guidance to translate my findings in a way that will be applicable for nonprofit organizations trying to build capacity. Paul you gave me the supportive environment in which I have felt a level of comfort at every stage in the process. The mentoring relationship with David and Paul has been rich. I have gained much more from knowing them and I hope to repay the kindness someday, *thank you*.

My final thanks of gratitude are more personal. First, a sincere appreciation is to be acknowledged to my dear friend and EDM partner Shawana Johnson who within 24 hours of our acquaintance at the start of the program, not only gave me a place to stay during my three year commute to Cleveland every three weeks, but she was there every step of the way. Shawana shared generously with me during the ambiguity of being the first group to go through this program. She partnered with me on almost every project and showed me the way to create the balance between the doctorate, work and family.

In addition to those above, I would like to extend my personal thanks to my parents, Stan and Fran Baran who nurtured a sense of integrity, achievement and affiliation in me at an early age; Mom Stavros, a valued and trusted mentor who provided vital sustenance and inspiration to “get it done”; my father-in-law Doug Stavros who would not let me quit the program while he battled cancer and left us in May 1996, and my brothers and sisters, John, Kathy and Marji who are good natured about things and always there for me. My thanks to close family members Randy, Monica, Jon, Mark, Rose, Matthew and John. To my nieces and nephews Luke, Emily, Marissa, Andrea, Liddy and Nicholas, I have missed you and I promise to spend more time with you now. Only family knows best that the EDM program has had several costs and one is less time for everyone. So thank you for supporting and encouraging me while I was away working on many projects.

Finally, I want to thank my dear husband and best friend, Paul, for his support during all the time I spent researching in the field and writing during this study. He has invested so much of

himself in me and this program that words make it hard to express. No one could ask for more intelligent, critical feedback or steadfast technical support than I received throughout this project from him. He helped me through these final stages of the project which coincided with the early stages of my pregnancy. Our newly awaited family member will join us this year on September 10th; our 10 year wedding anniversary. This baby is both a blessing, a miracle and the most precious gift. *Thank you Paul for inspiring, sustaining and loving me throughout this entire process and every day!*

I hope that in the days and years to come, I continue to find ways to give back to those who have given unselfishly of their time to me. I intend to find ways to make this work most useful to nonprofit organizations attempting to build a more sustainable future for all of us.

Abbreviations

AFAP	Foundation for the People of Asia and Pacific
AI	Appreciative Inquiry
AKF	Aga Khan Foundation
ANGAP	Association for the Management of Protective Areas
ASSI	Association of Small Scale Industries
BDA	Budiro Development Agency
BNELC/DF	Bangladesh Northern Evangelical Lutheran Church/Development Foundation
BNGO	Business Nongovernmental Organization
BRK	Bankin Raya Karkara
CEDPA	Center for Development and Population Activities
CHAP	Counterpart Humanitarian Assistance Program
CRWRC	Christian Relief World Resource Committee
CSD	United Nations Commission on Sustainable Development
CSO	Civil Society Organization
CSC	Counterpart Service Center
DNGO	Development NGO
DOSA	Discussion Oriented Organizational Self-Assessment
DRCS	Disaster and Community Services
EDC	Education Development Center
EDM	Executive Doctorate of Management
FOE	Friends of the Earth
FSP	Foundation for People of South Pacific
FSPI	Foundation of People of South Pacific International
GCO	Global Change Organization
GEF	Global Environmental Facility
GEM	Global Excellence in Management Initiative
GEO	Global Environmental Organization
GONGO	Governmental NGO
GP	Greenpeace
GRO	Grassroots Organization
GRSO	Grassroots Support Organization
GSCO	Global Social Change Organization
IA	Interest Association
IDR	Institute for Development Research
IISD	International Institute for Sustainable Development
INGO	International Nongovernmental Organization
INTRAC	International Training & Research Center
IVS	International Voluntary Service
IWGCB	International Group on NGO Capacity Building
LDA	Local Development Association
LIFT	Lessons in Field Techniques
MIS	Management Information System
NASBITE	National Association of Small Business International Trade Educators
NGDO	Nongovernmental Development Organization
NGO	Nongovernmental Organization
NNGO	Northern NGO
OCA	Organizational Capacity Assessment
OD	Organization development
PGRO	Profit-making Grassroots Organization
PINGO	Public Interest NGO
PO	People Organization

PRRM	Philippine Rural Reconstruction Movement
PSC	Public Service Contractor
PVC	Private Voluntary Cooperation
PVO	Private Voluntary Organization
SBA	Small Business Association
SBDC	Small Business Development Center Network
SDNP	Sustainable Development Networking Programme
SEI	Stockholm Environment Institute
SIRDO	Integrated System for the Recycling of Organic Waste
SNGO	Southern NGO
TNGO	Transnational NGO
TTO	Triple Trust Organization
UKFSP	United Kingdom Foundation for the People of the South Pacific
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNEAC	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
URI	United Religions Initiative
USAID	United States Agency International Development
USPVO	United States Private Voluntary Organization
VEST	Volunteer Executive Service Team
VO	Voluntary Organization
WB	World Bank
WWF	World Wildlife Fund
WCED	World Commission on Environment and Development
WHO	World Health Organization
WTO	World Trade Organization
ZPD	Zone of Proximal Development
ZT	Zambuko Trust

CHAPTER 1: Introduction

“Everything has been thought of before, the difficulty is to think of it again.” -- Goethe

The world as well as business is more complex than at any time in our history, therefore, the questions of why some organizations succeed while others founder and fail is imperative. The importance is nowhere more urgent than in the nonprofit sector. While for-profit ventures live or die by sales of their products or services, nonprofit organizations are heavily reliant on outside funding sources and partners for their survival. With the exponential growth in organizations of this type¹, each of which claims a better answer to some difficult problem, there is an increasing demand for methods of improving the capacity of these organizations to attain and sustain their missions.

There are dozens of models available to help organizations build capacity (Sahley, 1995; Pact, 1997). Therefore, what is needed is not another model, but a framework to guide an organization through this complex process. The following is a new framework which involves a relational process of building an organization’s future. Furthermore, the relational capacity building framework introduces definitions, insights and guidelines that help an organization build capacity at different levels: organizational, multi-organizational and global. This framework allows organizations to see where they are today and establish a vision of where they want to go. It helps them to clearly understand their direction, views, values and capabilities to create a learning environment for capacity building at the same time they are actively involved in creating their future.

¹ In the research completed in this study, it was found that millions of NGOs exist in over 97 countries.

The term “capacity building” while not well defined has caught on quickly within the nonprofit world. As a concept, capacity building has been around for awhile; what is new is the broadly shared focus on its role as a means to the end of sustainable development and civil society activities.² Many funding organizations, agencies and foundations are now requesting that their partners engage in capacity building activities. For example, the United Nations Development Program (UNDP), a major source of assistance for hundreds of NNGOs and SNGOs, has adopted the theme of capacity building as part of its overall mission. UNDP has created a separate unit called Capacity 21, devoted to understanding capacity building of organizations in support of Agenda 21³. In this study, an organization development process known as appreciative inquiry is used to understand how these organizations build capacity.

The emergence of capacity building as a critical element in strategic organization development is exemplified in the interdependency of NNGOs and SNGOs. Over the past decade NNGOs have had to move from a direct service delivery role to a partnership, coaching, facilitative or mentoring role with SNGOs (Korten, 1990; Stamberg, 1997; Fisher, 1998). At the same time an increasing concern with organizational sustainability has created an imperative to build capacity. The dilemma, therefore, for NGOs is to determine which factors allow them to build capacity while adhering to their mission and sustaining delivery of services. It is in this context that looking at layers or levels (as the new framework suggests) of capacity building as a continuous relational process becomes useful.

² This statement was made in a letter dated, October 27, 1997 from the former director of USAID’s Office of Private Voluntary Cooperation (PVC), Lou Stamberg who has spent over 34 years working with NNGOs and SNGOs in capacity building and development projects throughout the world.

By definition, the concept of capacity building is a process designed to allow an organization to attain its vision, mission and goals, and sustain itself. In the context of this study, capacity building is a dynamic social process. It is dynamic because it continuously seeks to develop the organization and its stakeholders to higher and higher levels of capacity. It is social because the driving force of any organization is its people, and people are the builders of capacity.

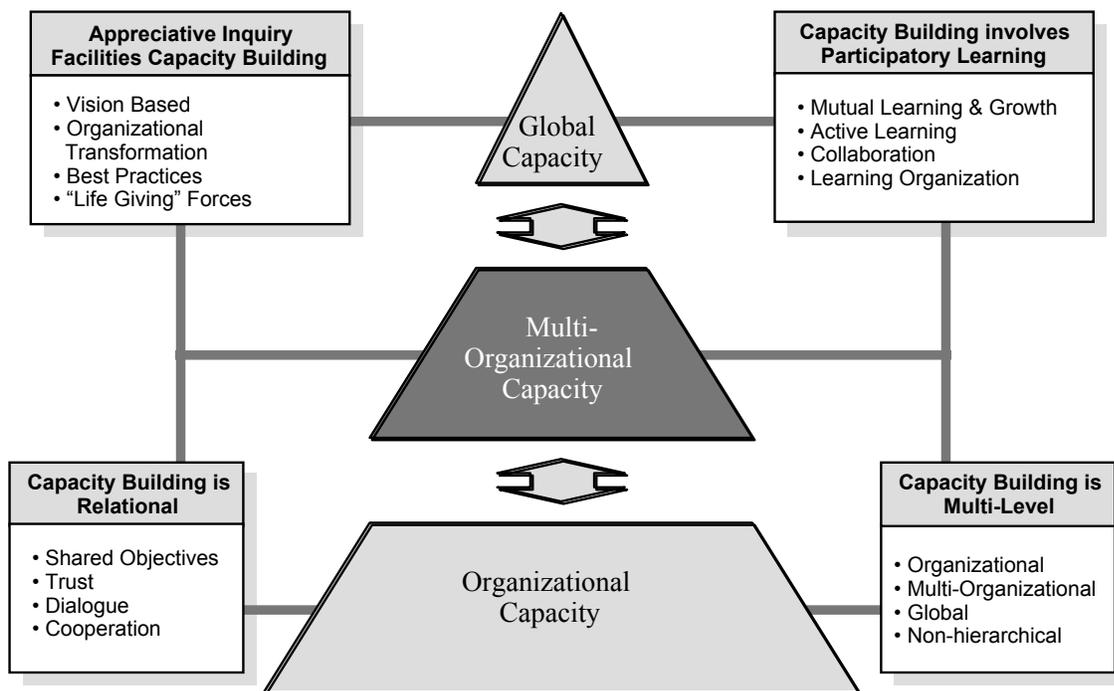
This study will reveal several separate and distinct levels of capacity which are not mutually exclusive. Certain elements or capabilities permeate all levels of the process. Therefore, in order to fully understand the concept of capacity building, it is important to understand the relationships which exist within and between the layers. In this study, four NNGOs demonstrated that the relational capability increased the organization's ability to have joint meetings, projects and partnerships that moved them beyond organizational capacity to multi-organizational and global capacity levels. This process involves several levels, each providing the foundation for the next (refer to **Figure 1.1**).

Figure 1.1 - Relational Capacity Building Framework

The framework is explicit because it visually displays the conceptual and strategic nature of capacity building. The pyramid illustrates that this process is neither hierarchical or sequential. One level of capacity building does not necessarily lead to the next. There are many examples of NGOs which operate at one level with little intention of progressing either forward or back.

³ Agenda 21 incorporates a series of specific actions to give effect to the principles of sustainable development. The implementation of Agenda 21 is dependent on "best endeavors" of local GROs, NGOs, INGOs and PVOs.

Likewise, an organization may act on multiple levels simultaneously. For instance, a small local NGO may act independently on an organizational level to increase its capacity while simultaneously attempting to build some multi-organizational resources. At the lowest level there are millions of NGOs which exist at the organizational level of capacity building development. Far fewer NGOs that function consistently at the multi-organizational level, and still fewer NGOs can truly claim the title of global organizations.



While this framework implies organizational capacity development should be underway before giving emphasis to multi-organizational capacity or global capacity, no assumptions should be made regarding the presumed phasing or sequence of activities from one level to the next. However, it is generally the case that each capability or set of capabilities within a given capacity level will progress in tandem. Certain capabilities at one level may need to be strengthened so they can exist at the next level. The framework is strategic insofar as it allows organizations to understand the larger objectives and goals which lie before them and position

themselves for the future. Operationally, it helps to identify the core capabilities at each level of capacity building which are needed to achieve and maintain the process. By understanding these capabilities, organizations can focus their efforts, improve their operational efficiency or, when appropriate, move to higher levels of capacity and develop new capabilities. It is this relational connection of the core capabilities that builds capacity.

Figure 1.1 also illustrates the key findings which will be explored in the conclusion of this project. Specifically that there are four key elements to capacity building: 1) capacity building is multi-level; 2) capacity building is relational; 3) capacity building involves participatory learning; and 4) appreciative inquiry facilitates the capacity building process.

This study seeks to develop an understanding of capacity building at each of its various levels. Core capabilities vary between levels not only by kind but also in degree of clarity. Clarification of core capabilities, therefore, becomes as fundamental to this understanding as does identification of unrecognized capabilities or development of new ones. Governance, for example, is present at all capacity levels. Many NGOs are concerned with the core capability of governance at the organizational capacity level. Organizational capacity is the building of the internal relational components of the organization so it can better use its resources (i.e. people, time and money) to achieve its mission. The governance capability would be apparent when the organization has developed the right direction (the vision, mission and goals) and aligned the right people (board, management, employees and volunteers) with the right skills sets and resources.

At the multi-organizational level, governance occurs when the organization is empowered to work with people who are external to the organization. For example, when the board or management empowers its people to establish relationships with other stakeholders of similar interests (e.g. government agencies, other NGOs and indigenous populations), it is multi-organizational capacity that magnifies the scale and impact of the work of a single organization. These relationships, if properly built, will allow an organization to share information, resources and strategies. Multi-organizational capacity is developing and nurturing the external relationships beyond the organizational capacity of its board, management, employees and volunteers.

The governance capability at the global level is a social process that seeks to enable the organization to participate in building a “global society congenial to the life of the planet and responsive to the human spirit” (Cooperrider & Dutton, 1997, p. 2). It is this overall and sometimes nebulous goal which allows organizations to transcend their individuality in the pursuit of a common global objective. At each capacity level, effort to clarify and refine the governance capability becomes critical to achieve the organization’s mission.

Capacity building involves pushing boundaries, developing and strengthening, and making an individual or organization better able to serve not only in the primary interest of its targeted population groups as well as all of its stakeholders. As we progress up the framework, more stakeholders must be considered.

The study discerns a distinction between capacity in general terminology and the refined meaning in the field of NGOs. According to the *Webster's New World Dictionary*, capacity is:

1 the ability to contain, absorb or receive 2 all that can be contained; volume 3 ability 4 maximum output 5 position; function. (1995, p. 64)

Specific to NGOs, capacity is defined as:

the ability or potential to mobilize resources or achieve objectives. It is everything necessary to construct relationships required to achieve an organization's vision, mission and goals.

The concept relates to how an organization is performing in a particular area. Several authors have stated that capacity refers to the growth and development of the potential or the ability to act and function. For instance, at a Support Organizations Meeting in Harare, a presentation on *Capacity Building in Civil Society*, addressed the question, what is capacity?:

Some would equate capacity with physical assets; some others would equate it with delivery of programmes and services. In our experience in PRIA, capacity is a multi-dimensional and complex attribute. In a simple sense, it covers the totality of an organized effort. In a more elaborate sense, capacity of an organized entity like Voluntary Development Organizations can be elaborated through a series of distinct, yet inter-related components. From our experience in PRIA, the following components (core capacities, factors, etc) of capacity are relevant in the context of Voluntary Development Organisation and Grassroots groups: 1) Programme/ Project Management Capacity, 2) Human Resource Development Capacity, 3) Systems Capacity, 4) Physical Capacity, 5) Information Capacity, 6) Relational Capacity, 7) Strategic Capacity, and 8) Renewal Capacity. (Tandon, 1997, p. 2)

Obviously, with major funding sources now requiring capacity building to be a functional part of many grant recipients' programs, many organizations and agencies are now asking for "a model of an organization working at its peak." The appreciative inquiry process starts from this premise as well. As this study will establish, a considerable body of literature has been authored on the general concept of capacity building and recommended models. For instance, there is a large amount of literature available from the United States Agency International Development (USAID) that studies capacity building from a donor's perspective. Likewise, there is a wealth of literature from the NNGOs' perspective. Finally, organizations like the International NGO

Training and Research Center (INTRAC)⁴ and Institute for Development Research (IDR)⁵ are now generating an emerging body of literature on SNGOs' perspectives on capacity building.

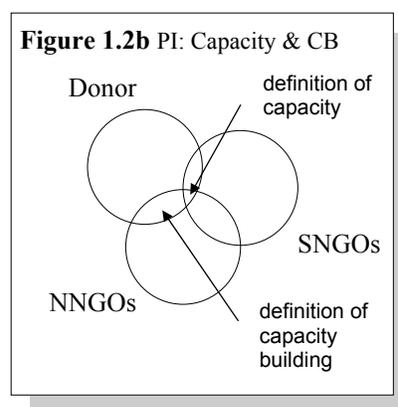
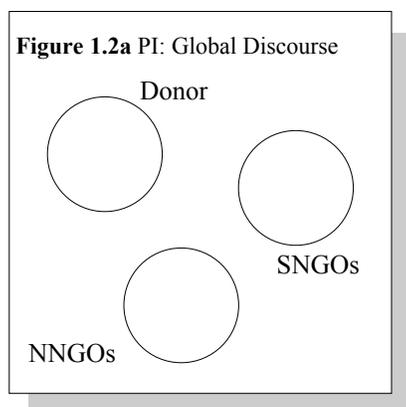
The first part of this study is intended to lay a foundation concerning how these organizations are using the terms in the field and whether there is any commonality among them. Additionally, these definitions will be compared to those pervasive in the literature. By using the Paradigm Interplay theory developed by Schultz and Hatch (1996), the connections amongst the various definitions found in the field and in the literature will be examined.

The Paradigm Interplay theory suggests that each group (a donor, NNGO and SNGO) can be represented by a circle which is affixed to a larger square representing the universe of possible definitions. Each circle in no way intersects on definitions of capacity and capacity building, but the fact that each group is in the same box (universe) indicates some global discourse in the field (**Figure 1.2a**). Therefore, there may be a multiplicity of definitions. Or, on the other hand, perhaps, each circle intersects on the meaning of capacity (a common definition), but on the meaning of capacity building only two circles intersect (a shared definition between NNGOs and donor) (**Figure 1.2b**). Therefore, it is easy to imagine the vast number of possible interactions and relationships between and within these three types of organizations.

Schultz and Hatch introduced a dynamic element to the discussion of interplay between paradigms. These authors suggested that at any moment in time, paradigms⁶ are pulling together

⁴ INTRAC was set up in 1991 to provide specially designed management, training and research services for NGOs involved in relief and development in the South and dedicated to improving organizational effectiveness and program performance of NGOs.

or pushing apart (or both). The goal is to find the bridges that connect the paradigms and to understand the disconnections of the paradigms. Therefore, in order to understand the interplay between the circles (or paradigms) an observer must first understand the characteristics of the ideas found within the circle.



Once concepts are identified and the definitions of capacity and capacity building are understood, the next step is to examine the core capabilities that support the levels of capacity that lead to organizational excellence. These core capabilities are the building blocks which are necessary to construct capacity at various levels of an organization's growth.

With many NGOs promising results, organizations which provide the technical assistance and those which provide the funding would be served by a relational capacity building framework. Such a framework would enable them to determine, understand and discuss how they should build capacity. In summary, the relational capacity building framework answers the following questions as it considered multiple perspectives: What is capacity? What is capacity building?

⁵ IDR carries out research, consultation and education activities to strengthen NGOs and other civil society organizations concerned with social, economic and political development. In partnership with civil society support organizations from many countries and regions, IDR fosters action learning about institution-building, democratization and sustainable development programs.

⁶ Paradigm in general terms is an example or model. According to Thomas Kuhn, a "paradigm is an accepted model or pattern" for a given group (1970, p. 23). Indeed the "existence of a paradigm need not even imply that any full set of rules exists" (p.44). Another example is offered by

What is organizational capacity? What are the core capabilities that allow for organizational capacity? What is multi-organizational capacity? What are the core capabilities that allow for multi-organizational capacity? What is global capacity? What are the core capabilities that allow for global capacity?

These key questions are explored from a collection of articles and books concerning the perspectives of the various paradigms, from in-depth interviews and analysis of 10 organizations, and from several key informants (scholars, policy makers and practitioners) actively working in the field of capacity building. Of the 10 organizations, there are six represented SNGOs⁷, and four represented NNGOs⁸ with Southern counterparts. Over 100 interviews were completed with thirty-two participants. The majority of interviews were conducted with participants from Christian Relief World Resource Committee (CRWRC), The Center for Development and Population Activities (CEDPA), Counterpart International and Pact.

The challenge of defining capacity and capacity building and identifying core capabilities to build a framework of organizational excellence will have both practical and policy importance⁹ in the following ways:

- 1) it will allow NGOs to assess their capacity to improve their chances for sustainable growth and evaluate those core capabilities efforts most critical to their success;
- 2) it will allow those organizations and agencies involved in capacity building programs to help a local organization identify where and what type of assistance is needed if an organization is to be effective in carrying out its mission and in facilitating the assessment of change over time; and

Joel Barker: "a paradigm is a set of rules and regulation (written or unwritten) that does two things 1) it establishes or defines boundaries; and 2) it tells one how to behave inside the boundaries in order to be successful" (1992, p.32).

⁷ NNGOs are located in developed countries and traditionally provide direct service delivery to SNGOs. SNGOs are nonprofit organizations and associations in developing countries. NNGOs spend a considerable amount of effort working with SNGOs to build capacity. The term local NGOs and indigenous NGOs are used interchangeably with SNGOs.

⁸ The term Northern NGOs are used interchangeably with United States Private Voluntary Organizations (USPVOs).

⁹ It should be noted that it is only through an understanding of what is needed for success that we are able to consistently achieve it. By, having a framework of various levels and core capabilities, we will be able to move towards the development and sustained existence of organizations which are able to deliver its missions and outperform those of today.

- 3) it will add to the global discourse on the nature of capacity building as it relates to an integrative process: organizational, multi-organizational and global.

The goals and scope of this project are specific. While ambitious in nature, it limits the focus to a particular set of questions. Suggested areas of future study might include: What are the measurable indicators of each core capability identified? Who would use these measures and how? What are the problems and opportunities that have arisen (or would arise) from their use? What are some of the methodologies that accelerate capacity building? The importance and the need to explore the above areas will be briefly addressed in this study in the last chapter.

Overview of the Study

The chapters in this study reflect the proposed relational framework for an appreciative process of building capacity. Chapters 2 and 3 of this project review and address the literature in the field that defines the key players, basic concepts, metaphors and theories to guide the development of the proposed framework. The Zone of Proximal Development (Vygotsky, 1978) and Ecology of Human Development (Bronfenbrenner, 1979) are useful metaphors to help explain the various levels of capacity building from the organizational, multi-organizational and global capacity. The principle theory of Paradigm Interplay (Schultz & Hatch, 1996) is used to show the connections and disconnections among the various paradigms.

Chapter 4 is a description of the qualitative methodology and is divided into two major phases. Phase 1 used multiple methods and was completed in two parts. The two parts were not sequential, but parallel. The objective in Phase 1 was to answer the major research questions, identify relevant propositions (grounded theory) and build a framework of capacity building as an integrative social process. There are two major parts to Phase 1: the first part is an in-depth

search, review and synthesis of the published case studies in the form of a meta-ethnography of six SNGOs. The second part is intensive fieldwork of four NNGOs (see Appendix G for Interview Protocols 1, 2, and 3). The interviews in this phase discovered and searched for meanings and uses of capacity, capacity building, core capabilities and how these organizations pursue capacity building. All of these organizations recognize that the literature on capacity building is not integrated and disparate views exist among donors, Northern and Southern partners. The goal is to fill in this gap between the literature and reality. Many wanted to make sense of capacity building and to tell the story of what is being done in the field from their view.

Phase 2 had two objectives. The first objective was to discover and understand more about the capacity levels and corresponding capabilities discovered in Phase 1. The key terms, those core capabilities and propositions identified in Phase 1 with the four case studies and key informants were verified. This was completed by using a grounded theory design. The second objective was to develop a framework to explain the concept of capacity building and those core capabilities identified at various levels: organizational, multi-organizational and global.

The key perspective guiding this research approach was that of “appreciative inquiry” (Srivastva & Cooperrider; 1986). Appreciative inquiry is a method which attempts to discover “the best of what is” in any organizational/human system. In meeting with the participants of the study, the primary objective was to always listen, search and understand at what points these organizations were at their best in building capacity and what were the core capabilities that contributed to this. Appreciative inquiry allowed for the understanding of capacity building from multiple

perspectives. Every participant and every published study reviewed helped to make meaning of the capacity building phenomena.

Chapter 5 is the meta-ethnography that was completed on six published case studies on capacity building for SNGOs. According to Sahley (1995), “although the case material is taken from Africa, the principles evolved in these studies are of more universal interests and significance to all development practitioners” (p. 3). These case studies build upon the foundation laid in INTRACs’ earlier studies of institutional building in Africa (Fowler, Campbell & Pratt, 1992). These studies have become benchmark studies for those involved in development work with NGOs worldwide and has been highly recommended not only from readers in this field, but for those interested in different aspects of capacity building for SNGOs (Sahley, 1995).

A complete description of the featured NNGOs and some of their Southern partners will be provided in Chapter 6. The four case studies were recommended by several sources because each represents a significant contribution of their organizations efforts to capacity building. These organizations are: CEDPA, CRWRC, Counterpart, and Pact. Over a period of nine months, data was collected from various individuals within these organizations. Participants of the study provided a wealth of interchange about the complex challenges they continuously confront in their work. In addition, after the data was analyzed there were dozens of phone calls and e-mail correspondences as well as several return trips to the organization to discuss the findings and outcomes of the study.

The findings of these six SNGO and four NNGO case studies are reported in Chapter 7 and the relational capacity building framework and four major findings are presented. The framework supports a greater appreciation and awareness of organizational capacity offering definitions, insights and suggested guidelines that help an organization create its future through a long-term and continuous capacity building process. This chapter concludes with some thoughts about implications for scholarly and practical research, policy, NGOs, nonprofit sector and the field of capacity building. Hopefully, the conclusion will serve as a catalyst for discourse on what capacity building is and how it can be used to create organizational excellence.

This study is written for an audience composed primarily of nonprofit organizations such as NGOs and for agencies that provide funding for these organizations like United Nations Development Programme (UNDP), United States Agency for International Development (USAID) and the World Bank (WB). In reviewing USAID's Office of Private Voluntary Cooperation's¹⁰ (PVC) Strategic Plan for the Year 2000, the agency must determine the cause of the key factors which improve the NGO's capacity to make a difference. When USAID goes to Congress, it must link capacity building to sustainable service delivery. This should link technical assistance and funding to those organizations that are most likely to meet their objectives and fulfill their needs. According to the agency, there is no known framework of what core capabilities and indicators give an organization increased capacity (USAID, BHR,

¹⁰ Within the USAID, the PVC serves as a focal point for information about PVOs' capabilities and programs. The office is the key player in the development of policies and procedures that affect US PVOs. On the policy level, PVC plays a key role in the development of USAID policies (U.S. AID, BHR, Office of PVC - Strategic Plan 1996-2000, p.3).

Office of PVC, 1996). In brief, the agency is asking the same questions of the NNGOs and SNGOs¹¹.

In addition, the audience might include other organizations like International NGOs and Grassroots Organizations (GROs). A much broader audience might include any nonprofit organization whose interest lie in understanding the concept of capacity building and find an integrative capacity building framework useful in helping its organization adhere to its mission and sustain its existence.

¹¹ A primary objective of the PVC calls for the understanding of the increased capacity of PVC's PVO partners and their indigenous NGOs to achieve sustainable service delivery.

PART I

CAPACITY BUILDING

KEY PLAYERS, BASIC CONCEPTS and THEORIES

“If you plan for one year, sow seeds. If you plan for ten years, plant a tree. If you plan for hundred years, do capacity building.”

-- A Chinese Proverb

To understand the key players, basic concepts and theories in capacity building, this study began with a review of pertinent writings and a series of interviews with a lead donor agency, researchers, consultants and NGOs. Although concepts of capacity and capacity building have been explored since the 1960s, this review found that the terms have only been loosely defined.¹² For instance, the Canadian Aga Khan Foundation (AKF) defined capacity building as: “addressing the interrelationships between institutions and organizations” (AKF, undated, p. 5). AKF suggested that the focus on capacity building has produced only a few broad operational guidelines to assist practitioners. Another prominent Northern NGO (NNGO) defined capacity as “what makes an organization strong” (CRWRC, 1997). In the fall 1996 in Washington, DC, the Framework Development Task Force was created to assess capabilities of civil society, state and market organizations. This group gave a third definition of capacity as “the degree to which an organization can marshal human, financial, material and informational resources to accomplish clearly defined goals and objectives” (Framework Development Task Force, 1996, p. 2). The above examples demonstrated the striking disparity and the lack of rigor among current definitions. Unless the term “capacity building” is given more rigor and credibility, its role as the “missing link” in development is likely to be short-lived.

¹² A comment of a U.S. Supreme Court Justice concerning “obscenity” applies equally well to “capacity building” ... that he couldn’t really define it but he knew it when he saw it.

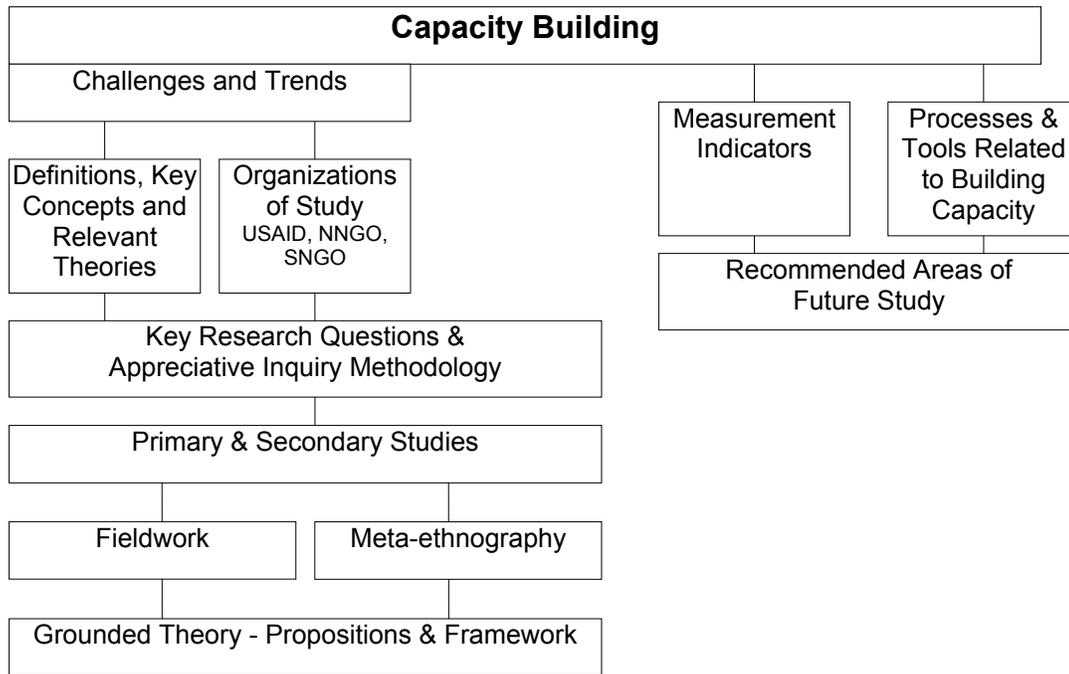
The increased interest in capacity building made it clear that little empirical research was dedicated to understanding the essential roles and core capabilities of all players involved in this integrative process (Fowler, 1988; Korten, 1990; Fisher, 1998). There was little clarity regarding principles and theories of capacity building from each group's perspective. This was especially true from the perspectives of Southern NGOs (SNGOs). For example, traditionally, a donor works with a NNGO in initiating a capacity building project with a SNGO. In these cases, the core capabilities required were usually defined from a Northern's perspective. Some studies have focused on how one or two capabilities (e.g. human and financial resources) can be used to build capacity and what this means descriptively and conceptually, but it cannot be assumed that these factors apply in the same way to both NNGOs and SNGOs (James, 1994a; Edwards & Hulme, 1996a; 1996b; Bebbington & Milton, 1996).

Even more confusion exists over the level of capacity which has been studied. Many authors used the words capacity and capacity building to describe all areas of development while others differentiate between several different levels. For instance, some articles have addressed capacity as it relates to the individual leaders of NGOs (individual capacity) while others highlight organizational capacity. A limited series of articles discussed inter-organizational capacity (which is defined in this study as multi-organizational capacity) and a few studies have emerged on the importance of global capacity (Cooperrider & Dutton, 1997; Hudock; 1997).

Part I of the study accomplished several purposes. First, it defined key players and the concepts and terms of this study. Figure P1.1 includes a Map of the Literature Review that provides a visual guide of the literature reviewed. Second, it shared the results of other studies that are closely related to the topic (Fraenkel & Wallen, 1990). Third, it related the project to the larger

ongoing dialogue about capacity building (Marshall & Rossman, 1989). Fourth, it identified core capabilities at the various levels of organizational, multi-organizational and global capacity. Fifth, it provided support for establishing the importance of identifying the core capabilities of organizational excellence. Finally, it contributed to the methodologies that currently exist in building capacity.

Regarding review of the literature, a research map (see Figure P1.1) was developed to organize the literature around topics. This was a difficult process because the literature is not well integrated. For instance, published studies of SNGOs were not available through traditional methods. Several international organizations have completed studies of SNGOs, but these studies were not published in traditional management journals, making them very difficult to track down and even more difficult to assemble into a usable format.

Figure P1.1: Map of Literature Review

Terminology is a constant challenge in capacity building discussions. The general term used to describe key players in this arena is nongovernmental organization (NGO). However, this term is used to identify a variety of nonprofit organizations worldwide. Difficulties in defining NGOs arise from two issues (Bombarolo & Coscio, 1997, p. 13):

1. Current definitions are generally unclear. Different documents include diverse institutions with characteristics and objectives from grass-roots organizations, religious organizations charities ... to research centres, etc.
2. The definitions and their contents vary from country to country as well as the different terms that are used to refer to them.

Therefore, Chapter 2 begins with defining what is a NGO and how it is defined by its mission. In this study, the term NGO will refer to those nonprofit organizations who are mission driven and their activities deal with building capacity to address civil society and sustainable development projects. Next, the origins of NGOs and the many types of NGOs that exist are presented. Detail definitions for each type of NGO are provided in Appendix B. For the context

of this study, the two main categories of NNGOs and SNGOs are the focus on how their particular missions create the need for capacity building. Then, the role and importance of NGOs are examined. This chapter concludes with the future challenges of NGOs.

Having established the perimeter and foundation of the organizations to be studied, Chapter 3 provides a review of the capacity building literature. This chapter presents key concepts and introduces three theories that begin to help understand the process of capacity building and shape an alternative framework for decision-making in capacity building efforts of NGOs (this framework will be presented in Chapter 7). The theories introduced at the end of Chapter 3, lay the foundation for rethinking the meanings and processes and to help develop a clear understanding of organizational, multi-organizational and global capacity building.

From the literature reviewed, an attempt was made to define the basic concepts and key terms that will be used for the study. The literature in the field sporadically listed core capabilities that NGOs need to build capacity, but in many instances the authors did not define what the capability meant. Therefore, after Tables 3.4, 3.5 and 3.6, definitions are provided to support these core capabilities based on the literature reviewed. In later chapters, these terms and concepts will be compared from the perspectives of six SNGOs and in the fieldwork of four NNGOs.

In Part I, there are several propositions that have begun to emerge from the thorough review and synthesis of the literature. Propositions suggest how phenomena might possibly be related to one another. According to Strauss & Corbin (1990):

Propositions permit deductions, which in turn guide data collection that leads to further induction and provisional testing of propositions. In the end, “communication among researchers , include the vital interplay of discussion and argument necessary to enhance the development of science, is made possible by the specifications of concepts and their relationships phrased in terms of propositions” (p. 62)

This study does not make propositions that are statements of fact, they are meant to be challenged or further researched. These propositions along with the definitions appear throughout the study but also are summarized in Appendix F.

CHAPTER 2: NGOs: The Hope for a Changing World

“While there may be “limits to growth” as far as the world’s ecosystems are understood, there are no necessary limits to cooperation as human beings seek to constructively organize and respond.” -- David L. Cooperrider & Jane E. Dutton

Much of the current literature suggests that solutions to problems will come from the people and organizations of the community. A collaborative effort among government, business, educational institutions, community leaders, nongovernmental organizations (NGOs) and citizens can develop and implement the best ideas for their communities because they are the closest to it. For example, there is an organization that has been successfully implementing ideas among the megacities. Known as the Mega-Cities Project¹³, it facilitated the exchange of information which allowed New York City to experiment with a low-cost bus system invented in Curitiba, Brazil as an alternative to subways (Linden, 1993). It also supported the collaboration of Tokyo and New York in developing a solution to environmental degradation. The Mega-Cities Project successfully demonstrated that a well organized NGO can work collaboratively with other organizations, governments and citizens to solve the problems of the largest cities in the world (Perlman & Hopkins, 1995). It suggests strongly that NGOs will play a critical role in the future growth and prosperity of urban areas around the globe.

Defining Nongovernmental Organizations (NGOs)

Today, there are millions of organizations in the world from Africa to Latin America and from Asia to Middle East that could be considered NGOs (refer to Appendix C for a list of NGOs’ countries of origins). While there are not currently any exact accounts on the number of NGOs,

¹³ For over eight years, the Mega-Cities Project has been working in the world’s eighteen largest cities to identify, document, and replicate successful projects which demonstrate the power of NGOs and cross-sectoral partnerships worldwide.

by all estimates the number seems to be substantial.¹⁴ The lack of a clear definition combined with the sheer number of organizations makes it impossible to track or coordinate this independent sector's movements.

Proposition 2A: There is no standard definition of NGOs. No one knows for sure when the first NGO was started and little systematic research concerning these organizations has ever been completed.

It has been difficult to define NGOs for many reasons. Several interviews of NGO personnel relay that “language is a major issue and it starts with how you define a NGO.” In the business literature, there is little attention of NGOs by organizational behaviorists or those practicing organization development. While there is a body of literature on the more generic topic of nonprofit organizations (Drucker, 1990), there are few that specifically address the function and role of NGOs. These organizations have been all but excluded from the discussion of nonprofit organizations and when mentioned have been referred to as intermediary nonprofit organizations (Fisher, 1998). In a review of dozens of major management and business journals, only 13 articles were found dealing with NGOs. To learn about their growth and proliferation, one needs to follow a non-traditional path of sources for information.

To make matters worse, there are many different types of NGOs. They encompass a vast array of organizations including charities, relief agencies, community-based organizations, environmental groups, women's groups, religious groups and think tanks. There are partnerships and coalition organizations, community based organizations and voluntary organizations. In addition, there are Northern NGOs (NNGOs) and Southern (SNGOs). Some NGOs, like those

¹⁴ For example, there are millions of NGOs in over 97 countries as reviewed since the beginning of this study.

located in the United States are called Private Voluntary Organization (PVOs)¹⁵, and others are referred to as Global Social Change Organizations (GSCOs) (Korten, 1990; Johnson, 1992).

In addition, there are larger NNGOs which incorporate an international focus and have come to be known as international nongovernmental organizations (INGOs) such as the Mega-Cities Project (refer to Appendix A). Fisher (1998) defined these organizations as those with networks in three or more countries. INGOs such as Greenpeace (GP), Friends of the Earth (FOE) and World Wildlife Fund (WWF) are well-funded and represent powerful forces in world environmental affairs (Russell, 1993). In the earlier stages of their development, these mega NGOs relied on strategies of lobbying and pressuring governments to take care of the environment. In the past decade, however, these entities have become power structures in-and-of themselves with the ability to shape effective legislation (Tarlock, 1992).

Despite these differences, NGOs are typified by a couple of common characteristics. First, by definition they are nongovernmental in structure. Second, they are operated as nonprofit entities. Third and most importantly, they are organizations whose members are unified and driven by their commitment to a central mission. These three criteria do little to clarify or narrow the world of organizations which could potentially qualify as NGOs. This study will further limit the definition by adding a fourth criteria. This includes organizations whose mission deals with the growth of civil society or sustainable development. Therefore, an organization like the Mega-Cities Project would qualify as a NGO while a private nonprofit university would not.

¹⁵ In the United States, it is a requirement for a Northern NGO to be called a US PVO if it receives funding from USAID. There is a legal framework in United States for PVOs.

For the purpose of this study, then, the term NGO will be used to refer to:

Definition 2A: Nongovernmental organizations (NGOs) are nonprofit organizations not managed by governments and are mission-driven. The mission of such an organization is to create, promote and implement development programs and projects to populations seeking assistance.

Even with this narrower definition, millions of NGOs exist and more are started every day. From small community groups to huge multinational conglomerates, their efforts focus on igniting people into action over a common cause. Whether this cause is relief, social welfare, community development, catalyzing and influencing public policy or social innovation, NGOs stand to play a major role in human development and social change. Each organization participates to the level of its ability.

In order to provide some structure to this maze of organizations one could view NGOs graphically with the many millions of small local community oriented NGOs at the bottom, and the few large powerful NGOs at the top. This pyramid of organizations could be classified into three general categories. At the top of the pyramid are national NGOs. These large, powerful organizations have huge stable memberships, large budgets and immense resources (Tarlock, 1992; Russell, 1993). They have become considerable forces within the political and legal structures of society. At this level, these NGOs have assumed the responsibilities of providing information or performing investigations for government agencies or private industry; performing services for various citizen groups; involving themselves in environmental political process and litigation; monitoring and enforcing environmental regulations; allocating technical and financial resources to community based organizations; and advocating for citizen groups (Lewis, 1988; Foote, 1990; Strauss, 1992; Rischitelli, 1995).

At this level, several hundred of these national NGOs have also expanded their capacity to an international focus and are called INGOs. While fewer in number these multinational organizations have become household names throughout the globe and boast an international following (Fisher, 1998). These entities are truly the powerhouses behind the international environmental movement. The national and international NGOs depend on membership fees, foundations, grants, donations, program and publication revenues and fees paid for research and consulting work to exist (Russell, 1993).

The second group of NGOs operates at the regional or national levels called Grassroots Support Organizations (GRSOs). There are an estimated 50,000 GRSOs (United Nations Development Programme, 1993, p. 86). GRSOs work to unite smaller GROs to work on core developmental challenges of the world. For example, the Committee for Development Action is a regional training center in Senegal, and links several different ethnic organizations and dozens of villages (Pradervand, 1990). They help GROs build capacity to be self-reliant (Korten, 1983). Many of the GRSOs get their funding from grants, small donations and volunteer workers. Fisher suggested that the responsibilities of these types of NGOs (GROs and GRSOs) may differ, but their missions focus on issues relating to building and sustaining civil society.

The third and most common type of civil action group is the Grassroots Organizations (GROs) that operate at the local levels. While much greater in number, these GROs represent local organizations which are typically much less formal in structure and loosely organized (Zazueta, 1995). These domestic organizations are made up of individuals who believe in and are willing to unite for a specific cause. An example might be a group of small regional churches which

organize a GRO for the purpose of cleaning up a local water supply (Valderrama, 1997). The group would operate as a tightly formed unit for many months in the pursuit of its goal. Once completed, the organization would either assume a new mission or dissolve. Because of their transient nature, there are no exact statistics on these smaller NGOs. Despite the lack of a formal registry, it is obvious that there are millions of these GROs in existence. Fisher (1993) estimated that there are over 200,000 GROs in Asia, Africa and Latin America alone (p. 25).

GROs can be further subdivided into two parts. Marginalized rural and urban organizations have formed GROs to fight for specific rights and benefits for their members. Frequently, their mode of operation is self-help. Some GROs, such as co-ops, credit unions, and farmer unions, operate within legal frameworks. These GROs rely heavily on in-kind and monetary contributions or fees from their members. Depending on their size and scope, they might hire professionals who in most instances answer to elected leaders (Stavros, 1997). Top decision-making positions in GROs are held by leaders elected by the rank and file, and leaders account fully to members (Fisher, 1998).

The other groups of GROs, such as neighborhood groups or village committees, are informal and not legally constituted. This group has also been defined by Esman and Uphoff (1984) as local development associations (LDAs) and International Associations (IAs). Many of these groups have organized to manage the natural resources that allow them a decent lifestyle. These smaller, less formal GROs get their funding from small donations, in-kind services and volunteer work. For example a GRO in Oaxaca, Mexico, organized to stop the renewal of timber concessions on their lands by private industry and decentralized government agencies in the

early 1980s (Zazueta, 1995). Many of these GROs support environmental programs at the community level and circumvent traditional hierarchies of political and economic support. These innovations address crucial environmental issues beyond the reach of more centralized approaches. These organizations are at the core of what is happening in local communities.

While this classification provides a description of three major categories of NGO based upon the number in existence, the world of NGOs can be further subdivided into two broad sub-categories known as Northern NGOs (NNGOs) and Southern NGOs (SNGOs)¹⁶. The division of NGOs as Southern versus Northern is not necessarily geographic in nature as it appears, but “rather their location vis-à-vis the poverty line” (Muchunguzi & Milne, 1997, p. 57). NNGOs are those which operate within developed countries while their southern counterparts are located within third world or developing countries (Carroll, 1992). It is this distinction which will be the foundation of this study. The types of NGOs discussed in this section are summarized below in Table 2.1.

Table 2.1: Types of NGOs

BNGO	Business NGO	NGDO	Nongovernmental Development Organizations
CSO	Civil-society Organization	NNGO	Northern NGO
DNGO	Development NGO	PGRO	Profit-making Grassroots Organization
GCO	Global Change Organization	PINGO	Public Interest NGO
GONGO	Governmental NGO	PO	People organization
GRO	Grassroots Organization	PSC	Public Service Contractor
	IA Interest Association	PVO	Private Voluntary Organization
	LDA Local Development Association	SNGO	Southern NGO
GRSO	Grassroots Support Organization	TNGO	Transnational NGO
GSCO	Global Social Change Organization	VO	Voluntary Organization
INGO	International NGO		

Detailed explanations of these NGOs are in **Appendix B**.

¹⁶ For more in-depth information on NGOs, refer to *NGOs and the Political Development of the Third World* by Julie Fisher, 1998.

Origins of NGOs

The first generation¹⁷ of NGOs can be traced to 1647 when religious organizations sent food from Europe to North America to aid settlers. The first generation NGOs were involved in the direct delivery of relief and welfare services (Tandon, 1989). It was during the 1700s through 1800s that several international relief and missionary nonprofit organizations were established in Europe and America. One of these first INGOs was the American Red Cross. After World War I, many of these international nonprofit organizations redirected their focus to provide assistance to war-torn countries (Korten, 1990). Many of today's INGOs were originally established after World War II to provide relief assistance to those in Europe (Sommer, 1977).

During the mid-1960s, NGOs began to distinguish themselves as either Northern or Southern. SNGOs were usually affiliated with a religious organization. Historically the NNGO provided direct service delivery to their Southern partners on behalf of communities in need. At the time, the core capability of NNGOs was logistics management and the types of services were not developmental but relief assistance (Smith, 1984; Landim, 1987).

In the 1970s, there was a debate between welfare related strategies versus the developmental related strategies of NNGOs. Adopting the later, NNGOs focused on promoting sustainability of the communities served by the SNGOs (Korten, 1990; Bombarolo & Coscio, 1997). The intended results were to teach the communities to help themselves once the NNGOs withdrew support (Tandon, 1989). The NNGOs funded by donors worked to develop the core capabilities of financial and technical assistance to SNGOs. The core capabilities of these NNGOs were to

act as mobilizers and to train the SNGOs to be self-reliant. Therefore, the NNGOs came under pressure to develop core capabilities of project management and partnering skills. This was usually tied to the funding at the donor's request (Korten, 1990).

In the second generation of NGO development, the core capabilities addressed on the SNGOs were that of human resource development or empowerment. A very ancient oriental proverb was used: "give a man a fish, and you feed him for a day; teach him to fish, and you feed him for a lifetime" (OECD, 1988, p. 20). However, during this developmental phase the prevalent mentality suggested that the best way to teach the SNGOs to fish was to demonstrate proper fishing techniques. Unfortunately, SNGOs could not sustain the techniques when the NNGOs removed themselves from the project.

This resulted because in the past there was minimal input from the South on type of assistance and resources to be provided. A common view was that the North's presence was autocratic and did not support the growth of self-reliant SNGOs (Korten, 1990). Korten's research found that what the SNGOs wanted for:

Northern NGOs to devote more of their attention and resources to strengthening Southern NGOs, to educating the Northern donors to the realities of the role of the North in sustaining development in South, and to advocate for more enlightened policies. (p. 92)

The SNGOs were demanding more attention be given to the creation, development and strengthening of their capacity and capabilities than to temporary relief aid or direct assistance. SNGOs wanted to focus on building their organizational capacity to sustain themselves (Hudock, 1997). The next level of capacity building efforts was development of collaborative partnerships

¹⁷ In Korten's 1990 book, *Getting to the 21st Century*, he presents in Chapter 10 Four Generations of NGO growth from relief assistance to a

by NNGOs and SNGOs. A study was completed by Muchunguzi and Milne (1997) that included over 170 SNGOs to provide their perspectives on the practices and policies of international development organizations and NNGOs to express their view and opinions based on partnerships.¹⁸ The recommendations made were:

the term partnership should be redefined to be based on equal control over the creation of development agenda. Money should be given no greater value than the resources provided by Southern NGOs. . . . Southern involvement should be increased. The terms “donor” and “recipient” should be reconceptualized. The knowledge based of Southern NGOs boards, staff and volunteers should be enhanced. Donors, should help nurture and protect the independence of Southern NGOs. Southern NGOs should share knowledge acquired in the field with Northern partners. (p. 58)

This resulted in the third generation of NNGOs which focused on “sustainable systems development” by creating policy and institutional building strategies (Blase & Blase, 1984). During the late 1980s and early 1990s, the goal was to strengthen not only the SNGOs but the institutions that supported them, so the SNGOs learned to build their organizational capacity (Korten, 1990). Today, NNGOs need to work with SNGOs to help them build capacity “to achieve stakeholder satisfaction and the ability to relate, that is, to manage external interactions while maintaining autonomy” (Fowler, 1996, p. 179).

A study was completed by the USAID’s Office of Private Voluntary Cooperation in 1989 that asked NGOs to go beyond organizational capacity building efforts to developing and maintaining a long-term relationship with their Southern partners. The goal was to teach these NGOs how to establish and maintain networks with both national and international organizations so the SNGOs can build global capacity. SNGOs wanted to work with NNGOs in solving their problems. In the future, attention and assistance needs to focus in the direction of creating

people’s center movement.

North-South partnerships that allow all NGOs to address the more critical issues¹⁹ on a global scale (Berg, 1987).

This shift in mentality seems to work for many scholars and practitioners. The next question is, where do NGOs go from here? What will be the role of NNGOs and SNGOs in the 21st century? What transition will be made from the third generation of NGOs to a fourth generation? Serrano (1989) of the Philippine Rural Reconstruction Movement (PRRM) stated:

development theorists and practitioners must think beyond “repair work” addressed to the components of interdependent systems although they can build up from there. Their efforts at re-examination should help enable the whole international NGO community to effectively promote what the watershed NGO conference in London called the Alternative Development Paradigm. (p. 124)

The last three generations of NGOs focused on direct service delivery, community building programs and organizational capacity building of SNGOs. In 1990, Korten suggested that the fourth generation of NGOs will focus collectively on achieving people-centered development on a massive scale. This growth will cause the distinction between north and south to blur as NGOs work towards development from individual to community based efforts, to regional, national level and ultimately global levels. Therefore, it will be critical for all NGOs to understand how to build capacity at these different levels and what core capabilities are needed for them to exist and sustain themselves wherever they are in the world.

Proposition 2B: There are millions of NGOs that exist in over 97 countries (based on the literature reviewed for this study). Even though we cannot get an exact count of NGOs what we do know is that Northern NGOs (NNGOs) and Southern NGOs (SNGOs) must work together in building capacity of mutual empowerment aimed at transforming society’s institutions and values. It cannot be the North versus the South. The two must work together and learn from each other.

¹⁸ Another central objective of this study was to explore the trends in donor-NGO relations between 1983-1992. It attempts to expose the human component intricately woven into international development. For more information on this study, please contact AFREDA Africa Relief and Development Consultancy Association, 29, Arusha Street, P.O. Box 10014, Dar es Salaam, Tanzania.

¹⁹ The issues more central to global agendas are areas of environmental, women’s and youth movements, peace and human rights.

SNGOs and NNGOs face important challenges in the next generation of their development. As development challenges change in response to the environment, so do the development priorities of NGOs. To appreciate how the NGOs may respond to significant development challenges, it is important to examine how they have operated in the past and what they are doing currently and how they have been projected to perform in the future.

The Mission of NGOs

Unlike their for-profit counterparts, NGOs are mission driven. This mission is, in fact the very essence of the organization and the basis upon which it gains support and membership. In recent years, NGOs are expanding their missions in maintaining, developing and rebuilding civil society as well as dealing with sustainable development issues (Korten, 1990; Collins, 1995; Levitt, 1996; Fisher, 1998). Today, high priority areas for NGOs to focus on include: environmental regeneration, poverty and income generation, decentralization and democratization, population stability and women's empowerment and well-being. In 1974, Skjelsback, of the Peace Research Institute of Oslo (PRIO), did a study of the objectives of about 2,200 INGOs in support of their missions (Feld & Coate, 1976, p. 121). Highlights of this study are displayed in **Table 2.2**. Based on those interviewed for this project, many of these beliefs are still the same today.

Table 2.2: Sample of NGOs' Goals in Support of Mission

Goals	Percent
To improve communications between members in the scientific field of the organization so that they can do a better job	87
To promote general cooperation and friendship between the members	79
To let members know each other so that they have contacts in other countries for travel, correspondence, etc.	56
To work for social and economic development in the world	51
To improve general cooperation and friendship among all human beings	48
To work for peace among all nations and peoples of the world	46

These are issues which have attracted considerable attention and support, and have thereby, increased the importance of NGOs. So powerful are many of these efforts that some of these organizations are taking their place alongside international organizations like the United Nations (UN) and World Trade Organization (WTO), governments and private sector firms (Uphoff, 1986; Korten, 1990; Fisher, 1998).

To understand the mission of NGOs, it is helpful to examine how these organizations interact with and support the efforts of international agencies whose roles are well defined and understood. For instance, the UN is a multi-governmental entity which deals with a whole range of problems faced by humankind and operates on a estimated budget of over a billion dollars (Boulding, 1991). To deliver the wide range of programs developed by the UN, it must prepare generation after generation of internationally aware citizenry, scientists, scholars and international civil servants. In order to do this the UN recruits the assistance of numerous NGOs who assist them in transforming global plans into local action. An example of this global to local linkage is apparent in the development of the UN service called DESI Electronic Information Network. This network provides access to parts of the UN information system to local branches of NGOs that qualify formally as a NGO, under UN rules (Boulding, 1988).

For the purpose of this study, the definition of NGO has been limited to those organizations whose mission focus on either civil society and/or sustainable development activities. This was done for two reasons. First, to narrow the focus to organizations who share a common mission, and to separate out others like churches and universities who may be considered a NGO, but whose missions are sufficiently different to make generalizations about capacity building difficult. While our finding may prove pertinent to these organizations, they are not the focus of this study and therefore will not be discussed. Second, the majority of growth within NGOs has been in the areas of civil society and sustainable development activities (Carroll, 1992; Korten, 1987; Fisher, 1998). Therefore, it is appropriate to briefly examine these two concepts in more detail.

NGOs and Civil Society

In a report, *Civil Society in the Next Millennium*, Stavros and Johnson (1995) defined civil society as a:

collectively of individuals joined together for a common purpose for the good of society. A civil society is made up of many types of affiliations and associations from local school groups and community centers, to church groups and nongovernmental organizations which help build communities so that its members benefit. It starts with an individual's civic behavior where this person is more interested in what is good for the community as opposed to giving up self-interest. The key point is the identification to a larger social group and self-interest at the community level. (pp. 4-6)

For the majority of people, solutions for poverty, insecurity, environmental problems, educational deficits, unemployment and dysfunctional communities are the targets of grassroots and community-based initiatives (Perlman, 1990; Perlman & Hopkins, 1995). To this end, NGOs often function as the driving force behind developing and maintaining a civil society.

NGOs are a vital ingredient in representing the ideas and needs of civil society to the world. For example, in Mexico City, many NGOs are laying the groundwork for a “radically democratic, and left-leaning popular political culture that could eventually remake Mexico” (Smith, 1996, p. 35). During the 1995 Golden Anniversary of the UN, NGOs were represented in a major three day meeting entitled, “We The People: Civil Society and the UN.” This was an audience of UN’s past and present personnel, activists and academics who met to review the critical role that the citizen groups played in the founding of the UN. In 1945, there were 42 NGOs present at the meeting. In 1995, there were thousands of accredited NGOs that came from all over the globe to work with the UN with civil society as a main issue on the agenda (Seufert-Barr & Angelou, 1995).

As effective as they are, NGOs cannot assume all of the responsibility or credit for building civil society. It would be more accurate to describe their role as a catalyst and/or glue which initiates, motivates and advocates for its development. It is the NGOs which link businesses and government to the community-based organizations at the local level to solve problems. They communicate the needs and trends within the communities to policy makers and government agencies. At the same time, both the private sector and government will call on NGOs for assistance because they have ideas and funding available for community projects. The main goal is making a positive contribution to civil society. NGOs, “generally prove more effective in grassroots outreach and more sensitive to local cultural sensitivities and economic and political variations than government and for-profit businesses” (Collins, 1995, p. 10).

NGOs contributions to civil society are limited to economic and political stability. For example, several NGOs met in Tokyo in 1994 to discuss international issues relating to the information technology service sector. The organizations which were present signed an agreement that formed a strategic alliance. This partnership's goal was to promote the development and use of information technology to help form solutions to global problems. Some of the principles involved in this effort included universal access, information security and intense cooperation among its members (The Tokyo Resolution, 1995). Many of the leaders interviewed echoed the importance of technology capabilities as critical components in communicating with their partners around the world for building global capacity. The building of civil society is a daunting task at best, but NGOs of all sizes, nationalities and types have stepped up to the task.

NGOs and Sustainable Development

The power of NGOs rests in their ability to mobilize resources and quickly respond to issues which cross political, social and geographic boundaries. With this basic understanding, there has emerged an appreciation that our quality of life is intricately linked with what happens in other parts of the world. This concept of considering the global implications of our actions both now and in the future is the platform on which sustainable development is built.

Sustainable development is not a well-defined concept and it is loosely used among NGOs worldwide (Stern, 1992). From a synthesis of numerous dialogues from colleagues around the world, Korten (1990), defined sustainable development as:

a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations. (p. 67)

This is similar to the definition offered by the Brundtland Commission, “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 43). Sustainable development attempts to improve the quality of life for humans without depleting renewable and nonrenewable natural resources. Development is “sustainable” when it permanently enhances the capacity of a society to improve its quality of life.

No other area illustrates the role NGOs have played in sustainable development more clearly than the environment. Many studies have pointed out that the problems in the environmental movement “have been largely an urban movement” (Stern, 1992, p.1). Furthermore, the Urban Foundation’s studies have shown that “the economic future of a developing country lies in the productivity of its cities, and the single best policy solution to assist in managing cities is to encourage high rates of national economic growth” (Urban Foundation, 1993, pp. 10-11). This fact offers a stark reality check for the environmentalists who scream for the conservation of natural resources. In many ways economic growth and environmentalism stand as diametric opposites. To err to the extreme in either direction is to sacrifice the other. The concept of sustainable development, on the other hand, proposes a balance of growth and conservation.

Achieving sustainable development requires cooperation (Cooperrider & Dutton, 1997). Developed countries must make dramatic changes in the use of our environment and policy development. Developing countries will also have to commit to a change process. For this reason, governments will need to learn to work with NGOs to protect the environment and

achieve the goals of sustainable development. Appendix H highlights these most pressing issues by stating the problem, impact and potential solutions that NGOs are offering.

Great advances have been achieved through the cooperation of NGOs, local governments and global support groups. For example, in the United States NGOs have been the driving force behind the passage and enforcement of many environmental protection laws for last 30 years (Spaulding, 1995; Rischitelli, 1995; Wirth, 1996). In *Trade, Environment and Megacities: How To Achieve Sustainable Urban Development* (1996b), Stavros and Johnson found 24 international environmental organizations and agreements which supported thousands of NGOs in their missions throughout the world²⁰ (see Appendix D).

The focus on the environment has been such a driving force for NGOs that today there are more NGOs' missions that are focused on environmental issues than on any other issue (Esty 1994; Charnovitz 1995; French, 1995; Tunali, 1996). To a large degree this focus has been well rewarded. This attention has created a dramatic shift in the minds of citizens and policy makers alike (Wapner, 1995).

One way that NGOs try to achieve their missions of sustainable development is by working to influence the policies of major global organizations. One such governmental organization previously mentioned that NGOs work with is the United Nations. Since the early 1960's the world governments who are members of the United Nations have made significant strides to

²⁰ The purpose of this paper, "Trade, Environment, and MegaCities: How to Achieve Sustainable Urban Development" is to begin to understand the ways in which the developed world manages its own megacities and how the developed world can better support environmental NGOs that are focused on sustainable urban development in developing countries.

incorporate the sustainable development into the world agenda²¹. As a result, in 1965 the UN created the United Nations Development Programme (UNDP). The UNDP²² has a network of 132 offices worldwide and works with 174 governments to build developing countries' capacities for sustainable human development (United Nations Development Programme, 1996). The UNDP assists developing country governments, local NGOs and grassroots organizations in preparing for UN related conferences and integrating environmental concerns into the development plans for these countries.

Another example of this cooperation occurred at the 1992 United Nations Conference on Environment and Development (UNCED). At this time, Agenda 21 was created to work with NGOs of developed countries. There were more than 100 heads of state and 20,000 NGO representatives gathered in Rio de Janeiro for this conference (French, 1995, p. 76). The central assumption underlying Agenda 21 adopted at the conference was sustainable development. Another initiative set up to complement other UNEP Programmes and Agenda 21 is Capacity 21²³. Capacity 21 is designed to promote capacity building for sustainable development.

On a global basis a vast array of organizations and programs exist to address the challenges of civil society and sustainable development. Yet, their efforts would not be possible without the support of small local organizations, groups and individuals. A "sustainable strategy" is intended to focus on meeting local needs first. Despite their global implications, like politics all

²¹ It was on March 11, 1989, that 24 governments called for the development of NGOs to address an environmental agenda within the framework of the UN (Declaration of the Hague, 1989, p. 1308).

²² Since 1990, the UNDP has been publishing the *UNDP Human Development Report* to assist the global community in designing practical concepts, strategies, programs, and policy instruments for more people-oriented development at the grassroots level.

²³ Capacity 21 proposals are assessed according to the criteria and guidelines established by the UNEP and the fundamental principles of Agenda 21. The challenges of Agenda 21 are immense and Capacity 21 will hopefully provide assistance.

environmental issues are local. NGOs, therefore, play a fundamental role in raising awareness, advocating change, influencing policy and monitoring performance with government and businesses (Covey, 1996; Fisher, 1998). After all, NGOs are not homogenous masses; they are people, hundreds and thousands of people, all pushing for one central goal. Their ability to influence organizations like the UN rests in their power to build public opinion into a critical mass.

The success that NGOs have had in gaining this critical mass on environmental issues is a perfect example of how they are attempting to create change in other areas. While not all social issues have the far reaching implications that the environment does, every issue which has the ability to unite people around a central theme has the ability to influence change (Stavros & Johnson, 1996b). This is what NGOs do, they influence social change.

NGOs and Donors Learning to Work Together

Despite their admirable missions, NGOs cannot exist on good intentions alone. The mere desire to influence change is not enough. NGOs are organizations, and organizations can only exist with some level of structure. Maintaining this structure takes resources. Primary among these resource requirements is money. NGOs typically devote a substantial amount of time and energy to acquiring the resources they need to support their efforts. By using the environment as an example to understanding the methods NGOs use to accomplish change, the attention of this study turns to understanding the capacity building challenges that these NGOs face from their primary funding sources.

Donor agencies look to NGOs to assume roles in program development and project implementation because they have greater flexibility in dealing with NGOs than with governments (Korten, 1990). Like NGOs, donors take many shapes and forms: governments, international agencies, foundations, private voluntary assistance and the for-profit sector (Jackson & Seydegart, 1997).

In the earliest years of NGO development, governments and international agencies were not only important for funding reasons but, they set the national and international agendas that supported or discouraged NGO activity. As NGOs strengthened their capacities, they participated in setting these agendas as opposed to being controlled by them (Farrington & Bebbington, 1993). Muchunguzi and Milne (1997) found that SNGO projects are generally funded by a NNGO who was funded by a donor. The NNGO may visit several dozen SNGOs with a list of criteria and projects that the donor wants to fund. Then, SNGOs prepare proposals based on the NNGO's or donor's priorities rather than addressing the needs of the local community. The researchers recommended that donors should become more flexible in their support of Southern NGOs.

Although the intentions of donors are to help solve social issues by providing money, they are seldom farsighted enough to value capacity building (Hudock, 1997). In the 1970s - 1980s, the focus was on short-term funding for project cycles of three years; this matched the donor's budgeting cycle and auditing and measurement requirements (Stamberg, 1997). As the ultimate power in the NGOs' world, donor agencies often dictated the types and scope of projects that these organizations could undertake. As a result, many projects became donor led as opposed to

being locally initiated (Cassen, 1986; Muchunguzi & Milne, 1997). Table 2.3 summarizes the problems that have emerged when a project or program is donor led.

Table 2.3: Summary of Donor-Related Challenges for NGOs

- | |
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| <ul style="list-style-type: none">• Donor's value system may be imposed on SNGOs with little or no cultural sensitivity.• Program assistance is linked to political and economic agendas.• A short-term, narrow self-interest that is donor directed.• Project or program opportunities are contradicted.• Special interest groups get funded as opposed to critical mass in a community.• NGOs can turn into a bureaucracy arm of the funding agency.• When the needs are chronic, short-term financial assistance may turn into a long-term welfare program. |
|--|

Therefore, as a general rule, donors have been more interested in “supporting NGOs in relief and welfare interventions to relieve immediate suffering than in efforts aimed at fundamental structural change” (Korten, 1990, p. 122).

Beginning in the late 1980s, many donors realized that providing financial assistance to poorer countries was not the same as helping them (LeComte, 1986; Cernea, 1987). Therefore, during the 1980s, many donors and governments recognized the important and distinctive development assistance roles that NGOs could play. In turn, NGOs began to take themselves more seriously, making commitments to strengthen their capacities to provide leadership on important policy issues. Korten (1990) found that these advancements prepared the way for a substantially new development in the South in which the people take the lead and government enabled the people to develop themselves.

Today and in the future, NGOs are looking for funding that helps increase their organization's capacity for sustainable, self-reliant development (Hellinger, Hellinger, & O'Regan, 1988). The

challenge is to move money from direct service delivery to building capacity (Korten, 1990; Jackson & Seydegart, 1997; Fisher, 1998). A considerable amount of money is still used to fund humanitarian relief, but little money is being set aside to fund development assistance to NGOs (USAID, 1994).

Donor agencies have long recognized NGOs' ability to get involved and get the job done. However, they have only recently given the NGOs the opportunity to take the lead in determining the direction which they identify as the most effective. In the future, NGOs will be able to attract funding because of their ability to accomplish broad objectives as opposed to following strict guidelines.

NGOs do not necessarily start out with a commitment to structural change. Nor do they necessarily seek controversy. However, if their value commitment is genuine, they will feel more keenly the contradictions that they encounter between their commitment and the reality of what their experience tells them to be true. The more the NGO is focused on assisting people and their problems, rather than on the preference of donors, the more likely it will be in the first instance to move toward politically oriented empowerment interventions and to seek to build community capacity to stand up against local injustice. The same commitment will tend to lead it increasingly toward third generation and ultimately fourth generation strategies. (Korten, 1990, p. 123)

As many NGOs make the transition from direct service delivery to helping others build capacity, the donors must redefine their roles. Donor funding must become committed to mutual empowerment rather than traditional channeling of resources of North to South. Korten's system supports the trend of international assistance moving toward a new concept of international cooperation in support of global capacity building efforts. The assumptions that support his model are summarized below (1990, pp. 146-147):

- Development assistance relationships are two-way flows of information. The focus is on people helping one another make better use of their resources.
- Development issues are shared problems, recognizing there is no North or South.

- Mutual assistance relationships are established at both government-to-government and people-to-people levels - within and among countries, between NGOs and central and local governments on a South/South, North/North, South/North and North/South basis.
- Substantial attention is given to establishing two-way communication linkages to which people can contribute to setting agendas and providing feedback on a collective basis.
- Priority area is global education that 1) analyzes development issues within the context of global interdependence and 2) seeks to develop collect values and behaviors that include elements from both the North and South, rich and poor.
- NGOs are expected to play important roles as catalysts, mobilizers, feedback facilitators, analysts and advocates.

Proposition 2C: NGOs focus their efforts on many different issues from building or strengthening a civil society to sustainable development activities. The primary role they serve is to be catalysts for positive change. In order to be successful organizational change agents, these NGOs need to continuously build and strengthen their own capabilities and capacity levels as well as those they serve.

NGOs are able to create meaningful change because of their understanding of the local problems and people involved. However, NGOs must be recognized for this strength and given the tools they need to build their capacities to implement programs seen as appropriate as opposed to some outside donor agency. In this section, many authors have defined the mission and roles of NGOs. What can be said is that they are clearly mission driven and they have many complementary roles in building and sustaining a civil society from the local levels to a global level.

Why are NGOs Important?

NGOs are important for their ability to assist individuals in all cultures and in all walks of life in ways which other organizations are unable to do. Recognition of this ability has caused a swell of support over the past 20 years. “NGOs have rapidly spread throughout the world and now reach about half a billion of the estimated 4.2 billion people in the third world countries” (Fisher, 1994, p. 6). It was reported in *Harvard Business Review*:

when governmental and nonprofit organizations are good, they are very good. And good they must be, because we entrust them with society's most important functions--educating our minds,

uplifting our souls, and protecting our health and safety. Our collective perception of their value is evident in the monumental resources we devote to these institutions: Revenues of nonprofit alone have grown from less than \$200 billion in 1978 to \$1.1 trillion in 1993. (Herzlinger, 1996, p. 97)

NGOs cannot be ignored because they are becoming an increasingly dominant force in serving the growing prominence of viewpoints from outside government. For example, in September 1995, the NGO Forum on Women was the largest gathering of women in recent history in China. There were stories, activities and projects prompted by over 5,000 workshops, panels, tribunals and cultural events with over 27,000 attendees (Sanders, 1995). Such an important display of unity cannot be ignored by governments worldwide.

Second, NGOs are important because their missions focus on critical issues to communities like rural and urban development, nutrition, literacy, economic development, healthcare, homeless shelters, child welfare, population control, etc. Many have, as their primary task, a mission of global well being (Boulding, 1988). The contributions of NGOs bring resources together to help build better communities. According to Maclean Hunter:

the work of NGOs has a multiplier effect. A single project can help hundreds of farmers to increase the yield of their fields which will feed thousands. A few people in health promotion can improve the quality of life for thousands of others. (1996, p. 83)

NGOs can be quite involved in making decisions on many issues relating to building communities, influencing public policy and creating a civil society.

The third reason for the importance of NGOs is the growing distrust of governments. NGOs seem to be organizations that people trust and thus turn to for assistance with major life challenges. Since the larger NNGOs are tied closely to various GROs and GRSOs, they are often seen as more trustworthy because the good that is done for the community at the local level

is well known by the community. In other words, the community realized tangible benefits from the direct actions of the NNGO instilling confidence and trust. This produces a vested economic interest at the community-based level. For example, in the slums of Karachi, neighborhood committees did not have the confidence in their government to keep the promise of cleaning up the sewage systems. After waiting a long period of time, nothing happened. Therefore, the neighborhood communities have built their own sewage systems that provide water to an area serving over 100,000 people (Fisher, 1994).

To echo this point, Brian O'Connell, founding president of the Washington-based Independent sector, argued:

Americans are willing to stand up and be counted on virtually any issue. We organize to fight zoning changes, approve bond issues, oppose or propose abortion, improve garbage collection, expose overpricing, enforce equal rights, or protest wars. In very recent times, we have successfully organized to deal with the rights of women, conservation, and preservation, learning disabilities, conflict resolution, Hispanic culture, and "rights, neighborhood empowerment..." (Pierce, 1996, p. 9)

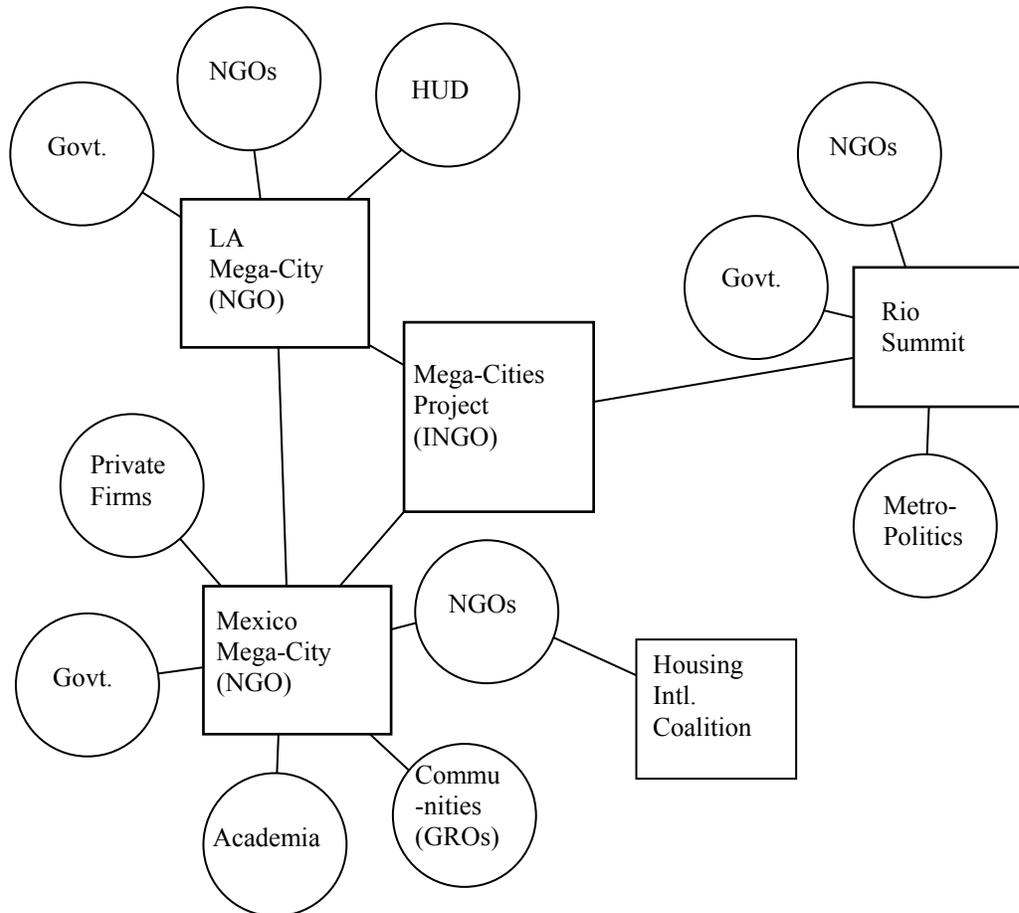
Fourth, NGOs are becoming increasingly important because they are not constrained to inaction due to the need to consider protocols, political innuendoes and organizational image. On the contrary, they seem to be more willing to address humanitarian emergencies than many governments. Present policies and agendas of home governments limit the freedom of action of delegates. NGOs do not operate under these limits. For example, NGOs played a key role at the annual meeting of the U.S. Institute of Peace. NGOs were not the new actors in this humanitarian relief program, but they were more prone to work in these de-militarized areas even when the UN and member countries pulled out their troops. NGOs' roles seem to be more effective because of their close affiliations in grassroots outreach and sensitivity to local cultures as well

as their understanding of economic and political variations (Clark, 1995). Furthermore, according to Boulding (1991):

the revolutionizing of insights at the NGO level happens even while governments and the U.N. itself stay resistant to new perceptions and oppose policy shifts based on them. If governments and the U.N. can't move, NGOs can, and so they become valuable sources of innovation in a change resistant world. (pp. 798-99)

The fifth reason for the increased importance of NGOs is their ability to build rapid networks and reach a large number of people. Figure 2.1 shows an example of an extensive network in Mexico involving dozens of agencies and hundreds of volunteers from all over the world to help address the lack of housing problem for the residents in Mexico City. The Mega-Cities Project is an excellent example of a INGO that has an outreach to hundreds of thousands of individuals and collaborates with hundreds of other institutions. Unfortunately, trying to estimate how many people have been reached and how many people have benefited from the work of NGOs in Mexico alone is probably just as difficult as trying to estimate how many NGOs exist today.

FIGURE 2.1: Mega-Cities Project Mexico: A Network of NGOs and Partner Organizations



The final factor in demonstrating the importance of NGOs is the increased role NGOs play in influencing and shaping policies. NGOs have been playing a significant and increasing role in environmental policy. These organizations pressured the development of many international organizations and agreements and played an important role in convincing corporations as well as governments to take social responsibility for the environment since 1960s (Wapner, 1995). For example, The Sierra Club has influenced policy makers to pass legislation controlling environmental abuse in the U.S. such as wetlands management and endangered species preservation, i.e., the spotted owl (Stevenson, 1996).

NGOs working with United States Agency for International Development (USAID) and GEF have played a crucial role in advancing environmental objectives overseas (USAID, 1994; Bowles, 1996). The Sierra Club which has been deeply engaged in international population efforts is another example. Similarly, the WWF is helping to conserve biodiversity in more than 40 countries. The World Resources Institute confronted deforestation in Africa and the Nature Conservancy is protecting wild life preserves across Latin America. Through the State Department's new "partnership for Environment and Foreign Policy," Warren Christopher claimed, "we will bring together environmental organizations, business leaders, and foreign policy specialists to enhance our cooperation in meeting environmental challenges" (Christopher, 1996, p.193).

While governments remain the primary thrust of global environmental action, NGOs are the key influencers of the government through their members. NGOs regularly participate at major international conferences and lobby international economic institutions, such as the World Bank, to reduce the impact of economic development on the environment or WTO in trade related issues concerning the environment. Studies have shown that NGOs have influenced negotiations over environmental protection of the oceans, the ozone layer and Antarctica. They have also helped enforce national compliance with international mandates (Wapner, 1995).

New policies developed by NGOs have also been adopted by public policy makers. NGOs want to play a stronger role in designing and recommending projects and policies to local, regional, national and even international governments. An international example of NGOs forcing policy on governments by raising public support to a critical mass is clearly evident through the recent

signing of a land mine ban by 100 nations throughout the world. The work of major INGOs such as CARE and hundreds of GROs headed by the late Princess Diana has brought tremendous political pressure to bear and forced governmental cooperation. This resulted in the “The Princess Diana Treaty” that is expected to be signed by over 100 nations (Taylor, 1997).

According to Barbara Bramble, director of the international agency for the National Wildlife Federation:

without NGOs, the UN conferences would come to absolute zero. At the PrepCom conference for the Social Summit, governments were complaining that there weren't enough NGOs. That is a general admission they're not going to do anything without NGO pressure. They depend on it. (Ruben, 1995, p. 35)

Over the past several decades, NGOs have gained increasing recognition for their ability to get the job done. This recognition has allowed them to become effective instruments of social change. There is little doubt that NGOs are important and they are here to stay. After all, NGOs are not the solution; they are a means to an end. They cannot operate alone. Unlike governments, they cannot promulgate regulations or policies to accomplish their missions. Together though, NGOs and policy makers can do much to promote civil society and sustainable development activities.

The Future Challenges for NGOs

Considered thus far is the nature of NGOs, the types that exist, why they are important, how they influence the development of civil society and sustainable development, the increasing role they are playing and their relationships with donors. These organizations seem like the perfect solution to almost any global challenge. One may ask the question then, if NGOs are playing such a pivotal role in developing civil society and an uncountable hundreds of thousands of these

organizations exist, why is the development of a greater global civil society progressing so slowly? The answer is simple. While NGOs are a giant step in the right direction, the organizations themselves have a lot to learn about building capacity to deliver on a mission and sustain its existence.

The future offers a number of challenges for NGOs. NGOs need to better define their position in society. Korten (1990) suggested that the NGO sector is a development force. These organizations are needed to address the critical development issue for the 21st century which is transformation of development should be built on the basis of human dimension. Korten reached this conclusion:

our collective future depends on achieving a transformation of our institutions, our technology, our values, and our behavior consistent with our ecological and social realities. This transformation must address three basic needs of global society. The three basic needs are justice, sustainability and inclusiveness. The vision for these voluntary organizations must be people-centered. (p.4)

Perhaps the most challenging aspect for NGOs is the role that they play in international diplomacy that builds binding commitments among governments from below rather than through the political elites at the top. As Father Jim Hugg, head of the Washington-based Center of Concern, noted recently NGOs in many ways form “unique experiments in global democracy focused on issues, not elections. And, as such, they have lots to teach” (Collins, 1995, p. 7). NGOs are social agents of transformation for people and their communities rather than serving the needs of the politicians.

A second challenge for NGOs is their ability to fund future activities, because the financial resource pool is shrinking while the number of NGOs is increasing exponentially. Many of these

NGOs will disappear because they depend on 80 or 90 percent of their funding from the U.S. government (d'Estaing, 1995). Therefore, NGOs will need to develop creative financing strategies to sustain their existence. NGOs will be forced to solicit nongovernmental funding sources. For example, Robert Best, formerly a Senate staff economist, founded Private Sector Initiatives Foundation (PSI), which promotes the education and training programs for economically disadvantaged youths in less-developed countries. PSI contributes technical and financial assistance to projects created by local NGOs, and the funding comes from various Fortune 500 companies. "NGOs don't need more plans and agendas. What is needed is money and action" says Ellen Dorsey, a program officer with the Stanley Foundation which has studied NGO participation and the international women's movement (Ruben, 1995, p. 37). In the fieldwork completed in this project, building an organization's capacity and sustaining its funding is a primary concern in all cases.

A third challenge is the need for NGOs to make the public aware of their success in order to build support and strengthen their position as a key player in civil society activity. An example of this effort is the Mega-Cities Project mentioned earlier. This INGO has aggressively documented and published their success stories as well as sought opportunities to present their material to influential audiences around the world (Hopkins & Garden, 1994; 1995).

Fourth, the scale and scope of current world issues require a continued form of cooperation and collaboration among governments, private sector, citizens, community-based groups and various types of NGOs to implement solutions. In 1995, Ruben pointed out that the collaborative efforts

of UN and NGOs are an example of global capacity that is so powerful it can affect a better world.

The fifth challenge is the effective three-way communication among donor agencies, Northern NGOs and Southern NGOs. Everyone must be active. Korten (1990) said:

The challenge is to reach out through human networks, study groups and forums where people can engage and dialogue on critical development issues. There is a need to seek more opportunities for true people-to-people linkages, bringing together community level environmental activist, cooperatives leaders, women's rights activist and organizers of farm laborer from North and South for mutual exchange to build a shared vision and put their efforts in a global perspective. (p. 204)

The challenges faced by the increasing numbers of NGOs must be met collaboratively - for they are not simple problems. Good news is there are many individuals and groups becoming interested in the world in which we live. This is a foundation of great hope.

Summary

For purposes of this study, an NGO is defined as a mission-driven, nonprofit organization not managed by governments which seek to create, promote and implement development programs and projects to populations seeking assistance. This definition is broad and includes many millions of recognized organizations. For many decades, NGOs have grown, defined and redefined themselves many times over. Today, there are NGOs that address every conceivable aspect of civil society. From huge multinational organizations to small local community groups, NGOs have risen to a stature which mandates recognition, and as their recognition and acceptance increases so does their power to accomplish even more.

With all of the differences among NGOs in terms of size, location, mission, resources, etc. in some ways there are more differences than similarities. Taken as a whole, this makes them very difficult to study and draw conclusions which are both germane and pertain to them equally. In an effort to deal with this and lay the groundwork from which this research can be generalized, the researcher has done two things. First, the focus of this study will limit itself to those NGOs whose mission includes working with those populations which face significant development challenges in building civil society and/or achieving sustainable development. Second, a broad line has been drawn in the NGOs and created two large sub-categories of NGOs as either Northern or Southern.

For NGOs, however, the battle is far from over. NGOs of all sizes will face significant challenges in the years to come. In order to meet these challenges, they must stop, pull back and reflect inwardly upon their ability to accomplish their mission. As organizations of social change, without the tools to adhere to and accomplish their mission they are left floundering in an ever increasing pool of organizations all bidding for a shrinking piece of the financial pie. Despite their good intentions, they must learn to build capacity, only the strongest will survive. Regardless of whether they aspire to act alone, in conjunction with other organizations or even at a global level with hundreds of other organizations, agencies and governments, NGOs must first ensure their survival by building their capacity.

In this chapter, having established that NGOs represent a powerful and proliferating independent sector of the world, and having identified their challenges, it is important to understand what is required to make these organizations effective. Chapter 3 begins with a brief overview of the

importance of individual capacity building as it relates to NGOs and the capacity building process. The major focus of Chapter 3 is the range of definitions on capacity and capacity building and its interrelated processes. The chapter explores the three major levels of capacity: organizational, multi-organizational and global and its related core capabilities as defined by scholars and practitioners in the field. This chapter defines key concepts in the study based on an integrative synthesis of the literature, fieldwork of four NNGOs and meta-ethnography of six SNGOs.

CHAPTER 3: The Multi-level and Relational Nature of Capacity Building for NGOs

“We must build a sense of self-worth, hope and capability to meet the challenges of the next millennium.” -- Sherene Zolno

People are the fundamental building blocks of any organization. An overview of NGOs and their impressive ability to impact local communities, megacities and global challenges demonstrates that when people join together to act collectively they are a powerful force for change. Noting the dramatic strides these organizations have made, it is easy to focus on the forest and lose sight of the trees. When the news relays that the Red Cross has sent a fleet of trucks to aid the victims of a volcano in Mexico, few appreciate that in addition to being a giant International NGO (INGO), the Red Cross is made up of thousands of individual men and women. Organizations do not run themselves; people run them. Therefore, before focusing on the key research questions of the study, the area of individual capacity building must be addressed. After all, people build and sustain organizations.

Individual Capacity

As the relative importance of capacity building becomes mainstream, more organizations have begun actively recruiting employees with skills and experience in the area of capacity building. For instance, in surveying a six month review of the jobs postings in the *Economist* and *Monday Developments*, it was noted that there was a total of 36 positions listed with 19 NGOs located throughout the world (Africa, Asia, Europe, Middle East and North America) which specifically mentioned the term capacity or capacity building. Some of the positions' requirements were stated as broadly as requiring capacity building skills while others listed specific areas of knowledge such as environmental capacity building skills. Interestingly enough, none of the ads

defined the term capacity or capacity building, thereby suggesting that the phrase is so familiar that it requires no definition.

A review of these job postings was done in order to determine what NGOs were looking for with regard to capacity building positions, skills and responsibilities. A summary of these findings is listed in Table 3.1, 3.2, and 3.3.

TABLE 3.1: Capacity Building Positions

<ul style="list-style-type: none"> • Administrative Manager • Administrative Officer • Advocacy Director • Capacity Building Coordinator • Capacity Building Specialist • Deputy Field Director of Capacity Building • Director of Women's Rights • Disbursement Assistant • Field Manager or Officer • Financial Manager 	<ul style="list-style-type: none"> • Institutional Capacity Builder • Operations Manger • Outreach Officer • Program Officer • Project or Program Coordinator • Senior Administrator Officer • Senior Capacity Building Specialist • Senior Executive in Capacity Building • Senior Training & Learning Methods Specialist • Social Development Coordinator and Manager
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TABLE 3.2: Skills Required for Capacity Building Positions

<ul style="list-style-type: none"> • administrative • budget and accounting • communication • computer • cooperation • finance • team building 	<ul style="list-style-type: none"> • human resource management • leadership • management • marketing • planning • strategic
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TABLE 3.3: NGO Capacity Building Responsibilities

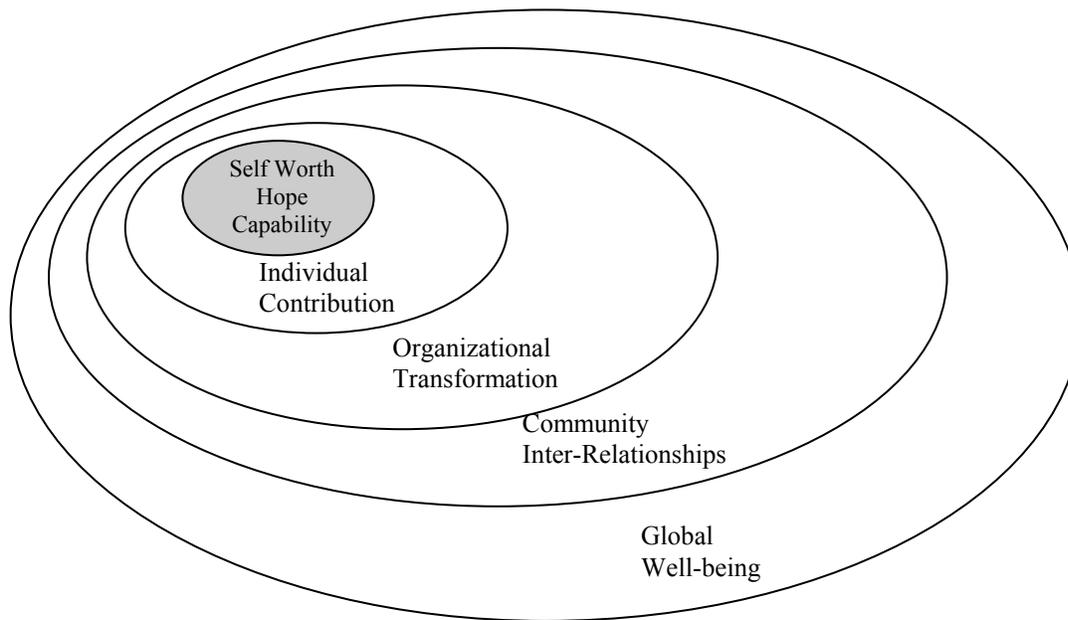
- | |
|---|
| <ul style="list-style-type: none"> • to build capacity that widens choice and improves the performance of national institutions engaged in the practice of democracy through dialogue and consultation. • to build the local capacity that enhances democracy, identifies strategic gaps in democracy support and networks with experts and institutions. • to build indigenous capacity in policy analysis and development management and to enhance utilization of that capacity. • to develop, monitor, implement and participate in national and regional capacity building projects. • to address issues in economic and social transformation; non-economic factors in development; public and private sector partnerships; management and privatization of public sector institutions and the devolution of power to local governments. • to identify development strategies suited to the social and economic circumstance of developing economies. • to improve the capacity for sound management of the agencies and organization in developing countries engage in development work. • to enhance the capacity of board leaders to meet the challenges of nonprofit governance. • to focus on critical issues of concern to NGOs, including: strategic planning, managing mission transitions, organizational transformation, achieving financial sustainability, structuring and managing alliances, attaining effective board-director relationships, creating productive board structures and preserving trust and accountability. • to undertake integrated interventions with community capacity building programs. • to promote the humanitarian principles and protection of civilians. • to reduce poverty in urban areas and to foster people-centered urban reduction. • to establish close collaborative links with the government, bilateral and multilateral donors, international and local NGOs and other key agencies involved in poverty reduction activities in urban areas. • to promote European environmental management best practices in Asia and stimulate business-driven environmental improvement solutions. • to seize opportunities in partnership with Asian micro-enterprises. |
|---|

In addition to the 19 NGOs offering positions in capacity building areas, dozens of inter-governmental organizations offered positions to promote capacity building and skill sharing with NGOs like Commonwealth Foundation in Africa. Even the for-profit sector had several positions with international consulting firms looking for consultants who had experience with NGOs and multilateral institutions like the World Bank. Finally, key governmental organizations like the United Nations (UN), World Trade Organization (WTO) and World Health Organization (WHO) listed consulting opportunities in capacity building and NGOs.

While each job posting in the *Economist* and *Monday Developments* may have listed several of the above named skills, every ad listed either management or leadership as a requirement. Thus, these two individual capabilities deserve a more in-depth critique.

There are many models and theories on management and leadership. A walk through any bookstore or library will produce volume upon volumes on the subject. This mass of information caused a team of researchers to come together in 1996 to develop an integrated view of leadership and its role in developing an organization. The result of their work is called, “New Century Leadership” (refer to Figure 3.1).²⁴ The goal of this integrated model is to identify the traits of strong leadership because it is these traits which guide the organization through its ultimate development and success.

Figure 3.1 New Century Leadership Model



The New Century Leadership model suggests that the fundamental building block of an organization is a leader’s sense of self-worth, hope and capability. Leaders with these qualities inspire the members of the organization to feel confident, capable and hopeful. The net effect is that the organization is transformed into a powerful base from which the community and

²⁴ This team of researchers is part of an organization called The Leading Clinic which guides nonprofit organizations through a unique 12-month process of analysis and learning intended to foster innovative thinking and creative responses to operational issues. The model builds committed leaders who, as coaches, partners and catalyst guide their organizations to new levels of service excellence and capability.

ultimately the world can be affected. The study refers to this as the “ripple effect” (Zolno, 1997).

Another example of leadership that has been studied within the context of NGOs is constructionist leadership. Kaczmarek and Cooperrider (1997) found that leaders should organize by bridging across diverse cultures:

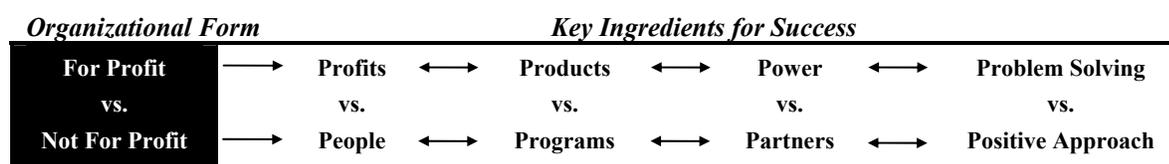
constructionist leadership enables productive connections, at the deepest level of belief and method. . . . The constructionist leader works at a nonmaterial, epistemic level of promoting appreciation of the *intelligibility nuclei* across conflicting communities. . . . The constructionist leader is involved fundamentally in building relational knowledge systems, open and indeterminate, capable of generating time and again intellectual breakthrough and action. . . . The constructionist leader often uses language in purposefully ambiguous ways. Metaphor and narrative form is open . . . and appears related to a number of positive relational consequences. (p. 249)

Like The New Century Leadership Model, constructionist leadership builds the capacity of those members in an organization to embrace significant development challenges while instilling self-worth and hope.

Having established that individuals with strong leadership capability are the fundamental element of an organization that succeeds in its long range goals to affect the world, the strategies used by these individuals to further the goals of NGOs are no less significant. In 1996, an Appreciative Inquiry study was completed by Stavros and Johnson to understand the importance of leadership strategies in building effective NGOs. The study focused on the directors of 10 NGOs and their strategic approaches. The study revealed that effective leaders understand the key ingredients for success of for-profit and nonprofit organizations and how each of these are applicable to the unique characteristics of the organization as well as their leadership.

The study concluded that there are four major ingredients of success in for-profit organizations: profit, products, power and a problem-solving approach to challenges, goals or objectives. On the other hand, in a NGO, the key ingredients of success consistently focus on people and a growing need for programs and partners with a positive approach to gaining support for their missions (refer to Figure 3.2).²⁵

FIGURE 3.2: Thematic Outline of Analysis

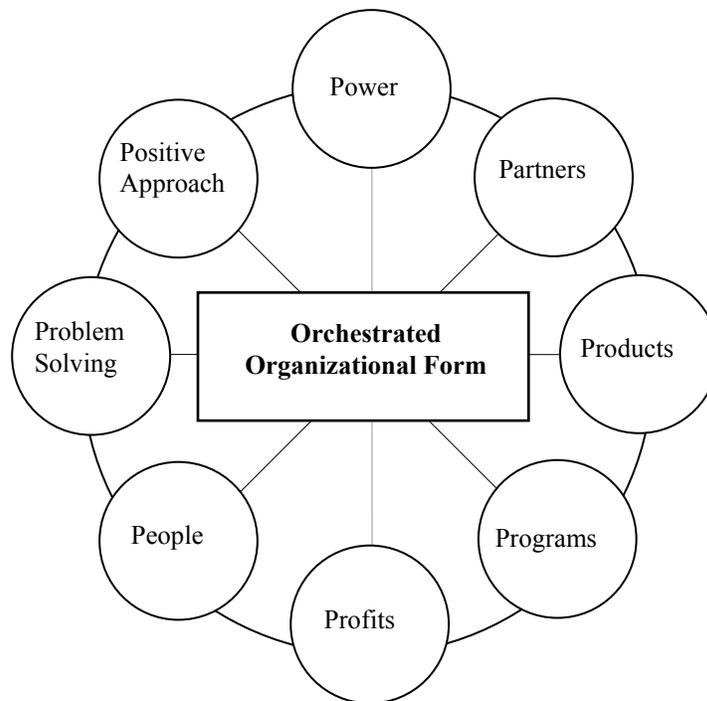


Stavros and Johnson (1996a) concluded that the ingredients identified by leaders of NGOs historically have differed from those identified by for-profit organizations. However, effective leaders realize that the ideal system includes a combination of these eight ingredients (8 P's) to make the best organization for NGOs and for-profit organizations alike. This orchestrated organizational form is displayed in Figure 3.3. Depending on the needs of the organization, the actual amount of each of the ingredients utilized may differ.

²⁵ For detail information on these key ingredients integrated from different organizations on: *The Pursuit of People Versus Profits, Turning Programs into Sustainable Products, The Pursuit of Partnerships Versus Power, and the Positive Pragmatic Approach Versus the Problem Solving Approach*, see a copy of Stavros and Johnson 1996 study. The discussion of these core set of ideas is the basis for which they developed a series of propositions on strengthening NGOs and their link to building civil society.

The study proposed an integration of the four P's of the for-profit organizations (profits, products, power and a problem-solving approach) with the four P's of NGOs (people, programs, partners and a positive approach). The leaders of NGOs then have an orchestrated organizational form that could help them build capacity to meet their goals and sustain their existence.

FIGURE 3.3: Key Ingredients for Success



In summary, successful NGOs are comprised of people who have particular positive qualities that are manifested in the organization itself. The effective leaders of these organizations have an understanding of the key ingredients used by for-profit and nonprofit organizations as well. They are able to select and use those key ingredients in a way that serves their particular organization. They operate in a great laboratory where they can invent, organize and experiment with ways to get things done and to solve significant development challenges (Cohen, 1993).

These leaders are poised and ready for change at any given moment to further the development of a global civil society.²⁶

With management consultants and various "experts" springing up all the time, information abounds concerning the effective operation of for-profit businesses. On the other hand, we know very little about the operation of NGOs: how they come together; how they are sustained; how they build their organization's capacity; what brings the leaders and outside supporters to them; what drives them to carry on when funding is low; and what effects they truly have on social innovation (Fowler, 1988; Zolno, 1997; Fisher, 1998). Yet, it is evident that these organizations have an impact on civil society and sustainable development issues. The search for the answers to these questions begins with the understanding of capacity building.

Definition 3A: Individual Capacity building is being able to realize one's potential capabilities that can contribute to organizational effectiveness. An individual must continuously develop his or her capabilities to best serve the organization.

Proposition 3A: Capacity building is a relational process of building an organization's future, and yet it is not organizations which build capacity - it is people. Whether a NGO recruits people with strong individual capabilities or they develop them internally, it is these capabilities which dictate the organization's potential for success.

Capacity and Capacity Building

Increasingly, communities call on NGOs to address the most critical issues facing them: the revitalization of cities, the transformation of educational, health and social services systems and the strengthening of civic, cultural and social institutions. At the same time, increased competition for funding, innovations in technology, demographic shifts and increased public

²⁶ The seven key propositions from this study are summarized in **Appendix E**.

scrutiny are forces creating turbulence for these organizations which hamper their ability to build or sustain its capacity to service the needs of their communities.²⁷

The concept *capacity* has a broad meaning within the NGO context. For NNGOs, capacity has referred to growth and development of the potential or the ability to act or function (AKF, undated). A prominent U.S. PVO leader interviewed defined capacity as “what makes an organization strong” (CRWRC, 1997). A task force in Washington, DC defined capacity as “the degree to which an organization can marshal resources to accomplish clearly defined goals and objectives” (1996, p. 2).

For SNGOs, the Society for Participatory Research in Asia (PRIA) defined capacity as a multi-dimensional and complex attribute that covers the totality of an organized effort (Tandon, 1997, p. 2) In Latin America NGOs, capacity is defined as increasing a NGOs ability for autonomous management to strengthen their social organizations (Bombarolo & Coscio, 1997). In a study of 170 SNGOs, Muchunguzi and Milne (1997) defined capacity building as “improving financial and technological resources within SNGOs. It entails strengthening the NGOs by assisting them in ways that will create an atmosphere of self-reliance” (p.59).

There are many different definitions for the term capacity. For the purpose of this study, the definition is:

Definition 3B: Capacity is the ability or potential to mobilize resources and achieve objectives. It is everything necessary to construct the relationships required to achieve an organization’s vision, mission, and goals.

²⁷ Highlights of a speech at Harvard Business School on Governing for Nonprofit Excellence, November 19-22, 1997.

If capacity is the ability or potential to mobilize resources and achieve objectives, then capacity building is a long-term process by which a NGO develops this potential into reality. “Instead of being conditioned by the environment, civil society organizations are now expected to influence the environment. They need systematic, ongoing capacity building if longevity is to be combined with effectiveness” (Tandon, 1997, p. 2) Capacity building is “an explicit outside intervention to improve an organization’s performance in relation to its mission, context, resources and sustainability” (James, 1994a, p. 5).

Definition 3C: Capacity Building is a social process of interdependent relationships to build an organization’s future to pursue its mission, attain its vision and goals and sustain its existence. Capacity Building is about pushing boundaries -- developing and strengthening an organization and its people so it’s better able to serve not only its target population but to consider the impact of all stakeholders.

In the past, capacity building was often considered to be a one-way street; with donors funding NNGOs and NNGOs directing SNGOs (Korten, 1990; Fisher, 1998). This hierarchical relationship implied that each level was inferior in some way to the level above it, so donors have not only the right but the obligation to direct the activities of NGOs. What we are learning today is that all of the agencies involved have the opportunity to learn from each other, thereby providing an interactive relationship. In order to accomplish this transition, however, “NGOs must move from project to process” (Fisher, 1998, p. 175). Ndegwa (1996) argued that project-based activity is “the greatest threat to organizational sustainability” (p. 25). Capacity building needs to focus on the integrative process that a NGO moves through as it builds to confront the challenges of today while becoming the transformational organization of tomorrow. In other words, NNGOs have to stop doing things for SNGOs and start teaching them to do things for themselves. In order to accomplish this, however, a more basic step must be taken. NNGOs need to appreciate what SNGOs have to offer to the capacity building process. Many SNGOs

may be weaker on the strategic operational aspects of capacity building, but they are strong participants in the more relational aspects of capacity building. “Capacity building should be a two-way street. A Northern NGO may teach fund-raising techniques, but the Southern partner may know more about networking and field collaboration with other NGOs” (Fisher, 1998, p. 186).

The term capacity building still carries a Northern flavor despite recent advancements from the South. In most instances, SNGOs relate to capacity building as autonomy building (Hudock, 1997; Fisher, 1998). From the Southern lens, organizational autonomy is “the freedom to make decisions with the optimal degree of discretion” (Kramer, 1981, p. 288). Autonomy does not mean organizations are any less accountable to their stakeholders. What it does mean is that SNGOs need to be accountable to those they serve while preserving their autonomy from donors and NNGOs. For example, Fowler (1996) argued that SNGOs must have the “ability to achieve stakeholder satisfaction, and the ability to manage external interactions while maintaining autonomy” (p. 179).

Proposition 3B: Capacity building has generally been addressed from an organizational and operational structure of NGOs defined as organizational capacity. Limited attention has been given to two other levels of capacity: multi-organizational and global. As a result, some of the most critical capabilities of NGO’s capacity, relationship building and the ability to cooperate, have been overlooked.

So far, Chapter 3 has defined individual capacity, capacity and capacity building. It is upon these three concepts that the rest of this study is built. The remainder of this chapter addresses the levels of organizational, multi-organizational and global capacity and each level’s corresponding core capabilities.

Organizational Capacity

What makes some organizations more effective than others? The review of individual capacity suggests that the effectiveness of an organization stems from the capability of the individuals which comprise that organization. However, on a larger level, an organization is more than the sum of its individual parts. People do not act in vacuums, but as synergistic parts, either adding to or detracting from the whole. Thus, organizational capacity is a relational process (CRWRC, 1997). It deals with how the individuals of a NGO organize themselves and interact with others to deliver the NGO's mission and sustain its existence for continued support to those served. Those organizations which are able to capitalize upon the collaborative efforts of its people are able to operate effectively (Tandon, 1988).

Definition 3D: Organizational Capacity is building the internal relational components of the organization so it can better use its resources (i.e. people, time and money) to achieve its mission, attain its vision and goals/objectives to sustain these over time.

In 1996, The Leading Clinic completed a study which attempted to measure organizational effectiveness. This study revealed that to be effective the leaders of the organization must first become learners who inquire into the core capabilities of organizational capacity (Zolno, 1997). Numerous scholars and practitioners have identified various core capabilities that strengthen a NGO's organizational capacity. However, no one has made the effort to compile a comprehensive list of all the core capabilities which are necessary to run an effective organization. For example, one study focused on strengthening NGOs as "laboratories of social experimentation, technical assistance and training for local governments" (Reilly, 1995, p. 25). Still other studies found that NGOs need to build their skill basis in social and policy analysis, political strategy and public education, communication, strategic management, technical service

delivery and information sharing and technology (Dichter, 1986; Terrant & Poerbo, 1986; Garilao; 1987; Korten; 1990; Tandon, 1996).

Much of the confusion over which core capabilities are important for organizational capacity building stems from the difference in viewpoint of researchers (Muchunguzi & Milne, 1997). While some researchers have focused exclusively on NNGOs, others have studied SNGOs, while some did not differentiate between the two. The question then is: are the core capabilities different between the North and the South? The research regarding the distinction between the core capabilities is non-conclusive on this point.

For example, Stavros and Johnson's (1996a) research on 10 NNGOs concluded that these organizations need the right governance structure to deliver on its mission and the core capabilities of human resource, finance, strategic planning, marketing, technical, management and communication systems. Similarly, Jackson and Seydegart (1997) completed an in-depth study of the various strategies and practices adopted by NNGOs and offered the following skills needed at the organizational level for success: management, finance, marketing, the Internet, training, programme and project management, project reporting with results orientation and sustainability through capacity development.

While these studies focused on the core capabilities of NNGOs, others have concentrated on their Southern partners. For instance, Korten (1990) found that SNGOs are looking for:

assistance in developing specialized technical capabilities in restoring degraded agricultural or forestry lands, policy analysis, legislative lobbying, drafting legislation to protect the coastal ecology, managing computer communications networks, designing social marketing campaigns,

pursuing television for distance education, organizing rural banks, managing press relations and policy advocacy. (p. 198)

Bombarolo and Coscio (1997) studied SNGOs in Latin America. They found the core capabilities to develop organizational capacity include: the optimal use of human and financial resources, service delivery and administrative procedures. They also concluded that NGOs face important organizational challenges which if not dealt with will hinder their effectiveness. These challenges are:

1. to define their social identity and clarify the role they must play in the development of the region's countries;
2. to increase the impact produced by their projects and programmes in solving problems caused by poverty; and
3. to strengthen and consolidate their institutional development, increase their organization's effectiveness and efficiency and achieve greater consistency between objectives, methods and results. (p. 27)

Muchunguzi and Milne (1997) studied 170 SNGOs in Kenya, Tanzania, Uganda, and Zimbabwe, they identified several critical components of organizational capacity building: access and sharing of information, financial, educational activities, technical, training and project management.

Fisher's (1998) research on SNGOs, found that they define organizational capacity as organizational autonomy. Capacity building efforts in the South are framed in a political context. The meaning of autonomy is much the same as the meaning of capacity in the North. Not only are the SNGOs asking for freedom in building their capacity levels and core capabilities, but in defining them as well. In her research, she concluded that SNGOs have ten core capabilities to build organizational autonomy: governance, technical expertise, financial

diversification, administrative, information sharing, mass base, managerial, leadership, strategic knowledge, service delivery and staff experience in training governmental professionals.²⁸

Through the review of this literature, it has become clear that by focusing on either NNGOs or SNGOs to define core capabilities, a problem has arisen. Specifically, there has been a distinctive Northern bias to the available data. This is the direct result of the fact that almost all the research compiled on NGOs has been conducted by NNGOs. Less research has been conducted by SNGOs on SNGOs (Hudock, 1997). This is important because as the future of NGO development moves from doing for others to helping others do for themselves, NGOs will be required to assess the capacity levels and corresponding capabilities of their partners as well as themselves. By neglecting to review the literature from both a Northern and Southern perspective researchers have missed an opportunity to find areas of collaboration and distinctly different viewpoints between the two.

Table 3.4 is drawn from the literature on NGOs which make reference to NNGOs and SNGOs to determine the core capabilities that support organizational capacity. The literature was summarized from contemporary scholars, agencies and practitioners in the field (Dichter, 1986; Terrant & Poerbo 1986; Garilao, 1987; Lovell, 1987; Tandon, 1989; Holloway, 1989; Korten, 1990; Perlman, 1990; Farrington & Bebbington, 1993; Reilly, 1995b; Stavros & Johnson, 1996; Stavros, 1997; Tandon, 1997; Bombarolo & Coscio, 1997; Jackson & Seydegart; 1997; Muchunguzi & Milne, 1997; Fisher, 1998).

²⁸ For a detailed discussion on these core capabilities, see Chapter 3 of Fisher's book *NGOs and the Political Development of the Third World*.

TABLE 3.4: Organizational Capacity's Core Capabilities

Capability	NNGO	SNGO
Administrative	x	x
Change Theory/Intervention	x	
Communication Skills and Systems	x	x
Finance/Financial Diversification	x	x
Governance	x	x
Human Resources	x	x
Information Sharing & Technology	x	x
Leadership	x	x
Management*	x	x
Marketing	x	x (social marketing)
Mass Base		x
Political Strategy	x	x
Public Education	x	x
Renewal		x
Research & Planning	x	
Service Delivery	x	x
Strategic Focus** - Management & Analysis	x	x
Technical	x	x
Training of Government Officials	x	x

* it includes the planning, developing, organizing and controlling of programs and projects.

** it includes: vision, roles, planning long-term

In an effort to offer a basis of understanding, an attempt was made to find the common definition for each of the categories listed above. It is important to note that the list is not the development of new definitions as opposed to a synthesis of what exists within the literature. Additionally, all of these capabilities apply to all members within the organization, e.g. leadership is not restricted to the top administrators. The following explanation of each core capability was developed to support Table 3.4:

Administrative: managing project grants and programs including project conception, proposal writing, analysis, reporting and operations.

Change Theory: providing a basis for focusing the organization development of the NGO.

Communication Skills & Systems: articulating the design, execution and effectiveness of program and project activities among the various stakeholders. This includes any form of oral or written communication to spread the best practices of NGOs work and design systems to promote it.

Financial Diversification & Control: skillfully managing a variety of funding sources and financial control processes. Funding sources go beyond NNGOs, foreign and local governments, it can include corporate and community foundations.

Governance: organizing oversight and review processes in ways that make the NGO accountable to its stakeholders, especially those who depend on its services. A key component is “preventative” and “corrective” action. This is detecting when mid-course corrections are needed and insuring that corrections are made.

Information Sharing: identifying and sharing information useful for mission attainment and the interactive learning of partners. This includes access to information for anyone and the ability to create data.

Leadership: stimulating, creating and monitoring a vision (*direction*), gathering and aligning the resources (*financial and human*) and communicating the vision and finally implementing it by motivating (*inspiring*) others into action.

Management: planning, organizing, directing and controlling of projects that have strong potential for mission attainment. This includes developing the necessary human resource management skills.

Marketing: defining and reaching the best markets or sectors for NGOs to serve. This includes differentiating a NGOs services from other NGOs, distributing programs or projects to sectors, getting the word out as well as educating all stakeholders and building long-term relationships.

Mass Base: developing and sustaining the grassroots ties that make up the horizontal GRO networks or vertical linkages between GRSOs and GROs or other mass membership organizations such as unions or political parties.

Political Strategy: cultivating and building of relationships and effective alliances with those in power and policy setting positions.

Public Education: creating awareness of the NGO’s mission and contributions to society, and conveying mission related messages for improving society.

Renewal: Renewing the NGO’s capacity building efforts on a continuous or periodic basis.

Research & Planning: inquiring to discover (a) the needs of the communities served and relevant changes in the environment; (b) the efficacy of programs; and (c) the adequacy of the organization’s capacity (see Renewal above).

Service Delivery: delivering successful projects and programs to local, national or regional communities. A long-term goal is sustainable service delivery.

Strategic Management and Knowledge: utilizing organizational knowledge in order to maintain a strategic focus on the organization’s mission and goals when choosing and delivering programs. The essence of strategic management is developing a plan that implements vision and the necessary resources to motivate those on a long-term basis. It also includes the tactical ability to copy, replicate or scale-up a project.

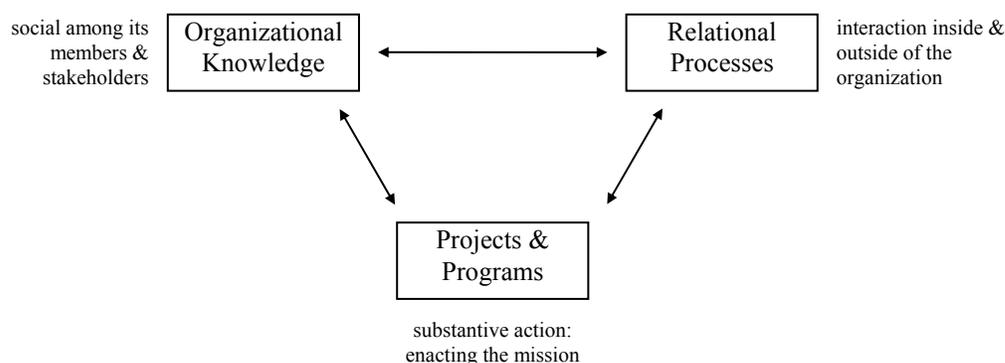
Technical Expertise: developing and utilizing the technical knowledge required to create and implement specific projects or impact public policy. The capability is usually combined with others areas such as counseling services and training activities.

Technology: accessing technologies including information based technologies (i.e. Internet) and other mass communications media that support mission attainment.

Training Government: educating local government personnel about the organization's mission and their attainment of goals.

It is important to notice that a NGO's mission is enacted through projects and programs at the organizational capacity level. The capabilities outlined above are relational in nature. What is meant by this is that NGOs depend on their members and stakeholders to have the knowledge to do the necessary things to achieve its mission. This knowledge is relational in that it is constructed by people. Interactions can take place either inside or outside of the organization, but to build and sustain organizational capacity the knowledge must end up inside the organization at some point. These connections are illustrated in Figure 3.4.

Figure 3.4: Capacity Building Relational Connections



NGOs must have the capabilities to engage in relational processes for human interaction. Therefore, in building their organizational capacity, it is essential that NGOs carry out a critical assessment of their internal capabilities and the methods they use to increase capacity at the organizational level. The organizational capacity building process will help to strengthen the linkages among their vision, mission and goals/objectives and improve their chances for sustainable service delivery.

Proposition 3C: When NGOs understand the core capabilities which are to be built, they have a greater potential to enhance their capacity. However, with the changing direction of NGO goals it is becoming increasingly important for NGOs to understand the capabilities of their partners. This research broadens the dialog on capacity building by allowing SNGOs to be evaluated through the use of common definitions and core capabilities as their Northern counterparts.

To move forward, NGOs need a collective commitment, partnering skills and ability to share their mission and expertise with other stakeholders that goes beyond the capacity building efforts of the organization (Korten, 1990; Brown, 1997). Therefore, the next level of capacity, multi-organizational, adds a critical component to organizational capacity building: “achieved through a process-oriented approach of assisting organizations to acknowledge, assess and address its external environment” (Hudock, 1997. p. 42). The next level moves beyond internal organizational environment.

Multi-organizational Capacity

In social constructionist research, it is relationships that are the focus of creating knowledge and building capacity. Gergen (1994) stated that anything meaningful grows from relationships. In his work he suggested, “constructionism replaces the individual with the relationship as the locus of knowledge” (p.x). This study attempts to demonstrate that capacity building is a social process of building an organization’s future. Further, this occurs at two levels. Relationships within the organization are essential to its development. Now, in turning to multi-organizational capacity the importance of relationships gain new meaning when discussing the importance of relationships between organizations. It is evident that capacity building is a relational process especially as individuals and their organizations enter the levels of building multi-organizational and global capacity.

Multi-organizational capacity is a response to the complexity of civil society and the NGO linkages with other organizations (Hudock, 1995; Moore, Stewart & Hudock, 1995). One of the

first studies of this capacity level was funded by USAID's Office of Private Voluntary Cooperation (1989). It suggested that if an NGO can develop long-term relationships with a local partner organization, it can strengthen its capacity to meet significant development challenges. A more recent study by Kaczmariski and Cooperrider (1997) found that NGOs in local communities are indeed working together through partnerships. This joining of NGOs with other organizations to accomplish a shared mission or goal is the essence of multi-organizational capacity. While this concept of two organizations teaming up²⁹ to share in each others' strengths is not a new concept in the for-profit world, NGOs are now starting to come together with other organizations on national, regional and global levels to help solve problems (de Olveria & Tandon, 1994; Wood, 1995).

Definition 3E: Multi-organizational Capacity is developing and nurturing the external relationships beyond the organizational capacity of its board, management, employees and volunteers. At this level, people are working collaboratively to achieve program or project goals. Together, two or more organizations are collectively pursuing a vision, mission or set of objectives. It is multi-organizational capacity that magnifies the scale and impact of the work of a single organization through the support of partnerships, networks, coalitions and alliances.

As the knowledge of how best to act changes the nature of NGOs, it is increasingly important for each organization to be able to acquire new skills and abilities quickly. There are two possibilities: 1) develop these organizational capabilities internally, or 2) partner with an organization which already possesses these abilities. Since time, money and personnel are limited resources, quickly developing organizational capabilities internally is not always an option. Therefore, it is apparent that NGOs benefit from partnerships. They must look for partners at local and national levels and ask for assistance in developing communication and negotiation skills to help strengthen partnering capabilities (Perlman, 1990; Jackson & Seydegrat, 1997). The synergistic benefits of such relationships are obvious when one considers

²⁹ This coming together of organizations is not limited to NGOs and NGO partnerships. On the contrary, to build multi-organizational capacity, a

a typical NNGOs greater ability to manage a project and attract funding and a SNGOs aptitude for developing grassroots' support (Korten, 1990; Fisher, 1998).

There has been a great deal of attention by researchers and practitioners who have recognized that the ability to solve significant developmental challenges goes beyond the capacity of a single organization (Trist, 1983; Gray, 1989; Brown & Ashman, 1997). This work is summarized nicely by the comments of an executive director of one NGO when he discussed the need for NGOs to go beyond building organizational to multi-organizational capacity:

The networks of people across many different large cities are concerned with the same issues. A commitment to sustainable development is important to NGOs. A commitment to community or grassroots leadership is important. The foundations of building relationships are at the top of their agendas.

“Citizenship” is something that people have to personally roll-up their sleeves for and get involved in. It is not just a matter of telling the government what to do, and how to do it better. Nor is it just a matter of doing things yourself and telling the government to take a walk, it is a matter of learning how to work with the cop, the sanitation worker, the teacher, the social worker and the youth services worker, because it is your neighborhood. But, on the other hand, the government has skills and resources that you don't have. For that matter, you have skills and resources they don't have. If you work together, you can actually do about ten times the number of things than either of you could do separately. The role of NGOs are to link the people to its government in solving problems in a positive way in creating innovative solutions. Drugs, crime, homelessness, poverty, and deterioration of our environment cannot be solved by a service delivery model from the government, nor can it be solved entirely by a self-help model. We need collaborations and “networks of networks” working as a team. (Stavros & Johnson, 1996, p. 71)

The literature indicates, either directly or indirectly, that the development of multi-organizational capacity is increasingly recognized as an important stage in the growth and progress of NGOs. The next step is to determine the most important core capabilities at this capacity level. How does one actually build multi-organizational capacity? There are several answers to this question.

NGO may team up with any type of organization, government or institution.

One of the most common capabilities of multi-organizational capacity which is discussed in the literature is *partnering*. In the work, *The Other Path*, Hernando de Soto (1989) demonstrated how micro-entrepreneurs in Peru overcame bureaucratic barriers to start micro-enterprises through public-private partnerships. This partnership between NGOs and for-profit companies offers promising results for socio-economic development. The importance of effective partnerships is reinforced in the works of Korten (1990) and Stavros & Johnson (1996a) when they stated that linkages cannot take place unless NGOs have the ability to connect and build effective relationships. Finally, Fisher (1993) found that a core capability of building multi-organizational capacity is building partnerships with government and for-profit sector that are sustainable.

Similar to the importance of partnering is the need for effective *networking*. Bombarolo & Coscio (1997) stated that it is necessary for NGOs to “redouble their efforts to join forces and create networks that will enable them to complement strategies and increase their negotiating power” (p. 25). Fisher’s (1998) research further supported this by stating:

Although NGOs have significantly impacted local spaces, sub-national government policies, and some national policies, they are only beginning, through networking, to use advocacy and collaboration with government to acquire a major ability to promote sustainable development and responsive government. (p. 159)

In this study, Fisher focused on three strategies to help NGOs build networks: isolation, advocacy and cooperation.³⁰ What is of particular interest to this study in building multi-organizational capacity is *cooperation*.

³⁰ For more detail information on these three strategies for NGOs, see Chapter 4: Promoting Democratization and Sustain Development in Fisher’s (1998) book on *NGOs and the Political Development of the Third World*.

Cooperation between organizations does not require the formality or coordination of a partnership or network; however, its importance is nonetheless significant. Great strides toward building sustainable development have been made through the ad hoc multi-organizational capability of cooperation. For example, in dealing with population issues, Fisher's research showed that organizations cooperated to spread knowledge about population and family planning among NGOs (Fisher, 1994b). This capability will be focused in-depth at the global capacity level based on a series of related articles on cooperation published in a new book by Sage Publications titled, *No Limits to Cooperation: An Introduction To The Organization Dimensions of Global Change* (Cooperrider & Dutton, 1997).

While these core capabilities are of obvious importance to the development of multi-organizational capacity, there are others of equal significance listed in Table 3.5. However, the goal of this review was to summarize the pertinent literature and attempt to assess it from the perspective of NNGOs and SNGOs. In order to accomplish this, the literature was summarized from contemporary scholars, agencies and practitioners in the field (de Soto 1989; Korten, 1990; Perlman, 1990; de Oliveria & Tandon, 1994; Hudock, 1995; Wood, 1995; Stavros & Johnson, 1996a; Bombarolo & Coscio, 1997; Jackson & Seydegart; 1997; Kaczmariski & Cooperrider, 1997; Fisher, 1993, 1994b, 1998), and a master list of multi-organizational capabilities was developed. Table 3.5 clearly indicates that with regard to multi-organizational capacity, NNGOs and SNGOs are unified as to the capabilities which they see as important.

TABLE 3.5: Multi-organizational Capacity's Core Capabilities

Capability	NNGO	SNGO
Alliances	x	X
Collaboration/Collectivity	x	X
Cooperation	x	X
Governance	x	X
Networking	x	x
Partnerships	x	X
Relationships*	x	x relational

* a critical capability

With minor variation, the following definitions of each core capability were developed to support **Table 3.5:**

Alliances: building relationships which allow organizations to cultivate effective associations at the community level with other like organizations, for-profit or government organizations.

Collaboration: working together on a project, especially in the undertaking of a development challenge.

Cooperation: joining, acting or working together for a common purpose where the collective efforts of groups share some aspects of a vision, mission and/or goals. The result is mutual beneficial interactions.

Governance: organizing oversight and review processes in ways that make the NGO accountable to both its stakeholders and other organizations with which it is involved.

Networking: building a system of interconnected relationships which allow organizations to use their collaboration skills with stakeholders outside of the organization to further its goals.

Partnerships: aligning with groups that have similar interests and goals. Partners should be selected which complement the NGOs skills and allow for a shared vision to promote successful development. There should be equal participation in setting agenda and control systems in a partnership.

Relationships: establishing long-term linkages, connections or relationships between or among individuals or organizations which will help the organization carry forth its mission.

Strategic Alliances: partnering with other organizations to create and implement programs and projects more responsive to the people. This includes management of resources in a shared and clear direction. at a local or national level.

Capacity building at the multi-organizational level is aimed at finding the right number and type of relationships that enable the NGO to establish the mechanisms required to be most effective. Through “enhanced participation and communication throughout the development process, both

the North and the South would be better placed to understand the constraints and complexities of each other's conditions" (Muchunguzi & Milne, 1997, p. 61).

Proposition 3D: Multi-organizational capacity needs to be carefully planned and targeted at the local, national, and regional levels. Multi-organizational capacity results in informal learning process on all partners involved which can build and enhance a partner's organizational capacity. Once NGOs understand the value of reaching more people within a community through relationship building, they will work at developing and strengthening their core capabilities to ensure that their efforts results in achievement of significant development challenges.

In sum, a growing number of NGOs from the North and South are discovering that the most significant development issues in the 21st Century cannot be solved without the cooperation that alliances, partnerships and networks can bring. Cognizant of this fact, the focus for many NGOs has been the development of multi-organizational capacity. These multi-organizational alliances have been shown to work well for local, national and even regional development challenges (Berg, 1987; Korten, 1990; Hudock, 1997; Fisher, 1998). However, to address problems at a global level (e.g. world peace, environmentalism, humanitarianism, women empowerment and civil rights) a yet greater level of capacity is required. This level of capacity is called global capacity.

Global Capacity

The increased importance of a third level of capacity building has emerged in recent years from the global change movement. This capacity level builds upon the foundation of organizational and multi-organizational capacity. For example, at a workshop on Participatory Action in Harare, Zimbabwe in January 1997, it was said that the design of a global civil society involved:

reviewing of the past, exploring the present, identifying an ideal future and identifying common ground. For this, mind mapping, capacity building with training, leadership skills, staff development, performance appraisal system and time management skills are required. This also involves the role of facilitators, management skills needed for group dynamics, skills in conflict management, workshop design which should be flexible according to purpose.

In Cooperrider and Dutton's (1997) book on organization dimensions of global change, they "explore the potential of cooperation as a practice, an organizing accomplishment and a value for understanding global change" (p.4).³¹ The term global change is:

meant broadly to refer to alterations (positive or negative) in human or environmental systems whose effects are not and cannot be localized and for which appropriate human response is likely to require transboundary thought, organizing, and action (e.g. depletion of ozone; the transboundary movement of HIV/aids; species loss; emergence of global civil society; the global eradication of small pox). (p.5)

In their work, Cooperrider and Dutton forecasted the development of:

global cooperative capacity, across boundaries of all kinds, is part of the evolution of human efforts to organize life in response to transboundary problems and opportunities. We believe that these processes will be accelerated in coming years. (p. 10)

New relationships have to be forged between and among many organizations, inter-governmental agencies and governments. Response to global change by one or two NGOs or even the efforts of a single nation will not be enough. Organizations will need to learn new ways of organizing to embrace the challenges of global change (Tandon, 1997).

For NGOs, this will require learning how to build capacity on a global scale (Cooperrider & Dutton, 1997; Fisher, 1998). Capacity at this level will not be driven primarily by money or the perfect organizational structure or donor fit, but by the shared ideas, experiences and visions of a better world and positive social synergy (Weick, 1997). Furthermore, beyond the absolute need of intervention techniques built on the energy of people, (Lipnack & Stampes, 1986; Korten, 1990; Fisher, 1998), the organization will have to have mastered its core capabilities at organizational and multi-organizational level listed in Tables 3.4 and 3.5.

³¹ The book is divided into three sections with contributing authors: Sensemaking and Global Change; Collaboration and Partnerships as the Structures of Global Change; and Social Constructionism and Global Change. It is opportunity focused and appreciative in nature.

The goal of building global capacity is “to energize a critical mass of independent, decentralized initiatives in support of a social vision” (Korten, 1990, p. 127). This mass of public support must cross all boundaries - social, political, economic and religious - in building support for a basic human value. In building global capacity, all stakeholders need to be involved to envision a future strategy (Singh, 1997).

The Red Cross and WTO are organizations with global capacity. Local NGOs such as GROs and GRSOs can become players in the global arena if they are linked to such national or international agencies which have the stronger capacity base to reach out on a global scale. In addition, many multinational and transnational business organizations have the resources to work with the NGO community at all levels in support of global agendas (Korten, 1990; Fisher, 1993; Fisher, 1998).

Definition 3F: Global Capacity is a cooperative social process that addresses the relationships between an organization and a vast array of stakeholders. At this level, organizations have the capacity to create and achieve a shared vision, mission and goals/objectives across borders. It is global capacity that results in a cooperative spirit of people and organizations being integral parts of a connected and responsible global community.

The core capabilities discussed earlier for organizational and multi-organizational capacity levels are just as important at the global level if NGOs are to make an impact on building a global civil society (Singh, 1997; Fisher, 1998). Unlike these two, however, when discussing global capacity building there is increased concern over a lack of shared values. A 1995 report by the Commission on Global Governance stressed that action to improve global governance would be greatly helped by a common commitment to a set of core values, including: respect for life, liberty, justice and equity, mutual respect, caring and integrity. This report also stated that individuals should develop a global ethic of common rights and shared responsibilities that

applies equally to all those involved in world affairs and seeks to ensure civic spirit. This is an on-going discussion. Nevertheless, what is not debatable is the need for organizations to develop certain core capabilities unique to global capacity building.

As mentioned earlier, NGOs need to have the core capability of cooperation to build a global civil society (Hunter, 1996; Stavros & Johnson, 1996; Cooperrider & Dutton, 1997). The goal is to achieve a “critical mass” for change at a global level. Whereas it may be relatively easy to engender this critical mass at a community level, the same may be very difficult at a global level. The global capacity building capability of cooperation addresses this.

The difference between cooperation at the multi-organizational level and global level is simply one of magnitude. While we see examples of multi-organizational cooperation all the time, examples of global cooperation are just beginning to emerge. It is important to understand that the global capability of cooperation requires that multiple organizations share common aspects of a mission or objective. However, often these objectives are loosely defined. For example, two organizations may desire world peace, but their way of pursuing this goal may be very different. Thus, a global cooperative capability may include everything from “parallel cooperation to full-fledged collaboration and advocacy” (Fisher, 1998, p. 117). Through global capacity several NGOs can work cooperatively on a positive strategy to avoid duplication of effort without compromising each organization’s integrity or autonomy (Biggs & Neame, 1996; Brown & Winder, 1996; Jackson & Seydegart, 1997).

It should also be noted that there are authors who support the cooperative capability, but stress that there is a potential for conflict to arise (Brown & Ashman, 1997; Zald, 1997). For example, the “contemporary women’s movement draws upon participants and resources from many countries, but the movement conflicts with states, religions and communities that oppose the goals of this movement” (Zald, 1997, p. 3). Further, collaboration should not be sought simply for the sake of activity. A bigger network is not always better. Successful global movements have organizations that move continuously in shifting networks and coalitions (Lipnack and Stamps, 1986).

In order to cooperate, NGOs must have *collective* capability to bring individuals, market and government together to define the vision of the future. Put another way, our knowledge (about what is worth doing for instance) is now constructed in global arenas. Astley and Fombrun (1983) said of collective capability that it:

specifically refuses the conception of organizations as autonomous, self-sufficient units and stresses the fact that all organizations are inevitably participants in a multitude of interorganizational associations that overlies and interpenetrates one another, thus constituting and intricate, functionally integrated network of vital relationships. (p. 181)

Another capability is *collaboration*. A key foundational element of the collaborative capability is *trust* among stakeholders (Harman, 1988; Brown, 1989; Gray, 1997). Collaboration involves joint planning and implementation of projects (Rush, 1991; Theunis, 1992). In a study of NGOs and government collaboration in Asia, Africa and Latin America, Farrington and Bebbington found (1993):

structural linkage mechanisms in which one organization . . . (usually a government) has an influence over resource allocation and programming decisions in the other organizations . . . (usually NGOs) are not nearly as common as *operational linkage mechanisms* in which organizations collaborate around more specific project objectives. (p. 186)

Tenkasi and Mohrman (1997) found that knowledge in building capacity for global change, must be collaboratively created and used. They found that the intentional and careful creation of what they call interpretive spaces is where joint meanings take place and joint learning is enabled.³² Knowledge is constructed in relationships.

Table 3.6 is drawn from the literature on NGOs to answer the question, what are the core capabilities that support global capacity. In addressing this question, the literature was summarized from contemporary scholars, agencies and practitioners in the field (Lipnack & Stamps, 1986; Harman, 1988; Brown, 1989; Brown & Korten, 1989; Korten, 1990; Rush, 1991; Theunis, 1992; Farrington & Bebbington, 1993; Biggs & Neame, 1996; Brown & Winder, 1996; Hunter 1996; Stavros & Johnson, 1996a; Jackson & Seydegart; 1997; Cooperrider & Dutton, 1997; Gray 1997; Singh, 1997; Tenkasi & Mohrman, 1997; Fisher, 1998).

TABLE 3.6: Global Capacity's Core Capabilities

Capability	NNGO	SNGO
Advocacy	x	x
Alliances	x	x
Bridging	x	x
Collaboration (Collectivity)	x	x
Communications	x	x
Cooperation*	x	x
Governance	x	
Intervention Techniques	x	
Networking/Networks	x	x self-managing no one has control
Relationship Building	x	x
Resource Sharing (Information & Knowledge)	x	x
Service Delivery (large scale)	x	x

³² For detail information on their study that includes several techniques and perspective used in context of global collaboration which enable these interpretive spaces: the dialogic method, search conferencing, appreciative inquiry and interpretive interactionism. see In Chapter 5: Global Change as Contextual Collaborative Knowledge Creation in Cooperrider and Dutton's (1997) book on *The Organizational Dimensions of Global Change: No Limits To Cooperation*, a Sage Publication..

Strategic Positioning	X	X strategic alliances
Trust		

* a critical capability

With minor variation, the following definitions of each core capability were developed to support **Table 3.6:**

Advocacy: promoting or supporting a cause that involves everything from quiet negotiations on limited organizational objectives to mass protests on issues. Activities include: friendly persuasion, legal and lobbying efforts, electoral politics, networking and mass advocacy.

Alliances: networking with organizations that can cultivate effective associations from the community to global level with other NGOs, for-profit or government organizations. These alliances are expressed at all levels.

Bridging: bringing NGOs together with representative from the private and governmental sectors to develop consensus on key development issues and identify alternative policies and programs on a global basis. NGOs must be asked to serve as mediators, conciliators or bridge builders to bring individuals and organizations together to address complex problems beyond an organization's capabilities.

Collaboration: the joint decision-making, planning and implementation of projects among stakeholders. NGOs must have collective capability to bring individuals, market and government together to define the vision of the future.

Communications: sharing stories from SNGOs and NNGOs and a system to document and publicize these success stories to the world. They need to educate. NGOs must be able to define and articulate issues clearly to all stakeholders.

Cooperation: joining together with individuals, other organizations and governments on issues of global importance. That is particularly important to solving significant development challenges and sustainable development issues.

Governance: organizing the governance structure of an organization in a way that makes it accountable to its internal and external stakeholders on a global level. At this level, the organization has developed the right direction and aligned the right people (internal and external stakeholders) with the right skill sets and resources to impact a global civil society

Information Sharing: sharing information and available resources with individuals and organizations to meet the people's needs.

Networks/Networking: creating a supportive relational system of shared information and services among individuals and groups that have a common interest. This ability has been cited by many as the key to NGO success at local, regional, national and global levels. These networks must be self-managing in which no single organization has control.

Relationship Building: building positive relations with stakeholders i.e. policy makers or constituents served.

Service Delivery (large scale): supporting innovative program delivery and service approaches on a global scale. The NGO must deal with long-term implementing role and sustained financing.

Strategic Positioning/Thinking: learning and integrating several organizations, to be more focused, to manage resources for collective functioning, manage environment and to deal with development issues.

Trust: developing the spoken or unspoken bond needed between any individuals involved in building a global civil society that allows for global cooperation, collective action and collaboration. It is built upon hope, integrity and strength of people and their organizations.

Those NGOs who want to embrace the challenges of building a global civil society will have to focus on the global level of capacity building. There will need to be an organizational transformation from focusing on building its organizational capacity to learning to build partnerships at the multi-organizational capacity level to learning to cooperate at global capacity level.

Proposition 3E: NGOs who choose to focus on building global capacity must learn to cooperate and work together with individuals and organizations at all levels to create a critical mass of support for social change. Capacity building at the global level encompasses a holistic relational way of thinking for NGOs.

In this way, the term global has a double meaning. First in that global capacity can address issue(s) which affect the entire world. But also, and perhaps just as important, global suggests the capacity to address not one but all (or at least many) aspects of an issue.

Capacity Building as an Integrated Process

The literature was reviewed from the start of this study to see if a theory or pattern would emerge to help explain the capacity building phenomena. According to Neuman (1991), pattern theory uses metaphors or analogies so that relationships and concepts studied make sense. Pattern theories are systems of ideas that inform. Using pattern theory, this section explores two theoretical requirements to help develop a working definition of the capacity building process that builds on the contributions of other scholars. Second, this section draws on a theory used in organizational studies of cultures to help explain the importance of studying capacity building

from multiple perspectives. The multiple perspectives include the NNGOs and SNGOs to be explored more in-depth **in Part II of** this study.

Zone-Proximal Development (ZPD) and NGOs in Building Capacity

The concept of Zone of Proximal Development (ZPD) was developed by the Russian psychologist, Lev Semenoich Vygotsky (1896-1934). ZPD defined is “the distance between the actual development level as determined by independent problem solving and the higher level of potential development as determined through problem solving under adult guidance, or in collaboration with more capable peers” (Vygotsky, 1978, p. 86).

In short, development is not solely an internal process, it is a social process. The learning and capacity building of a child is not just internally related, but external in nature. For example, when a mother teaches a child to read, it is the relationship between the mother and child that builds the capacity. Similarly, when an organization seeks to build its capacity, the core capabilities are not developed internally in a vacuum, but through a process which incorporates an external social component. Like a child, no organization can exist as an island.

An example of ZPD in developing multi-organizational capacity is illustrated through the development of partnerships, networks and strategic alliances. In such a relationship, each organization brings with it a vast array of skills and capabilities, some superior to the partnering organization and some inferior. Ideally, by forming alliances, organizations create a dynamic which often produces a result which is greater than the sum of the parts. A mutually synergistic

relationship occurs in which the organizations build each others' capabilities by pushing to exceed traditional abilities.

This example points out another important aspect of the ZPD. For Vygotsky, the relationship between the individual and the social is necessarily relational. In other words, an individual's capacity for learning is strengthened by the social environment (including its actors) in which it takes place. Further, Vygotsky believes that the social world does have priority over the individual in a very special sense (Cole & Wertsch, 1994). The development of the mind is impossible without the involvement of society. Likewise, an organization is doomed to fail if it cannot operate within a social context. Imagine an organization with no donor, customers, programs or alliances and you began to see the impracticability of the concept. For organizations to grow outside assistance is needed.

The ZPD has had powerful methodological significance for researchers in many areas. According to Peter Smagorinsky (1994), the "conceptualization of the ZPD suggest that the mind is not fixed in its capacity but rather provides a range of potential" (p. 1). Likewise, the potential of an organization is not bounded by its capabilities at the time of creation, but rather its ability to successful negotiate a complex dynamic of internal and external relationships. What psychology has done for child development, can be done for capacity building. Organizations are influenced by people and environments. As the complexity of the organization increases, this is no less true. By the time an organization reaches it global capacity level, there is tremendous interplay between the organization and its numerous influences.

This study will continue by further exploring and studying a NGO's capacity and capacity building as they relate to the various levels: organizational, multi-organizational and global and the core capabilities to understand their significance to the organization's development and continued existence.

Human Ecology of Development as it Relates to NGOs Development

Bronfenbrenner (1979) began his work in the early 1900s on the ecology of human development. It was undertaken with the aim of furthering theory, advancing training and researching in the actual environment in which human beings live and grow. He defined development in his work as a lasting change in the way in which a person perceives and deals with his environment. The ecology of human development:

involves scientific study of the progressive, mutual accommodation between an active growing human being and the changing properties of the immediate settings in which the developing person lives, as this process is affected by relations between these settings, and by larger contexts in which the settings are embedded. (p. 21)

The major thesis of his work is “human abilities and their realization depends in significant degree on the larger social and institutional context of individual activity” (p. xv). Likewise, capacity building involves the integrative, social learning process, within and between an organization and the evolving capabilities of its immediate settings. At each level (e.g. organizational, multi-organizational and global) core capabilities can be identified. This process leads to increasing the organization's capacity to be sustainable and effective in achieving its mission, implementing its vision and meeting its goals.

Bronfenbrenner stated, “environments are not distinguished by reference to linear variables but are analyzed in systems terms. Beginning at the innermost level of the ecological schema, one of

the basic units of analysis is the *dyad*, or two-person system” (p. 5). In this study, once the individual moves beyond individual capacity building and enters into any of the capacity building levels of organizational, multi-organizational or global, it is working in a two-person system. Several findings from Bronfenbrenner’s work indicated:

that the capacity of a dyad to serve as an effective context for human development is crucially dependent on the presence and participation of third parties . . . If such third parties are absent, or if they play a disruptive rather than a supportive role, the developmental process, considered as a system, break down; like a three-legged stool, it is more easily upset if one leg is broken, or shorter than others. (p. 5)

This same principle applies to the inter-relations of capacity building at the various levels: organizational, multi-organizational and global. The capacity of an organization seems to depend on the existence and nature of social interconnections between and among people and other organizations.

Bronfenbrenner described the ecological environment “as a set of nested structures, each inside the next, like a set of Russian dolls. At the inner most level is the immediate setting containing the developing person” (p. 3). He defined this first level as the *micro-system*, “a complex of interrelations within the immediate setting” (p. 7). In his work, the setting for this person can be home, classroom or laboratory. “Within this proximal domain, the focus of attention and developing activity tend to initially to be limited . . . to events, persons and objects which directly impinge on the infant” (p. 7). At this stage the infant is only aware of one setting at a time, the one in which he or she is operating in at the moment. Likewise, the focus of organizational capacity is on the development of internal structures of an organization. The goal at this stage of development is improving the organization for the sake of development, to build a

stronger organization. NGOs at this stage of development are not primarily concerned with the larger environment in which they operate.

For Bronfenbrenner, the next step to human development requires the person to look beyond the single setting to the relations of other settings like the person and his teacher. This is called the *meso-system*, where “the principle of interconnectedness is seen as applying not only within settings but with equal force and consequence to linkages between settings” (p.7). At this stage the child become aware of people and events which do not require their active participation. They participate not for physical survival, but because they operate within an environment which encourages participation. For example, children will learn to talk faster if they are surrounded by others who talk. Furthermore, the child is able to comprehend the nature of events which he has not yet experienced.

This meso-system parallels multi-organizational capacity building. By recognizing relationships between organizations, NGOs are encouraged to foster these ties in the pursuit of their goals. With, this encouragement comes the understanding that these ties will assist them in achieving their overall objective. This may occur primarily by watching the benefits obtained by other organizations who have already built these relationships.

The third level of human development “evokes a hypothesis that the person’s development is profoundly affected by events occurring in settings in which the person is not even present” (p. 3). This is called the *macro-system*. At this level the child “becomes capable of creating and imagining a world” that is “not merely a reflection of what he sees but has an active, creative

aspect” (p. 10). In discussing global capacity we spend some time explaining the theoretical nature of global capacity. In reality, it is very difficult to point to specific examples of global capacity success stories, except the eradication of small pox (Cooprider & Dutton, 1997). In theory, however, it is easy for NGOs to understand the powerful impact their efforts would have if magnified by a global support system. They have advanced to a macro-system of development which allows them to imagine that which does not yet exist.

In Bronfenbrenner’s work, he urged the development of a theoretical model to permit his work to be observed. He believed that the primary purpose of a detailed investigation is to serve as a means of practical feasibility and scientific utility. So too lies the importance of developing a unified framework of capacity building to better observe and understand organization development. Despite the substantial body of research in capacity building, the literature remains not integrated and has yet to reveal a theoretical framework of a relational model of capacity building and its core capabilities that moves beyond the organizational capacity level. There is plenty of information gathered about how these organizations should go about the processes related to organizational capacity building, but there is more that needs to be understood about what makes organizations successful other than plenitude of resources. It is the intention of this study to build this framework of organizational excellence and to argue that organizational and global capacity are enhanced by addressing multi-organizational.

This study will parallel Bronfenbrenner’s work in another way as well. This study will observe capacity building from multiple perspectives. It has been stated that the majority of research which exists on capacity building is from the perspective of NNGOs. While this provides useful

information, it neglects the contributions that SNGOs can add to this discussion. As well, Bronfenbrenner's work seeks to study human development from various perspectives.

In keeping with a traditional focus of collecting data on an experimental subject, "data are typically collected about only one person at a time, for instance, about either the mother or the child but rarely for both simultaneously. In the few instances in which the latter does occur, the emerging picture reveals new and more dynamic possibilities for both parties" (p. 5). Likewise, in the review of the literature in the capacity building there are studies that focus solely on SNGOs or NNGOs and some studies do not even differentiate. Therefore, what remains to be explored in-depth in Part II of this study, is the core capabilities and the discovery of integrated levels of capacity building from two perspectives simultaneously, the North and the South.

According to Bronfenbrenner, recognition of these relationships provides a key to understanding developmental change not only in the child but also in adults and primary caregivers that they interact with. Bronfenbrenner calls this an *ecological transition*. This is interpreted as "shifts in role or setting, which occur throughout the life span" (p. 6). The importance of ecological transitions in capacity building is the fact that organizations almost invariably involve a change in role and its core capabilities as it moves through the various levels of growth.

Paradigm Interplay & Key Players

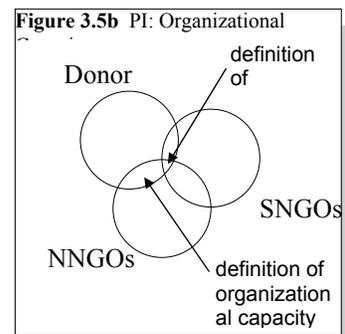
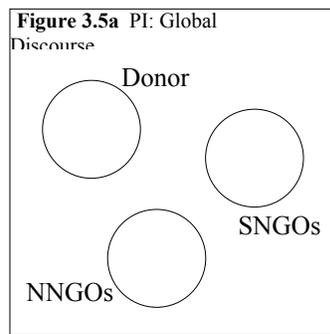
Schultz and Hatch's (1996) theory of paradigm interplay is relevant to discussions about capacity building within which NGOs and donors must operate.³³ Schultz and Hatch presented their strategy for multi-paradigm research that promotes interplay between paradigms. They used interplay across the border of functionalist and interpretive paradigms and used organizational culture studies to show how interplay affects multi-paradigm relations. The researchers considered simultaneously, the contrasts and connections of moving back and forth between paradigms and invited other researchers to see and use the diversity of organization theory in new ways.

The Paradigm Interplay theory suggests that each group (a donor, NNGO and SNGO) can be represented by a circle which is affixed to a larger square representing the universe of possible definitions. Each circle may not intersect on what are the relevant core capabilities needed to build organizational capacity, but the fact that each group is in the same box (universe) indicates some global discourse in the field (Figure 3.5a). Or, perhaps, all three circles intersect on the meaning of capacity, but on the meaning of organizational capacity only two circles intersect (Figure 3.5b). For example, donors, NNGOs and SNGOs all have very similar meaning for capacity, but what NNGOs and donors call organizational capacity, SNGOs would call autonomy. It makes it easy to imagine the vast number of possible interactions and relationships between and within these three types of organizations.

Schultz and Hatch suggested that at any moment in time, paradigms are either pulling together or pushing apart (or both). The goal is to find the bridges that connect the paradigms and to

³³ Schultz and Hatch (1996) introduce a dynamic element to the discussion of interplay between paradigms in their article, *Living With Multiple*

understand the disconnections of the paradigms. Therefore in order to understand the interplay between the circles (or paradigms) an observer must first understand the characteristics of the ideas found within the circle. This will be accomplished by an in-depth analysis of six SNGOs and four NNGOs in the next part. In addition, it is important to note that the observations of each paradigm will differ depending upon the view of the observer. That is, to one standing within the intersection of the three paradigms, the view is quite different than to one standing within one of the circles or outside the intersecting set.



Summary

Civil society and sustainable development are concepts that have ignited a passionate response from people all over the world in their efforts to find a balance among government, industry, and nature. A significant portion of the credit for the increased awareness of these issues can be ascribed to NGOs. In the literature reviewed, it was demonstrated that NGOs work at all levels of society to influence and direct changes designed to preserve and protect civil society.

Proposition 3.F: Building capacity at any level (e.g. organization, multi-organization or global) is not easy, but it is crucial to NGO excellence in meeting significant development challenges. Capacity building, to be sustainable and effective, is a pro-active integrative relational process of building an organization's future to exist beyond its initial funding or program activity.

The ability of NGOs to effectively influence the civil society debate has been marked in large part by their ability to build and sustain their capacity and work with the various decision-making institutions. There are similarities and differences between the level of functioning of NGOs within developed and developing countries. These NGOs are distinguished as either NNGOs or the latter SNGOs.

The study of NGOs and capacity building is an important one as well as one that is steadily gaining attention. For instance, while this study was in progress, an International Working Group on Capacity Building proposed the formation of an Inter-Agency Group on SNGO Capacity Building in October 1996. In May 1997, this group agreed to set up an International Group on Southern NGO Capacity Building (IWGCB). The goals of this group include:

- to complete a northern donor survey and to identify current priorities and practices of SNGO capacity building
- to develop further clarity on SNGO capacity building priorities and challenges
- to identify current priorities and practices of NNGOs toward SNGO capacity building
- to evolve a framework of and an action-plan for the IWGCB to be shared, discussed and adopted for implementation

A conference is proposed in March 1998 with the following purposes:

- to develop an understanding of capacity building priorities of SNGOs
- to draw lessons about best practices from surveys and exemplars
- to build an agreement on frameworks of IWGCB and its structure and programme over next three years
- to initiate discussion of pilot programmes of need but presently unavailable capacity building programs

The focus in this study coincides with the developments of the IWGCB. To review, the first part of this study is intended to lay a foundation concerning how the NNGOs and SNGOs are using capacity building terms and whether there is any commonality between them. Besides simply reviewing the literature, Part I (Chapters 2 & 3) is important to the study and to the field of

capacity building because it focused on what has been done and asked questions that added a new dimension to the discussion of capacity building.

Capacity building is crucial if NGOs are to have an impact in meeting their missions. This part of the study points out that NGOs who build capacity are not following a clear, sequential, long-term path by first working at the organizational level and then moving to multi-organizational or global capacity levels. While they work at building partnerships or strategic alliances with other governments, business or NGOs, they must not lose focus of its core capabilities.

These first two chapters in Part I dealt with key players and concepts of the study and have explored capacity building and its related capacity levels: organizational, multi-organizational and global along with its supporting core capabilities from a review of existing literature. The next step (Chapter 4) explains the methodology used to learn and understand about capacity building from various perspectives including that of the North and South. The next two chapters of this study attempt to discover and learn the ways that NGOs in the North and South build capacity and examine the core capabilities that support each level of capacity. This will be examined from an in-depth study of six NGOs from the South (Chapter 5) and four NGOs from the North (Chapter 6). From this study a framework will be presented in Part III, Chapter 7 to help NGOs understand, discuss and determine how its organization should build capacity.

Part II of this study looks closely at four organizations using an appreciative inquiry (AI)³⁴ process to see if current empirical evidence indicates that capacity building is occurring at any of these levels and what are the core capabilities of these NGOs from a Northern and Southern perspective. In addition, we look to see if a shift in thinking on capacity building is real. The next part of this study leaves us looking for ways in which NGOs can become even stronger participants in the interplay of local and global challenges within a complex world filled with diverse political, market, legal, social and cultural systems. These organizations need a new framework to follow based on sound strategies (Fisher, 1998).

³⁴ Appreciative inquiry (AI) is an organization development intervention technique that was created at Case Western Reserve University, Cleveland, Ohio by Professor David Cooperrider and Professor Suresh Srivastva. AI process evolves from four stages: Discovery, Dream, Design and Delivery. AI is an approach that works well with organizations, groups and communities to discover and value core strengths and examples of excellence to envision, plan and build a new future.

PART II

An Appreciative Approach to Capacity Building

“This is not the story of good NGOs confronting evil governments. This is the story of humanity assuming responsibility for its own future.”-- Martha L. Schweitz

In any type of organization or group something works well. Therefore, it is possible to explore appreciatively how capacity building has worked from the Northern NGOs (NNGOs) and Southern NGOs (SNGOs) perspectives in Part II of this study. The following chapters describe the multiple method approach used to discover and understand how the North and South build capacity.

Part II of this study begins with Chapter 4 which describes in detail the qualitative methodology design. The idea for the study began with the interest and topic of capacity building and appreciative inquiry. Appreciative inquiry is a generative process of search and discovery, wherein questions are created by exploring the topic with the participants of the study. It is a method of action research and a theory in which study of the best practices of an organization show how their social forms cohere and evolve (Cooperrider & Srivastva, 1987). Focusing on capacity building as a long-term integrative process of building an organization’s future helps to understand what gives these organizations the capacity to sustain their existence. If NGOs can focus on shared and best practices of other NGOs in capacity building through an appreciative eye, perhaps they can work together in new and constructive ways that may lead to their continued success. Since there are multiple realities of a given situation, the study takes into account both the SNGOs’ and NNGOs’ perspectives and experiences of capacity building.

These are reviewed respectively in Chapter 5 and Chapter 6. It is important to understand and value the differences within and between these two groups.

The Global Excellence in Management Initiative (GEM)³⁵ organization assisted in the proposal stage of the study to help identify the key research questions and primary and secondary sources of information. To determine the direction of the research, key players in Washington, DC were asked what questions they had regarding capacity building. Several NGOs and a representative from a donor agency wanted to know if capacity and capacity building is defined differently among the NNGOs/donors and SNGOs. Other specific questions were asked. What is organizational capacity? What are the core capabilities that allow for organizational capacity? Are these the same for the Southern partners? What does it mean to go beyond organizational capacity? The outcome was a detailed set of research questions generated and divided among three interview protocols.

Once the questions were created, the next step was to interview participants from the four NNGOs and in some cases, their partners. The four NNGOs selected were among a group of 50 potential NGOs because they were known to have a history of performing well at capacity building and today, these organizations are actively exploring how that happened and how to strengthen and continue to build their capacity along with its core capabilities. These same research questions were asked of consultants and scholars in the field. When the interviews were completed in August 1997, there was a lot of data collected that needed to be analyzed and synthesized from over 100 interviews. These interviews were conducted face-to-face and

through e-mail and phone conversations. In several cases, this included multiple interviews with the same person using Protocols 1-3 (see Appendix 7 for interview questions). For instance, each organization had at least three separate interviews with the same participants for over an eight month period. There were 33 people interviewed. The key research questions are presented in Chapter 4.

In the next two months, the results of these interviews were shared with the organizations in order to uncover common themes of capacity building. The goal was to uncover themes in order to know how to do more of what worked well with these organizations in capacity building. During this time, provocative propositions were developed. Provocative propositions describe “an ideal state of circumstances that will foster the climate that creates the possibilities to do more of what works” (Hammond, 1996, p.39). Many of these were already presented in Part I of the study based on a thorough review of the literature integrated with the findings of the meta-ethnography and field work presented in Part II of the study.

As reported in Chapter 5, these same appreciative like questions were then asked of six SNGOs not in the form of interviews but a meta-ethnography. That is published qualitative studies were identified and gathered to interpret and explain the capacity building situation from a Southern perspective. In searching for case studies of SNGOs in capacity building, an organization called International NGO Training and Research Center (INTRAC) in the United Kingdom was found. INTRAC has dozens of published studies and literature in capacity building for SNGOs. This chapter begins with an explanation of why the six SNGOs were selected. Then, each

³⁵ GEM is a university-based program of learning and education that works in partnership with U.S. Private Voluntary Organizations (PVOs) and

organization is introduced and it is followed by an exploration of the capacity building process through reciprocal translations of one study into another. An explanation of this method is explained in the beginning of the chapter. Table P2.1 indicates these SNGOs, their intermediary function between a donor and local beneficiaries.

Table P2.1: Southern NGOs (SNGOs)

SNGO	Intermediary Function	Donor	Beneficiary
TTO - The Triple Trust Organisation	specialist small enterprise development NGO	Local Consultant – CDRA	people who are unemployed or in poverty
BDA - Budiriro Development Agency	specialist small enterprise development NGO	NNGO Consultant – Symacon	existing entrepreneurs who need support services
ASSI - Association of Small Scale Industries	small business association	NNGO - UNECA	other SBAs and micro- or small enterprises
USSIA - Ugandan Small Scale Industries Association	small business association	NNGO - APT	entrepreneurs
BRK-CARE - Bankin Rayan Karkara	credit organization	NNGO - CARE	rural populations
ZT - Zambuko Trust	credit organization	NNGO - Opportunity	micro-enterprise

Each SNGO's approach to and understanding of capacity building is covered in detail. Comparisons and contrasts are drawn between and among the case studies. Following this the key research questions from the Southern's perspective are addressed. The concluding section of this chapter provides a summary of the lessons learned from the South.

The four case studies of NNGOs are introduced **in Chapter 6**. This chapter begins with background information on these four NNGOs. For each organization, detailed information is provided on its background, history, structure, affiliate network of partners, mission, major strategic initiatives and programs, capacity building process and projects and future capacity building challenges. Table P2.2 displays each NNGO, their intermediary function, donors and beneficiaries.

Table P2.2: Northern NGOs (NNGOs)

NNGO	Intermediary Function	Donors	Beneficiary
Center for Development and Population Activities (CEDPA)	promotes positive change through partnership projects, training and advocacy	USAID, contributions and other federal grants	women and youth in developing countries
Christian Relief World Reformed Committee (CRWRC)	develops sustainable organization that serve the poor through capacity building and partnerships	USAID, contributions, grants, foundations and business partnerships	economically poor communities in developing countries
Counterpart	brings partner services to communities through project coordination, consulting, information dissemination and training	USAID, contributions, federal and non-federal grants	entrepreneurial communities in NIS, Pacific and Southeast Asia
Pact	promotes growth of civil society through training, consulting, subgrant management and specialty programs	USAID, UNDP and private foundations	community-focused nonprofit sector worldwide

Each organization's approach to and understanding of capacity building is covered in detail from a Northern's perspective. In some cases, where it is possible some of their Southern partner's data is also available. The concluding section of this chapter provides a summary of the lessons learned from the North.

CHAPTER 4: Methodology

“It is a shameful thing to be weary of inquiry when what we search for is excellence.” -- Cicero

Type of Design

The research strategy for this project is a qualitative paradigm that uses multiple methods to ensure greater validity (Brewer & Hunter, 1989). In the last decade, qualitative research techniques have gained significant respect as a viable and valid form of inquiry, especially as researchers have entered fields that include complex human systems and multiple human perspectives. This is evident in the plethora of qualitative research techniques being used:

- action research
- ethno methodology
- grounded theory building
- phenomenological inquiry
- participative research

In support of qualitative designs, Merriam (1988) mentioned six assumptions:

1. Qualitative researchers are concerned primarily with process, rather than outcomes or products.
2. Qualitative researchers are interested in meaning - how people make sense of their lives, experiences and their structures of the world.
3. The qualitative researcher is the primary instrument for data collection and analysis. Data are mediated through this human instrument, rather than through inventories, questionnaires or machines.
4. Qualitative research involves fieldwork. The researcher physically goes to the people, setting, site, or institution to observe or record behavior in its natural setting.
5. Qualitative research is descriptive in that the researchers is interested in process, meaning and understanding gained through words or pictures.
6. The process of qualitative research is inductive in that the researcher builds abstractions, concepts, hypotheses and theories from the details. (pp. 19-20)

The reasons for selecting a qualitative paradigm is that the nature of this study’s challenge was exploratory, to *understand and discover*. Creswell (1994) said that the qualitative method is useful when “variables are unknown, context important and may lack a theory base for study” (p.

6). In this particular study, there was no research data available on a multi-level or relational

framework of capacities from multiple perspectives. The context is about how NGOs build capacity and there is no study of capacity building as it relates to a relational process (Brown, 1997; Stamberg, 1997). In a letter dated October 27, 1997, Stamberg³⁶ wrote:

the concepts of levels and integration, as related to capacity building, is receiving more and more attention these days from the NGOs and donors who have given the most thought to capacity building. So, I think your study is on track . . . capacity building as a concept has been around for a while; it's the broadly shared focus on its role and importance that's new, as a means to the end of sustainable development. The heightened emphasis on capacity building of NGOs . . . coupled with the recognition that NNGOs must move from direct service delivery roles to a partnership or mentoring role with SNGO partners, networks, and coalitions. It also responds to the increasing concern with organizational sustainability. All of which adds to the imperative of capacity building. It's in this context that looking at layers or levels of capacity building makes sense, and in looking at capacity building as an integrative, organic process.

The logic of this design was inductive and included defining key terms based on literature, published case studies and interviews, and developing a framework of key concepts and core capacities with corresponding capabilities for organizational excellence. It was largely an investigative process to make sense of the capacity building phenomenon by reviewing the literature, comparing and contrasting studies, interpreting and synthesizing studies, and interviewing people in the field.

The theoretical framework on capacity building introduced was based on the six qualitative studies from the meta-ethnography and the four case studies: Center for Development and Population Activities (CEDPA), Christian Relief World Reformed Committee (CRWRC), and Counterpart International, Pact and key informants. With these organizations and key informants, the qualitative research strategy was utilized, and data collection included audio

³⁶ Lou Stamberg was formerly the director of United States Private Voluntary Cooperation (USPVC) Office in the United States Agency for International Development (USAID). Stamberg worked for USAID for over 34 years in helping developing countries meet significant development challenges.

taped and transcribed interviews with the staff and leaders of each organization, archival records, publications and on-site observation of key events.

Marshall and Rossman (1994) recommended that the research be conducted from the setting chosen for the study. Therefore, on-site visits to the NNGOs were made during the first eight months of the study. A thorough review of their material and ongoing interactions were designed to interpret their perspectives. For example, a NGO would provide annual reports and studies funded on capacity building that were used along with the interviews to answer the specific research questions. Dialogue continued with the use of electronic mail and phone calls. All organizations welcomed the opportunity to edit their case write ups and respond in detail to the typed transcripts from the interviews. Additional support of fieldwork included interviews and first hand observations of workshops and conferences to gather and record data at all phases.

To balance the study, a Southern perspective of capacity building was explored by means of a meta-ethnography by looking at six published qualitative studies on SNGOs. The qualitative design was designed to achieve three goals: to define the key concepts and organizational backgrounds and capacity building activities of study in the field, to discover and understand capacity building and the core capabilities that support the three levels of capacity (organizational, multi-organizational and global) and to build a relational framework of organizational excellence.

Using the Executive Doctorate in Management's (EDM) definition of integration³⁷, the research was completed in two phases. Phase 1 included multiple methods and was completed in two parts. The two parts were not sequential, but parallel. Part 1 was a meta-ethnography of published qualitative studies of SNGOs and Part 2 was the fieldwork of four NNGOs using an appreciative inquiry approach.

A meta-ethnography is a form of systematic comparison from the translation of one study into another. Meta-ethnography is intended to enable (Noblit & Hare, 1988, p. 12):

1. a more interpretative literature review
2. a critical examination of multiple accounts of an event, situation, and so forth
3. a systematic comparison of case studies to draw cross-case conclusions
4. a way of talking about our work and comparing it to the works of others
5. a synthesis of qualitative studies

The primary goal of a meta-ethnography is adequate synthesis and persuasion. In a meta-ethnography, according to Noblit and Hare, "studies are sought purposively to address an initial interest" (p. 81). For this study, the interest encompassed capacity building from a Southern perspective. Through design of a meta-ethnography, it was possible to synthesize six published studies of SNGOs in capacity building.

In the meta-ethnography process, one paradigm³⁸, the interpretivist paradigm, is addressed. This paradigm includes research that is ethnographic, interactive, qualitative, naturalistic or phenomenological. The researcher searches for an explanation based on the perspectives and experiences of the people being studied. "Interpretative explanations" are:

³⁷ Integration is the connecting together of: 1) bodies of knowledge considered disparate by existing academic disciplines; and 2) concepts and experiences, of theory and action and of rigor and relevance. Therefore the connecting of conceptual knowledge, normally considered disparate, in ways that guide policy and practice is Integration. This definition was created in a research methodology class at Case Western Reserve University's Executive Doctorate in Management Program from the Class of 1998.

narratives through which the meanings of social phenomena are revealed. They represent the “multi-perspective reality” (Douglas, 1976) of any social event and holistic meaning of these multiple perspectives. They teach an understanding of the meaning of a particular event in dialogue with a more universal audience (Schlechty and Noblit, 1982). They enable us not to predict but to “anticipate” (Geertz, 1973) what might be involved in analogous situations; they help us understand how things connect and interact. An interpretation enables the reader to translate the case studied into this or her own social understanding: Interpretive accounts, above all, provide a perspective and, in doing so, achieve the goal of enhancing human discourse. (Noblit & Hare, 1988, p. 18)

In a meta-ethnography, the judgment call is the initial selection of the studies and their relation to one another. In deciding what are relevant studies on capacity building for SNGOs considerable effort was expended to develop an exhaustive list of studies that might be included. First, the key informants, scholars working in the field and the four NNGOs case studies’ participants involved in the fieldwork were asked which organizations or associations provided credible studies on capacity building from the perspective of SNGOs. All suggested that INTRAC and IDR be contacted for recommendation of published qualitative studies. Second, several databases were researched such as Social Sciences Citation Index (SSCI), Dissertation Abstracts International, Sociological Abstracts and First Search. In the end six studies were selected from INTRAC because they were based in the South and directly addressed capacity building from the perspectives of SNGOs. Many of the other studies were not selected because the focus was on SNGOs as it related to historical development, institutional development, governance, conditionality and funding strategies.

The six SNGOs published case studies were repeatedly read, reviewed and cross-analyzed. In interpretation of studies:

like all interpretations, a meta-ethnography is but a “reading” of what is studied. However, all interpretations must be grounded in the case studies to be synthesized; the chosen metaphoric reductions are to be judged by their ability to portray the essence of these texts. Without such

³⁸ *Paradigm* refers to the “entire constellation of beliefs, values, techniques, and so on shared by the members of a given community” (Kuhn, 1970, p. 175), and the exemplary but “concrete puzzle-solutions” (p. 175) of the scientific community.

reductions, synthesis is not possible. The nature of the reductions, and the choices made, are reasonable topics of discussion and critique; additionally, of course these contribute to the interpretivist goal of enlarging and enriching human discourse. (Noblit & Hare, 1988, p. 40)

One of the purposes of this applied research project is to contribute to the global discourse on capacity building from the multiple perspectives of NNGOs as well as SNGOs. Combining a meta-ethnography of six SNGOs with in-depth fieldwork of four NNGOs (see Chapter 6), permitted an understanding of the process of capacity building from multiple perspectives.

Another example of how this type of research defines itself relates to the process of appreciative inquiry as a creative way of knowing (which will be addressed in more detail later). Prior to writing the proposal for this project, dozens of articles were collected and reviewed on core capabilities. These capabilities were sorted and placed under the capacity level of either organizational or multi-organizational capacity based on whether the research was completed on for-profits or nonprofit organizations. From this initial set of articles reviewed, it was early in the research process and the study was not yet bounded to NNGOs and SNGOs, but it was safe to say that multi-organizational capacity³⁹ was the less studied concept. In fact, several authors, informants and advisors had suggested that it would make a greater contribution to the area of study to add multi-organizational and global capacity. At this point in reviewing the business-related literature, there were no articles available that listed a collection of core capabilities that was needed for an organization to sustain its existence or build capacity at any level. Therefore, one of the tasks at hand was to build a framework of capacities and its corresponding core capabilities based on key insights from the first stage of data analysis. In parallel with the meta-

³⁹ Inter-organizational capacity appears to be used interchangeably with multi-organizational capacity. Initial literature reviewed suggested that new requirements of capacity building will focus on linkages and partnerships. The literature is quite fragmented (Chiriboga & Tandon, 1996).

ethnography process, extensive fieldwork was completed. The fieldwork comprised Part 2 of Phase 1.

Part 2 of Phase 1 was intensive fieldwork on four case studies in the field of capacity building. This case study approach added primary research to make sense of the capacity building phenomena taking place. Following Berg's (1990) case study method, this allowed for "open-ended investigation of a social system based on the presumption that this system has something interesting about it that has thus far remained unexplored or insufficiently explored" (p.67). The objective is to generate definitions and propositions for further empirical research and learnings based on the observations of each case study.

As mentioned earlier, an appreciative inquiry approach was used to inquire into these four case studies of NNGOs. The inquiry relied on a number of primary and secondary sources. The primary data sources were people from the NNGOs plus other consultants and scholars in the capacity building field. As a participant observer, there were several meetings and conferences attended that provided answers to the research questions. Data collection included face-to-face interviews with the staff and leaders of selected organizations, phone calls, e-mail conversations, archival records, publications and on-site observations. The interviews in this phase concerned their views about capacity, capacity building, organizational, multi-organizational and global capacity, core capabilities, what they mean about these terms and how their organizations pursue capacity building. In addition, the numerous informal interchanges with interviewees helped to establish the kinds of practice-relevant knowledge that the inquiry should generate.

The objective in the first phase was to complete the definitional work, identify propositions relevant to organizational policy and practice and build a possible framework of key capacities based on literature, meta-ethnography, and fieldwork. This first phase of research was exploratory and descriptive. It allowed for “simultaneous triangulation” (Salipante, 1997). This triangulation method was used to strengthen the study’s internal validity. According to Creswell (1994), when a researcher seeks: to discover, explain, seek or identify grounded theory, ethnography is used; to explore a process or within a context, a case study is used; and to describe the experience, phenomenology is used. In this study, the goals are to: *discover* the field of capacity building; *explain* to audience what is going on in the field; *understand* multiple levels of capacity that exist; and *identify* core capabilities to create a new framework of organizational excellence; and *explore* capacity building process from a combination of a meta-ethnography and case study format.

Phase 2 used appreciative inquiry to serve as a component of grounded theory, a form of this inquiry which will be explained shortly. It was from this grounded theory (Strauss & Corbin, 1990) that the relational framework was initially derived. The first objective of Phase 2 was to discover and understand more about the capacity building levels and corresponding capabilities in Phase 1. A second objective was to develop the relational framework to explain the concept of capacity building and core capabilities identified at various capacity building levels of an organization’s growth.

Appreciative inquiry is a method which attempts to discover “the best of what is” in any organizational/human system (Srivastva & Cooperrider, 1986; Cooperrider & Srivastva, 1987).

Cooperrider (1990) described appreciative inquiry as:

. . . an inquiry process that tries to apprehend the factors that give life to a living system and seeks to articulate those possibilities that can lead to a better future. More than a method or technique, the appreciative mode of inquiry [is] described as a means of living with and directly participating with the life of a human system in a way that compels one to inquire into the deeper, life generating essentials and potentials of organizational existence. (p. 121)

In meeting with the key informants and participants from the case studies, the objective was to understand at what points these organizations were at their best in building capacity and what the core capabilities that contributed to this were. To understand their organizational growth, they shared their stories about how they build capacity. In organizational research, many researchers take a problem-centered approach. In contrast, an appreciative inquiry allows the researcher to study an organization through a positive dialogue of people interaction where there is discovery and search for new meanings and understandings.⁴⁰ There are four basic principles that apply to appreciative inquiry (Cooperrider & Srivastva, 1987):

1. It begins with appreciation or valuing those people and organizational systems being researched.
2. It is applicable and relevant to help those organizations articulate the best of their current reality as an image to construct their ideal future.
3. It is provocative or generative for the purpose of discovering the best of the past or present to search for the most ideal-type image of the possible future.
4. It is collaborative in that the researcher joins in with the organization and its people in a process of mutual and continuous understanding.

While using the appreciative inquiry techniques, all of the interviews do have a topic focus and series of questions; however, these topics and questions can change and take on new meanings as the inquiry process proceeds. For example, in the beginning the question of indicators was to be addressed. When asked the question about indicators all participants agreed with its importance,

but they stated that this should not be a focus of the current study because it detracted from really understanding the meanings of capacity, capacity building, and key capacities of organizational excellence from multiple perspectives. Furthermore, the key informants said that the project with the identification of indicators to match core capabilities was too ambitious of a scope for a one year project and that these indicators were context specific.

As an intervention into understanding the capacity building efforts of these organizations, appreciative inquiry focused on discovering the best of what these organizations are doing to enhance and build capacity. All of these case study organizations and key informants joined openly and enthusiastically in the development and on-going work of this project. For instance, the participants of the case studies sent articles, recommended books and wrote an occasional e-mail to ask about the progress of the study. One key informant asked to use the newly developed relational capacity building framework in a consulting assignment with USAID on capacity building. Another organization used the literature review as supporting data in a grant application on building global community capacity. All participants allowed themselves to be interviewed and opened the doors to meet with other people in their organizations and observed key organizational events and changes related to capacity building.

The final benefit of the appreciative inquiry methodology is its close relationship to grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1990). This methodology is directly concerned with the discovery of new theory from data rather than the testing of hypotheses and is useful when there is little relevant theory on a subject matter. Therefore, one begins with an

⁴⁰ In this study, I have successfully integrated myself not only into the literature but into the activities of these organizations to truly understand

area of study and what is meaningful to that area is allowed to emerge. Grounded theory provides a strategy for handling data and conceptualizing that data to explain such a phenomena as capacity building. The theory that emerges must enable prediction and explanations, be useful in providing theoretical advances in organization sociology, facilitate the understanding and control of relevant situations and provide a perspective on the data and a style for related areas of research (Glaser & Strauss, 1967).

Appreciative inquiry allowed for the research to take on a life of its own as it discovers and tries to understand a phenomena through an on-going dialogue with the participants of the study. Accordingly, some of the proposed research questions were modified, a question or two changed during the study and some new ones evolved. For example, at the beginning, it was not known what capacities were to be researched. Should the study look at organizational capacity and/or multi-organizational capacity? What was the importance of multi-organizational capacity? Then, a third level of capacity emerged from the interview process, that of global capacity. Key informants and several of the participants of the organizations stated a need for a framework to help them better understand key concepts and happenings in the field of capacity building. Through this dialogue, appreciative ways of knowing and learning about capacity building is enriched. Cooperrider (1990) explained it as:

organizations are, to a much larger extent than normally assumed, *affirmative systems* -- they are guided in their actions by anticipatory "fore structures" of positive knowledge that, like a movie projects on a screen, project a horizon of confident expectation which energizes, intensifies, and provokes action in the present. The fore structures or guiding images of the future are not the property of individuals but cohere within patterns of relatedness in the form of dialogue. . . . In this view appreciative inquiry refers to a process of knowing that draws one to inquire beyond superficial appearances to the deeper life-enhancing essentials and potentials of organizational existence. (p.14)

In summary, appreciative inquiry was used as a co-inquiry to understand from multiple perspectives organizational efforts to build capacity. In this study, everyone and every published study reviewed were helpful on making meaning of capacity building phenomena and in actively participating in the constructing of a framework that allows for discourse of the topic.

Research Settings and Sampling

The organizations which were included in this study were recommended by several key informants and consultants who knew that these organizations had capacity building efforts high on their lists of priorities.

In the beginning of this project, given the one year time frame of the applied research project, the goal was to select one organization for an in-depth case study. From a list of 50 NNGOs in the United States, commonly referred to as United States Private Voluntary Organizations (USPVOs), a recommendation of 10 organizations was made by several key informants and consultants who knew that these organizations had capacity building efforts high on their list of priorities. These 10 organizations were contacted in the hope of taking two organizations in the event that one dropped out of the study; however, four organizations responded immediately. Several of these organizations key contacts were out of the country for the next 30 days which automatically eliminated them from the study based on the time frame. As mentioned earlier, the four organizations who responded positively to the study were: Center for Development and Population Activities (CEDPA), Christian Relief World Reformed Committee (CRWRC), Counterpart International and Pact.

After one phone conversation with each organization about the purpose of the study, each one agreed to participate. These organizations differed in the extent of their participation in conducting the research as well as the extent to which they are involved in the field of capacity building to enhance their organization's delivery of their mission statement. However, each case study was a NNGO that had SNGOs as partners overseas. During the year, several visits and phone calls to each organization were made to discover who they were, what they did, what capacity building meant to their organization and how they operationalized the concept of capacity building.

Sampling within these organizations was recommended by those individuals whose day-to-day activities involved capacity building. This is termed "judgment sampling." The meeting of other people within these organizations were recommended by the primary contacts who thought other people's insights would add value to this study. These organizations met the criteria of being NNGOs with partner relationships established with SNGOs. All of these organizations were involved with capacity building efforts at different levels which are described in more detail in Chapter 6.

Data Collection and Recording Procedures

As mentioned earlier, collecting data for the meta-ethnography, several sources from nonprofit organizations like INTRAC and IDR and databases from business, sociology and international development literature were used to collect studies on the topic. To assist the recording of the data collected, a design map of the literature was used and literature studies were filed by key concepts and capacities identified (this map was presented earlier in Part I).

When collecting data during the fieldwork, observational notes were gathered by conducting observations as either an observer or participant at events. In addition, data was collected by unstructured, open-ended interviews and taking interview notes. Interviews generally lasted from three to five hours and covered a variety of questions concerning capacity building topics. The interview questions for each organization were tailored to their level of involvement in capacity building, but the following questions were asked of all interviewees:

Basic Interview Questions:

1. What attracted you to this organization? Please tell me about your background and how you decided to join this organization? What do you love most about your work and organization?
2. Looking at your entire experience in this field, can you tell me a time when you felt most excited about your work?
3. Without being humble, what do you value most about yourself -- as a human being, a friend, a citizen, and a professional in the field of capacity building?
4. When you are feeling best, what is it about your job with this organization that you value most? What things about the organization do you value most?
5. What is the single most important thing the organization has contributed to your life?

After the initial appreciative inquiry warm up, then the questions turned very specific to the research topic at hand.

6. What comes to your mind when you hear the word capacity?
7. Now, what do you think about capacity building? Can you share a story with me about how your organization builds capacity?
8. What are the core capabilities that give life to this organization and allow it to sustain its existence?
9. What accelerates the capacity building process in your organization?
10. What are the challenges of your industry within the context of capacity building efforts?
11. What do you hope to learn from this study that will enhance NGOs' capacity to achieve its mission?
12. If you have three wishes for your organization what would they be?

(Note: the above questions were also asked in reference to organizational, multi-organizational and global capacity building)

Historical information about each organization was analyzed using the collected data from case studies, archival material, official memos, newspaper articles, annual reports, books, unpublished papers, internal correspondence, project reports, training material, video tapes, correspondences and a variety of other sources. Permission was granted from all participants to be audio taped and have the notes transcribed. All participant protocols were saved. Organized files were kept on all fieldwork contacts and case studies. Other data collection approaches included: keeping a journal during the entire applied research project and collecting correspondences and feedback from advisors, colleagues and informants in chronological data order from the present to past.

The research took place in many settings from the Global Executive Management (GEM) office in Washington, D.C. to the specific sites of those involved in the study. A list was kept of all participants either interviewed or observed, phone conversations, e-mail conversations and events/meetings attended. The first round of interviews using Protocol 1 took place March 1997 to April 1997. The second round of interviews using Protocol 2 was from May 1997 to July 1997. The third round of interviews using Protocol 3 was started in August 1997 and completed by September 1997. To keep the participants involved in the study monthly correspondences, phone calls and e-mails were sent.

Interviews were conducted with a primary person who was actively involved in capacity building and from there other participants were interviewed in these organizations. The participants provided archival materials such as newspaper articles about the organization, annual reports, documents, memos, books, unpublished papers, internal correspondences, newsletters, training materials, videotapes and a variety of other sources of historical information

concerning each organization. From time to time, interviews were completed with key consultants and scholars in the field as they were suggested. These individuals provided guidance in the direction of the study and one offered to be a reader of the study. During the one year period, the consultants and scholars sent journal articles and other secondary sources of information on capacity building.

Data Analysis Procedures

In qualitative data analysis, the process is eclectic and there is no one right way (Tesch, 1990). In managing the information and reducing it to a meaningful analysis, the activity of collecting the data simultaneously coincided with data interpretation and narrative reporting and writing. Initial coding occurred as the data was collected and re-coding of data was required throughout the entire process of this study.

One of the primary goals was the reduction and interpretation of the data as applied to the research questions. The data was reduced and displayed in a narrative form as well as in diagrams, charts, tables and/or matrices. During data analysis, the data was organized at first with a Research Map of the Literature (see Figure 2.1), then it was re-organized by categories and chronologically reviewed. Throughout the process most of the data was re-coded and reviewed dozens of times.

The meta-ethnography research was employed primarily for key definitions and understandings of capacity building language and core capabilities at various capacity levels. A log was kept of where these capabilities were found and at what stages of the organization's development. In the

case study of fieldwork research, definitions and core capabilities were identified and compared to that of the literature and ultimately verified with the organizations in the study. The grounded theory research stage consisted of coding the data gathered from the literature and interviews to compare the definitions, levels of capacity building and their core capabilities from multiple perspectives.

After completing the meta-ethnography and analyzing the data from the case studies, definitions, levels of capacity and core capabilities were compared to identify connections and disconnections between the NNGOs and SNGOs. The interpretation of this data resulted in an initial theoretical framework about three integrative levels of capacity building: organizational, multi-organizational and global. Then, the symbol of a pyramid emerged from several descriptive discussions of capacity building. The symbol provided a visual framework to understand the various levels of capacity building that an organization goes through. This framework is formally introduced in Chapter 7.

Useful Sources of Methodology

To effectively conduct quality research, the right tools were needed to get started. The two books that were used to lay the foundation of this qualitative study were: *Handbook of Qualitative Research* (Denzin & Lincoln, 1994), and *Research Design - Qualitative & Quantitative Approaches* (Creswell, 1994). To further guide the design of the research, *Designing Qualitative Research* (Marshall & Rossman, 1994) and *Qualitative Research Design - An Interactive Approach* (Maxwell, 1996) were used to guide the design process. The next stage of this qualitative applied research project involved gathering literature and studies and

interviewing participants. To better understand these techniques, *InterViews - An Introduction to Qualitative Research Interviewing* (Kvale, 1996) and *Action Research - A Practitioners Handbook* (Stringer 1996) were reviewed. To provide a framework for the stage of analyzing data, *Strategies for Interpreting Qualitative Data* (Feldman, 1995), *Evaluating Research Articles - From Start to Finish* (Girden, 1996) and *Interpreting Qualitative Data - Methods for Analyzing Talk, Text and InterAction* (Silverman, 1993) assisted in this stage. Finally, once data was collected and analyzed, the final challenge was to address: “what does it all mean and how should it be put into a useable, readable format for the audience?” The books on *Writing Up Qualitative Research* (Wolcott, 1990) and *Making Sense of Qualitative Data* (Coffey & Atkinson, 1996) were used to guide the writing process so that it would have practical and actionable use for any NGO, donor agency or policy maker.

Methods for Validity and Verification

The goal of this project was to explore, discover, understand, and interpret the field of capacity building from multiple perspectives. If relevant, a framework would be introduced for the identified audience to use in policy making and practices. The framework is not intended at this point to be discussed to other audiences beyond the nonprofit community. Verification⁴¹ and reliability were achieved through the rigor of the entire research process and in the proper reporting and verifications of all findings. Further credibility was achieved through the fieldwork that added value to the non-reactive methods of the meta-ethnography. The hope has always been to capture the social reality with the literature in the field of capacity building and make the reality of capacity building easier to understand for NGOs.

External validity of this study, “the limited generalizability of findings from the study” (Creswell, 1994, p. 158) was addressed through the use of rich, thick detailed description. This description makes it clearer to readers whether their context matches those studied sufficiently to warrant application of the framework to their own situations. It is hoped that anyone interested in the context of this study and the field of capacity building will find this framework helpful for comparison. In addition, all phases were subject to scrutiny by an external auditor who is experienced in qualitative research methods, Dr. Lynn Kelley at Madonna University. And, two outside readers who are not familiar with the field, Paul Stavros and Martha Kimball, focused on clarity and organization of the study.

To address the reliability issue, a detailed account was provided on the focus of the study, the role of the informants’ position and basis for selection and the context from which data was gathered. Data collection and analysis strategies were reported in detail in order to provide a clear and accurate picture of the methods used in this study.

Outcome and Contributions of the Study - A Dissemination Plan

In qualitative studies, findings can be reported in many diverse ways. Most results are creatively presented in a descriptive narrative form rather than as a scientific report (Creswell, 1994). First, this final project, in approximate length of 200 pages, was presented to the dissertation committee, Professor David Cooperrider and Professor Paul Salipante in detail to meet the final requirements of applied research for Case Western Reserve University’s Executive Doctorate of

⁴¹ Much of this research is exploratory; therefore, verification is a less dominant design unless a model will be developed and introduced to the audience.

Management Program, Cleveland, Ohio. This final project was a construction of the entire project from start to finish to include:

- Preface & Acknowledgments
- Introduction (Chapter 1)
- Review of Literature on NGOs and Capacity Building (Chapter 2 & 3)
- Methodology (Chapter 4)
- Meta-Ethnography of Published Qualitative Case Studies and Findings (Chapter 5)
- Description of Featured Case Studies and Findings (Chapter 6)
- Conclusion & Implications (Chapter 7)
- Appendixes
- Reference List

This allowed them to review the experience of the entire process, the challenges encountered, and provide the full details of the project. Their input was invaluable as to future deliverables and research agendas from this project. It is intended that the project moves beyond the final requirement of the Case Western Reserve University Executive Doctorate in Management Program, to a lively meaningful study in the area of capacity building.

The results of this study are made to be available to the key informants and organizations who participated in the study. The “readers digest” version of the project will be developed into an article or series of articles that will be given to the participants and their organizations for incorporation into newsletters, granting funding projects and various conferences, presentations and written publications interested in the study. From the main study, articles will be written and submitted for publications in the appropriate journals like *Global Social Innovations*, *Research in Organizational Change & Development* and *International Organization development*.

It is intended that this project will also be submitted as a complete study and added to publication list of The International Non-governmental Organization Training and Research Centre (INTRAC). INTRAC was set up in 1991 to provide specially designed management,

training and research services for NGOs involved in relief and development in the South and dedicated to improving organizational effectiveness and program performance of NNGOs and Southern partners where appropriate. Their goal is to serve NGOs in the exploration of the management, policy and human resource issues affecting organization development and the evolution of more effective programs of institutional development and cooperation. INTRAC offers the complementary services of: training, consultancy and research.

Another organization that may have interest in this work is Kumarian Press. They are looking for manuscripts that address world issues and promote change. Areas of interest include, but are not limited to: international development, women, Third World Studies, NGOs, environment and works that link the shared problems faced by both the North and the South (i.e. Capacity Building).

Other areas for early dissemination of the study have already been at conferences. For example, an overview of the relational capacity building framework and initial findings from the fieldwork was presented at a conference/workshop for Development PVOs in September 1997 called *Building Capacity in Partnership*. This conference was supported by USAID's Bureau of Humanitarian Response, Office of Private and Voluntary Cooperation. Two upcoming conferences where the research will be presented include 12th Annual National Association of Small Business International Trade Educators (NASBITE) and the Michigan Small Business Development Center Awards Conference.

Summary

The outcome of this study has great potential to augment the existing literature on the operational use of such terms as capacity and capacity building. Another outcome would be to tell the story of how four NGOs of various sizes and nature of services are doing in the capacity building field. Many of the practitioners in the field are not in the literature and they hope to see if opportunities exist to spread the message of capacity building using an appreciative approach. Several interviews that were completed in the developmental stage of this proposal suggested that work needs to be integrated in the literature into a usable format for those in the field.

To enrich this study, data was not only gathered from published case studies as addressed in Chapter 5, but from unpublished information from the participants of the organizations and key informants. The data from the fieldwork will be addressed in Chapter 6 and findings presented in Chapter 7. Based on the literature reviewed in Part I and from the meta-ethnography and fieldwork completed in Part II, an alternative integrative framework was created on capacity building. This grounded theory was generated from the multiple methods used as described earlier in this chapter. According to Noblit and Hare (1988), this alternative framework needs to be both grounded and compared. This comparison approach is what leads to the specific translations, not generalizations.

Chapter 5: A View from the South

“We have it in our power to begin the world again” -- Thomas Paine

According to Noblit and Hare (1988), meta-ethnography is the synthesis of interpretive research based on published qualitative field studies. In this case, the focus is on constructing interpretations of six SNGOs’ studies on capacity building while the primary goals are “expressing an adequate synthesis of the text and persuading an audience” (p. 80) of the merits of the synthesis. It is the intention of this chapter to compare and analyze texts and create interpretations on capacity building. Table 5.1 illustrates the focus of each subset of case studies.

The meta-ethnography process as applied to these six case studies consists of:

- reducing the substance to metaphors⁴² (e.g. capacity building in the South is like ...)
- comparing the metaphors of each study to one another (e.g. one SNGO’s capacity building challenges to another SNGO’s challenges)
- searching for relationships between interpretations (the metaphors) and contextual similarities/differences (e.g. capacity building that is donor-led versus recipient-led)
- expressing the synthesis⁴³ in the form of analogies (e.g. comparing one SNGOs aspect of strengthening Small Business Association (SBA) to another SBA)
- connecting the perspective of the synthesis to the differing perspectives of the intended audience (e.g. for instance, a NNGO’s views on partnering with SNGO’s)
- presenting the synthesis in a way that enriches dialogue (e.g. about the capacity building among NGO policy makers from a Southern perspective)

Table 5.1: Main Issue: Strengthening the Capacity of SNGOs

Subset: Focus of Study	Case 1	Case 2
Organization development Support for SNGOs	The Triple Trust Organization (TTO) - South Africa	Budiriro Development Agency (BDA) - Zimbabwe
Strengthening Small Business Associations (SBAs)	Association of Small Scale Industries (ASSI) – Ghana	Ugandan Small Scale Industries Association (USSIA) - Uganda
NNGOs Creating Local Credit Agencies in the South	Bankin Raya Karkara (BRK - CARE) – Niger	Zambuko Trust (ZT) - Zimbabwe

⁴² *Metaphor* is referred “to what others may call the themes, perspectives, organizers, and/or concepts revealed by qualitative studies” (Noblit & Hare, p. 14).

⁴³ In a meta-ethnography, the approach is to develop an *inductive and interpretive* form of knowledge synthesis. Synthesis “is usually held to be activity or the product of activity where some set of parts is combined or integrated into a whole ...synthesis involves some degree of conceptual innovation, or employment of concepts not found in the characterization of the parts as means of creating the whole” (Strike & Posner, 1983, p. 346).

In all six case studies, the focus was on the wider issue of capacity building from a Southern perspective. This provided the common ground for the basis of comparison between the studies. The next step was to determine how to put the studies of several different type of SNGOs together.⁴⁴ In reviewing the studies, there were three distinct subsets, each containing two organizations. This allowed for a reciprocal translation analysis to be completed on each of the three different subsets. In constructing these translations, the focus was on the concepts, key words and themes, which Noblit and Hare call “metaphors⁴⁵” that are used to explain what was taking place in the capacity building area. In other words, each study “in an iterative fashion, is translated into the terms (metaphors) of the others and vice versa” (p. 38). Once completed, conclusions began to emerge as to how the studies in each subset related to or differed from each other.

Within each reciprocal translation, the adequacy of the metaphors were examined as suggested by the following criteria from Martin (1975), Brown (1977) and House (1979) as presented in Noblit and Hare (1988) on page 33:

- **economy** is when a metaphor is presented in the simplest concept or theme that accounts for the phenomena.
- **cogency** is when a metaphor is adequate and clearly achieves the explanation.
- **range** refers to the metaphor’s “power of incorporating other symbolic domains” and the metaphor can be assessed as to the superiority of its “power”.
- **apparency** refers to the metaphor making apparent connotations.
- **credibility** refers to the metaphors being understood by the audience in a literal sense.

The next step involved completing a synthesis drawing upon all six studies as they directly related to the key research questions of this study. This concluding synthesis allowed for a review of the six SNGOs and asked the question, “What can we say of the whole based on a

⁴⁴ Meta-ethnographies are related in four ways: first, they can be about different things; second, they can be studies about roughly similar things; third, they can be studies that refute each other; and, fourth, they can be studies that successively “build” a line of argument (Noblit & Hare, 1988,

selective study of the parts (Noblit & Hare, 1988, p.62)?” The definitions and insights that emerge from this meta-ethnography are primary goals of this chapter.

The concluding section relies on the analysis of contextual similarities and differences between each set of cases and then attempts to integrate all six case studies to explain the capacity building phenomena from a Southern perspective. This allowed for a second-level inference about the relationships among the three reciprocal translations. This additional step is the “grounded theory that puts the similarities and differences between the studies into an interpretive order” (p. 64).

Reciprocal Translations (RT) of Six SNGOs

These published case studies make a practical and timely contribution to the ongoing debate on capacity building for NGOs. According to Sahley (1995), “although the following case material is taken from Africa, the principles evolved are of more universal interest and significance to all development practitioners” (p. 3). These studies build upon other studies by INTRAC’s researchers and consultants in capacity building in the South (Fowler, Campbell & Pratt, 1992). Furthermore, Brian Pratt, executive director of INTRAC, explained that these case studies “on capacity building for small enterprise development agencies can be recommended not only to readers in this field, but also for those interested in different aspects of capacity building with NGOs” (Sahley, 1995, p. 3).

p. 38).

⁴⁵ Metaphors refer to the categories or organizers that enable us to fully understand what is taking place between the two cases.

The discussion of these six case studies focused on SNGOs which are intermediary organizations that provide support services to individual or cooperatively owned micro- or small enterprises. For example, this can include community-based NGOs which operate a credit fund or provide other business-related support services to their members. The type of intermediary organizations supported by a NNGO in capacity building efforts of micro- and small enterprise development sector in the South include:

- community-based organizations
- credit organizations
- generalists NGOs
- small business associations
- specialist small enterprise development NGOs

RT1: Organization development Support For SNGOs

This first reciprocal translation considers two cases in which organization development (OD) consultants were retained by the SNGOs and the effects of this intervention on the organization. In each case, the consultants were hired for different reasons and were assigned very different roles. Despite this, certain metaphors⁴⁶ were applicable to both and became the starting point for the synthesis.

In Table 5.2, the major categories are identified for each study concerning the OD intervention. Each study has nine sets of metaphors central to the analysis: programs, target focus, history/objectives, challenges, support for capacity building, problems/ organizational constraints, capacity building intervention technique, results of intervention and organizational outcomes.

The Triple Trust Organization (TTO - South Africa)

The Triple Trust Organization was set up in 1988 to respond to the “massive unemployment” in South Africa. The founding principles of the organization center around the belief that every individual has a “right to earn a living,” and the recognition of “self-sufficiency” and “personal motivation”. TTO assists people who wish to escape from unemployment and poverty by aiding them in establishing a micro- or small enterprise. TTO is a specialist small enterprise development NGO.

The main challenges facing TTO relates to its “organisational structure” and “poor staff and management relations” while experiencing “rapid growth” beyond their control. However, based on the first two challenges TTO decided to slow its rate of growth and address the internal structural issues because they felt the organization could not sustain itself in the long-run with a weak structure and relationships. Therefore, in 1993, TTO made a “conscious decision” to hire an organization development (OD) consultant to address its organizational capacity. In this case, TTO self-assessed its situation and initiated the process of hiring a consultant. Therefore, the organizational capacity building process was “controlled by the SNGO.” An OD consulting organization was hired that “understood TTO” and its underlying belief, values and mission.

TTO’s immediate problem was that of “rapid growth” and “organisational stress.” In the period between 1988 and 1994, TTO went from four full-time staff members to more than 70 members; expanded its training centers from one site to 20; increased its budget from R100,000 to R3,500,000 and trained 200 participants in the first year to over 1,300 in 1994. TTO’s

⁴⁶ It should be mentioned that the Southern’s spelling of similar Northern language is very similar with the exception of the South’s use of “s”

organizational capacity was stressed because they lacked core capabilities such as “marketing”, “administrative”, “management” and “strategic planning.” In planning, there was no formal nor informal planning mechanisms to address organizational change, decisions and policies.

Due to its increased growth, a strain was put on its existing core capabilities that included: “technical,” “financial,” “programme and operational” issues, “leadership,” “decision-making” structure, system of “monitoring and evaluation” and “relationship building” between staff and management and its community. For example, as the organization grew in size, “decision-making” was in an ad hoc fashion and “operations” were unable to withstand the increased capacity. Other organizational constraints were the “apartheid effect” and the “rigid and hierarchical organisational structure.” In the former, they had to “unlearn racism.” In the latter, TTO had to become more decentralized in order to allow for full participation in the controlled growth of the organization.

As a result, TTO began a “self-assessment process” in 1993. Key issues addressed were organizational communications, employment relationships, structural and systems change and cultural diversity of its members. In an “appreciative nature,” everyone participated in a dialogue in selecting those topics that they were most passionate about building capacity. As the groups continued to meet, it was in a positive “open forum” where everyone’s voice was heard. As the OD process continued, there was built in time for “self-examination” of the process. This allowed them to carefully assess where they had come from, where they are now and where they wanted to go in the future.

instead of “z”, like in the spelling of “organisations”, “revitalisation”, “centralisation”, etc... The South also spells “program” as “programme”.

The main result was that the entire process had a “positive effect” on staff morale. In what they called “*The Way Forward*,” TTO now had a better “understanding of its internal components of organisational capacity.” TTO felt it could increase its self-reliance and financial independence and aimed to a high standard of organizational “sustainability and excellence.” In order to facilitate the process and keep it moving, TTO would continue “to operate with a participative management style.”

TTO initiated a well thought out and thorough process of change. The consultant through a process of examination and redefinition of TTO’s “mission,” “values,” “structure” and “relationships” helped them to create new core capabilities of TTO. These included: “information sharing,” “decision-making” participative processes, “fewer departments” - a flatter organization and wide spread “leadership.” These capabilities are relational and structural in nature. These capabilities needed a new structure to become operationalized and the consultant worked in partnership with TTO to develop an appropriate structure. In 1995, a new structure was adopted with five divisions: “client contact,” “client services,” “administration,” “public relations” and “research and development.” These divisions meet regularly to deal with organizational challenges. After the new structure was in place, the consultant continued on a limited basis to ensure on-going implementation.

By taking the initiative to seek assistance from a NNGO as a OD consultant, TTO took the unanticipated step of moving into multi-organizational capacity building. Basically, in an effort

In keeping with the theme of the South, we kept the same spelling of their metaphors in these translations.

to enhance their organizational capacity TTO initiated a multi-organizational relationship. As an end result, this move proved beneficial at both levels. At the multi-organizational level, TTO had “diversified its funding base.” Besides, one Northern donor, TTO began to build relationships and receive funding from local corporate sponsors and other international sources.

At the organizational level, “staff training programs” had been created and implemented to help “upgrade organizational capabilities” such as technical and management skills. In the area of program and operational capability, systems were in place that allowed for “reliable and accurate reporting and evaluation of projects.” TTO “introduced new services” like training the trainer’s workshops. The other areas that the consultant more directly addressed with TTO resulted in clear “mission and value statements” to allow for effective strategic planning and a “participatory and flat organisational decision-making structure.” In the long run, the outcomes still remain to be seen. TTO proposed a dual criteria as “the indicators of success will be contented staff and improved performance” (Sahley, 1995, p. 94).

Budiriro Development Agency (BDA - Zimbabwe)

Budiriro Development Agency was founded in 1983 to “assist its members in acquiring inputs and raw materials,” to provide “financial support and to offer training in micro and small enterprise development.” As a “membership based” organization, BDA provides a full range of small enterprise development services from “training,” “fundraising,” “financing,” “tillage services,” to “transport services.” Like TTO, BDA is a specialist small enterprise development NGO. Where TTO focused on both individuals and existing micro- and small enterprise owners, BDA’s target focus is on existing “entrepreneurs who need support services.”

BDA's challenges were its "weak performance," "unclear identity and lack of focus" and "organisational structure" that lacked "formal management systems and procedures." This resulted in a "donor-led decision" to consider an OD consultant for capacity building for BDA. Therefore, Symacon⁴⁷ was hired to provide "support services and management advice."

The many diverse programs that BDA offered to its members with an "unclear mission and identity," as well as its focus to "do too much for its members" constrained its organizational efforts. For example, the primary confusion was whether BDA was to be a self-sustained, profit-oriented service provider or a support organization offering subsidized services. If it was to be the former, then BDA members needed to be trained on what a profit-orientation focus entails. Second, BDA's core capabilities needed to be strengthened. These capabilities were "programme," "service delivery," "educating members," "training," "fundraising," "delivery credit" and "technical." For example, programs were not suited to the needs of the members which resulted in poor performance. In addition, it was found that BDA lacked the following key organizational capabilities: "administrative," "managerial," "strategic planning," "marketing," "operational," "roles and responsibilities" and "logistic capacity." For example, in marketing its services it was poorly matched to the needs of its target group and the capacity to deliver. A final point is BDA's current "organisational structure was not suited for its service delivery and income earning activities."

⁴⁷ Symacon works primarily with NGOs and community-based organizations, but also has worked with government departments, bi-and multi-lateral agencies, private commercial companies and financial institutions.

It was not BDA that immediately recognized the organizational constraints facing them; it was their primary donor agency. The “donor hired Symacon to do an in-depth assessment and evaluation of BDA and its capabilities to facilitate change.” This donor-led initiative stands in contrast to TTO who decided themselves to seek the assistance of an outside specialist in a self-led evaluation. Where TTO self-initiated a multi-organizational relationships with a NNGO BDA had one imposed upon them.

Symacon does have experience in providing “advisory and facilitative services” to NGOs. Symacon’s “diagnostic process” reviews organizational capacity in key areas such as vision, mission and objectives, structure, human resources, financial, management, decision-making, technical and service delivery. Its process is “participatory” in nature with a “tri-level approach” that allows for all levels of an organization to be involved in “open and honest discussions.” The three levels typically include board, management and staff.

In the beginning, Symacon diagnostic stage was helpful to BDA. Symacon facilitated the meetings and planning sessions. In an advisory and facilitative role, Symacon helped BDA “revise its programme,” “write a business plan,” “define inputs,” “cost programme” and “discuss results with leadership agency.” These services were vital to creating a full sense of ownership, except the ownership was more of the donor’s than BDA’s. The second area of concern was organizational structure and systems. At this point, Symacon required even more people to get involved in the process. This included the consultants, the agency committee and staff, an expatriate and the donor. BDA felt too many people outside of the organization were now directly involved with the process. This resulted in a “dictated” planning process.

While these sessions started out to be productive, they began to have negative consequences because there was not full staff participation from BDA. This “low level of staff involvement was a serious constraint of the intervention technique.” Perhaps, the only positive effect was that services incrementally “improved input supply, technical advice and training in management.” With so many people involved from the outside in the process (not to mention the fact that this was donor-driven and donor-led), “BDA became suspicious and fearful that Symacon would disempower them.” So, “Symacon had to take time out to build trust and educate BDA.” This should have been done from the beginning of the intervention.

Even though Symacon tried to build trust with BDA, things eventually got worse because Symacon brought in an expatriate volunteer to act in a management position in BDA. Symacon felt that BDA did not have skilled local management or staff to do the job. At first, BDA willingly accepted this person. During the transition of this expatriate into BDA, Symacon continue to play an active role as the facilitator between the BDA and the donor in negotiating and hiring of the expatriate volunteer. However, serious conflict emerged when the expatriate volunteer hired an administrator from the outside to replace the chairman’s son of the BDA. Even though things settled down after the new team was hired into BDA, it did not last more than 18 months.

What happened next was BDA went through a rigorous process of “board development.” It was the donor who intervened again and requested an alternative monitoring system beside the BDA board, so an “advisory committee” was created. As an immediate result, BDA resented this

action and felt that the donors lacked any confidence in them and Symacon was truly hired to serve the donor and not BDA. So, “BDA failed to provide adequate reports and other information for monitoring purpose” to the board or the advisory committee. Then, there was a “battle between the local consultant, the expatriate, the donor and BDA” and the OD “intervention ended.” As for BDA, its “financial problems worsened” and “organisation deteriorated.”

Table 5.2 Metaphors for Organization development Support for SNGOs

Metaphors	TTO - South Africa	BDA – Zimbabwe
Programs	“start a micro or small enterprise” (p.85)	“assist its member in acquiring inputs and raw materials, financial support and to offer training in micro and small enterprise development” (p.97)
Target Focus	“unemployed” or in “poverty” (p.85)	“entrepreneurs who need support services” (p.96)
History and Objectives	“massive unemployment”, “right to earn a living”, “self sufficiency” and “personal motivation” (p.85)	“membership based”, “training”, “fundraising”, “financing”, “tillage” services” and “transport services” (p.97)
Challenges	“organizational structure” (p.85) “poor staff & mgt. relations” (p.86) “rapid growth” (p.87)	“weak performance” “unclear identity and lack of focus” (p. 97) “formal management systems and procedures” (p.100)
OD Support for Capacity Building	“conscious decision” (p.85) “controlled by SNGO” (p.85) “understood TTO” (p.91)	“donor-led decision” (p.97) “support services & management advice” (p.96)
Problems and Organizational Constraints	“rapid growth” & “organizational stress” (p.86) lacked key organizational capabilities: “marketing”, “administrative”, “management”, “strategic planning” (pp.85-87) capabilities to be strengthened: “technical”, “financial”, “program & operational”, “leadership”, “decision-making”, “monitoring & evaluation” and “relationship building” (p.85-90) other organizational constraints: “apartheid effect” (p.88) “rigid and hierarchical organizational structure” (p.88)	“unclear mission and identify .. do too much and everything for its members” (p.99) capabilities to be strengthened: “programme”, “service delivery”, “educating members”, “training”, “fundraising”, “delivery credit”, technical” (pp.98-100) lacked key organizational capabilities: “administrative”, “managerial”, “strategic planning”, “marketing”, “operational”, “roles and responsibilities” and “logistic capacity”, (p. 97-99) “organizational structure not suited for its service delivery and income earning activities” (p.100)
OD Capacity building intervention technique	“self-assessment process” (p.87) “appreciative nature” (pp.87-88) “open forum” (p.87) “self-examination” (p.91)	“donor hired Symacon to do in-depth assessment and evaluation of BDA and its capabilities to facilitate organizational change” “diagnostic process” (p.97) “ advisory and facilitative services” (p.100) “participatory” (p.98) “tri-level approach” “open and honest discussions” (p.99)

Results of Intervention	“unlearn racism” (p.87) “the way forward ... understanding of its internal components of organizational capacity” (p.90) “sustainability & excellence” (p.91) “to operate with participative management style” (p.92) a process of examining & redefining: TTO’s “mission”, “values”, “structure” and “relationships” (p.92) new objectives of TTO: “information sharing”, “decision-making”, “fewer departments” and “more leadership”(p.93) new structure of TTO: “client contact”, “client services”, administration”, “public relations” and “research & development” (p.93) “positive effect” (p.91)	“capacity building is a serious process” “capacity building process main concern is organisational issues” (p.100) “establish priorities and focus its programmes “low level of staff involvement was a serious constraint of the intervention technique” “improve in: input supply, technical advice and training in management” Symacon in an advisory and facilitative role helped BDA: “revise it programme”, “write a business plan”, “define inputs”, “cost programme”, and “discuss results with leadership agency” (p.101) “BDA became suspicious and fearful that Symacon would disempower them”, so “Symacon had to take time out to build trust and educate BDA”(p.102)
Organizational Outcomes	“diversified its funding base”, “staff training programs”, “upgraded organizational capabilities”, “reliable and accurate reporting and evaluation of projects”, “introduced new services”, “mission and value statements”, “participatory and flat organizational decision-making structure” (pp.93-94)	“board development”, “advisory committee” “BDA failed to provide adequate reports and other information for monitoring purposes” “battle between local consultant, the expatriate, the donor and BDC ... intervention ended”, “financial problems worsened”, “BDA deteriorated” (pp.102-103)

A review of the metaphors indicates great similarities between the two case studies. Certainly both organizations shared programs and target foci. Their target markets differed only insofar as TTA served both new and existing enterprises and BDA served only existing enterprises. TTA and BDA shared comparable challenges. While the reasons for these challenges differed, both NGOs needed assistance in improving their organizational capabilities. The difference between these studies’ outcomes is demonstrated in the metaphors for OD support for capacity building, results and organizational outcomes. Whereas the end result was positive for TTA, the opposite was true for BDA. Therefore, we look to the translation for the cause of these differences.

Although there were many common organizational challenges facing TTO and BDA, the organizations differed in their motivations for hiring a consultant and in the way the consultant was hired and managed the capacity building process. TTO offered a good example of a SNGO initiating the process and working with a consultant in building its organizational capacity.

Using an OD specialist to help build capacity is helpful if both organizations are committed to it as a long-term participatory process and if the consultant does not leave the SNGO dependent upon its services. However, there needs to be a time period when the consultant can withdraw for awhile or leave the SNGO to continue to develop and operate with none or limited support (Sahley, 1995). On the other hand, BDA illustrated the potential drawbacks of using OD consultants in building capacity when it is not accepted by all stakeholders especially at the local level.

This reciprocal translation suggests that cogency⁴⁸ is obtained when the metaphor of OD support for capacity building is considered. This difference between the studies does the most to explain the differing outcomes of similar interventions. While most of the other metaphors provided great similarities this one can be singled out as explanative of the differing result. Either way, both cases demonstrated that capacity building is a complex, dynamic and lengthy process at any level and if OD consultants are properly hired and used it has a great potential to make a positive long-term impact on the recipient NGO.

This case provided several lessons to help SNGOs be more successful in managing capacity building. In TTO, the donors were not directly involved in the process, and the OD intervention was self-initiated. This allowed TTO to address its organizational issues with a facilitator who guided them through the process in an open and collaborative manner. The process recognized all stakeholders and allowed for their input. Throughout the process, there was a element of trust among the management and staff and the consulting organization. The case of TTO was an

⁴⁸ Five criterion for good metaphors: 1) economy , 2) cogency, 3) range, 4) apparency and 5) credibility.

example of an effective organization development intervention in capacity building, and demonstrated that it is the relationship that the consultant and various key stakeholders build that is the key.

The same was not true with BDA. In this case, organizational capacity deteriorated. Even though the programs, structure and strategies were set in place, the funding declined, membership based eroded and staff remained inadequate to deliver on its mission. This case indicated that a professional OD organization like Symacon cannot always turn a SNGO into an effective organization if there is no buy-in from the organization being helped. Hence, “positive change can only occur if the organizational space is given and there is commitment to change on the part of the leadership and staff of the agency” (Sahley, 1995, p. 104). It was not just Symacon’s fault, the initiative was donor-led and donor-directed. However, the risk arose because the consulting organization was more concerned with the demands of the donor and not the SNGO they were trying to assist (Korten, 1990; Fowler, Campbell & Pratt, 1992).

It appears that the most important lesson learned from the BDA case study is when a NNGO engages in an OD intervention strategy to build capacity for a SNGO, it should ensure that the SNGO has an active involvement in the entire process from hiring and evaluating the consultant to setting the agenda and establishing priority areas. Further, that the SNGO should play a primary role in the decision to seek assistance. The TTO/DBA reciprocal translations suggests that the process works better when it is self-initiated as opposed to imposed. A summary of lessons learned are outlined as follows:

- In building capacity, it requires a long-term investment of time and effort into an assessment, planning, implementation and evaluation process.
- SNGOs must learn to recognize their weaknesses and strengths through an ongoing self-assessment process in order to help them be more proactive to continuously plan their growth strategy and build capacity.
- Outside assistance can be helpful in building a SNGO's capacity, but it should only be one element of the entire plan.
- If a capacity building process is donor led, the donor needs to act as a catalyst for positive change in partnership with the SNGO. Excessive donor intervention can make the SNGO feel disempowered.
- Too many people from too many organizations with a vested interest in managing the capacity building process can make things complicated for the SNGO. Therefore, each person needs a defined roles and clear understanding of their part.

These cases provides an excellent illustration of the importance of relationships to the capacity building process. The foundation of this entire study is that capacity building is a relational process. As an organization moves to higher capacity levels such as organizational to multi- and eventually to global, the importance of relationships increases. Regardless of how these relationships are initiated, whether self-initiated as in the TTO case or imposed as with BDA, an organization must be able to effectively manage them or capacity building cannot take place. Further, it has been illustrated that capacity building at one level is not done in isolation. Each level of activity affects all levels of an organization's capacity. As we saw with BDA, a destructive relationship at the multi-organizational level had a destructive effect at the organizational level as well.

RT2: Strengthening Small Business Associations (SBAs)

Another type of local intermediary organization that NNGOs want to work with in the South are small business associations (SBAs). These types of NGOs are referred to as grassroots organizations (GROs) which are managed by local businesses. SBAs and their business members bring their resources together and develop services and training programs that could not be individually obtained. This partnership approach involves designing and implementing programs to build capacity for enterprise development. NNGOs and donors find SBAs attractive

because they encourage entrepreneurs to identify their needs and to work in partnership with other organizations to meet the needs of the community (Sahley, 1995).

Even though these next two cases are based in Africa, SBAs exist in many parts of the world and vary in size, purpose and functions (Edgcomb & Cawley, 1993). The complexities of these GROs in the South have been discussed in other studies for their roles and functions (Levitsky 1993; Gibson & Havers, 1994). These authors have demonstrated the importance of building the capacity of these organizations' structure to meet their members' needs.

These two case studies focus on strengthening the capacity of SBAs. The first case study, Association of Small Scale Industries (ASSI) demonstrated many of the organizational challenges faced by membership based organizations in building capacity on an organizational and multi-organizational level. The second case study illustrated a more traditional model of capacity building where the NNGO provides not only the financial support but the direct, on-site assistance.

In **Table 5.3**, the major metaphors are identified for each study concerning the strengthening of SBAs. Each study has nine sets of categories central to the analysis: programs, target focus, history/objectives, challenges, strengthening capacity building for SBAs, problems/organizational constraints, capacity building intervention technique, results of intervention and organizational outcomes.

Association of Small Scale Industries (ASSI - Ghana)

The Association of Small Scale Industries (ASSI) was founded in 1986 to provide an organizational framework for micro- and small industries to make it possible for them to organize and develop themselves. ASSI is a small business association that was “founded on the basis of vague principle of mutual support and help.” Their programs were originally designed “to represent the small enterprise sector in negotiations with the government” and “to coordinate activities which would strengthen the informal sector.”

In 1992, the United Nations Economic Commission for Africa (UN-ECA) started a program to encourage Southern SBAs to develop and create programs for the promotion of the micro- and small enterprise sector in Ghana and the Ivory Coast (UNEAC, 1993a). In Ghana, thirty-two business associations decided to establish an umbrella organization using ASSI as the head organization. But first, ASSI needed to “reorganize itself, redefine its roles and build its capacity to become such an apex organisation” to service “other SBAs” and “micro- or small enterprise owners.” Now, its objectives had changed. This included: “to discuss if there was a need for better coordination and networking among multiple SBAs” and “to assess their effectiveness and suggest how they could be strengthened.”

UNECA suggested that “ASSI needs to explore options for strengthening its association” in the micro- and small enterprise sector. Therefore, the assessment process began with a series of workshops in Ghana designed to explore issues of promoting and supporting this sector and developing recommendations for further action. With UNECA’s support, “representatives of 32 SBAs” joined forces to reorganize ASSI to accomplish this task. These workshops were participatory in nature and designed to assist the sector to identify its problems and solutions.

UNECA stated that SBAs are, “the most competent to decide on what pertinent changes and reforms are required, and what new initiatives and actions are most needed for the good of the sector” (UNEAC, 1993a, p.2). Like the TTO case, the process was “self-initiated and controlled by 32 member organisations” and it required the SBAs to educate themselves regarding the challenges of their sector as well as to mobilize them into action. Because of this empowering factor, SBAs were instrumental in “initiating a change process” and the “members were eager to support and participate in the revitalisation of the ASSI.”

In coordinating this change process for ASSI, the “director of another SNGO” in Ghana was invited “to organise and coordinate” the year-long process. This director was chosen to lead “a self-assessment process designed to empower” the thirty-two representative members of the other SBAs “into action.” Working groups were created to identify and define organizational constraints and to develop action plans to solve the most pressing challenges the newly structured ASSI would face. To complete this process, the group met dozens of times during the year in national workshops to present findings and debate their action plans. The first result of this intervention was that the “reorganization of ASSI as a coordinating, federating body for the SBAs of Ghana.”

The first task of this new coordinating body was that the “working group decided to establish a capacity building programme” that would have an “interim management committee to guide ASSI” through its period of the agreed upon restructuring and reorganization. This interim management committee would be the “SBAs who would play an advisory role on a voluntary

basis.” This capacity building project was launched with a “NNGO and donor to support and finance it.”

The committee identified key organizational problems facing the SBAs. Based on the input of the committee and outside consultant, the problem which continued to undermine the functioning of the SBA in Ghana was that there is “no formal organisation structure.” As a result, there was powerful leadership by a few who take control. This “concentrated power” led to many members not participating and a “communications breakdown.” In order to be an effective and democratic SBA, there needed to be a shift away from the concentration of power by the few towards one based on a two-way communications committee system (Amenuvor, 1993).

ASSI also displayed many of the problems similar to TTO, BDA and other SBAs such as “unclear mission” based on vague purpose, “confused objectives” and “programmes.” In addition, its “internal structure” and poor “management” resulted in “strategic confusion and indecisiveness.” Because it lacked a strategic focus, a reoccurring problem was that of its “membership composition.” There was no target focus on individual entrepreneurs to form a specific segment within the sector and identify the needs of that segment to develop adequate programs.

ASSI also suffered from other serious “organisational flaws.” For example, due to inadequate channels of communications, there was no systems of information dissemination that resulted in a “lack of information sharing” and “few visible services.” In a membership based organization,

communication is critical to effective distribution of services and programs to its members. This helps to keep members interested, informed and involved in activities and events (Sahley, 1995).

With members becoming disinterested in SBA, the most obvious indication was a decline of membership dues. This led to a “financial crisis” for ASSI. The financial limitations of an organization to provide services and programs can “weaken relationships.” The building of relationships had to be a core capability as ASSI moved from strengthening its organizational capacity to multi-organizational capacity because under its new mission the “management of multiple relationships with multiple organisations on a national basis” is critical to its future existence. The consultant involved in this process found that the SBAs inability to meet the demands of their members decreased morale and commitment to the organization (Amenuvor, 1993). Finally, the committee found that despite the enthusiastic and well-intention of the newly structured ASSI, it had weak “human resources” and “administrative” skills. Given these lack of capabilities, it is not surprising that the interim committee found weak “leadership” and a non-existent “decision-making” structure.

Despite these organizational constraints, the outside consultant and most importantly the interim management committee was confident that ASSI would be able to reorganize itself and build its capacity to become an effective coordinating body for all the SBAs in Ghana in the micro- and small enterprise sector. This was primarily because this was initiated by the SBAs for the benefit of its members. The new leadership team was committed and enthusiastic to the change process while the members were gradually becoming more interested and eager to support the

revitalization of ASSI (Sahley, 1995). A possible outcome of this would be to build legitimacy among the client base.

In the reorganization of ASSI, this “participatory process” resulted in ASSI redefining its central “mission and objectives,” increasing “participation by members,” restructuring the “membership and organisation structure” to a more effective and democratic “federate model,” outlining the “functions of” district, regional and national “committees” and clarifying the “organizational structure” and “job descriptions” for all management and administrative staff. In 1994, with the reorganization of ASSI underway, a formal “strategic planning committee” was created. The new structure allowed for “equal voice by all” members “in the transition” of ASSI’s structure. There was also a “support group of peers” within the internal structure and outside networks of other organizations for ASSI.

The most observable and immediate effect of the capacity building process was the redefined purpose of “ASSI to provide an organisational framework for micro- and small industries which make it possible for them to organise and develop themselves” (UN-ECA, 1993b, p.2). From this, ASSI, developed “a new set of objectives” (p.3):

1. to be an advocate on behalf of micro- and small enterprises and to oppose legislation which may have a detrimental impact on the sector.
2. to coordinate external collaboration for the micro- and small enterprise sector.
3. to provide a means for micro- and small enterprise sector to articulate their interests.
4. to provide opportunities for training entrepreneurs.
5. to commission or conduct studies which would benefit the sector.
6. to promote and ensure welfare facilities for members in order to enhance their well-being.

Based on this new set of objectives, “strategic plans were developed.” The interim management committee also implemented “training for key ASSI personnel.” In addition, “ASSI approached

two donors for capacity building inputs.” One donor had already provided funding for the project and agreed to do a workshop on strategic planning and the other agreed to provide training in basic management skills. ASSI also “set up a secretariat” for the organization.

This case study has shown that external guidance and facilitation can help an organization through a period of transition if it is participatory in nature. The outside consultant played an important role in helping ASSI identify its problems, options and solutions as well as offering support and advice for structural and programming changes. Today, the capacity building process of ASSI is still in its beginning stages. Most importantly, there is an understanding of “a long-term process of organisational change and development” for ASSI and it requires them to “look beyond the organisational inputs to seek capacity building support.”

Ugandan Small Scale Industries Association (USSIA - Uganda)

USSIA was “founded in 1979 by 200 informal sector businessmen with the objective of becoming the primary representative of the small enterprise sector in negotiations with the government and other bodies.” USSIA has a national coverage, with over “800 members spread out throughout Uganda’s 33 districts” and this was “solely comprised of entrepreneurs.” USSIA is a small business association whose program delivery encompasses “primarily training” services.

In 1990, USSIA approached APT to see if they could “improve the effectiveness of USSIA’s programmes and strengthen its organisational capabilities.” APT⁴⁹ is a NNGO dedicated to the alleviation of poverty and promotion of local economic growth in developing countries. USSIA hoped that APT could help them “to revitalise their organisation with renewed determination.” Therefore, “USSIA formally requested support from APT for capacity building assistance.” Before recommending a support program for USSIA, APT requested that an organizational assessment of USSIA be completed. This was a year long process that was completed in 1992.

Through a series of meetings and field visits, APT met with USSIA to observe and interview the management and staff involved in the capacity building process. APT also surveyed the members of the organization. As discussed in the other three cases, USSIA showed common organizational problems. However, this case was worse because since 1979 organizational membership had been in steady decline, organizational structure was weak and basic level administrative task by board, management and staff was virtually non-existent. The most obvious indicator was the “weak internal functions and procedures” and the “inactive board” members. For example, no board meetings were held for several years. Additionally, it was found that there was “lax or inexperienced management.” Their inabilities showed in a lack of organizational direction, purpose or function through “ineffective strategies” that were not in line with “programme” delivery. There was no “human resource development” program to align resources with a direction. Many of the deeper management problems were “structural” and could not be addressed through staff training. USSIA had become “too top heavy, centralised and bureaucratic” with a staff who had “inefficient administrative skills” and offered “inadequate

⁴⁹ APT is a British NGO founded in 1984 to work with in-country partners to provide specialist support for micro and small-scale enterprises.

service delivery.” All of this resulted in a “decline in membership” and “too much politicalization” in the organization.

In APT’s assessment, it noted that USSIA needed to improve its “marketing” of targeted services to its members, to develop “cost-effective courses” and create open lines of “communications” among all stakeholders. The intended result would be an organization with a clear mission, direction and purpose and increase membership base. This would improve the “financial solvency” of the organization. Faced with a lack of unified “leadership” and “serious structural, human and administrative flaws,” APT recommended to USSIA “a 3-year program with a capacity building process of support.”

APT, as the “NNGO, provided a model of capacity building support which include on-site advice and assistance.” USSIA liked this program because they saw it as “partner-to-partner support” of a 3-year capacity building program.” APT offered three objectives in support of USSIA: first, “to strengthen the organisational capacity of USSIA,” second, “to assess the needs of Ugandan small-scale enterprise” and third, “to assist in the development of support programmes.” In this case, “the director of the NNGO, an APT project director led the capacity building process” as opposed to a local NGO in ASSI case. The APT project director “assessed, guided and advised USSIA” through the entire three-year program. This director also taught USSIA how to build “linkages with other organisations.”

Agencies like APT vary in the types of support programs offered.

After the assessment phase, the project continued with a “surveying of members to gain insight of their needs and demands.” This resulted in “new training activities for members” and of “staff and leaders” of USSIA. The “skills of the staff were upgraded at all levels” to ensure proper delivery of services and ongoing capacity building of core capabilities. APT also implemented “a joint research program with USSIA” to review government policy and assess its impact on members. The result was that “USSIA had increased legitimacy in its claims to represent the interest of the sector” to other organizations. This act of multi-organizational capacity building demonstrates that “joint activities can be an effective tool for learning providing hands-on experience and an opportunity to observe and learn from other partners” (Sahley, 1995, p. 126).

The APT project director also “encouraged USSIA to self-examine its organisational operations and performance” on an ongoing basis. Core organizational capabilities were examined like administrative skills and other functional areas. Improvements were made in the day-to-day operations of USSIA. Next, the APT project director handled the delicate issues surrounding the role of leadership and relationship building. This resulted in “better communications systems and improved relations with its members” and “board revival.” This also restored the voice of the members and enhanced the legitimacy of the organization’s continue existence. In this case study, the APT project director admitted that the role of an outside consultant was a difficult one. He had to balance the needs of the donor but to continue to focus on the services required by USSIA. As a direct result, “USSIA valued APT’s advice with openness and trust.” Sensitive issues in capacity building can only be discussed with an ongoing relationship of trust among all stakeholders.

USSIA experienced many improvements in “management and administration,” “legitimacy and mandate” of the organization and overall “programme performance.” First, improvements in the functional area of USSIA’s organizational capacity were immediately seen. For example, the layers of structure were reduced and streamlined resulting in a more effective-decision making process and clearer lines of communications. Day-to-day operations were integrated into adequate and timely service delivery. The “board committees were functioning” and meetings were taking place on a regular basis to discuss USSIA’s mission, purpose and direction.

In addition, to the improvements at the organizational level, there were indications that USSIA has become a “legitimate organisation” and successfully “built partnerships” with other organizations. As a result, there was “increasing membership” and the organization became “market-driven.” APT also helped USSIA build a “better infrastructure” to handle these new external relationships. This new structure enabled USSIA to “communicate” its “clear mandate” to the stakeholders. Finally, USSIA had now “improved delivery to those who need it the most.” It is the last point that is an ultimate objective of a capacity building program (Sahley, 1995, Tandon, 1997).

Table 5.3: Metaphors for Strengthening Small Business Associations (SBAs)

Metaphors	ASSI - Ghana	USSIA - Uganda
Programs	“to represent the small enterprise sector in negotiations with the government” and “to coordinate activities which would strengthen the informal sector” (p.115)	“primarily training” (p.123)
Target Focus	“other SBAs” and “micro or small enterprise owners” (p114)	“800 member throughout Uganda’s 33 districts” “solely comprised of entrepreneurs” (p.123)
History and Objectives	“founded in 1986 on the basis of vague principles of mutual support and help” 2 main objectives: 1) “to discuss if there was a need for better coordination and networking among multiple SBAs” and 2) “to assess their effectiveness and suggest how they could be	“founded in 1979 by 200 informal sector business men with the objective of becoming the primary representative of the small enterprise sector in negotiations with government and other bodies” (p.123)

	strengthened” (p.115)	
Challenges	<p>“to reorganize itself, redefine its roles and build its capacity to become an apex organisation for SBAs in Ghana” (p.114)</p> <p>“ASSI needs to explore options for strengthening its association” (p.115)</p>	<p>“to improve the effectiveness of USSIA’s programmes, and strengthening its organisational capabilities” (p.123)</p> <p>“to revitalise USSA with renewed determination” (p.124)</p>
Strengthening Capacity Building for SBAs	<p>UNECA designed programme to encourage small enterprise sector”</p> <p>“representatives of 32 SBAs” decided to establish an umbrella organisation” (p.114)</p> <p>“self-initiated and controlled by 32 member organisations” (p.116)</p> <p>“initiating a change process ... members were eager to support and participate in the revitalisation of the ASSI” (p.118)</p>	<p>“USSIA requested support from a NNGO, APT for capacity building assistance” (p.123)</p> <p>“APT recommended to USSIA a 3-year program and capacity building process of support” (p.125)</p>
Problems and Organizational Constraints	<p>“no formal organizational structures”</p> <p>“concentrated power”</p> <p>“communications breakdown” (p.115)</p> <p>weak or non-existent capabilities: “unclear mission”, “programme”, “internal structure”, “management”, “strategic confusion & indecisiveness”, “confused objectives”, “membership composition” (p.116)</p> <p>other serious issues “orgnisational flaws”, “lack of information sharing”</p> <p>“few visible services”, “financial crisis”, “weak relationships”, “human resources”, “administrative”, “leadership”, “decision-making”, “management of multiple relationships with multiple organisations on a national basis” (p.117)</p>	<p>“weak internal functions and procedures”, “inactive board”, “lax or inexperience management”, “ineffective strategies” not in line with “programmes”, “no human resource development”, “structural problems”, “too top heavy, centralised and bureaucratic”, “inefficient administrative skills”, “inadequate service delivery”, “decline in membership”, “too much politicalization” (p.124)</p> <p>Areas of improvement: “marketing”, “creation of cost-effective courses”, “communications”, “financial solvency”, “leadership”, “serious structural, human and administrative flaws” (p.125)</p>
OD Capacity building intervention technique	<p>“a self-assessment process design to empower ... into action” (p.114)</p> <p>“working group decided to establish a capacity building programme .. interim management committee to guide ASSI ”</p> <p>“director of another SNGO ... to organise and coordinate” (p.115)</p> <p>“SBAs who play an advisory role on a voluntary basis” (p.116)</p> <p>“a NNGO donor to support & finance it” (p.118)</p>	<p>“NNGO provided a model of CB support where directed on-site advice & assistance” (p.123)</p> <p>“partner-to-partner support” of a 3-year capacity building program: 3 objectives: “to strengthen the organisational capacity of USSIA”, “to assess the needs of Ugandan small-scale enterprises” and “to assist in the development of support “programmes”(p.125)</p> <p>“director of NNGO, an APT project director led the capacity building process” and “assessed, guided and advised USSIA” (p.126)</p>
Results of Intervention	<p>“reorganization of ASSI would be a coordinating, federating body for the SBAs of Ghana” (p.115)</p> <p>“an apex association comprise solely of member organisations” (p.116)</p> <p>“a participatory process” resulted in ASSI: reconsidering its “mission and objectives”, “participation by members”, “membership and organisation structure ... federate model”, “defining the function of ... committees”, “clarifying job descriptions”</p> <p>“strategic planning committee created”</p> <p>“equal voice by all ... in transition”</p> <p>“support group of peers” (p.118)</p>	<p>“surveying of members to gain insight of their needs and demands resulted in new training activities for members” and of “staff and leaders”, “upgrading the skills of staff at all levels”, “a joint research program with USSIA and APT” (p.126)</p> <p>“APT encouraged USSIA to self-examine its orgnisational operations and performance”, “a debate that resulted in better communication system and improved relations with its members” and “board revival” (p.127)</p> <p>“USSIA values APT’s advice with openness and trust” (p.127)</p>
Organizational Outcomes	<p>“ASSI is to provide an organisational framework for micro and small industries which make it possible for them to organise and</p>	<p>improvements in “management and administration”, legitimacy and mandate” and “programme performance” (p.127)</p>

	develop themselves” “a new set of objectives” “strategic plans were developed” “training for key ASSI personnel” “ASSI approached 2 donor for capacity building inputs” “setup and maintenance of a secretariat” (pp. 118-119) an understanding of “a long-term process of organisational change and development ... look beyond the organisational inputs to seek capacity building support” (p.120)	“functioning board”, “increasing memberships”, “a market-driven service”, “better infrastructure”, “improved communications”, “clear mandate”, “a sense of morale and commitment”, “increase performance”, “improved service delivery to those that need it the most” (p. 128)
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The capacity building process of ASSI and USSIA provides an interesting contrast to the TTO and BDA cases presented earlier. Similar to TTO and BDA, ASSI and USSIA are organizations designed to assist micro- and small enterprises. The primary difference is that TTO and BDA function as specialist small enterprise development NGOs and ASSI and USSIA function as federations of small business associations. This was distinction with respect to the reciprocal translations completed.

Once again when the organizations are arranged by metaphors there are several similarities between the two SNGOs. Both organizations target micro- and small enterprise entrepreneurs. While USSIA does not attempt to assist these organizations through negotiations with local governments like ASSI does, both use training as a primary method of member development. Perhaps, more importantly, both organizations face similar organization development challenges and problems. Direct parallels can be seen in areas such as, “poor management,” “declining membership,” “poor programming” and a need to “build organisational capabilities.”

In both cases, the organizations recognized their deficiencies through self-assessment and seek external help. Likewise, the OD interventions followed similar lines. Hence, it is not surprising that similar outcomes were obtained in both cases. The metaphorical similarities between these

two cases are striking. In fact, as both studies progressed along similar lines with similar outcomes through the use of similar metaphors, credibility is increased. Likewise, cogency and apparency are enhanced through the lack of contradiction and the “making of apparent connotations.”

The ASSI received a variety of inputs from many sources in building its capacity on multiple levels. First, UN-ECA as a donor showed that donors can be a positive catalyst to the process of capacity building. The donor offered the opportunity and the thirty-two business associations took the initiative collectively. Second, SBAs realized that no single organization can meet all of the needs of the micro- and small enterprise sector. Third, there is a danger of excessive donor money leading to too much dependence of the SNGO. In the case of ASSI, inputs were provided by three donors creating the risk of poorly coordinated efforts; therefore, strong channels of open communication needed to be established. Fourth, capacity building programs for SBAs take more than just financial commitments. In ASSI’s case when they went back to their donors it was not for just money but training and support in core capability development like strategic planning and basic management training skills. Fifth, capacity building for SNGOs must have the participation of all stakeholders involved in the process not just its leaders. A participatory learning process is strongly encouraged as demonstrated in the TTO and ASSI case. Remember in the BDA case, all of the staff was not informed and consulted, this resulted in minimal to no support and seriously damaged morale.

Another important lesson worth mentioning is that helping an organization build capacity beyond its organizational level can encourage the institutional development and promotion of a

sector on a national or even global basis. If ASSI shows itself to be a strong federation of multiple organizations, it can provide information between and among sectors and other organizations like governments and donors. The building of multi-organizational capacity can provide a structure through which the micro- and small enterprise sector can speak collectively to contribute to its focused and organized growth for positive change.

The USSIA case was similar to ASSI except that the outside consultant was from a NNGO in this second case as opposed to a SNGO in the first case. The first lesson was that a systematic participatory method is best to assess the organizations capabilities or lack thereof. Many NNGOs have organizational assessment tools that can be used effectively to help SNGOs assess their capacities. However, it is important that they be contextually driven (CRWRC, 1997). Second, USSIA provided support that SBAs should remain focused on the areas of programming most appropriate for its market. For example, APT had initially encouraged USSIA to operate and manage its own credit system. However, USSIA did not implement this service because it recognized that it did not have the capabilities to implement such a program. USSIA stuck by its core program offering of training. Yet, it did realize that the ability of USSIA to have the multi-organizational capacity to create linkages with other organization that could offer a credit system would be a great asset to its members.

In this case study, APT provided enough support and funding to secure the capacity building project on a long-term basis. The major lesson learned is that the capacity building process is enhanced if there is long-term commitment and support by NNGOs and SNGOs. A long-term strategy enhances relationship building. USSIA and APT partnership allowed for honest and

open dialogue to help USSIA continue to build capacity at organizational and multi-organizational levels. These lessons are summarized:

- A systematic yet participatory method is best to identify organizational challenges prior to the capacity building intervention beginning.
- Donors can act effectively as a positive catalyst to a process of collaborative assessment, planning, implementation and evaluation if they assume the role of mentor and/or coach as opposed to director.
- No single resource organization can meet all needs of a sector. With this realization, SNGOs should remain focused on a few areas of programming most appropriate to its members and rely on its partners to help in other areas. This limits the capabilities needed to those that can be feasible built.
- Capacity building for SNGOs must engage participation of all stakeholders not just leaders.
- Sensitive issues in capacity building can only be discussed with an ongoing relationship of trust among all stakeholders. Therefore, the capacity building process is enhanced if there is long-term support to enable a solid relationship.
- SNGOs may require a degree of ongoing support from the NNGO or donor and it should be planned support.

SBAs play many roles in the development of micro- and small enterprise sector. For example, they provide an open forum for their members. They may offer a variety of services that include advocacy and lobbying on behalf of members to government agencies and education and training members. Like the two cases mentioned earlier, TTO and BDA, these SBAs have problems in defining their mission, strategy and purpose, leading and managing their organizations and achieving financial self-sufficiency. Examples abound of Southern “associations struggling to provide services which they lack the organisational capacity to delivery effectively” (Sahley, 1995, p. 111).

Even though this section has presented the many challenges for SBAs in building organizational capacity, these organizations have demonstrated the capacity to develop linkages with other public sector organizations, libraries and NNGOs (Sahley, 1995). This demonstrates the importance of going beyond the organizational capacity level to multi-organizational capacity level and if so desired, the need to build global capacity to encourage growth of a global sector.

RT3: NNGOs Creating Local Credit Agencies In The South

In the micro- and small enterprise sector, credit is one of the most important resources to help entrepreneurs get started (Devereux, Pares & Best, 1987; Levitsky, 1993, Sahley, 1995). Sahely (1995) found that:

in order to have an appreciable impact on poverty and the incomes of the poor in developing countries, NGOs need to develop models of credit delivery that enable them to reach vastly greater numbers of people. Given the absence of existing local partners with the potential capacity to establish large-scale, sustainable credit programmes, some official donors and Northern NGOs are seeking to create specialised credit organisations. (p.132)

The capacity building initiative of creating a local credit agency is not an intervention on an existing SNGO because a new organization is created through the direct intervention by a NNGO. A new organization is created at the local level primarily because a NNGO does not want to encourage an existing SNGO to change its mission, purpose and policy to undertake a new initiative. Therefore, by the creation of a new SNGO, it is “easier - and more ethical - to establish an organisation with clear objectives from the outset” (p.133). The underlying concern is, if an externally initiated organization can sustain itself at the local level in the community.

The final two cases studies explored this concept by examining the challenges of these organizations to create capacity to service the micro- and small enterprise sector on a local basis. The first case illustrated a transition of services from NNGO to a newly created local organization. The second case is an example of a somewhat different approach in creating a new credit agency.

In Table 5.4, the major metaphors are identified for each study concerning the development of local credit agencies. Unlike the other four case studies presented, these two studies have eight

sets of metaphors central to the analysis: programs, target focus, objectives, challenges, NNGOs created local credit agencies, capacity building assistance provided to the SNGO, results of intervention and organizational outcomes. Since these organizations were newly created there were no historical metaphors or a set of metaphors on existing problems or organizational constraints.

Bankin Raya Karkara (BRK -CARE, Niger)

In 1988, BRK was “developed by CARE⁵⁰”, a NNGO. This agency was designed to offer a “credit programme” to the “rural population of the Maradi district” and was created because “financial lenders were unable to meet the local demand for credit.” So, “BRK was conceived as a permanent credit agency.”

In a five year developmental plan, with the help from the NNGO, BRK’s goal was “to become a fully sustainable, profit seeking credit organisation” that would strive “to improve the local economy through a credit programme.” The challenge is for “CARE’s expatriate staff to successfully remove itself from BRK” while leaving it as a “commercial credit institution in the form of a credit agency.” The long-term objective is for BRK to have “genuine organisational viability after the NNGO transitions out.”

In 1988, “CARE provided US\$3,000,000 to the loan fund and training and staff to build BRK’s organisational capacity.” The first phase of the project lasted from 1988 through 1991, when CARE reassessed its objectives. The goal was to focus solely on a credit program with the

intended outcome that “BRK’s credit programme have full financial stability and improved financial performance.”

In 1991, CARE worked in partnership with BRK to build its loan program. As BRK’s credit agency was being developed, four main improvements contributed to its structure. These included: a “decentralised distribution system,” a high degree of “loan agent autonomy,” “demand-driven policies” for credit allocation and “stringent default procedures” for its members. Along with this, there were a set of “clearly defined goals for BRK.” By 1993, almost 15,000 loans were disbursed based on these new systems. “BRK reached a break-even” and the “loan fund grew to US\$5,000,000.” However, the real challenge facing BRK during this organization development process was not financial sustainability but organizational sustainability.

In 1994, CARE began to transition to an advisory role. The first thing that happened was “local staff had to adapt and continue to develop the institutional system” which CARE had put in place from the start. Fortunately CARE had provided BRK with a “flexible organisational design.” The success of this capacity building program resulted in BRK having improved “technical capability,” fully functional “operational and management systems” and a computerized management information system that allowed for “financial accountability.” “Technology” was designed to meet the needs of the users of this system. It was also proven that the amount of “decentralised decision-making” established from the start of the organization eased the transition in the growth process. According to Sahley (1995), “finding a structure that effectively

⁵⁰ CARE offers a variety of support programs for micro- and small enterprise development from providing crediting, training and capacity

decentralises decision-making without sacrificing accountability is a challenge facing all large-scale credit schemes” (p.137).

BRK had “clear mission and objectives.” This enhanced the “strategic planning” process that many NGOs experience in building capacity. As all the cases have demonstrated, NGOs which are prepared to handle change need to understand the strategic planning process that allows for targeting service delivery, making decisions, allocating resources and re-evaluating mission, purpose and objectives. BRK’s mission was clear: “to distribute the maximum amount of loans” to the community it served.

A key determining factor in BRK’s continued success was that “CARE did a good job of gradual phase out in organisational capacity building.” For example, CARE left the organizational design flexible enough that BRK could change its systems and structures as it sees fit. At the end of this transition period, “all local staff was in place and CARE was represented on the board.”

Zambuko Trust (ZT - Zimbabwe)

The Opportunity Trust, a NNGO from the United Kingdom, began its involvement in Zimbabwe in 1990. Opportunity Trust is part of the Opportunity Network of agencies in the United States and Australia which specializes in starting credit programs for the developing micro- and small enterprise sector in over 24 developing countries. Its approach is one of a facilitator for SNGOs. For example, it helps the local NGO identify community business people and bankers interested

building program to help a sector in a specific region.

in starting a credit program. Then, it leaves the SNGO to form a board of directors, establish operating procedures and policies and register the trust while acting in an advisory capacity in this phase. After the local NGO has demonstrated that it has the organizational capacity to deliver its “credit programme,” Opportunity Trust provided the grants for the loan fund. This process from start to finish can take up to five years. The intention is to ensure local control of the SNGO from the start and eliminate the possibility of a difficult transition when the NNGOs leaves.

In entering Zimbabwe, Opportunity’s purpose was “to stimulate a need and help to create development agencies” by developing “committed and local organisations to be financially self-sufficient within an agreeable timetable.” First, it searched for successful business people who wanted to assist “micro-enterprises in Harare and Chitungwiza.” “Opportunity helped to identify a group of business people on a voluntary basis.” With this group of people, it “built the board.” A strong and effective board is the foundational strategy of Opportunity’s approach to building partnerships with SNGOs. Like BRK, “ZT was created with the assistance of a NNGO, Opportunity.”

The first task facing the new board was “ZT had to be registered in Zimbabwe with the right government body as a NGO.” This was a daunting task but when completed the next step was “to create a mission statement” for ZT. Opportunity coached ZT to create a mission in its own words. The vision is “a nation where all people have the dignity of providing for themselves, their families and their communities” (Sahley, 1995, p. 141). From this vision, the mission

emerged, “to be a bridge for the underprivileged and to provide opportunities for enterprise and income generation” (p. 141).

With a “clear vision, mission and objectives” and a “committed board” in place, a long-term capacity building process began for ZT. The challenge was for ZT “to become an organisationally viable and financially sustainable credit agency” and “to foster a local identity while avoiding dependency on external support.” The next step was for “Opportunity to advise ZT on how to build organisational capacity in a facilitative process.” Then, Opportunity would also teach ZT how to develop “South-South linkages.” This would show ZT the value of developing multi-organizational capacity that results in reaching more people within a community through relationship building at multiple levels.

In this case, Opportunity was effective in helping ZT build its capabilities at both organizational and multi-organizational capacity levels. ZT had “operational systems” integrated with trained “staff” to offer their “technical assistance programme.” As mentioned earlier, Opportunity assisted ZT in “board development” to include defining the roles of each member. The board then appointed a “management” team that included “finance, controllers, credit managers, marketing and product development staff.” Opportunity also provided “training” to the staff in “technical assistance.”

After the board and staff were in place, Opportunity offered additional support from its regional office. Assistance was provided to ZT in “financial accountability,” “use of technology” for loan management and advice in the “overall development of the structures and systems most suited to

ZT needs and market.” A critical component of Opportunity’s capacity building strategy was to help ZT build its multi-organizational capacity. This began when Opportunity created South-South visits for ZT to identify “linkages and partnerships with other organisations.” As a result, this expanded the “strategic” capacity of ZT and helped them to narrow the focus of their efforts.

With staff and systems in place, ZT launched its one-year pilot program with the “technical and organisational” support of Opportunity. This “small-scale credit programme was a success and resulted in Opportunity committing capacity building and financial support for a five year program.” In three years, ZT made over 3,000 loans worth over US\$500,000 to micro- and small enterprises with a “positive performance” record. Today, ZT is a Zimbabwean credit organization with full legal autonomy from the Opportunity network of agencies. “Opportunity is still providing management advice and technical support to ZT” as part of the five year program and “together they jointly continue to build its capacity.”

Table 5.4: Metaphors for NNGOs Creating Local Credit Agencies in the South

Metaphors	BRK - CARE - Niger	ZT - Zimbabwe
Programs	“credit programme” (p.134)	“credit programme” (p.143)
Target Focus	“rural population of the Maradi district” (p.134)	“micro enterprises in Harare and Chitungwiza” (p.43)
History and Objectives	“developed by CARE” and to have “CARE’s expatriate staff successfully remove itself from BRK” while leaving BRK as a “commercial credit institution in the form of a credit agency” (p.134) “to improve the local economy through credit programme” and “to distribute the maximum amount of loans” (p.135)	“created by a NNGO, Opportunity” (p.141) “ZT is to provide opportunities for enterprise and income generation” (p.141)
Challenges	“to become a fully sustainable, profit seeking credit organisation” (p.134) “for BRK’s credit programme is full financial sustainability and improved financial performance” (p.135) “genuine organisational viability after the NNGO transitions out” (p.136)	“ZT had to register in Zimbabwe with government body as NGO”, “to create a mission statement”, (p.141) “to become an organizationally viable and financially sustainable credit agency” and “foster a local identity while avoiding dependency on external support” (p.143)
NNGOs Created Local	“financial lenders unable to meet the local demand for credit” and “BRK conceived as a	“to stimulate a need and help to create development agencies” by developing

Credit Agencies	permanent credit agency” (p.135)	“committed and local organisations to be financially self-sufficient w/in an agree timetable” (p.140)
Capacity building assistance provided to SNGO	in 1988, “CARE provided US\$3,000,000 to BRK loan fund and training and staff in build BRK’s organisational capacity” and “from 1993 forward, CARE began to transition to an advisory role” (p.136)	in 1990, “Opportunity helped to identify a group of business people on voluntary basis” and then “built the board”, (p.140) next “Opportunity to advising ZT how to build organisational capacity in a facilitative process” and Opportunity’s support was technical and organisational assistance and South-South linkages” (p.141)
Results of Intervention	“decentralised distribution system”, “loan agent autonomy”, demand-driven policies” and “stringent default procedures” (p.135) “clearly defined goals for BRK” (p.136) “local staff had to adapt and continue to develop the institutional system” (p.136) “flexible organisational design”, improvements in “technical capability”, “operational and management systems”, “financial accountability”, “technology”, “decentralise decision-making”, “clear mission and objectives”, “strategic planning”, and “directed programme aims” (p.137) “CARE” did a good job of gradual phase out in organisational capacity building” (p138)	“clear vision, mission and objectives”, committed board”, the development of “operational systems”, “staff”, “board development”, and “technical assistance programme”, (p.141) “management” of “finance, controllers, credit managers, marketing and product development staff”, “training”, “financial accountability”, “use of technology” and “overall development of the structures and systems most suited to ZTs needs” (p.142) “strategic”, “linkages and partnerships with other organisations”, “small-scale credit programme success resulted in Opportunity committing capacity building and financial support for a 5-year program” (p.143) “decentralised decision-making”, policies in “recruitment and training”, (p.146)
Organizational Outcomes	in 1993, “BRK reached a break-even” and “loan fund grew to US\$5,000,000”, “all local staff in place, but CARE represented on board” (p.138)	in 1992, “ZT launched its credit programme” and made over “3000 loans in over US\$500,000” with “positive performance” (p.143) “Opportunity will provide management advice and technical support to ZT” and together they will jointly continue to build its organizational capacity” (p.145)

BRK is a good example of a NNGO establishing a newly created SNGO with local resources. To date, the BRK is successful in all of the areas described earlier. However, it is still in the transition process. Even though CARE’s staff has removed itself from direct day-to-day operations of the credit agency, it is still too early to tell if BRK can survive and what assistance if any it will continue to receive from CARE.

Several lessons can still be learned from this case study. A SNGO needs more than technical and financial assistance to fully develop its organizational capacity. CARE helped BRK to develop many capabilities from operational and management systems to strategic planning mechanisms.

In developing capacity, it has been consistently demonstrated in every case that it requires a long-term approach with joint control of participating parties and a planned yet gradual withdrawal of Northern assistance. It should be jointly decided if and how the NNGO should continue in some type of advisory capacity with the now viable local NGO.

In the case of ZT, it is now part of the Opportunity network of agencies as a full legal organization with autonomy. ZT continued to receive financial and advisory support from the NNGO, but its existence as part of a network of NGOs has enabled ZT to develop new relationships with other NGOs and donors (Sahley, 1995). This case showed that capacity building is an relational process of building both organizational and multi-organizational capacity. As did BRK, ZT further demonstrated that capacity building requires a long-term commitment. Second, in order to create a local identity and build organizational capacity, the help of a NNGO should be balanced. In this case, Opportunity acted as a catalyst to get local business people to assess and see if their community would benefit from a local credit agency. Unlike BRK, no expatriate staff is placed in the developing SNGO and the local boards do not have a Northern member. If needed, ZT can obtain ongoing assistance from the regional NNGO office in Harare. In building multi-organizational capacity, there was a healthy relationship between ZT and Opportunity. What was unique to this case was that organizational capacity had to be demonstrated by ZT before Opportunity provided the loan funds. This demonstrated that ZT had the commitment of its people and support of the community to function as a viable credit agency. The lessons learned are summarized as:

- To enter into a capacity building process, clear objectives and roles from each organization need to be defined from the start.
- In building organizational capacity, more than technical and financial assistance is needed.

- Building capacity is a long-term process that requires joint participation by the NNGO and SNGO and a planned yet gradual phase out of the NNGO is suggest overtime.
- To move from building organizational capacity to multi-organizational capacity, it requires a long-term commitment of building relationships to support on-going linkages and partnerships.
- Before a NNGO commits itself to substantial funding of a capacity building process, some sense of its ability or potential to fullfill its mission (e.g. capacity) should be demonstrated.

These two studies showed that NNGOs can work in partnership with the South to create a locally autonomous SNGO that develops needed capacities. CARE and Opportunity had distinct approaches to creating and working with local NGOs in developing credit programs. These studies provide sufficient information to perform the relational translation of the metaphors.

Despite the operational differences (i.e. Zimbabwe vs. Harare, and CARE vs. Opportunity), both BRK and ZT's faced similar challenges and programs, and while started in different countries under two different NNGOs the metaphorical similarities between the two organizations with respect to programs, target focus and objectives are also very similar. Each organization undertook a similar project in a similar manner. It is not surprising that they achieved similar outcomes both from a metaphorical and literal sense.

Although it is still very early to draw too many conclusions as to whether BRK and ZT will be successful in the long-term, at this point it does appear that both organization's metaphors adequately explain their success. As both agencies demonstrated successful traits developed during a time period of approximately the same length, neither demonstrates superiority in economy, cogency, credibility or apparency. It would be relevant to conclude that this final synthesis demonstrated equally adequate metaphors in both cases to help understanding the capacity building process.

A Synthesis of the South

Regardless of the SNGO's primary focus, each case study examined capacity building with reference to micro- or small enterprise development in Africa. First, each study discussed common organizational challenges. Second, each organization identified and discussed their approaches to building capacity. Third, each organization highlighted some of the challenges they faced in working with NNGOs and donors.

In completing this meta-ethnography, the first step was to compare, TTO with BDA; ASSI with USSIA; BRK-CARE with ZT through the use of reciprocal translations. Then, there was an assessment of the adequacy of the metaphors among the six case studies. Basically, all case studies focused on strengthening the capacity of SNGOs. They differed slightly in that they were conducted with different foci of capacity building. However, all of the syntheses illustrated that these SNGOs have similar understandings of capacity building, as these will be considered next.

Capacity and Capacity Building

In these six case studies, capacity building was consistently described as a long-term relational process that includes a wide range of activities that contribute to building an organization's capacity and identifying those core capabilities that contribute to improving a NGO's performance and sustainability. Based upon this synthesis it is apparent that there are striking similarities between these characteristics and our previous definition of capacity building presented in Chapter 3.

Capacity Building is a social process of interdependent relationships to build an organization's future to pursue its mission, attain its vision and goals and sustain its existence. Capacity Building is about pushing boundaries -- developing and strengthening an organization and its people so that

it is better able to serve not only its target population but to consider the impact of all stakeholders.

This definition serves these six SNGOs well. In all six cases, the Southern organizations built capacity through social interaction with other agencies. Further, as was demonstrated, these relationships needed to be interdependent to facilitate the capacity building process. This was most readily demonstrated in the BDA case where the relationship between the SNGO and NNGO was more dependent in nature and the capacity building process failed. In order for long term sustainability to be assured, it was imperative that the support organization build into the consulting process a method of backing away from the host NGO. In other words, capacity building is about working with others to build, attain and deliver on an organization's mission, vision and goals; but ultimately inherent in the concept of capacity building lies the concept of self development. Ironically, it is through our relations with others that we define, establish and build who we are as organizations.

Another common theme that can be derived from reviewing these six cases is the need to recognize the SNGOs ability to teach their Northern counterparts. In many cases, the NNGOs were brought in to assist their Southern partner. However, only when the North was open and allowed for dialogue and input from the host NGO to shape and modify its approach were their actions successful. As our definition clearly states, capacity building is a social process. Social interactions are by definition two way in nature. Each participant learning and changing based upon the interaction. Simply put, NNGOs and donors must accept the fact that SNGOs have valuable input which can be offered to the NNGO community. By accepting and embracing this point, all organizations will benefit.

It is interesting to note that in the literature reviewed (Chapter 3), which is predominately Northern in focus, NGOs did not make reference to the fact that they are able to build capacity by working with SNGOs. However, in the meta-ethnography, which is written from a Southern perspective, the entire basis for organizational capacity building is derived from multi-organizational relationships. This would seem to indicate that historically, NNGOs have viewed their relationships with SNGO as one sided, “we are helping them.” Therein lies one of the key challenges which must be addressed before NGOs can fully develop themselves into the fourth generation NGOs (Korten, 1990).

This concept of interdependent relationships is further explored in an interesting set of studies completed by James (1994a). In these studies, capacity building in the South was defined as “an explicit intervention that aims to improve an organization’s effectiveness and sustainability in relation to its mission and context” (p. 10). These six cases studies support this statement by pointing out that these interventions can be in the form of an outside entity intervening in a consultative role.

The importance of how these relationships need to be structured takes on practical significance when considering Sahley’s (1995) work on building SNGOs’ capacity. She stated: “the growing emphasis on capacity building needs to be understood within the context of the rapidly evolving relationship between the Northern and Southern NGOs and changing trends in development assistance” (p. 12). For instance, while many of these SNGOs have the dedication, local knowledge and basic skills to engage in developmental work, each one is concerned about their capacity and long-term sustainability to exist. In Sahley’s research, she found that even

though many NNGOs give SNGOs financial and technical support, the SNGOs fail because of their “underlying organizational weaknesses and management constraints” (p. 8). For instance, all six SNGOs studied above focused on micro- or small enterprise development to alleviate poverty and address inequalities by helping other micro- or small enterprises build capacity. The capacity building process was often described as “difficult” and “complex.” Therefore, strategies must be designed to address an “organization’s mission” and NGOs must be “clear about goals.”

Organizational Capacity

In these studies, organizational capacity building was often times referred to as “organization development.” The organizations described it as those changes which take place within an organization. A new definition for organizational capacity can then be offered based upon this slightly different view of SNGOs. From the Southern perspective organizational capacity refers to:

the limits to internal functions of the organization that help a NGO enhance its ability to manage its growth and change in a proactive fashion; to relate its objectives to the environment; and to maintain a clear purpose and vision that is sustainable.

While essentially similar to the definition developed in Chapter 3, there are a few notable differences. The original definition in Chapter 3:

Organizational Capacity is building the internal components of the organization so it can better use its resources (i.e. people, time and money) to achieve its mission, attain its vision and goals/objectives and to sustain these over time.

In our original definition the emphasis was on using existing resources effectively. In the Southern definition, however, the emphasis is on managing growth and change. The most likely reason for this distinction is the disparity between the amount and availability of resources between the North and South. Whereas NNGOs focus on using their comparatively vast

resources more effectively, SNGOs focus on growth and the acquisition of new resources as well as making better use of existing resources. In both cases, however, the purpose of doing so is to facilitate the attainment of goals in an effort to sustain long-term existence.

In building organizational capacity, these organizations describe many core capabilities needed in the area of technical and organizational assistance and organization development. In a cross analysis of core capabilities for organizational capacity, **Table 5.5** is a summary based on all six studies.

Table 5.5: SNGOs - Summary of Organizational Capacity's Core Capabilities

Core Capabilities	TTO	BDA	ASSI	USSIA	BRK	ZT
administrative	x	x	x	x	x	x
board development		x		x	x	x
decision-making	x	x	x	x	x	x
communications system		x	x	x	x	
financial	x	x	x	x	x	x
fundraising	x	x	x	x	x	x
human resources	x	x	x	x	x	x
information sharing	x	x	x	x	x	x
leadership	x	x	x	x	x	x
management	x	x	x	x	x	x
marketing	x	x		x		x
monitoring & evaluation	x	x	x	x	x	x
operational	x	x	x	x	x	x
programme	x	x	x	x	x	x
project management	x	x		x	x	
research & development	x			x		x
relationship building	x	x	x	x	x	x
service delivery	x	x	x	x	x	x
strategic planning	x	x	x	x	x	x
structure & systems	x	x	x	x	x	x
technical	x	x	x	x	x	x
technology					x	x
training programs (educating members)	x	x	x	x	x	x

It is interesting to note the similarities and differences between the core capabilities identified by the six organizations in these case studies and those identified in Chapter 3 for SNGOs. While

Table 3.4 provided a consolidated review of a large amount of literature, this table offers a more expanded view of what lies behind the information presented in Chapter 3. Certainly some consistency exists between these two tables. For instance, the three capabilities which are left blank in Table 3.4 are “change theory/intervention,” “research & planning” and “technology.” In these case studies, a reference to change theory/intervention is not even mentioned. However, each case is about organization development, with a theory of intervention implicit in that term. Likewise, of all the core capabilities “research & development” and “technology” are mentioned the least.

The fact that SNGOs recognize these capabilities as central (core) to their building of capacity does not mean that they possess any skill in these areas. In fact, on the contrary, as straightforward as these capability definitions may seem, in practice they can be difficult to achieve and maintain. That is why in many cases SNGOs require training from NNGOs. Effective SNGOs are those which pay close attention to their internal capabilities to build organizational capacity. As was demonstrated repeatedly above, for SNGOs already existing, this monitoring of internal capabilities and the solicitation of help from Northern partners works best when self-initiated. Any attempt to increase organizational capacity without the recognition of the central characteristics of interdependent relationships will most likely result in failure.

Once an organization has reached the point of maintaining a strong organizational capacity, the next capacity building process is to increase its autonomy so the SNGO can build partnerships and linkages with other organizations. This is what constitutes the next level of capacity, defined as multi-organizational capacity.

Multi-Organizational Capacity

In these case studies, the SNGOs overtly recognized the need to work in partnership with NNGOs to solve development challenges not only on a community-based level but on a regional or national basis. SNGOs use the term “institutional building to initiate change outside the boundaries of a single organization” (Sahley, 1995, p. 11). These SNGOs are concerned with creating the right conditions in which capacity building can take place but “effect the macro-changes in the structure of social and economic relations” (p.12). In order to build capacity at this level, these organizations engage in developing linkages and partnerships with other organizations.

For SNGOs, multi-organizational capacity is a process of working beyond the boundaries of one’s organization to impact changes which result in a sustainable process of continuous development. This is accomplished in building supportive networks, partnerships, sharing of resources and linkages.

The definition of multi-organizational capacity defined in Chapter 3 is:

Multi-organizational Capacity is developing and nurturing the external relationships beyond the organizational capacity of its board, management, employees and volunteers. At this level, people are working collaboratively to achieve program or project goals. Together, two or more organizations are collectively pursuing a common vision, mission or set of objectives. It is multi-organizational capacity that magnifies the scale and impact of the work of a single organization through the support of partnerships, networks, coalitions and alliances.

Even though not explicitly stated, when these SNGOs meet their beneficiaries’ needs they are forging and initiating constructive relationships among the NNGOs, training centers, credit agencies, business associations, credit unions and other NGO support institutions in micro- and small enterprise development. For example, in all six cases the SNGOs established

relationships with a partner, be it a donor organization or a consulting organization, in an effort to build capacity. In a sense, they needed to establish multi-organizational capacity in order to build organizational capacity. Multi-organizational links were made to achieve secondary goals and objectives -- namely to improve and sustain organizational capacity. Where these multi-organizational linkages were successful, organizational capacity building efforts were enhanced.

Attempts to build organizational capacity had an added bonus. By asking for help, they received a lesson in multi-organizational capacity building. The five organizations which were able to work effectively with their consulting organization can use these experiences to build relationships with other organizations. While this was not the intended purpose of the partnership it is a benefit nonetheless. For instance, through their experiences, the two SBAs came to describe partnerships as relationships of shared values and objectives based on an open and honest communication. Table 5.6 lists the core capabilities minimally required to help a SNGO build its multi-organizational capacity that were identified in the South.

Table 5.6: Summary of Multi-organizational Capacity’s Core Capabilities

Core Capabilities	TTO	BDA	ASSI	USSIA	BRK	ZT
collaboration			x			
equal voice			x	x		
information sharing	x	x	x	x	x	X
linkages				x		X
networking			x	x		X
participatory	x	x	x	x	x	X
partnerships			x	x	x	X
relationship building	x		x	x	x	X
trust	x	x	x	x	x	X

In these case studies, some of the organizations discussed the importance of “linkages,” “partnerships” and “relationship building” but there was minimal discussion on what this next capacity level is or even how to achieve it. For example, ASSI recognized the importance of

“management of multiple relationships with multiple organisations on a national basis” (p. 117). However, these organizations do not specifically mention multi-organizational capacity. This is in sharp contrast to a majority of NNGOs who have made multi-organizational capacity a primary focus.

Whereas, not all SNGOs desire or understand how to build multi-organizational capacity (i.e. TTO and BDA), the absence of multi-organizational capacity language is most noticeable with the SBAs like ASSI and USSIA whose entire existence is based upon their ability to effectively develop partnerships with other organizations. On the contrary, when the SNGOs engage in multi-organizational capacity building activities (as mentioned above) it seems to happen almost as an afterthought.

This is not to say that SNGOs have not recognized that the needs of the micro- and small enterprise development sectors cannot be met by a single organization. It is simply to suggest that while SNGOs have started to recognize the advantages of building multi-organizational capacity, they have not yet achieved the NNGOs recognition of its importance as demonstrated by the prevalence (or lack thereof) in the literature.

Global Capacity

These case studies have dealt primarily with capacity building at an organizational level. In some cases, the Southern's relationship between another organization like the NNGOs was explored. In the examples of the SBAs and credit agencies, the importance of partnerships, linkages and networks were covered. This is multi-organizational capacity. However, the

concept of global capacity was completely absent. The concept of global capacity was only mentioned (but not explicitly) when a comment was made that the SBAs need to strengthen their capabilities to do advocacy and promoting their organization on more than a national scale. Simply put, SNGOs are not ready or able to focus on broader and higher levels relationships with government and international organizations (Fisher, 1998).

Capacity Building Approaches for SNGOs

With the exception of TTO, these SNGOs addressed the need to have assistance from the North to strengthen their capacity building efforts. They stressed that the process be facilitative in nature versus problem-solving in nature to deal with development issues. In addition, the choice of a capacity building strategy should be based “on open negotiation between the two parties, leading to a consensual plan of action” (Sahley, 1995, p. 64). Based on all the intervention techniques used (see Table 5.7), the most common and useful interventions are those that are Southern initiated and based on periodic consultation.

As the six case studies illustrated, the depth and type of capacity building intervention can vary widely. For example, in the first two case studies, OD consultants were hired by the organizations. Within these two studies, one was self-initiated by the SNGO and the other donor-led. Throughout the capacity building process, the NNGOs can play a primary role or an advisory or facilitative role. The most important thing is that the capacity building process meet the needs of the recipient organization and there be open dialogue. NNGO must not have pre-packaged programs to offer the SNGO. Therefore, the NNGO must have programs and services

that are flexible enough to be tailored to the needs of the SNGO. The NNGO must further realize that the capacity building support must be continuously adapted to the process.

Table 5.7: SNGOs - Summary of Intervention Techniques

SNGO	Intervention Technique	Donor
TTO	SNGO initiated the capacity building process and found a local OD consultant	Local Consultant - CDRA
BDA	Donor-led decision, donor hired and donor initiated.	NNGO Consultant - Symacon
ASSI	NNGO announced a program to encourage capacity building in micro- and small enterprise sector and 32 SBAs collectively came together and initiated the process	NNGO - UNECA
USSIA	SBA requested assistance from NNGO	NNGO - APT
BKR-CARE	NNGO announced a credit programme and people from community came forward to initiate the process and NNGO created local BRK	NNGO - CARE
ZT	NNGO provided an opportunity for micro-enterprises to develop a credit programme and people came together from the community to form ZT	NNGO – Opportunity

Despite the different capacity building intervention techniques used in these case studies, there are commonalities of these techniques that were successful. First, in order for the capacity building intervention to have a long-lasting impact on the organization, it must be based on a clear understanding of the SNGO's culture and capabilities by both organizations. In the TTO case, there was a lengthy process of self-assessment initiated by TTO but assistance and support was provided by the OD consultant. Even in the BDA case which resulted in a negative outcome, Symacon did successfully complete an in-depth assessment which proved helpful. The key in an assessment process is that it is participatory in nature wherein everyone's voice is heard. The NNGO can help to facilitate the process by working with the SNGO to prioritize the needs based on the dialogue and helping the SNGO to develop an action plan with clear goals and objectives to meet the identified needs. The results of the assessment should dictate the

capacity building process not the NNGO or donor. An organizational assessment takes dedicated people and significant amounts of time to get it done right.

Second, although these case studies identified the importance of SNGOs being an integral process of building its capacity, this does not diminish the usefulness of NNGOs. Most SNGOs do benefit from outside financial assistance but it is only one part of the whole process. James (1994b) found in a study of SNGOs that donors can continue to pour money into program development for NGOs but it has no long-term effect on the organizations sustainability after the money is spent. It was demonstrated in these cases that the SNGO benefited from the NNGOs' experiences and training in improving organizational systems and procedures, establishing appropriate programs for the right target markets and developing new capabilities to enhance partnership building with other organizations.

Third, capacity building processes must be owned by the recipient NGO. A NNGO cannot impose a capacity building program on a SNGO. This was demonstrated in the BDA and the outcome was negative. In the cases of developing credit agencies, CARE and Opportunity offered assistance to local communities and organizations, but did not impose their services on the community. What made both credit agencies a success was that the people in the community or members of the organizations accepted the invitation to initiate the process. As a result, the credit agencies were successfully created with the assistance of the NNGOs.

Fourth, the purpose of a capacity building initiative should be to encourage planned change and growth for the organization on a continuing basis. The first four cases showed that

organizational change is initiated in response to an immediate organizational problem or crisis. SNGOs ought to replace this reactive approach to capacity building with a proactive approach. In the last two cases of the newly created credit agencies, a pro-active, long-term and continuous approach to capacity building resulted in the SNGO developing a positive approach to organizational change and effectiveness. NNGOs will need to encourage the SNGOs to continue with the capacity building process after their exit from the system.

The final commonality in these case studies is the need to go beyond building organizational capacity to multi-organizational capacity and, in some cases, global capacity level. Multi-organizational and global capacity is a relatively new (and recognized) field for the SNGOs. These newer capacity levels require that the SNGO move beyond the core capabilities of building its internal relational components of the structure to addressing the needs of its external relational structure. At this level, the SNGOs are working collaboratively with other organizations to pursue a common project. It is multi-organizational capacity that magnifies the scale and impact of the work of a single organization through the support of partnerships, networks, coalitions and alliances. This was demonstrated with the SBAs and in the relationship between Opportunity and ZT.

It is ironic that the very nature of SNGOs as the less advantaged NGO, has placed them into a position where they more naturally build relationships with other organizations. Whereas in developed countries, the NNGOs have spent considerable time and resources developing their organizational capacity, SNGOs have always been forced to focus on relationships with others to survive. The primary difference is that NNGOs have sought multi-organizational capacity on a

formal level while SNGOs have participated with other NGOs in an ad hoc manner. Only now are they starting to appreciate the importance of explicitly building multi-organizational capacity with their Northern partners.

In summary, these SNGOs have shown that an integrative approach to capacity building improves the SNGO's effectiveness to:

- build and sustain the organization
- manage change in the environment
- guide its organizational growth and program direction
- target and use resources efficiently and effectively
- assess and respond to community needs

Summary

It is evident from each SNGO case study that there is a growing emphasis on capacity building and its focus on relationships between and among donors and NNGOs. Each case study also mentioned the changing trends in development assistance.

SNGOs feel that even though several NNGOs still provide welfare assistance to alleviate poverty or provide emergence relief to promoting self-help development activities in partnership with communities (Korten, 1990), there is a newer more immediate role of the NNGOs. This is where the NNGO plays an enabling support role to the SNGOs in building capacity. Sahley (1995) described it as "the NGO sector in developing countries is a crucial element of these meso- and macro strategies for development" (p. 14). This relates back to Bronfenbrenner's (1979) work presented earlier in Chapter 3. These case studies demonstrated that helping SNGOs build capacity instead of providing resources is now recognized as the key to these organizations sustaining their existence.

In addressing the organizational capabilities of the SNGOs, the organizations mentioned the need to effectively use technical, financial and human resources. In the past, these organizations developed these capabilities in an unplanned manner or on an as-needed basis. In building capacity, if organizational growth is to be managed successfully, it needs to be planned. SNGOs are operating in volatile environments. Therefore, they need a strong organizational base from which to operate. The SNGOs case studies described a myriad of capabilities needed to build organizational and multi-organizational capacity. These capabilities, if developed and used effectively, provide the foundation for a SNGO to reach its fullest potential. It requires the core capabilities of advocacy, networks, alliance, and trust among the organizations operating within the sector as well as strategic alliances with other organizations outside of the sector (Sahley, 1995).

These studies have shown that today's capacity building efforts are moving away from welfare assistance and direct programme assistance to capacity building efforts that are sustainable. Capacity building has become an issue of central concern for SNGOs and it is likely to increase in importance in the future. These six case studies have argued that:

- SNGOs can significantly improve the performance of their organizations through effective capacity building programs.
- SNGOs are beginning to understand the need to concentrate on building multi-organizational and global capacity and not just the capacity of its organization such as emphasizing partnerships over programme development.
- SNGOs embrace and accept the "enabling" role of NNGOs in helping them build capacity when the relationship is perceived as interdependent.
- SNGOs have a foundational core of capabilities needed to build capacity, but SNGO may have different capacity building needs. For example, a SNGO may want to work at strengthening its organizational and multi-organizational capacity level but not pursue a global capacity building level.

In summary, in building capacity at any level SNGOs want NNGOs to recognize that they also need to continuously assess their capacities and capabilities and seek innovative ways to build upon them. The SNGOs are demonstrating that they are setting a new direction in the South. The ultimate potentials of the South are far greater than what has been realized in the past. As a result, SNGOs are able to engage as full partners with NNGOs in shaping their organizational transformation. Therefore, it is in partnership and participatory learning with the North that the South will continue to develop organizations of excellence that are capable of delivering their mission in a sustainable fashion.

Chapter 6: A View from the North

"It's not enough to imagine the future -- you also have to build it." -- C.K. Prahalad

The search for case studies for this project began in January 1997. The intent was to select several Northern NGOs (NNGOs) which had corresponding Southern partners with capacity building efforts as part of their mission. For the study, the goal was to explore the ways in which these organizations build capacity to manage and organize themselves as well as their partners to achieve their mission. The primary focus is studying how the NNGOs develop the capacities of SNGOs. It was also important to understand how these organizations define capacity, capacity building and other key terms in the field. In early March 1997, a series of structured interviews were conducted with four organizations which have embraced the concept of capacity building: The Center for Development and Population Activities (CEDPA), Counterpart International, Christian Reformed World Relief Committee (CRWRC) and Pact.

During the initial interviews, information was gathered concerning the history of the organization, key players and importance of capacity building, partner relationships with Southern NGOs (SNGOs) and donors. A series of interviews were held that involved the key staff to provide input on their understanding of capacity, capacity building and key capabilities that give life to organizations. A final set of interviews was held to provide more in-depth information regarding the organization's strategies, activities and projects involving capacity building.

The four organizations were chosen because of their diverse range of missions, strategies, niches and issues. All four have made great efforts to include capacity building as an integral part of

their projects and activities with other NGOs. This provided an opportunity to assess the role that capacity building has to the organization, as demonstrated by its activities and programming. Therefore, each organization's current and several past projects will be detailed.

The first part of this chapter will describe how each organization embraces capacity building in detail by providing a review of their history, mission, objectives, major strategic initiatives, structure, partner relationships and future challenges. In the first part, there is no attempt to interpret or synthesize what these organizations have done or are doing today. The synthesis as to these organizations' responses to the key research questions of the study will be presented in the last part of this chapter. Selected quotes from extensive transcripts were used to present findings of the interview inquiries that best answer the key research questions of capacity building.

The Center for Development and Population Activities - CEDPA *A Catalyst for Development*

Background

CEDPA, a women-focused international organization, was founded in 1975. Ironically, this was the same year that the United Nations dedicated the year of women. CEDPA was started with a new consciousness about women and dedicated to women's empowerment. The organization is a nonprofit educational organization focused on helping thousands of girls and women make improvements in their lives in health, education and employment. CEDPA is known for its global network of women leaders and managers of NGOs. They promote positive change

through partnership projects, training and advocacy. Their mission is to empower women at all levels of society to be full partners in development.

Over the past 22 years, the organization's network of partners and other women-focused organizations has developed the basic knowledge and tools to improve women's status in society. Through its training programs, CEDPA has strengthened the capabilities of government agencies and NGOs from over 138 countries. The outcome has been improved services to communities and the management of positive change for women at local, regional and national levels.

The community-based projects are designed and implemented by local women leaders to improve family planning services and reproductive healthcare, raise women's status and help girls and young women develop to their fullest potential. Projects are conducted with women and youth focused groups (both young women and men) in Africa, Asia, Eastern Europe, Latin America, the Middle East and the Newly Independent States.

CEDPA's headquarters is in Washington, DC and they currently employ 60 people. There are six field offices with more than 100 staff in Egypt, India, Kenya, Nepal, Nigeria and Romania. The annual budget is approximately \$10 million. Ninety-eight percent of revenues and support are received from USAID and other federal grants. The remaining two percent of their budget comes from tuition and fees, donor contributions and interest and miscellaneous income. The president of CEDPA is Peggy Curlin who reports to a board of directors.

Major Strategic Initiatives and Programs

Women-oriented management and leadership training is the foundation of CEDPA's development strategy. These pioneering training programs have strengthened NGOs in 138 countries and created an invaluable worldwide network of women development leaders. CEDPA uses many strategies in their efforts to impact the future of girls and women. The most important ones are: building the capacities of development institutions and networks; mobilizing the women's participation at the policy level; linking reproductive health services and women's empowerment and making youth an integral part of the development agenda.

CEDPA accomplishes these goals through a series of programs designed to build individual and institutional capacity for self-directed sustainable development. They help organizations build their capacities through in-depth training the trainers programs, technical assistance follow-up and commitment to partnerships. A participant in CEDPA's Women In Management (WIM) program said, "CEDPA training made it possible for us to interact with many NGOs from around the world, which otherwise would be only a distant dream" (CEDPA's Annual Report, 1995, p. 2). CEDPA has over 40 sponsors for its global training programs from other NNGOs, foundations and donors.

A second initiative is mobilizing women's advocacy and participation to influence policy. CEDPA helps empower these women through training and one-on-one consultancy. As a result, many partner organizations have taken on expanded leadership roles, advocating for the fulfillment of governmental commitments made at the conferences and increasing the involvement of women in the development process.

A third strategic initiative is linking reproductive health and women's empowerment. This is accomplished by CEDPA's staff designing local reproductive health programs to be managed by women leaders - alumnae of CEDPA's training programs. An outcome of this is that women's participation in their communities has expanded and increased access to a range of services. For example, starting in 1991:

the Access to Family Planning Through Women Managers project has served over 479,760 clients in ten countries. Likewise, in India the Bihar State Cooperative Milk Producers' Federation project linked income-generation and family planning, providing services to women cooperative members in 240 villages. (CEDPA Annual Report, 1995, p. 8)

In addition to these three initiatives, CEDPA also makes youth an integral part of its development agenda. In many developing countries, young people are shaping the future. In recognition of this, CEDPA's youth programs enable young women and men to expand their life options and contribute to national development goals. Health, education and economic well-being are enhanced by programs designed and implemented with youth-focused partner organizations. CEDPA saw the need to include youth as a primary focus as early as 1987 when it:

started to place girls and young women on the development agenda. With assistance from governments, multinationals and private support, the programs have steadily expanded to reach more than 406,000 girls and young women and have also recently begun working with young men (CEDPA Annual Report, 1995, p. 10).

CEDPA in partnership with United Nations Population Fund (UNFPA) created a program to empower youth to become leaders of positive social change in the 21st century. For example, in Upper Egypt, where only half the girls age 10-14 can read and write, a CEDPA partner organization has shown that community action can increase girls' access to education programs (CEDPA Network Newsletter, January 1997).

Today, there are 27 youth-serving organizations in 19 countries receiving financial and technical assistance from CEDPA. It was proclaimed from the Voices of Young Women Declaration:

the basic human rights of girls and young women throughout the world should be respected. We demand that our governments provide equal access to all levels of education and health services, eliminate cultural practices that violate human rights, end all discrimination against us, and ensure that we have equal protection under the law.

A sample of CEDPA supported youth programs are: Better Life Options program, Partnership Projects for Girls and Young Women and the Youth Leadership Project in Egypt, the Adolescent and Gender Project in Sub-Saharan Africa and the youth component of the Romania Family Planning Project.

Capacity Building Projects and Activities

Since its founding, CEDPA has been at the forefront of individual and organizational capacity building. CEDPA views capacity building as an on-going process of developing both individual and organizational capacities to achieve sustainable impact. As mentioned earlier the organization's mission is direct and simple: "empower women at all levels of society to be full partners in development." To fulfill its mission, they employ two capacity building strategies:

1. Individual transformation through empowerment and leadership development.
CEDPA pioneered women's leadership training programs early in its history in 1978. Since then, annual Women In Management (WIM) training programs attract women leaders from all around the world who want to expand their vision and improve their skills as change agents in their communities. Over 3,000 alumnae have gained from these programs renewed confidence, improved management skills and action plans for better quality of life.
2. Capacity building through strategic thinking and organization development.
As women leaders achieve greater participation in development programs, and male colleagues become more supportive of women's leadership, CEDPA launched Capacity-Building (CB) training programs for women and men to work together to develop gender-conscious organizations and programs. Now, in its eighth year, CB invites dynamic visionaries and organizational leaders to Washington, DC to practice strategic thinking and develop strategies to strengthen their organizations when they return home.

CEDPA's approach to capacity building integrates training, technical assistance and tools for building sustainable development activities and leading change. The principles that guide the capacity building process are:

- participation and discussion
- training as a process of experiential learning
- needs identification for greater impact at the organizational level
- careful participant selection and preparation prior to a training event
- post-training activities with training participants through an alumni network

One of CEDPA's leading capacity building programs is its on-going workshops. These courses have enabled participants to improve their knowledge and skills in a number of core capabilities such as:

- | | |
|-----------------------------|---|
| • advocacy | • management |
| • coalition-building | • marketing and fundraising |
| • community mobilization | • monitoring and evaluation |
| • consulting skills | • project proposal writing and management |
| • financial management | • strategic planning and sustainability |
| • gender and development | • supervision |
| • human resource management | • training of trainers |
| • leadership | |

In addition to training, CEDPA provides technical assistance to:

- design and facilitate a strategic planning exercise or an organizational retreat
- conduct a participatory assessment of organizational sustainability
- improve human resource management systems
- develop in-house capabilities to design and conduct effective training activities
- design and facilitate a participatory evaluation

Organizations that benefit from participation in CEDPA's capacity building services have included not only SNGOs but NNGOs, government agencies, U.S.-based nonprofit organizations and international PVOs. For example, in 1996, CEDPA conducted country and regionally based training programs in El Salvador, Ghana, Guatemala, India, Indonesia, Jordan, Kenya, Malawi, Mal, Nepal Niger, Nigeria, South Africa, Turkey and Zimbabwe. The programs focused on core capabilities like strengthening leadership to empower many more women (and men) in their communities. These programs are usually conducted with alumni and affiliates and are

integrated with CEDPA programs and those of partner institutions in the country or region.

Table 6.1 highlights CEDPA’s major programs, projects and goals.

According to CEDPA’s director of training, “a key to sustainable capacity building is training trainers and consultants to replicate and adapt CEDPA training and technical assistance activities in their organizations and with the people they serve.” Because of this the benefits to other organizations have been:

- improved individual capabilities in leadership, information technology, fundraising and marketing
- strengthened managerial skills for responding to change and creating sustainable growth
- increased networking and collaboration with leaders from other countries and professional contacts with key multi-lateral and bi-lateral organizations and U.S. based NGO community
- improved access to U.S. policy makers and United Nations’ officials
- access to CEDPA’s international staff of development professionals working in reproductive health, adolescent programs, advocacy and training

As a result of these integrated approaches to capacity building, CEDPA has created a network of alumni, institutional partners and affiliated institution in Central and South America, West Africa, East Africa, Egypt, Eastern Europe, India/Nepal and Southeast Asia. These groups work collaboratively to develop and deliver programs, organize advocacy campaigns and strengthen organizational capacity. “These networks represent a critical mass of women and men active and commitment to global change and the improved status of women and quality of life around the world,” claimed the director of training.

Table 6.1: CEDPA’s Programs/Projects & Goals

PROGRAMS/PROJECTS	GOALS
ACCESS Project	To improve the health and well-being of women through family planning and reproductive health services.
Adolescent & Gender Project	To improve adolescent reproductive health in sub-Saharan Africa.
Better Life Options	To promote opportunities for young women that enhance their choices with regard to fertility, health, employment, education and civic participation.
Partnerships Projects	To improve the health and educational status of girls and young women living in Upper Egypt.
The Policy Project	To help build a supportive policy environment for family planning and

	reproductive health programs.
The Population Communication Services Project (PCS4)	To improve reproductive health through sustainable information, education and communication (IEC) activities.
PROWID - Promoting Women in Development	To strengthen women's participation in political decision-making and economic development on a global basis.
Romania Family Planning Project	To improve the health and well-being of Romanian women through private sector family planning, service delivery and sex education.
Technical Advisors in AIDS and Child Survival (TAACS)	To respond to the need of USAID for technical staff to assist in planning, preparation, implementation and evaluation of activities related to child survival, HIV/AIDS and population programs.
Youth Leadership Development Project	To prepare youth to face challenges and develop appropriate life skills to help them in the process of their development.

Capacity Building Challenges

Like all NGOs, CEDPA is a mission driven organization. They recognize that their ability to accomplish their mission of empowering women at all levels of society will depend upon their ability to build successful relationships with individuals, organizations and policy makers.

According to CEDPA's president:

our main strategic challenge is to apply widely what has been proven to be effective and to intensify our advocacy for policies that are supportive of women, increase gender equity, and bring long-term, sustainable solutions. We have therefore committed ourselves to making the next decade the ***Decade of Impact*** on programs and policies that advance the health education and employment opportunities of girls and women

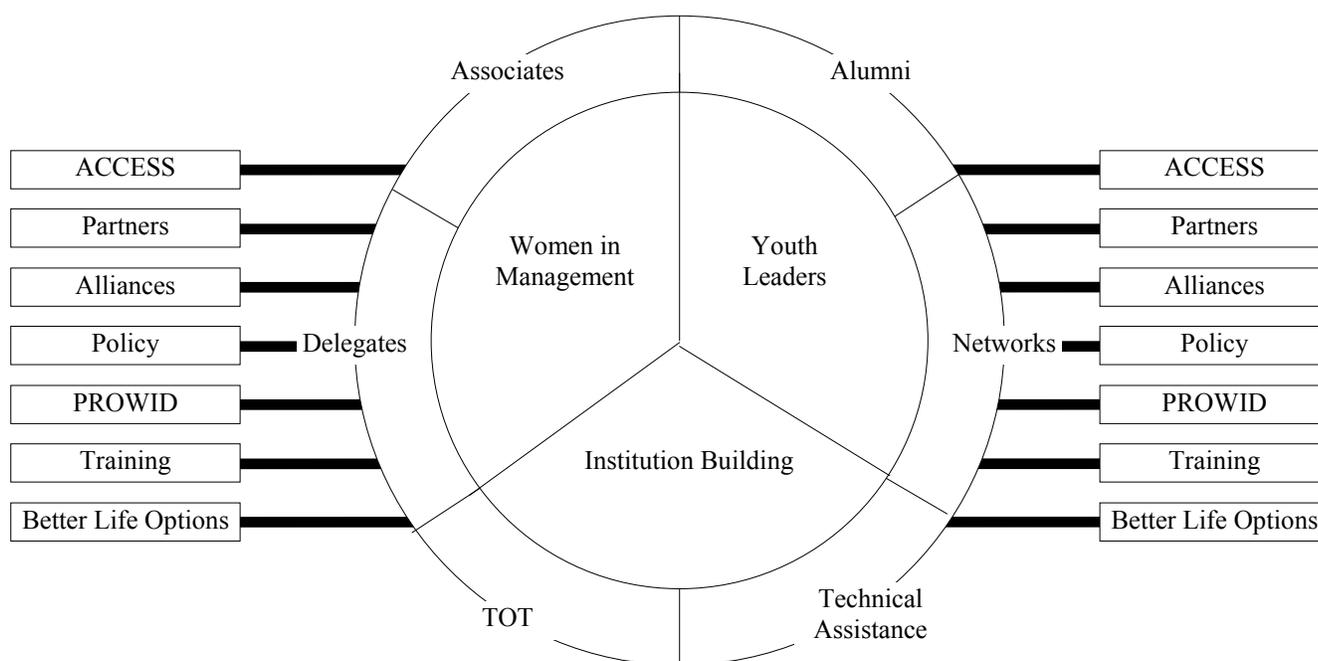
In addition to strategic challenges, CEDPA faces a number of operational challenges in their efforts to accomplish their mission. For instance, in addition to the ever present challenge of battling a decreasing financial resource base, CEDPA also has an increased need to document its processes and successes in capacity building. A project associate described it best as:

we need to transfer knowledge from head to paper. We need to be able to explain the way CEDPA evolved and its capacity building programs because our programs are becoming global, and our ability to document what we have learned is key to securing future funding.

Figure 6.1 is an illustration of CEDPA's capacity building programs and services starting with the three primary target markets in the center.

CEDPA’s perspective on what they are doing in capacity building builds upon a legacy of empowering women. CEDPA believes that the commitment and understanding of capacity building can begin with the empowerment of one woman. “One empowered women in the right place at the right time can grow to two, then four, then eight,” stated CEDPA’s president. “The challenge, however, will be to deliver this on a global basis to all women and youths.”

Figure 6.1: CEDPA’s Individual and Institutional Capacity Building Programs



COUNTERPART International

The Foundation for the Peoples of the South Pacific

Background

Counterpart was founded in 1965 in the South Pacific with the belief that people best solve their problems through community organizations. In the beginning, it was called the Foundation for the Peoples of the South Pacific (FSP). Counterpart/FSP established field offices in Papua New

Guinea, Solomon Islands, Vanuatu, Kiribati, Tonga, Fiji and Western Samoa. In its earliest years, FSP supported the creation and development of strong local institutions, nongovernmental networks and locally-owned and operated small enterprises. Therefore, Counterpart's goal was to bring partner services to these entrepreneurial community groups to form a new kind of relationship: a "counterpartnership." To this end, all of the field offices that were established evolved into independent NGOs.

In 1990, Counterpart/FSP's efforts in localizing its operations and fostering synergy among its partners in the South Pacific culminated in the formation of a regional democratic network called the Foundation of the People of the South Pacific (FSPI)⁵¹. FSPI provides regional project coordination and support, information dissemination and technical expertise. Today, FSPI is the largest and most experienced NGO network in the Pacific. Its members are leaders in the field in which they work.

In 1992, Counterpart seized the opportunity to transfer its capacity building experience and expertise to address the challenges facing the newly emerging nations of the former Soviet Union. Through the management of USAID-funded Volunteer Executive Service Team (VEST) Initiative, a public/private partnership among U.S. government agencies, U.S. PVOs, universities and businesses, Counterpart facilitated and catalyzed over 1,600 linkages between U.S. and local NGOs, 155 partnerships, 34 joint projects and over \$50 million in public and private support for multi-sectoral capacity building programs throughout the region. The VEST Initiative was a

⁵¹ FSPI members are: FSP/Fiji, FSP/Kiribati, FSP/Papua New Guinea (FSP/PNG), FSP/Vanuatu, Samoan Association of NGOs (SANGO), Solomon Islands Development Trust (SIDT), Tonga Community Development Trust (Tonga Trust), Australian Foundation for the Peoples of Asia and the Pacific (AFAP), and the United Kingdom Foundation for the Peoples of the South Pacific (UKFSP).

catalyst for Counterpart's program expansion into Ukraine where the Counterpart Service Center model was pioneered and later replicated in all five Central Republics and Russia.

Counterpart is no longer a regionally focused organization, but a global organization operating in 25 countries with a 32 year track record of building local capacity with thousands of partners. This includes assisting developing nations with environmental sustainable development challenges, family health issues, business start-up services for entrepreneurs and worldwide humanitarian assistance programs. Counterpart offers its partners the following:

- Association Building
- Base Line Surveys
- Business Consulting
- Commodity Procurement and Distribution
- Conferences
- Evaluations
- Grantmaking
- Mentorship
- Micro-Credit Programs
- On-Going Support
- Organizational Capacity Building
- Partnerships
- Technical Assistance
- Training of Trainers
- Training Workshops

Consortia and strategic alliances have always been integral to Counterpart's goal of building local capacity in a sustainable way. For example, in the South Pacific, Counterpart has formed regional consortia to promote family planning and multi-sectoral activities at the national and regional levels. In the Central Asian Republics, Counterpart heads a consortium of four U.S. agencies supported by the USAID, corporations and international donors in a program to strengthen the capacity of NGOs to deliver sustainable services and advocate on behalf of citizens throughout the region. With similar objectives, it is leading the Counterpart Alliance for Partnerships in Ukraine and Belarus as well as being the training partners in a consortium led by Save the Children for the USAID-funded Civic Initiatives Program which strengthens Russian NGOs.

In addition to social development programs and the building of NGO sectors, Counterpart helps developing countries in economic development challenges. For example, they have developed relationships with local business partners to help local entrepreneurs start or expand their businesses. Assistance has included: business associations for women-owned enterprises, agribusiness for small farmer support, tourist industry for continuous tourism promotion, construction industry for the rehabilitation of crumbling or destroyed communities and the banking industry for the growth of citizen-friendly credit systems (Counterpart Foundation, Inc. Annual Report, 1995).

The president of Counterpart is Elizabeth B. Silverstein. There is a board of directors and an International Advisory Board. The headquarters is in Washington, DC and has 35 employees. The core staff consists of CEO, Stanley Hoise who leads the senior management team consisting of a chief operating officer and four vice presidents. There are eight program officers and five support staff in the Washington, DC office. In addition, there are over 23 offices in eight regions of the world. Counterpart's annual budget is approximately \$16 million. Sixty-three percent of its budget comes from donated service and facilities. Thirty-two percent of revenues and support are received for USAID and other federal grants. The remaining five percent of their budget comes from non-federal grants, donor contributions and field, interest and miscellaneous income.

Counterpart has four metropolitan affiliates in developed nations: the Australian Foundation for the Peoples of Asia and the Pacific (AFAP), the newly established Counterpart Germany and Counterpart New Zealand and the United Kingdom Foundation for the Peoples of the South Pacific (UKFSP). These affiliates partner with Counterpart in supporting the efforts of

developing nation partners and in the planning of regional projects. Like Counterpart, these affiliates provide funding and technical support for local NGOs as well as participate in the direction implementation of program and activities. Counterpart's eight South Pacific affiliates helped form the Foundation of the Peoples of the South Pacific International (FSPi) which includes the metropolitan affiliates among its members. In 1997, affiliates in Ukraine and Russia demonstrated their capacity to serve the NGO and business communities through fee-for-service and multi-donor funding. All affiliates share Counterpart's mission of capacity building in a sustainable way.

Counterpart's mission is stated as an organization that is committed to:

- help the people of emerging nations meet their own self-defined needs;
- advocate and foster human dignity and sustainable development;
- support programs of social, cultural and economic development, relief and reconstruction;
- promote local institution building and the development of self-reliance;
- build public awareness and understanding of the role of partnership among NGOs, government and the private sector to address community needs in a sustainable way;
- initiate and continue dialogue with government and public bodies on public policy issues of importance;
- be accountable to the individual constituencies, partners in development and the people we strive to assist;
- respect the diverse perspectives and methods of operation of partner agencies as a source of strength and creativity;
- work in a spirit of collaboration as the most effective way to achieve common objectives; and
- encourage professional competence, ethical practices and quality services.

Counterpart is constantly adapting its mission of fostering counter partners as ever more effective builders of their own societies as the global community changes. As the president of Counterpart stated, "the mission is plain and simple - to build local community organizations as the real strength behind emerging nations."

Major Strategic Initiatives and Programs

Counterpart's primary objective has always been to provide support for local nonprofit organizations and charitable institutions known as SNGOs. These support services are provided

through Counterpart Service Centers and affiliated organizations. These service centers and organizations are set up to provide grants, training, information and program services to the Southern partners throughout the Pacific and the former Soviet Union. The goal is to build sustainable SNGOs.

A second objective is to stimulate micro- and small enterprise development. Since its inception, Counterpart has fostered the development of micro-enterprises and small business in newly-emerging nations around the world. It has accomplished this through training, development of innovative business opportunities, provision of credit and the promotion of linkages between local and international markets and financial institutions. In delivering their support services to their SNGOs, Counterpart has placed special emphasis on activities that add value to local product and market development, a context specific range of methodologies to help train entrepreneurs, and social responsibility as a key driving force behind enterprise development.

Other strategic initiative and programs include (Counterpart Foundation, Inc. Annual Report, 1995 and 1996):

1. Management of Grant Portfolios

Counterpart is one of the leading grants-management organizations for USAID in the Pacific, the Western NIS and Central Asian Republics with a portfolio of close to \$7 million. Therefore, Counterpart can assist their Southern partners with management of small grants programs.

2. Providers of Healthcare Services

Counterpart's healthcare services focus on health education, preventive and curative medicine with a special emphasis on mothers and children. Counterpart works at the government policy and grassroots levels, independently and with local partners to emphasize institution building and the training of trainers as the most effective ways to build capacity in the health sector. Since the late 1960s in the Federated States of Micronesia, Counterpart has been instrumental in working with local NGOs in family health services. Programs have been developed such as: Fiji Health and Promotion and Education Project, Child Survival Project, Nutrition Improvement Program and Kadavua Rural Health Development.

3. Integrated International Humanitarian Assistance

Counterpart's humanitarian assistance programs include a full range of services for disaster relief with a wide range of materials from other governments and private sources. For example, in a response to the increasing needs Armenia, Azerbaijan, Belarus, Georgia, Kazakstan, Moldova, Russia, Ukraine and Vietnam, the Counterpart Humanitarian Assistance Program (CHAP) expanded its operations resulting in commodity distribution valued at over \$100 million. CHAP is committed to building a strong civil society in these emerging nations through partnership with local organizations. The offices in Kazakstan and Georgia act as the regional staging centers for all humanitarian shipments across the Caucasus, Russia and Central Asia. To the greatest extent possible, Counterpart links humanitarian aid with capacity building, providing training and technical assistance to institutional recipients of such aid.

4. Small Island Nation Assistance

Counterpart has developed particular expertise in meeting the development challenges of Small Island Nations. Their efforts include outreach and support to help these nations face their development problems. Counterpart works with these nations in training them on cooperative programming, planning and problem solving. For example, Counterpart/FSP's affiliate in Tonga is the Tonga Community Development Trust (Tonga Trust). Counterpart/FSP assisted in establishing Tonga Trust as an indigenous, independent organization with the purpose of promoting local development in the rural and outer island areas, with a special focus on helping the poorest of the poor with such projects as Domestic Water Resource Improvement Project, Pesticides Awareness Project and Village Women's Development Projects. Counterpart assisted AOSIS, the 44-member Alliance of Small Island States in the publication and distribution of *Small Islands Big Issues: Sustainable Development of Islands* which includes the "Barbados (1994) Programme of Action for the Sustainable Development of Small Developing States" and AOSIS member profiles.

5. Consulting Support Services

Counterpart provides a wide variety of international and local technical expertise, as well as in-country and international project managerial and support services to governments, companies, and nonprofit organizations. They can bring a vast working knowledge to development projects or bids in countries where they have affiliates and partners. Counterpart has provided consulting support services in non-profit, grants and business management; financial management and programs for accountants; communications and networking; and high tech and computer literacy.

6. Mobilizing International Voluntary Action

Counterpart takes initiative in developing special programs to accelerate the partner building process of the NNGOs and SNGOs. In 1992, Counterpart created the Volunteer Executive Service Team (VEST) to accelerate the partnering process. VEST delegations to Central Asia, Russia, Ukraine and Vietnam have been completed to help pioneer linkages between established NGOs and local organizations just getting started. Delegations to the republics of the former Soviet Union resulted in \$50 million of project funding in those nations.

Major program focuses have been on the creation and expansion of enterprises owned and operated by women and special needs citizens; sustainable use of the environment in economic development; and availability of capital to entrepreneurs. One special program was called Micro-enterprise by the Blind. Working with Counterpart, a local Association of Blind People, set up a business to make special brushes to be used on Tajik cotton farms. These brushes were

produced much cheaper than imported brushes and initially employed over 30 blind people (Counterpart Foundation, Inc. Annual Report, 1995).

Capacity Building Projects and Activities

In its 32 year history, Counterpart has accumulated numerous success stories of developing and implementing replicable NGO capacity building programs. This wealth of experience has taught them that NGO institution building requires an evolutionary process in their relationships with other NNGOs, donor agencies and Southern partners. This is a process which differs based upon the situation, but it is built on a strong tradition of one-on-one training and technical assistance, partnership development and the development of strategic alliances.

Much of Counterpart's capacity building activities aimed at SNGOs center around programs which maximize and institutionalize the use of training. Using programs which have been developed and refined over three decades of experience, Counterpart trains SNGO trainers in a wide variety of activities designed to enhance their capacity. These are:

- Advocacy and Government Relations
- Association Building
- Board Development
- Coalition Building
- Community Needs Assessment/Rural Participatory Appraisal
- Constituency Development
- Democratic Governance & Participatory Decision-making
- Financial
- Management/Accountability/Transparency
- Fundraising
- Monitoring and Evaluation
- NGO Management
- Partnership Development
- Project Design and Implementation
- Revenue Generation/Fees for Service/Micro-enterprise Development
- Strategic Planning
- Volunteer Development

In helping their counter partnerships to build sustainable organizations, Counterpart has trained the leaders and staff of the SNGOs while helping these local organizations with outside management and support. In the end, final responsibility is always handed over to the local communities they serve. For example, as a follow on to the first CSC project in WESTNIS,

Counterpart created the Counterpart Alliance for Partnership, a four member USAID-funded consortium modeled on its NGO capacity building program in Central Asia. One of the most important aspects of this project is that all local training will be implemented through the Counterpart Creative Center, a newly formed and independent affiliate which grew out of the first phase of this project.

In 1994, Counterpart launched its Counterpart Consortium NGO Support Initiative in Central Asia with USAID funding of \$5.5 million. This program was expanded in 1997 with an additional \$10.5 million. The principal objective of the initiative is to support the creation of democratic and sustainable NGOs that make a difference in people's lives by providing training, grant-making and partnership development programs with capacity building focus. As the lead organization in the Consortium, Counterpart has overall responsibility for managing this five country program⁵². Through the Consortium, Counterpart facilitates partnerships between Central Asian NGOs and their U.S. and global counterparts, fostering organizations to build and enhance their capacity building efforts.

Through this Consortium, they also provide broad NGO support while its Consortium partners provide sector-specific support in the areas of micro-enterprise, agriculture and legal reform. This approach is strengthening the capacity of local NGOs to partner with U.S. counterparts, among themselves and with governments for improved social services and reform of the laws and regulations under which they must operate.

⁵² Program Countries: Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

Counterpart also partners with other NNGOs and Donor agencies to develop programs which are beneficial to SNGOs. The VEST Initiative is a good example of an active and successful capacity building project based upon the development of partnerships. It began as a public-private partnership between Counterpart and USAID's Office of Private & Voluntary Cooperation (PVC) as well as among other PVOs, academics and the business sector. It was a very successful catalyst for NNGOs and SNGOs partnership development and joint project design for five regions of the former Soviet Union and Vietnam. It supported the following sectors: NGO institutional development, micro-enterprise, maternal and child health care, environmental resource management, education, social services to vulnerable groups, WID and agriculture. According to the vice president for programs:

the VEST Initiative has also proven to be a very cost-effective means of leveraging NGO expertise as well as mobilizing follow-on U.S. public and private resources to support joint projects. Significantly, the VEST trip to Vietnam was self-financed by participating organizations and proved that PVO interest in the VEST model remains strong.

Since 1993, Counterpart has worked to create effective SNGOs throughout the Western region of the former Soviet Union (WESTNIS). Counterpart Service Centers (CSCs) and Humanitarian Assistance Program (CHAP/WESTNIS) represent the cornerstone of the Foundation's programs in the region, offering a broad spectrum of services to help these local NGOs build capacity. The CSCs generally have a regional country hub with satellite offices. Through these centers Counterpart becomes a partner with USAID in providing support to the NGO sector. To avoid duplication and to encourage local capacity building, Counterpart's staff works very closely with local NGOs who themselves seek to be support organizations. In such cases, Counterpart partners with the local NGOs and share resources such as trainers, educational materials, databases and computer software and hardware. For example, regional highlights in Western

New Independent States (WESTNIS) in 1995 were (Counterpart Foundation, Inc. Annual Report, 1995, p. 34):

- Over \$600,000 has been awarded to 22 NGOs for promoting programmatic and financial capabilities.
- Over 1,500 NGOs leader have been trained in core areas like project design and management, fundraising and proposal writing.
- More than 200 local NGOs have received grants from local, U.S. and European Donor agencies as a result of Counterpart-sponsored workshops in building core organizational capabilities: project design, management, fundraising and proposal writing.
- 39 local instructors have been trained by Counterpart to conduct workshops in basic and advance NGO management skills. From these workshops, there was the creation of a local training team that permitted the local registration of “Counterpart Creative Center for Training & Research” to be sustainable and independent.
- 1,500 local organization throughout the Western New Independent States are currently included in Counterpart’s NGO database, connecting local groups to international networks of NGOs.

In several interviews, the vice president for programs emphasized that creating and promoting consortia, collaboration and strategic alliances have always been integral to Counterpart’s capacity building strategies. An integral part of Counterpart’s regional strategy is collaboration and cooperation with other international NGOs and donor agencies seeking to assist the NGO sector.

For instance, in its CHAP/WESTNIS program Counterpart partnered with local and international organizations as well as governmental institutions to maximize its effectiveness. These organizations realized that no sole organization can realistically provide all international development services. These partnerships have proven particularly effective in responding to floods in the summer of 1995 in the town of Kharkiv.

Another example of Counterpart working with partner organization is its Women’s Enterprise Development (WED) in the Newly Independent States. In this program, Counterpart has already

trained over 800 women and 20 trainers, throughout the NIS, on the steps and skills needed for women to start and manage a successful small business. The donors to this project were:

- Chase Manhattan Bank
- Citizens Democracy Corps
- Eurasia Foundation
- Khabarovsk Krai Administration
- Peace Corps
- USAID
- World Bank
- World Learning, Inc.

In this program, Counterpart helps empower women to create viable businesses that resulted in improving their quality of life and strengthening their communities.

Other successful capacity building partnership programs by Counterpart include the 11-Nation *South Pacific Association for Family Health and the Pacific Islands of NGOs (PIANGO)*, the four-member USAID-funded *Counterpart Consortium NGO Support Initiative for Central Asia* and the NGO capacity building component of the *Civic Initiative Program* in Russia. The vice president for programs stated:

Counterpart has learned that a consortia, if structured and managed properly, can maximize the impact on NGO capacity building through synergistic collaboration among the partners. A consortia also allows for accessing the expertise of other Northern NGOs who don't have a long track record in managing USAID funded programs. Consortia also maximize the leveraging of non-USAID resources within a single project.

Counterpart's NGO capacity building strategy offers an integrated package of services to strengthens both the organizational capacity of an NGO to provide services and advocate on behalf of the clients and strengthen the NGO's multi-organizational capacity so it can build viable partner relations and coalition members at the local, regional and international levels.

Capacity Building Challenges

Counterpart is very aware of what it takes to build organizational and multi-organizational capacity. They have also demonstrated through their programs how good the organization is at

helping SNGOs build their local capacities and multi-organizational capacities. However, there is a strong concern stated by the vice president:

even though we teach others about building core capacities like training in board development, are we really doing with our board what we are teaching others to do? We are teaching others about diversification in funding bases, are we doing it sufficiently ourselves? We say one donor is not healthy, so at Counterpart at the next phase of development is to diversify our funding. We need to move beyond the reoccurring dependence of donor-grantee relationship and build partnerships with corporations.

Another challenge facing Counterpart is the enabling environment. Counterpart's NIS experience demonstrated the critical role the enabling environment plays in fostering and strengthening the NGO sector. That is the legal framework that local NGOs operate within. NGOs need the right enabling environment to include a regulatory, legal and fiscal framework within which NGOs and local organizations can operate. This affects legitimate registration and existence of NGOs. For example, are there laws which create incentives for corporate giving to nonprofit organizations as in the United States? If NGOs develop micro-enterprises to raise revenue for their charitable activities, can those revenues be taxed? A senior management member asked, "are there laws that allow organizations to freely associate? This enabling environment is critical for capacity building." To date, Counterpart has done considerable work in this area from creating NGO coalitions and professional associations to strengthening advocacy efforts on behalf of the sector. The continuance of such collaboration is essential in improving government relations and the creation of NGO laws and regulations.

Other challenges include domestic programming, public outreach and constituency building that impact the effectiveness of public outreach efforts and constituency building. According to vice president for programs:

we are not an organization that attracts a large domestic constituency, we have neither domestic programs nor international child sponsorship programs which attract private donations and build a constituency. We do, however, have a humanitarian aid program which has distributed over \$100 million in commodities to eight countries in three years and has receive virtually no publicity in the U.S. We also strongly believe in “lessons without borders” and will be seeking opportunities to partner with domestic agencies, such as Community Development Corporations to apply those lessons.

A fourth challenge for Counterpart is defining measurable indicators of the core capabilities identified in the capacity building process. Currently, in terms of indicators, they use things like increase in memberships or dues, services to clients/members, program revenues and public outreach programs. When asked about the importance of certain indicators, one person mentioned, “when identifying indicators it is important to keep in mind managing for results and distinguishing between an output, such as the number of babies fed, and an impact such as the reduction of malnutrition.”

The former director of USAID recommended that USAID look more at the assessment piece of the NGO. He suggested that USAID look at Counterpart’s history, mission and objectives, strategies, etc. in human development activities. Understanding the whole process is very important, not just the number of lives saved. This would include things like the technical and human capabilities of the organization delivering the services. Since Counterpart is transferring skills to help local NGOs deliver the service, the focus should be at the other end too. What are the increased in revenues, number of volunteers and services to vulnerable population, and increase in public outreach over the base line? What are the institutional strengths of the organization? Unfortunately, this is a difficult transition for the donor to make, especially since it is less expensive to monitor with quantitative impacts. Therefore, an ongoing challenge with Counterpart and many other organizations is how and why indicators are developed and used.

Christian Reformed World Relief Committee - CRWRC

A Bold Hope

CRWRC, the humanitarian assistance agency of the Christian Reformed Church in North America, was founded in 1962 as a nonprofit Christian organization focused on caring for the poor of the world. The organization is known for its rigorous reporting of measurable results and its work at developing ways to enhance organizational capacity. Working in 30 countries, CRWRC is partnering with more than 130 organizations around the world to build collaborative relationships that increase organizational capacity and empower the poor. These organizations are all owned and staffed by nationals and are registered as legal entities within their respective governments for the express purpose of community development. CRWRC helps SNGOs increase their ability to manage and sustain themselves. CRWRC promotes growth of civil society through training, consulting, sub-grant management and specialty programs.

CRWRC started out as the disaster response effort of the Christian Reformed Church in North America. Developmental projects came later in an attempt to develop more preventative interventions. Later, the agency developed the strategy of working with and through partner organizations in the countries and communities where they served. This was an attempt to address the issue of sustainability. In very recent years, CRWRC shifted its emphasis to capacity building in the partner organizations. As a result, CRWRC began to see how collaboration with others built its own capacity. The organization is now moving to develop what might be called macro or global collaborations among various sectors of society which will build capacity among the poor as well as enabling the poor to bring about change in the Northern sector.

Under the leadership of John DeHaan who came to CRWRC 22 years ago, the organization moved with great rigor into managing by objectives and results and insuring measurable outcomes. Concentration decisions about what the agency would and would not do were made. The organization strictly focused on institution building, child health, adult literacy and income enhancement. Very clear lines of responsibility and authority characterized the organization. Efficiencies and cost effectiveness were stressed. Strong themes of specialization and pride of performance as well as competitiveness came to characterize organizational culture. The system began to close and ossify both among the internal departments and across the organizational boundaries in relationships with the denomination of which CRWRC is an agency. As a result, the past year has been a year of radical restructuring as the agency has shifted to a completely team-based model. This is intended to enhance creativity, flexibility, responsiveness, participation and the quality of long-term outcomes.

CRWRC has a 52 member board of directors. The headquarters is in Grand Rapids, Michigan, and in Burlington, Ontario since the denomination that operates the agency is a bi-nationally based denomination made up of approximately 700 churches spread across the United States and Canada. There are about 30 home office staff. In addition, there are 25 field offices with over 35 staff working in Cambodia, Philippines, Indonesia, Bangladesh, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone, Dominican Republic, Equador, El Salvador, Haiti, Guatemala, Honduras, Nicaragua, Kenya, Malawi, Tanzania, Uganda, Zambia, South Africa, Laos, Rwanda, Russia and Romania. CRWRC's annual budget is approximately \$US7 million to CRWRC US and \$CDN4.6 million to CRWRC Canada. Eighty-five percent and sixty-seven percent of revenues and support are received from churches and individual contributions to CRWRC US

and CRWRC Canada, respectively. The remaining parts of their budget comes from government grants, other funding agencies and interest income.

CRWRC values involvement in the lives of the poor. In 1998, they are offering opportunities for individual, family and group participation in making the world a better place. For example, CRWRC will sponsor five Discovery Tours to introduce its programs and people at ground level while providing opportunities for service, adventure and life-changing experiences. The mission of CRWRC is to enable the needy of the world to become complete persons in Christ and hence to increase, in the most cost effective manner possible, the interdependent functioning of groups by helping them to identify and solve their major problems and embrace their opportunities.

Major Strategic Initiatives and Programs

The compassionate and loyal support of the Christian Reformed Church is the foundation of CRWRC's existence. The agency is the expression of the church's deep commitment to justice in society, to compassion for the poor, and is a reflection of the great strength of the denomination to build strong, stable and effective institutions to convey its values. CRWRC focuses its effort on helping others meet significant development challenges. Their core strategy is to start where the people are and work with what they've got. They believe that development is the process that transforms people and their surroundings. CRWRC's goal is simply to work with the poor to improve their quality of life.

In the original design of CRWRC, there were three major strategic initiatives of the ministry programs: relief, development and education. The agency can be said to have developed those

three areas of expertise in that sequential order. Formed to enable the denomination to respond to crisis situations in the world, the agency became known as the denomination's relief and disaster arm. Very soon, the agency identified the need for a developmental approach which would enable the poor to move toward self-sufficiency. As CRWRC developed expertise in this area, the justice dimensions of poverty came more urgently to the agency's attention. The denomination in which CRWRC is based has a strong theological foundation and a rich history of thinking clearly and acting assertively on social issues. In the last five years, CRWRC added a developmental education dimension to its work. The main focus is to help the membership of the denomination to understand and respond appropriately to issues of injustice and poverty, both individually and collectively.

Relief programs range from tornado response in the Midwest to resettling refugees in Rwanda. CRWRC provides relief assistance to communities that are flooded, destroyed by tornadoes and hurricanes and experience other natural disasters. For example, in 1997, CRWRC Disaster and Community Services (DRCS) volunteers provided assistance to flood water washed communities in Colorado, Minnesota, Manitoba, North Dakota and California. Throughout the world, CRWRC has provided over half a million metric tons of grain to hungry people in Africa, Asia, the Americas and Europe. In the summer of 1997, a \$4.5 million shipment of wheat was sent to North Korea to respond to an incredible famine that plagued that nation for most of the previous year.

CRWRC is still very active in disaster response, keeping a large pool of trained volunteers ready to respond to disasters, specializing in needs-assessment and reconstruction. All around the

world weather and war are causing bigger and bigger needs. CRWRC is working with its field staff to increase their capacity to respond. During the past year CRWRC has been active in over a dozen disaster sites around the world, including several in the United States, Guinea, Kenya, Mexico, Rwanda, Ethiopia, North Korea, Sierra Leone, Burundi, North Korea and others.

In Justice Education activities CRWRC has been active in developing a "code of conduct on the human right to adequate food," with the Canadian Food Grains Bank of which CRWRC is a member. The agency also co-sponsored an educational conference with Bread for the World, funded by a USAID grant. In addition, CRWRC works closely with the denominational coordinator of Justice Responses, developing analysis of issues such as political detainees in Nigeria and U.S. government policy regarding Sierra Leone. A new initiative just under way for the agency's justice activities is to develop a program that will place members of the denomination in program areas in which they can give short term volunteer service, and at the same time be helped to understand appropriate Christian responses to justice issues in the countries where CRWRC is active. Staff positions to develop justice education and service learning are being created in each region of CRWRC activity.

There is a proverb that CRWRC stands behind: "give people fish, and they'll eat for a day. Teach people to fish, and insure them a place at a healthy stream, and they'll eat for a lifetime." There is the Peter Fish project that calls churches and families together to work with the poor by "teaching people to fish" through programs in literacy, health education, agriculture and income generation. CRWRC feels strongly that by being "in relationship" with people and showing

them what it means to be “in relationship with the living God,” CRWRC develops communities, families and individuals.

Development programs are spread among 30 countries in Asia, East Africa, Latin America, North America and West Africa. For example, in Bangladesh, CRWRC has been experimenting with savings and loan groups that use only the capital that the group itself can put in, with no capital inputs at all from CRWRC. In Latin America, velvet beans have been studied thoroughly and introduced widely as a crop suitable for poor farmers. In Tanzania, market women are organized to make good use of credit and to build their own capital. In Kenya, CRWRC is experimenting with linking North American entrepreneurs with Kenyan counterparts, to develop local businesses, to create jobs for the poor and to develop new products that appropriately meet the needs of the poor at affordable prices. Haitian entrepreneurs are being organized to become a support group for groups of micro business persons learning to use a micro credit program in the poor communities of Port Au Prince.

At the most basic level, development activities in CRWRC's early years ranged from feeding malnourished children to helping a war torn community. These activities shaped the thinking behind the formation of CRWRC and many similar organizations in the 1960s and 1970s. In the 1980s, the focus shifted from helping these people in poverty to organizing local groups in the community to be responsible for themselves and learn skills that will address future challenges. This also included developing community leaders. In the 1990s, the focus included building and strengthening organizations. Development had moved from a process of helping people to encouraging positive and sustainable change in a community. Therefore:

this final shift in focus for CRWRC has been from developing leaders to strengthening organizations. If development is a belief in the potential of the poor, then organizations provide the resources that put these beliefs into practice. Organizations train leaders. Organizations turn a belief system into a movement. (CRWRC, 1997, p. 187)

Community development initiatives, as noted elsewhere, have concentrated on capacity building at local, regional and national levels, as well as adult literacy, income generation and child health. CRWRC has put a great deal of time and energy into developing a rigorous system for setting measurable objectives and results in each project. All programs are monitored monthly and reported quarterly. CRWRC's "standard operating procedure" for its programs is to partner with a local development organization with shared values, and then to develop programs that build capacity in the organization as well as in the communities of need served by that partner. Objectives in both the community and in the partner's organizational capacity building are monitored.

In addition to these three major strategic initiatives, capacity building is a central part of the strategic evolution of CRWRC in working with the international community. CRWRC activities include building the capacity of NGOs serving the poor throughout the world. They work with the staff of partner organizations to help them increase their technical skills in agriculture, literacy training or community organizing. They work with boards to develop capabilities in management, strategic planning and networking. They help SNGOs build organizational capacity which gives them the ability to use technology and resources efficiently and effectively. In working with partner organizations, CRWRC has redefined the terms *partnership* and *capacity* as:

partnership should not be a lopsided arrangement in which one organization provides the majority of the resources, directions and ideas. Instead *partnership* needs to be a reciprocal relationship in which both parties share ideas and learn from each other. Both organizations need to be willing to change as a result of the partnership. In this context, *capacity* is not something that one organization has and can give or teach to another organization. Instead *capacity* is something that is built when two organizations are able to work together to find the best ways to work with the poor in a particular setting. (1997, p. 188)

CRWRC sees the next generation of learning as developing ways to build global collaborations. This entails a collaboration of organizations (not just individuals or groups) that bring together North and South, rich and poor, profit and nonprofit. CRWRC wants to ensure that business, government, the church, as well as other sectors, are included in these collaborations, so that the gifts of the economically poor are shared with the gifts of the economically powerful, in such a way that relationships are enriched, justice is served, communities are built, and organizational and community capacities are enhanced.

Capacity Building Projects and Activities

CRWRC began its capacity building process and activities in 1970 when they developed its Skill Rating Scale (SRS). This was designed to assess the strengths of its partner organizations in five key areas: technical, financial, managerial, holistic ministry and governance. The SRS program was based on the belief that local organizations are the best executors of local development and that the role of NNGOs should be to provide consultation and training to local organizations to help them build capacity. For over the next ten years, this capacity building tool was used in Latin America, East and West Africa and Asia.

In the early years of capacity building, CRWRC's SRS system simply identified the characteristics thought to be needed by a partner in order to make it sustainable. CRWRC described it as a way to check on its own consulting. Was CRWRC's consultation resulting in

positive lasting change in partner organizations? But the SRS system had severe limitations: it was developed unilaterally by CRWRC, it was skill-based and individually focused and it was perceived by partners as a way to identify their weaknesses and give them a grade which limited its usefulness.

In response to the feedback from the South, the capacity model began to change. First, the terminology changed from SRS to OCI (Organizational Capacity Building) to reflect CRWRC's and their partners' changes in thinking. The language needed to better reflect what the agency was trying to define. It needed to shift focus away from individuals to systems and it needed to somehow move away from grading to learning and growth. With the change in terminology came further changes in thinking. Then, a USAID grant enabled CRWRC to spend three intensive years working on capacity building with more than 100 SNGOs. The activities of this program included every CRWRC partner organization. From that three-year learning process came new ways to think about capacity building as follows:

. . . in order to maintain integrity and effectiveness, organizational capacity building must be firmly grounded in partnership. . . . Required is a relational process in which each partner learns, grows and develops as a result of their interaction with the other.

A second finding was that capacity building works best when it is appreciative. . . . Organizations live and thrive not primarily because of their problem-solving ability, but because of a host of contextual variables. . . . Any viable system of capacity building must begin with and build upon these life-giving forces to reach its full potential.

Capacity building must always be context-specific . . . firmly rooted in its socio-cultural context, and based on its own contextualized vision of the future.

Capacity building can best be described as a process of leveraging knowledge through relationship.

. . . developing effective systems to monitor organizational capacity is vital. These systems must be contextualized, and developed by the organization itself.

In summary, CRWRC and its Southern partners learned that capacity building cannot be dictated by the outside. Furthermore, the importance of finding common hopes among stakeholders in capacity building relies on inter-organizational relationships and partnerships as well as appreciation, contextualization, organizational learning, mutual accountability, impact and results. With the OCI System, CRWRC works with its partners to enhance capacities and capabilities and build ownership within organizations that design their own assessment tools.

Capacity building in general offers the possibility of catalyzing locally-driven and controlled development that is more likely to be self-sustaining and self-replicating at a time when resources for external development promotion are becoming increasingly scarce (Brown, 1997). This statement agrees with CRWRC's strategy of working with organizations for limited amounts of time and creating sustainable change.

The latest capacity building initiative that CRWRC has undertaken is to model a process of global community capacity building for sustainable development. The goal of this program is to build global capacity for sustainable development. This rests on two very important assumptions about sustainable development. First, development must be built with individual communities that have sufficient capacity to transform their own context and where necessary learning how to build collaborations with outside partners that can create new capacities. Second the impact of individual communities are multiplied and global capacity is created when communities are interconnected and sharing resources, information and inspiration. This program will engage over 500 communities in Bangladesh, Haiti, Honduras, El Salvador, Zambia and South Africa. In keeping with its strategy of working with organizations for limited amounts of time, its goal is

to create sustainable change. What CRWRC adds is the focus on community level capacity and the desire to connect communities around the globe. CRWRC believes that with their partner NGOs they need to work their way out of the center of development. The sustainable service delivery must have its foundation in the grassroots.

This new program also has four sub goals:

1. Develop a methodology of community capacity building that includes all stakeholders in the community.
2. Establish a system of global capacity building based on a process of self-assessment and mutual accountability.
3. Create a communication process that will allow CRWRC to function as a flatter organization with less boundaries between staff, partners, board members and donors.
4. Document and share this process with the wider NGO community.

Capacity Building Challenges

The big challenge to CRWRC is to "scale up" the learning they have done, and use it at the level of global collaboration. Can CRWRC keep the intensely personal and relational quality of capacity building which was identified as the essential context and fulcrum for building increased organizational capacity when working with collaborations involving organizations both larger and more diverse? A related dimension of this question is whether CRWRC can (or is it willing to) continue to take its partners with the same seriousness when the stakes get higher and the challenges get bigger. A genuinely participatory process that is culturally contextualized is in the short run slow, cumbersome, tedious and inefficient.

CRWRC has learned some exciting lessons about how to build an appreciative, collaborative and contextualized learning process. Can the agency provide adequate space and flexibility within its highly technical, measurement-focused, mechanistic culture, to embed the new learning in the

face of pressure from influential stakeholders? The organization's experience so far is that stakeholders are excited when they actually get a taste, and CRWRC is restructuring itself into a team-based organization to ensure that its own culture will better reflect some of the values and strategies it has learned from its partners.

Pact

An International Development Enterprise

Background

Pact is an international nongovernmental organization (INGO) founded in 1971. Its mission is to contribute to the growth of civil society where citizens acting together can freely express their interests, exchange information, strive for mutual goals and influence government. This is accomplished by targeting efforts of strengthening the community-focused nonprofit sector worldwide and by working with strategic partners to identify and implement participatory development approaches at the community level that promote social, economic and environmental justice.

Pact is a leading facilitator of organization development for nascent and established NGOs around the world. Regardless of the sector being addressed: micro-credit, micro-enterprise, democracy building, environmental protection, nonformal education, or community health, Pact concentrates on strengthening the capacity of local NGOs to further their development goals.

The president of Pact is Louis C. Mitchell. Pact has a board of directors, International Advisory Board as well as both a New York and California Advisory Board. The headquarters is in

Washington, DC with 40 employees and another 200 worldwide. The senior management team consists of 10 people. In addition, there are 16 offices in 14 regions of the world. Pact's annual budget is \$25 million with ninety-five percent from USAID and five percent from United Nations and private funding.

Major Strategic Initiatives and Programs

Pact's strategic approach is distinctive in that they mobilize financial and technical resources to increase the organizational effectiveness of NGOs. Pact enables partner NGOs to establish independent relationships with government, donors, the media and business. Natural leaders become empowered to emerge and gain recognition as legitimate participants in public life. Through this approach, Pact acts as a resource and catalyst to accelerate, expand and sustain the strategic gain of grassroots community development around the world.

For 1997, Pact has implemented development programs in 17 countries in Asia, Africa and Latin America. These programs are divided into six areas: building and strengthening organizational capacity, forging public-private collaborations through coalitions and strategic alliances, building democracies, providing grant management expertise and organizational capacity assessment and designing and implementing exit strategies.

The first area involves developing managerially and financially competent NGOs so that they can develop initiatives toward sustainable solutions. Through training, technical assistance and sub-grant management, Pact helps NGOs learn the skills of basic operational competence like how to craft a budget and account for funds, supervise staff and administer an office, strengthen

boards and design, execute and evaluate action plans. Pact teams its field staff with organization development experts in-country and around the world. The training of trainers is integral to its strategy to build local organizational capacity.

In Nepal, for example, Pact works with over 900 local NGO partners in spearheading the largest literacy campaign undertaken in the country. Over a three-year period, Pact has trained more than 600 trainer-of-trainers and 19,000 facilitators who have in turn provided literacy training to over 550,000 Nepali women and girls. At the same time that these women and girls learned to read and write, local NGOs have gained such project implementation skills as monitoring program activities, accounting for funds and creating and completing reports.

Pact has developed a tool for organizational learning called *Lessons in Field Techniques (LIFT)*. *LIFT* is a collection of Pact world-wide empirical and anecdotal data indexed across Pact's six core areas of expertise. The goal is to collect information on project activities and "best practices" that can be accessed by country and headquarters staff. *LIFT* is used to identify areas of agency expertise, monitor and evaluate programs, identify trends within and between countries and address programming needs. *LIFT* is designed to highlight not just *what* is done, but *how* it is being done. Once information is collected and collated effectively and efficiently, *LIFT* is made available to other stakeholders such as the NGO community, donors and the public. The program director of institutional capacity building stated:

it allows us to demonstrate that Pact's capacity strengthening inputs correlate to measurable growth in the capacity of our partners NGOs. At present, much of this information is compartmentalized at the country level. *LIFT* will institutionalize this knowledge and will magnify the impact of a program beyond country borders. It will close the information gap

between headquarters and country programs and allow us to be a more effective and efficient organization in the long run.

A second strategic initiative of Pact is forging coalitions, networks and strategic alliances. Pact recognizes that effective coalitions and networks not only promote awareness of problems but advance sound plans for conflict resolution. Pact's initiatives spur NGOs to become more visionary and strategic in addressing common issues. Pact helps these organizations develop linkages among local, regional and international NGOs and between NGOs and governmental organizations, businesses, universities, the media and donor agencies. Strategic alliances have the potential to:

- magnify the impact of individual groups
- foster participatory decision-making
- ensure management transparency
- promote democracy within the NGO sector
- facilitate sharing information, resources and strategies
- diminish duplication of efforts by NGOs
- create commonality in the sector and complimentary projects
- develop long-term strategies for building constructive enabling environments for the NGO sector

The result is that all partners augment their resources and spheres of influence and learn that working together makes them stronger. Pact has developed coalitions and consortia at many different levels. In Madagascar, Pact helped facilitate a high level of cooperation between its local partner, the Malagasy National Association for the Management of Protected Areas (ANGAP) and its international conservation and development partners. In Indonesia, Pact supported the creation of an informal NGO network to advocate for HIV/AIDS issues and to provide a forum to share experiences and discuss potential solutions and strategies. Pact has worked to foster intra-sectoral partnerships between the NGO sector and the business sector. This has resulted in a variety of in-kind support for HIV/AIDS activities.

A third strategic initiative is building democracies. Pact believes that one of the basic foundations of democracy is the development of civil society. Pact has focused its work on activities of civic associations that promote social and economic interests and encourage public policies consistent with these interests. Pact further believes nurturing participatory development practices anchors democratic impulses. In fostering transparency and accountability in the work of NGOs and the promotion of a professional NGO sector, their initiatives help grassroots communities learn the basics of democratic engagement. Acting as a catalyst, Pact helps create positive environments for NGOs to work collaboratively with public sector institutions on a local, regional and national basis. Through participation in both governmental and NGO planning processes, NGOs learn to voice the concerns of grassroots communities and to help identify equitable development policies and human rights safeguards. At the same time, NGOs and local governments come to understand each other's unique roles in participatory governance.

Pact also helps NGOs advocate for legal frameworks within which they can operate and effectively deliver social and economic services. For instance, in Peru, 52 rural communities in the Cajamarca region participated in local development planning workshops designed to promote linkages between local governments and community-based development organizations. By fostering collaboration and strengthening relationships, five mayors and 24 local organizations from the public and private sector have drawn up development plans that offer the prospects of more sustainable development projects and diversified funding.

For Pact, democracy building includes:

- training NGOs in the development and implementation of advocacy strategies
- encouraging alliances between the local NGO sector and business, the media, universities and donors
- facilitating the transfer of responsibilities and knowledge to the grassroots
- handling policy formation with government ministries
- helping draft and support legislation that promotes growth in the NGO sector
- working with governmental organizations and nongovernmental organizations at the national, provincial and local levels

The fourth initiative is grants management. Pact has a 25-year history in directing large umbrella sub-grant programs around the world. This expertise has earned them high honors from USAID and other funders. Pact ensures accountability and appropriate reporting to donors through proven programmatic approaches undertaken by experienced resident field staff and backed by skilled administrative and financial management support. In addition, Pact has proven experience in its country programs in administering large-scale development initiatives involving multiple international and local partners. For instance, in Madagascar, Pact in cooperation with its Malagasy NGO partner - ANGAP - served as grants manager for six large integrated conservation and development projects designed to link sustainable income generating activities with the protection of natural resources. Projects teamed five international NGOs (World Wildlife Fund, CARE, Conservation, VITA and the State University of New York/Stonybrook) with local NGOs to test viable alternative social and economic development activities.

Other success stories of Pact's extensive experience in grant management includes: in Bangladesh, Private Rural Initiatives Project (PRIP) has managed more than 200 grants to local NGOs; in Nepal, more than 300 NGOs are implementing a nation wide literary campaign; in

Peru, local development activities are designed and implemented through sub grants and technical assistance to 35 local NGOs (Pact, Program Resource Handbook, 1997).

A fifth area is organizational capacity assessments. Building strong, effective, sustainable NGOs requires continual assessment of staffing practices, supervision, budgeting and cash management, field-based program practices, constituency development, information sharing and strategic planning. Pact's organization capacity assessment (OCA) methods have been used extensively in Africa, Asia and Latin America to assess local NGOs in developing countries and to suggest and guide appropriate training and technical assistance. Pact's innovations in OCA also include a software package to track project inputs and measure the impact of program activities on local NGO partners. Monitoring, Evaluation, Reporting and Information Tracking (MERIT) is capable of producing textual and graphical representation of organizational capacity in a variety of core capacity areas, as well as generating reports that satisfy the current results-framework requirements of USAID.

In partnership with the Education Development Center (EDC) and with funding from USAID's Office of Private and Voluntary Cooperation (PVC), Pact has also developed an OCA instrument specifically for U.S. PVOs and their partners. In addition to assessing organizational strengths and weaknesses in six core areas, the Discussion-oriented Organizational Self-Assessment (DOSA) helps PVOs create consensus around future organizational capacity development activities and enables them to assess over time, the degree to which such activities contribute to significant change.

The final program area is the development of exit strategies from the SNGOs. As the NGO sector grows, new intermediary organizations often take root to support sectoral as well as regional NGO interests. Pact believes that sustainable development programs depend on exit strategies (e.g. the planned, carefully phased hand-off of international programs to locally managed independent NGOs). With the dramatic reduction in public funding for international development assistance and the increased capacity of local communities to responsibly handle their own development needs, the design and implementation of sustainable programs takes on even greater urgency.

Pact is breaking new ground with exit strategies in several countries. For example, in Bangladesh Pact successfully implemented the transfer of the USAID-funded, Pact-run Private Rural Initiatives Projects (PRIP) to an entirely separate and newly established legally registered organization christened the PRIP Trust. The PRIP Trust is now a fully Bangladesh, managerially competent and financially sustainable agency, providing support to the local NGO sector while developing new concepts to build bridges to the business sector and stimulate alternative financing.

Pact also offers insurance and financial services to both NNGOs and SNGOs. They provide comprehensive health, disability and life insurance programs for employees and their families. In addition, Pact has a full-service publishing house that offers production and distribution services to the international development community. The mission of Pact Publications is to make the lessons of sustainable development worldwide more readily available to development practitioners, policy makers and educators. Pact publications gathers documentation in a variety

of fields including participatory training, small and micro-enterprise development, public health and AIDS prevention/education, gender issues and promotion of democratic pluralism.

A most recent and very important strategic initiative for Pact is the development of a comprehensive Management Information System (MIS) because Pact headquarters has no system to compare and contrast project activities over time and across programs. A MIS will build Pact's capacity to define how they do their work successfully. The MIS system will include an easily accessible database and allow users to manipulate the data for purposes that include programming, marketing, communications building and information sharing of best practices among programs.

Capacity Building Projects and Activities

Pact's core development approach is capacity building programming and projects. Pact focuses its efforts on the capacity of NGOs to function effectively and efficiently in their unique environments. Pact views capacity building as a three-stage process that moves NGOs from foundation/development to consolidation and finally to institutionalization:

At the foundation/development stage, NGOs are conceptualized, funded and become established entities. Pact accomplishes this through project proposal reviews, strategic planning, feasibility studies, funding and monitoring of NGO organizations. The second stage is consolidation of individual NGOs through building coalitions, consortia and strategic partners. This adds strength to the NGO community and builds consensus among its leaders. The third stage is institutionalization of the NGO community. At this stage the NGO community participates in policy advocacy and legislation. Institutionalization builds an enabling external environment where NGOs are free to associate, able to secure long-term objectives and participate in defining the development agenda of the country where they operate. Our programs work simultaneously on the activities in each stages so that an NGO's internal organizational capacity matures at the same pace as its external environment. (Pact, Program Resource Handbook, 1996, p. 7)

Pact builds organizational capacity by mobilizing and channeling technical, material and human resources into local NGOs that implement development work. The goal is to build the capacity of local NGOs so they are better able to cultivate their own resources for development. The ultimate goal is an independent NGO sector in the country.

When Pact begins a capacity building program, the first step is to complete a needs assessment of partners. At this stage, Pact builds rapport, understanding and trust with the local partners. This assessment addresses the needs of both established and newly emerging NGOs. This is a participatory process of self-assessment which enables country staff to set objectives and goals that coincide with the needs of the local NGOs. Following the needs assessment and the development of a strategic plan, resources are identified to help in achieving the stated objectives and goals. According to the program director of institutional capacity building at Pact, “management practices at Pact include a strong desire to use local skills and in-country expertise. Pact’s staff or outside consultants are used in a facilitating role or when local expertise is not available.”

Pact has developed several organizational assessment tools. These tools provide a map of an organization’s core capabilities and its strengths and weaknesses in each area. The development of these OCA tools is an outgrowth of Pact’s country programs in organizational capacity strengthening. The benefits of the OCA tools are numerous. They include: diagnostic instrument, baseline measurements, monitoring and evaluating progress, capacity building, educational, team building, training, technical assistance, impact assessment, audit and impact reports, rapid assessments and systems building.

Pact's OCA tools generally focus on the following areas of core capabilities of organizational capacity:

- external relationships (constituency development, funding raising, communications)
- financial resource management (budgeting, forecasting, cash management, financial systems)
- governance (board development, mission and vision statements)
- human resources management (staff training, supervision, personnel practices and administrative systems)
- information sharing
- organizational learning (informational resources, teamwork, information sharing)
- project monitoring and evaluation
- service delivery (field-based program practices)
- strategic management (planning and strategic partnering)
- sustainability (financial and programmatic)

Pact's OCA tools are tailored to country-context, rather than generic in nature and are designed through a participatory process involving Pact field staff, local partners and other donors. The process begins with a needs assessment and evaluation of key capabilities. Next, a design workshop may be conducted where participants identify and define the core and sub-areas of capabilities as well as the indicators to be measured. The process itself is capacity building in nature as it requires participants to create a common language around such concepts as organization development, capacity building, change and organizational values.

Since 1992, Pact has made great progress operationalizing OCA tools in Angola, Bangladesh, Botswana, Cambodia, Ethiopia, Madagascar, Peru and South Africa. Pact Ethiopia's OCA tool allowed the staff to identify and address project operational difficulties and revise the implementation plan. Pact's local NGO partners also have used OCA to improve functional capabilities such as accounting procedures and strategic management practices, as well as to achieve organizational transformation that cuts across all capacity areas.

In Ethiopia, Pact built on their experience in implementing OCA to develop an “expert system” to automate the tracking inputs and to measure the impact of program activities of local NGO partners. The software, called MERIT, is capable of producing text and graphic representation of an organization’s capacity in seven capability areas of effectiveness as well as by sectors such as micro-enterprise, democracy building, public health, education and child welfare. MERIT software generates reports that satisfy the current results-framework requirements of USAID. The software is now being adapted for use in Pact programs worldwide.

Although organization development, capacity building and capacity assessment have garnered a great deal of attention and support in recent years, there has been relatively little sharing of tools or methods among organizations. In 1996, Pact conducted a survey of 60 NNGOs designed to identify what capacity building tools were currently being used, and with what results, by the US PVO community. The findings of this research were used to develop and introduce the Discussion-Oriented Organizational Assessment (DOSA) tool. This tool is designed specifically for NNGOs and their partners to profile organizational capabilities in six critical areas: 1) organizational learning, 2) human resource management, 3) financial management, 4) strategic management, 5) external relations and 6) service delivery. DOSA was designed to:

- promote organizational learning and capacity building among PVOs
- assist PVOs in strengthening their NGOs partners
- enable USAID/PVC office to track the impact of its support to PVOs
- facilitate communication and information-sharing about capacity building within the PVO community

DOSA is written primarily as an internal organizational assessment. For the initial implementation of the DOSA project in 1997, the participation of 13 NNGOs was solicited. Pact then trained the participants on how to facilitate a DOSA session and utilize results to identify strengths and weaknesses within their organizations

The DOSA instrument encompasses three concepts rolled into one: a tool, a process and a service. As an organizational capacity assessment tool, PVOs and their partners use DOSA to measure and profile capabilities and consensus levels in six critical areas and to assess, over time, the impact of these activities on organizational capacity (benchmarking). As an organization development process, PVOs and their partners use DOSA to build capacity by bringing staff together in cross-functional, cross-hierarchical groups for open exchange; to identify divergent viewpoints to foster growth; to create consensus around future organizational capacity development activities; and to select, implement and track organizational change and development strategies. As a service, funded by the United States Agency for International Development (USAID) Office of Private and Voluntary Cooperation (PVC), PVOs use DOSA to:

- secure on-site facilitation and debriefing of organizational self-assessment sessions
- obtain training and certification in facilitation and administration of the DOSA tool
- receive comprehensive analyses of capabilities measured by the DOSA tool
- communicate with and receive information about the capacity building efforts of colleague organizations through the Internet

The DOSA and OCA are both tools used in examining capacity. By having a variety of tools that are contextually based, Pact adds a lot of flexibility to the field of knowledge. For example, they don't say everyone must use DOSA because it may not work for everyone. The program director of institutional capacity building said:

it is a capacity building measuring tool, but at the same time we don't want to cut short the opportunity to build indigenous tool. We want them to name the local tool in collaboration with their local partners like the local NGOs, the members of various boards of directors, key donors or municipal government. Then, we move them slowly into key areas of capacity. For example, what specific items that would be ask to identify as core capacities? So, we don't have one tool, but we do feel we have a solid process that allows for the development of several tools. With this process, we are trying to get it in writing and developing certain materials to have a methodology that embraces local context of the Southern NGO.

In addition, Pact has recently hired a full-time person to focus on organizational capacity assessment to develop a range of products because they are committed to the capacity building arena. Other organization development techniques used in capacity building by Pact are:

1. **Technical Assistance**

Techniques are used to improve the capacity of an organization in sector specific areas and are provided by consultants and Pact staff with expertise in this area. For example, in South Africa, the Black Entrepreneurship and Enterprise Support Facility (BEES) provided consultants in marketing survey techniques to emerging micro-enterprise businesses and entrepreneurs.

2. **Training Workshops and Seminars**

This includes the use of formal and nonformal education with the goal of improving organizational capacity. Training workshops are provided by professional trainers on pact's staff, consultants, or through contracts with other partners. For example, the Women Reading for Development (WORD) project in Nepal works with over 400 NGOs in a literacy campaign. This includes performing training of trainers so that the local NGOs can deliver their own literacy programs. To date, they have reached over 300,000 women and girls.

3. **Study Tours**

These tours are used to show in-country and foreign country participants new methods or ways of improving their organizational capacity in a sector. For instance, Pact Vietnam sponsored a three-week visit by the director of the people's coordinating committee to the U.S. to become acquainted with NGO philosophies and methodologies.

4. **Mentoring/Tutoring and OD Consultants**

One-on-one mentoring and tutoring with OD consultants are used to increase the knowledge of community leaders on specific issues.

5. **Direct Grant Support**

Direct grants provide financial support to local and international organizations that demonstrate their ability to achieve community-driven objectives. For Pact this has been one of the most effective ways to build organizational capacity. This allows for service delivery and organizational capacity to go hand in hand.

Capacity building projects are at the core of Pact's development approach to building civil society. Pact uses capacity building strategies to create a strong, self-reliant and sustainable NGO sector. Organization development takes time and any type of capacity building process is long-term. In the long-run, developing a local NGO's capacity to deliver service directly to the market instead of direct service delivery by the NNGO is more efficient because it leads to self-reliance, not dependency on external human and technical inputs. It is with the use of capacity

building tools that Pact facilitates the growth of civil society in the countries where it has programs.

Capacity Building Challenges

Organizational capacity assessment methods are fast emerging as the latest “wave” in a field punctuated by many trends, some lasting and others fleeting. Although there are a number of organizations that have tools for capacity building, the real challenge has always been to operationalize these methods. Pact’s success in developing organizational capacity is rooted in the operationalization of capacity building techniques that enable project beneficiaries to become their own “leading experts” through participatory methods such as OCA.

A bigger and much broader challenge is that the entire NGO community faces is to promote the NGO as its own sector and a profession:

Pact’s success in developing the capacity in these areas is achieved when the inputs of Pact can be correlated directly to the increase in capacity of the organization to work effectively in its environment. If this connection can be made, Pact has made a valuable contribution towards the development of the organization and in increasing its capacity. The challenge for Pact is to prove that the resources we commit towards developing the NGO sector are directly related to strengthening its capacity and sustainability. A country program and its stakeholders must identify the indicators that measure the success of the program to build capacity. (Pact, Program Resource Handbook, p. 8)

Summary of Case Studies

The presentation of these four case studies was intended to analyze the activities of four NNGOs who are actively participating in capacity building activities. To this point, no attempt has been made to interpret or synthesize the actions or activities of these four NNGOs, but rather to simply report in their words how their organization has embraced capacity building.

As mentioned in Chapter 4, the methods chapter, each case was selected based on its past, present and future activities in capacity building. The essence of capacity building is not solely identified with just one of these organizations. Each organization continuously grapples with some aspect of capacity building in the sector or targeted population which they are serving. For example, CEDPA focuses its capacity building efforts on the women and youth population while CRWRC focuses its efforts on the poor population of the world.

Even though each organization varies in size and structure and serves different populations, their missions, objectives and programs are that of building an individual or an organization's capacity in sustainable ways. In reaching out to help those seeking assistance, each organization uses a combination of training, counseling and networking or building partnerships. All of the organizations have partner relations with SNGOs, government agencies and international agencies. Some of the organizations have built relationships with the for-profit sector and other NNGOs. Therefore, as would be expected, all four of these NNGOs have taken aggressive steps to internalize and intensify capacity building activities into their organizational structure. Further, to the extent that they have developed networks and programs with SNGOs, they have worked on developing organizational capacity within their organization and within their partner organizations. Table 6.2 provides a summary of the four NNGOs.

When reviewing these four NGOs what is of most interest are the two distinct objectives which seem to continually exist within their actions. All four organizations operate at two levels. At the first level, they seek to accomplish an overriding objective through the building of relationships and networks with Southern partners. To this end, their immediate goal is to assist

the local NGO in building organizational capacity so that the SNGO can then accomplish its ultimate goals (e.g. feeding the poor, or helping women, etc). At this level, the NNGO is acting as an intermediary. They are helping those who will ultimately interact with the end beneficiary. On the other hand, all four NNGOs also participate in direct service delivery to some extent. For instance when CRWRC loads food onto planes and flies it to Vietnam without the use of a local NGO, they are accomplishing their mission in a more direct route.

While this distinction is subtle, it is interesting to note that two of the four NNGOs' mission statements (Counterpart and Pact) explicitly state that they work through others in order to accomplish their missions. The other two did not. Despite this, all four organizations have taken concrete steps to move away from direct service delivery. That is to say that the majority of their programs and activities are geared towards building SNGOs' capacity towards specific goals as opposed to actually providing the services themselves.

As presented, in the first part of this chapter, the four NNGOs have been written as case studies to serve as a vehicle for learning about a phenomenon (Kvale, 1996). The final part of this chapter presents what was discovered in terms of how these organizations answered the key research questions of the study. In several interviews, participants from each organization had the opportunity to respond to the main research questions of the study. Their answers are reported in a clear format that gives their interpretation of key capacity building concepts. The following information provided by the four NNGOs are quotes from extensive interview transcripts that best answer the key research questions.

Table 6.2: Summary of NNGOs

	CEDPA	Counterpart	CRWRC	Pact
Mission	to empower women at all levels of society to be full partners in development	to build partners' capacity in sustainable ways	to enable the needy of the world to become complete persons	to contribute to the growth of civil society and strengthen local leadership
Budget	\$10 million	\$16.6 million	\$11.6 million	\$25 million
Established	founded 1975 as a nonprofit educational organization	founded 1965	founded in 1962 as a nonprofit Christian agency of the Christian Reformed church in North American	founded in 1971 as an INGO
Target Focus	women and youth (boys and girls)	SNGOs and locally owned small enterprises	poor of the world	NGO sector of the world
Geographic Outreach	Africa, Asia, Eastern Europe, Latin America, Middle East and NIS	South Pacific, Central Asian Republics and NIS	Latin America, East and West Africa and Asia	World-wide
Strategy	promote positive change through partnerships, technical assistance, projects, training and advocacy through community based projects on women-oriented management and leadership	through formation of regional networks (i.e. FSPI) provides regional project coordination and support, information dissemination, training and technical expertise to deliver sustainable services and advocate on behalf of citizens	to promote growth of civil society through relief, development, education and capacity building by training, consulting, subgrant management, partnerships and specialty programs	to strengthen the capacity of local NGOs to further their own development goals and move towards sustainable solutions through training, technical assistance and subgrant management
Partner Relations	SNGOs, other NNGOs, government agencies, international agencies and U.S. based nonprofit organizations	SNGOs, government agencies, international agencies, corporations	SNGOs, churches, government and international agencies and most recently, U.S. corporations	SNGOs, other NNGOs, government and international agencies

A Synthesis of the North

Capacity and Capacity Building

As NNGOs move away from direct service delivery, the challenge is how to build innovative and sustainable capacity in their partner NGOs in the South. Capacity building is the

strengthening of the capacity of an organization so it can decide what to do and how to carry out its mission and activities efficiently and effectively. The first question asked of the NNGOs is what does capacity mean to them?

What is capacity?

CEDPA: It is ability and sustainability to be self-directed, to have intellectual and human resources to question, analyze and carry out an organization's mission.

Counterpart: It is ability. Capacity must be pragmatic and practical.

CRWRC: It is the abilities of an organization as to what makes it strong and sustainable. Capacity is connected, inter-connect and intra-connected.

Pact: It is the ability to function in critical areas.

In all four case studies, capacity was defined as the ability of an organization to achieve its mission. Each organization stated that “without capacity you could not deliver on your mission.”

A CRWRC consultant described capacity as “the heart of the definer as beauty is in the eye of the beholder.” CRWRC provided four metaphors to describe capacity:

capacity as rootedness, community, living system and shared commitments -- each one looks at capacity from a different angle. Together they show organizational capacity to be complex and multi-dimensional. As we move forward in seeking to understand organizational capacity, we are learning that we are not really going to fully understand it. And thankfully so, as it is more important for our partners to identify for themselves what are the ingredients for a good organization. We are learning that an organization reflecting good capacity is somewhat like a festive curry meal. There are staple ingredients that are understood as being essential -- transparent management systems, clear communication, participatory work approaches -- but there are also specific ingredients that can only be selected by the people of that place. And, in the end, it is only they who will be able to put all the ingredients together in a recipe and make a curry that will truly define what they and their communities cherish.

In Chapter 3, the definition of capacity was presented as:

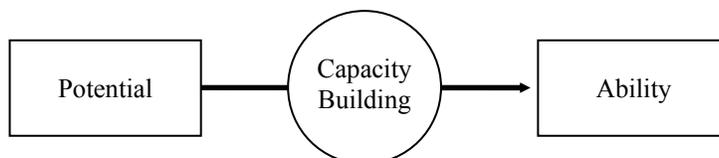
the ability or potential to mobilize resources and achieve objectives. It is everything necessary to construct the relationships required to achieve an organization's vision, mission and goals.

The only notable difference between the definition adopted in Chapter 3 and those presented by the four NNGOs is in the potentiality of capacity. According to the original definition, capacity can have a latent component. This is demonstrated quite readily by the SNGOs. While these

organizations have great potential, in some cases they may lack ability. So capacity, be it untapped, is present. On the other hand, an organization which lacks both ability and potential has no future. It is only when this *potential* is acted upon or “built” that it becomes *ability*.

Figure 6.2 Capacity Building: From Potentiality to Ability

Capacity Building is the continual flow from potential to ability.



It is quite evident from these four organizations that capacity is an essential ingredient of a sustainable NGO. All of the NNGOs’ programs are designed to tap into this latent potential and build capacity of individuals and NGOs to function effectively and efficiently in their environments. Each one described the importance of doing this through the development of clear visions, understandable missions, realistic goals, effective management techniques and proficient service delivery skills of NGOs.

While capacity was fairly easy to define, the same was not always true of capacity building. Despite their efforts and success in developing capacity building into a living practice, practitioners found it more difficult to come up with a clear definition of the term. In most cases, a definition was given by way of examples. To this end, the organizations provided many rich and colorful examples of capacity building activities. Such examples are included. The first one is CEDPA’s Empowerment framework that was developed by a Zambian woman. She said:

when doing international development, you must ask yourself what level are you working at? Is it just a welfare level, or a conscious level? Or, are we really working at where they are participating? Most of the programs in the past were about getting milk to moms for babies. But, with a mission of really building capacity, it is teaching them HOW to get milk.

Another story from CEDPA was in West Africa where a four year strategic planning program on sustainability activities was completed. They were doing regional training on strategic planning for sustainability in five countries. They invited people from all those countries to start talking about strategic planning and its benefits to the organizations. Next, they recruited West African consultants for technical assistance and follow-up. Then, they invited 30 SNGOs back to Washington, DC for further training in strategic planning as it pertained to the organizations' services for women and health. They all realized that the training served to help them understand how to build organizational capacity and how to sustain their services once they went back home. With the help of CEDPA, these 30 SNGOs created a network of their institutions. These women organizations felt that the power of many would be greater than individuals in maintaining and sustaining their institutions. These organizations felt that CEDPA's approach "is real grassroots, personal, empowering and participatory." Not only did they learn how to build organizational capacity but they learned how to do build organizational capacity through multi-organizational capacity.

A third example of building capacity is the Bangladesh Northern Evangelical Lutheran Church/Development Foundation (BNELC/DF). BNELC/DF is committed to serving the poor and needy through the planning and implementing of socio-economic development programs. CRWRC assisted BNELC/DF in a self-assessment and provided assistance to them in education, health, group formation, savings and the right technical skills development. The outcome was BNELC/DF had enabled its people to develop their potential so that their families and communities are now attaining a higher level of well being.

NGOs are much more mission led than their for-profit counterparts. This occurs for the simple reason that, it is this mission which provides the rallying point around which members, donors, contributors and practitioners unite. It is this living mission which drives the organizations' activities. However, having an attractive mission is not nearly enough. A mission is nothing without the ability to accomplish it. It is this ability which distinguishes successful NGOs, like those in this case study, with those who are destined for failure.

Building an organization's capacity teaches NGOs the basics of building an organization and implementing sound projects through relationships with others. In its simplest terms capacity building is building the potentiality that exists within an organization into functional ability. It is this shift or development that creates the organization and allows it to achieve its mission.

In turn, these relationships helped the individual organizations learn how to build their own organizational capacity. Based upon these examples and comments made by individuals at various levels within each of the four organizations, capacity building was defined.

What is capacity building?

According to the four case studies, capacity building is as follows:

CEDPA: it is instilling, releasing and encouraging ability, facilitating self-reliance. Capacity building happens when any organization pushes its boundaries -- a continuous process of developing and strengthening -- making us better able to serve partners in the field.

Counterpart: It is a process of an organization acquiring the resources or providing the assistance needed to help communities meet their needs.

CRWRC: It is a relational process of learning how to expand and develop beyond where you are and to progress toward a vision.

Pact: It is the process of examining the functional areas of effectiveness in an organization and applying cross functional remedial action to build those areas up that need it. In building capacity, sustainability is part of the equation and capacity building is forever evolving.

Capacity building is at the core of all these NNGOs' development approaches to building civil society and sustainable development. Capacity building is the process that ensures an organization as a whole has achieved its mission. These NNGOs use capacity building to create a strong, self-reliant, and sustainable organizations of themselves and for those they serve. In Chapter 3, the definition of capacity building was presented as:

a social process of interdependent relationships to build an organization's future to deliver on its mission, attain its vision and goals and sustain its existence. Capacity building is about pushing boundaries -- developing and strengthening an organization and its people so that it is better able to serve not only its target population but to consider the impact of all stakeholders.

In Chapter 5, this definition served the six SNGOs because each organization described how it builds capacity through social interaction with others as it acquires the core capabilities needed. In this study, the four NNGOs realized the importance of capacity building as a relational process because an individual cannot build an organization alone. Three of the four NNGOs specifically mentioned that they enhance their own capacity while helping their Southern partners build capacity.

This demonstrates an important point. It is the multi-organizational linkages which provide learning opportunities for all participants involved. By joining forces and developing relationships based upon trust, mutual growth and collaboration both organizations are able to build capacity. In other words, a NNGO cannot help a SNGO build capacity without also learning and growing from the interaction. Further, these relationships must be based on trust, shared objectives, dialogue and cooperation. Without these four elements the organizations will not develop a relationship in which each gains the desired benefits. An example of this is available by remembering the Budiriro Development Agency (BDA) case in Chapter 5. In this

example, the two organizations did not have a relationship based upon these important elements and did not benefit from the intervention.

In summary, capacity building is an on-going process and an organization has not stopped building capacity unless it ceases to exist. As long as the organization is alive, it can continue to learn and build its capacity. Earlier in this chapter, the four NNGOs demonstrated through their capacity building projects and activities that they can help SNGOs build capacity by many methods. Building capacity is a relational learning process that requires lots of patience and stamina.

Organizational Capacity

As these four NNGOs demonstrate, no organization operates in isolation. However, ultimately a successful organization must be able to function and sustain itself on its own. This is a lesson that was learned the hard way by these and other NGOs almost a decade ago. NNGOs cannot do things for SNGOs; they must teach them to do for themselves. They must build their organizational capacity. Any organization can seek help in building their ability, but in order to be sustainable they must be able to carry on what they have learned once their support mechanisms have been withdrawn. This is the essence behind organizational capacity building. Organizational capacity building is the most commonly known approach to building capacity.

The original definition of organizational capacity from Chapter 3:

is building the internal relational components of the organization that enable it to better use its resources (i.e. people, time and money) to achieve its mission, attain its vision and goals/objectives and to sustain these over time.

Organizational capacity building has been a fundamental part of all four NNGOs for some time now, and it is a lesson they have learned well. All four organizations have been very successful in implementing organizational capacity building into their organization as well as in those they serve. Their litany of successful dealings with SNGOs demonstrates their ability to assess and develop programs to build the internal components of an organization so that it is able to utilize resources and achieve its mission. Further, they have done so in a manner which recognizes the other organization's autonomy and need to function independently. Additionally, the lessons learned by working with SNGOs have proven valuable to building their own organization's capacity. By teaching others, they have improved their ability to accomplish their own mission. This is evident through their growth, sustained existence and effective use of resources.

What is organizational capacity building?

CEDPA: our view is the very internal relational aspect of CEPDA's people and systems is what builds organizational capacity. A really key part of building any organization's capacity is to have a strong sense of the organization's mission.

Counterpart: It is the process of building your organization's strength to deliver on its mission. It starts with strategic planning efforts like vision and mission development and board development.

CRWRC: It is an interorganizational construct, a process that occurs when an organization enters into mutually edifying relationships with one another to strengthen each other and to carry out its mission in the world more effectively. It is the acquired potential for sustainable growth, improvement and accomplishment.

Pact: Organizationally, it is functional to specific skills through external, strategic management (ability to examine external environment and modify it), human resources mgt. financial resource management and service delivery, or it could be a product.

The majority of all four NNGOs' activities have shifted over the past 10 - 15 years away from direct service delivery to working with SNGOs to build capacity. For the North to help the South build organizational capacity, they need to be responsive and flexible in working with their counterparts. This means that they must be responsive to today's needs of their partners and flexible to change based on their partners' needs and the environment. This was described

earlier in all four NNGOs' capacity building projects and activities. More importantly, they must understand the needs of the South from the South's perspective. And, this too has been realized by many NNGOs beginning in the decade of the 1990s. Fortunately with regard to organizational capacity, both the North and South are highly unified in their definitions. From Chapter 5, the Southern's perspective on organizational capacity is:

the limits to internal functions of the organization that help a NGO enhance its ability to manage its growth and change in a proactive fashion; to relate its objectives to the environment; and to maintain a clear purpose and vision that is sustainable.

While the language differs slightly, this Southern definition is similar to all five previous definitions in that it recognizes the importance of the internal functions of the organizations. These functions, called core capabilities, are the key to building organizational capacity.

What are the core capabilities that allow for building of organizational capacity?

CEDPA: We did some work with 16 NGOs and found that most often they asked for training in the following areas: business basics, community mobilization, financial resources, human resources, leadership, management, network and advocacy, organizational direction, structure and systems, program development, monitoring and evaluation, satisfied service delivery, strategic planning to be mission driven, technical sustainability.

Counterpart: We have a list of 14 training modules that train on generic capabilities of NGOs. Other capabilities are project design, organizational learning, key staff, quality control, technical expertise (in-house and outside of the organization), programming, marketing and money.

CRWRC: Our organization has five broad capabilities that build the foundation. These are: technical, management, networking and resource development, organizational control and holistic skills. Within each of these may be other subsets of capabilities.

Pact: There are a lot of capabilities, but we believe in letting each country develop its own set. However, Pact does have a target list of key areas: external connections, financial management, fund raising, governance (board development), human resource management, information sharing and systems (knowledge transfers), leadership, management, marketing, organizational learning, program and project management, service delivery, strategic management, structure and systems, sustainability and technical.

Despite their differences, all four NNGOs agree that organizations differ in their need for development of core capabilities depending upon the type of organization, location, mission, etc. For instance, financial management could be essential to a credit organization and may be much

less important to an environmental volunteer group. Therefore, core capabilities are best understood contextually. This is probably why all four NNGOs are so eager to accent their definitions with examples and/or explanations. Some examples are included for the purpose of illustration.

First, in CEDPA the majority of pilot projects have what is called an “experience phase.” In this phase, CEDPA’s sole intention is to gain knowledge and experience, properly define its priorities, expectations and action plans. They feel that in order to build organizational capacity they must truly become a “learning organization.” The director of personnel stated: “we are continuing to learn by learning to do. If you don’t take the time to understand what capabilities need to be reinforced you can’t possibly hope to do the right thing.”

Second, in Counterpart’s organizational capacity training programs with SNGOs, they institutionalize the training capability within a country on core capabilities like strategic planning, fund raising, financial planning and training of trainers as it pertains to that country’s environment. Counterpart has core trainers and contract trainers who train local NGO staff to do training on a specified number of modules in building core capabilities for organizational capacity that is most needed by the SNGO. The goal is that the organizational training function becomes institutionalized in the country and they can sustain themselves. For example, Counterpart catalyzed 70 independent NGOs in South Pacific. These organizations were mentioned by Counterpart as ones which evolved into independent local entities which did not exist before.

Counterpart is very aware of what builds organizational capacity. According to the vice-president of training and development for counterpart:

we have been dealing with capacity building issues for over 30 years. In my opinion capacity is a very fluid state, not static. In building organizational capacity, you must be clear about vision, mission and goals. You must have a core group of people in your organization who share that mission and vision. Whether it is to advocate on behalf of a disadvantaged group to promote economic development through micro-enterprise or serve the poorest of the poor, you must have a focused mission.

Capacity building is not static, it is very complex. First, you need solid management to support your vision. You need leadership skills in the organization as well as skills in public outreach, fund raising, etc. As a NNGO, we have to know how to do project design and proposal development which are critical to institutional development and project design assumes you have capacity to do needs assessments . . . so . . . monitoring and evaluation capacity is very important. There is a whole grid of key elements that builds the capacity of our organization like governance, financial management, accountability systems and procedures, management, public education which is not public outreach, but both are critical, but public education can generate constitutes and be built in. But not all organizations do public education beyond basic fundraising.

From learning about building their organization's capacity, Counterpart offers tailored capacity building programs to its Southern counterparts which helps them understand the process to enhance their organization's efforts. In reaching out to help others, Counterpart believes that capacity building is very contextual, individualized and not the same for everyone. The vice president for programs said, "there is no cookie-cutter approach."

As a third example, CRWRC did a three year organizational capacity building project with 100 of its partners and encouraged each region to come up with a set of their core capabilities. Table 6.3 displays these capabilities and one can see the overlap in **bold**. In a series of three days of interviews, Southern partners from West and East Africa, Asia and Latin America provided a list of core capabilities. They all agreed that there was both commonality and uniqueness among the groups. For example, everyone agreed that "management" was a key capability of organizational capacity, but how they define it and to what extent they use it is not the same.

Table 6.3: CRWRC's Southern Partners

Terms	Asia	Latin America	East Africa	West Africa
Capacity	the ability to maintain a high level of excitement and commitment to a mission of any kind	the ability of the organization to give itself life and maintain its life	it is the life-giving forces of the organizations with it the organization will die	it is the key things that allow an organization to grow sustainable
Capacity Building	the ability of organization to facilitate true and ongoing participation	it is the ability to continuously evolve all members in the organization into the formation of the organization	it is the ongoing interaction of the life-giving forces of the organization	the ongoing process of interactions of people and the organization
Core Capabilities	financial sustainability , human resources, leadership, management, mission & visioning, networking , and stewardship	autonomy, community, financial, leadership, people development, team work , and spirituality	communications, community, culture, empowerment, leadership, management, networking, spirituality, team work and technical "know-how"	administration, commitment, communications, community, financial, leadership, management, self-empowerment, people development , relationships, spirituality, sustainability, technical skills and vision

CRWRC feels that when an organization has grown larger or improved the quality of its programs or adapted to a change in its environment it has demonstrated capacity. The more immediate challenge is for the organization to sustain its work in the future. CRWRC's organizational capacity building process has concentrated on discovering what capabilities have enabled SNGOs in the past to achieve their mission and what capabilities will be needed to strengthen or build for the future. CRWRC provides the following analogy of organizational capacity to the health of a person:

Diet, exercise, rest, friendships, purpose in life, etc. all contribute to health but not all healthy people eat the foods or have the same motivations. In the same way organizational capacity is the synergy of all the different components of the organization -- the skills of staff, the vision and mission, the policies, the relationships with other organizations, the history of involvement in communities, the financial resources. These components do not define capacity by themselves but the right combination creates capacity.

Pact believes that one of the big problems is people have different visions of the right capabilities to build organizational capacity, but they are not really that distinct. Therefore, what Pact does is they have items within a survey that cover the gamut of capabilities and let the

recipient organization call it whatever they want. The bottom line is to cut it any way you want. An organization might want to look at cross cutting organizational issues in six areas of capabilities. So, Pact would argue it is not what you call it but the capability areas that allow for organizational effectiveness and sustainability.

In the interview transcripts and secondary data, the NNGOs provided a summary of the core capabilities where they focused their efforts to help SNGOs build capacity. These are also the capabilities that each NNGO focuses on internally as well. The results of this information has been compiled for the four NNGOs into Table 6.4. In order to facilitate comparison, this table uses a majority of the same core capabilities as listed by the SNGOs in Table 5.5 from Chapter 5. It is interesting to note that of those capabilities listed by NNGOs *advocacy*, *community mobilization*, *mentorship* and *needs assessments* are the only core capabilities that the six SNGOs in Chapter 5 did not explicitly state. By way of speculation, this could be because these elements are implicit in the developmental process. Where NNGOs see these as core capabilities, SNGOs view these as simply part of the process.

Table 6.4: NNGOs - Summary of Organizational Capacity's Core Capabilities

Core Capabilities	CEDPA	Counterpart	CRWRC	Pact
administrative	x	X	x	x
<i>advocacy</i>	<i>x</i>	<i>X</i>		<i>x</i>
board development (governance)		X	x	x
decision-making		X		x
communications system		X		x
<i>community mobilization</i>	<i>x</i>	<i>X</i>	<i>x</i>	<i>x</i>
financial management	x	X	x	x
fundraising	x	X	x	x
grantmaking	x	X	x	x
human resources	x	X		x
information sharing	x	X	x	x
leadership	x	X	x	x

management	x	X	x	x
marketing	x	X		x
<i>mentorship</i>		X		x
monitoring & evaluation	x	X		x
<i>needs assessments</i>	x	X		x
operational	x	X		x
programme	x	X	x	x
project management	x	X	x	x
relationship building	x coalition building	x association/ coalition building	x	x
research & development				
service delivery	x	X	x	x
strategic planning	x	X	x	x
structure & systems		X		x
technical	x	X	x	x
technology	x	X	x	x
training programs (educating members)	x	X	x	x

The above capabilities that will be essential to building an organization's capacity will depend on the mission and environment of that organization. The NNGO can identify what core capabilities are necessary for SNGOs through self-assessment and a dialogue about what is capacity and core capabilities.

Each NNGO stated that their goal is to build the capacity and capabilities of the local NGO so that they learn how to cultivate their resources for ongoing development. Many of these organizations described how they work through SNGO partnerships to build the capacity of the NGO community and slowly move away. This is accomplished primarily through training and one-on-one technical assistance. The NNGOs believe that they multiply capacity through creating relationships with other local, regional, national and international institutions. The next capacity building level looks at multi-organizational capacity as a point in which NGOs' external relationships are nurtured beyond its organizational capacity.

Multi-Organizational Capacity

All of these organizations studied described how the building of relationships through networks, coalitions, consortia and partners magnify the scale and impact of the work of an individual organization. This begins by building relationships that result in strategic linkages between local, regional and international organizations. Each organization, North and South alike, felt that when people begin to work collaboratively to achieve a shared mission or common set of objectives a synergistic effect took place which often lead to results being more than the sum of the parts. This is, in fact the definition of multi-organizational capacity.

The definition of multi-organization capacity from Chapter 3 is:

developing and nurturing the external relationships beyond the organizational capacity of its board, management, employees and volunteers. At this level, people are working collaboratively to achieve program or project goals. Together, two or more organizations are collectively pursuing a common vision, mission or set of objectives. It is multi--organizational capacity that magnifies the scale and impact of the work of a single organization through the support of partnerships, networks, coalitions and alliances.

At this point, it is important to take a step backward and provide some preliminary discussion delineating multi-organizational and organizational capacity building. It is appropriate here because of the nature of the work done by the NNGOs. In most cases these four NNGOs work with other NGOs (usually Southern) to build capacity. Are both organizations then operating within the realm of multi-organizational capacity? The answer is yes and no. For now, let it suffice to say that an organization can be operating in multiple levels simultaneously. For instance, when a NNGO teams up with a SNGO with the goal of enhancing the SNGO's organizational capacity, both organizations learn from the process and organizational capacity is built. At the same time, certain core capabilities related to multi-organizational capacity are inherently enhanced through this relationship such as collaboration, information sharing etc.

After all, it is through helping another organization build capacity that both organizations are learning to build multi-organizational capacity. This was originally alluded to in the study of the SNGOs in Chapter 5. This is an important distinction and will be expanded upon in the conclusion of this study.

With this preliminary understanding, the following statements illustrate how these NNGOs define multi-organizational capacity.

What is multi-organizational capacity building?

CEDPA: Multi-organizational capacity are the layers of steps of CEDPA intervention that allow us to accomplish more with less financial resources but more people resources.

Counterpart: It is the next step beyond organizational capacity building. It is the capacity building efforts that deal with partnership development, coalition building and strategic alliances.

CRWRC: Like organizational capacity, multi-organizational capacity occurs when a organization enters into a relationship with one or more organizations to strengthen each other and to carry out their respective missions in the world more effectively.

Pact: The multi-organizational is contextual based. Multi-organizational capacity can be accomplished through the building of strategic linkages between local, regional and international institutions. It can be the development of consortia and networks. These relationships if properly built will allow NGOs to share information, resources and strategies. It's about external relationships.

Once a NNGO begins its service delivery to a SNGO, it has begun the process of building multi-organizational capacity for itself and its partners. In helping SNGOs build capacity, CRWRC recommends to start with a generic set of questions to set the scene:

How do we work as a team?

How do we achieve collaboration and effective partnerships?

How do we maintain clear vision and mission based on values?

How do we develop, while retaining well qualified and motivated staff?

How do we develop stewardship?

For CRWRC, multi-organizational capacity would begin with mutuality in partnership:

to enter into truly mutual partnerships in the capacity building process requires a radical shift in the underlying assumptions about what capacity building is and who is responsible for it. . . . CRWRC staff and partner organizations have changed the capacity building paradigm to one of

reciprocity in relationship. They suggest that the desire for increased organizational capacity and the commitment to capacity building as a strategy for sustainable development are virtually universal. (CRWRC, 1997, p. 28)

CEDPA explains how it builds multi-organizational capacity from the instant it begins to work with an outside individual. For example, a CEDPA trainer from the Washington, DC office may work with a local person in the field. As a team these people put together regional training programs. This is where relational layers build up. The director of training explained:

By connecting a trainer with a team of local people in the field we can begin to outreach into the community. One example is a network with partner organizations who pay parents to let children go to school in Guatemala. Another example is where we give grants to Pro Women in Development (PROWP) and to organizations who are fighting for women rights to work with our program partners. We have policy programs, an ACCESS project, Better Life Project, and what we do is facilitate to bring leaders here for training to train the trainers how to build networks and linkages and the value of working in networks. CEDPA does not always go to the field; sometime we bring the people in the field to us. Therefore, each person can experience the other person's environment.

Counterpart has also demonstrated a unique capability in building multi-organizational capacity through partnerships with local and international NGOs, private sector companies, host governments and USAID missions. Counterpart has affiliates in Australia, Canada, Germany and the United Kingdom who identify and mobilize resources from over 150 national and international donors, foundations, corporations, individuals and governments in support of all their programs. Counterpart feels strongly that these affiliations are at the core of all their programs. Because of this, they feel are able to produce results far beyond what any single organization could hope to accomplish alone.

For example, Counterpart's VEST Program serves as a good model of multi-organizational capacity building. VEST is made up of strategic partnerships. Each team of NGOs is responsible for a sector. They have a large affiliate network in Germany and through this Counterpart Germany they can access Eastern Europe. They have developed Counterpart

Service Centers in Ukraine. These partnership projects are fully sustainable and are now funded by European local contributors. The VEST reports are all encompassing. Each participating organization had an equal voice and each organization was a key component to the whole project.

Pact also believes that multi-organizational capacity can assist in developing governmental policy, help in advocacy for the sector, and overall strengthen government and NGO relations.

Pact believes that partnerships magnify the scale and impact of the work of a single organization and its organizational capacity. The president of Pact claimed:

we are pursuing equally exciting partnership models with other international NGOs and businesses. Two new strategic alliances, both supported by USAID, augment our mission to build civil society and strengthen local leadership. The first, with International Voluntary Services (IVS), will allow Pact and IVS to explore the launch of national volunteer service programs in Asia and Latin America. The second, with the Prince of Wales Business Leaders Forum, which has linkages to businesses around the world, will permit the formation of three regional networks to share experience in business/NGO partnership, promote innovative new development initiatives and expand media coverage of cross-sectoral collaboration. In each of the Forum partnerships we will see new ways for business and NGOs to contribute together to sustainable development through the principled best use of our comparative advantages.

These examples support the proposition that organizational and multi-organizational capacity building co-exists. One rarely takes place without the other. Therefore, as organizations increase their multi-organizational capacity building efforts with others, they cannot forget to maintain their organization's capacity building efforts.

In summary, multi-organizational capacity can act as the "bridging capacity" between other levels of capacity. To the extent to which organization development is relational in nature, capacity building can take place by "building bridges" between organizations just as well as by "bridges" between people. Where two or more entities (whether people or organizations) come

together to build upon each others' strengths the relational process of capacity building takes place. When this joining takes place between people of different organizations we call it multi-organizational capacity building.

What are the core capabilities that allow for the building of multi-organizational capacity?

CEDPA: We believe it is the building of relationships with our partners through a host of forms that result in coalitions, partnerships, webs of networks to pursue a shared mission.

CRWRC: These capabilities are not as easily defined as organizational ones, but you still need everything accomplished at the organizational level if you are going to work with another organization in delivering a mission. First, each organization needs to know how to develop relationships or at least understand how important it is to have a relationship that results in a partnership of trust, hope, cooperation and mutual learning experience. Then, these relationships can take the form of partnerships, alliances as a start.

Pact: When working at a multi-relational level of building capacity, organizations need a bundle of capabilities that unlike organizational capabilities are not as straight forward such as coalitions, consortium building, constituency development, information linking and sharing, networks, partnerships and strategic alliances.

Counterpart: First and foremost, is to be opportunity sensitive and contextually based. Now, you are building a just world not just through your services but relationships, more specifically partnerships and the services of others. Consortium building and strategic alliances are critical here. So, you are now engaged in mutual problem solving. A method that helps here is the Appreciative Inquiry process that we learned from Professor David Cooperrider. Appreciative Inquiry forces one to see every problem as an opportunity . . . so it is an opportunity to structure our capacity. The next step in the capacity building efforts is to go beyond our boundaries to those of other, better yet it is seamless borders.

You need to promote synergy . . . it is key . . . also trust is critical in multi-organizational capacity. You must have trust in partnerships. Trust depends on relationship building of the individuals, it just does NOT exist because you have people involved. It evolves, you cannot impose it, it happens over time and it does not happen until one works together. If no trust you get competitiveness - professional jealousy not cooperation.

Counterpart has long recognized the importance of multi-organizational capacity to strengthen capacity in sectors critical to economic and social development of the country or region. The vice president for programs explained:

not every organization's culture is comfortable with collaboration or partnering because it involves giving up a degree of autonomy. In developing our consortium programs, we really have to keep in mind the interest of the group not just our organization. If you are the lead agency like us, the hardest task is to think of what is best for the whole not just Counterpart. It is a whole new way of thinking for any organization. The best consortia is the ones that allow all individual organizations to express themselves and have a degree of autonomy as they become part of a new partnership or entity that represents them.

The following table summarizes the four NNGO's responses to the question of core capabilities for multi-organizational capacity. Again the capabilities listed in *italics* (cooperation and strategic alliances) were listed by the NNGOs and not mentioned by the SNGOs in Chapter 5.

Table 6.5: NNGOs Summary of Multi-organizational Capacity's Core Capabilities

Core Capabilities	CEDPA	Counterpart	CRWRC	Pact
Collaboration	x	x	x	x
<i>Cooperation</i>		<i>x</i>	<i>x</i>	<i>x</i>
equal voice (dialogue)	x	x	x	x
information sharing	x	x	x	x
Linkages	x	x	x	x
Networking	x	x	x	x
participatory	x	x	x	x
partnerships	x	x	x	x
relationship building	x	x	x	x
<i>strategic alliances</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>
trust		x	x	x

Each organization described relationship building at the multi-organizational level to include: networks, coalitions, consortia, associations and support organizations. These relationships include not only the NNGOs and SNGOs, but the private and governmental sector as well. Through the successful building of these types of partnerships, it magnifies even further the arena of influence available to a NGO and the community it serves. With the proper linkages among all the stakeholders in the capacity building process, it can connect the needs of the people at the community level to policy makers in government or those in the private sector.

Multi-organizational capacity appears to be a continuation of organizational capacity where helping others to build capacity also help oneself build capacity. It is not a two stage process where first an organization builds its capacity and then moves to the next level of multi-organizational capacity. It is an interrelated relational process that a NGO cannot build capacity

in the absence of others. A program team leader from CRWRC said: “once you begin to implement your mission someone else is affected . . . it goes back to the old saying that no human being can exist as an individual and it is true of organizations too.” Therefore, organizational capacity is the internal relational focus while multi-organizational capacity is the external relational focus.

Global Capacity

These case studies have shown that the building of multi-organizational capacity between NNGOs and SNGOs can be a workable strategy for helping organizations to build or strengthen their structure so that significant development challenges can be met. But, many social issues are much broader than can be addressed on a local or even national scope. Many problems are global. Therefore, some NNGOs have begun to ask the question, “if working with a few organizations has a compounding effect, wouldn’t working with many hundreds of organizations be even better?” In theory, the answer is simply yes. In practice, there is little precedence for how to proceed in developing global capacity.

In a thorough review of academic journals and capacity building literature, there was very little information to be found on this concept. There was one book (not yet released from the publisher, Sage Publications) found called *No Limits to Cooperation: An Introduction To The Organizational Dimensions of Global Change* mentioned in Chapter 3. The lead authors posit that when it comes to a cooperative capability to build a global society that people and organizations are in the infancy stage. The book explores the potential of cooperation as a basis for organizing and understanding issues of global change. Therefore, global capacity is

definitely the least studied concept in capacity building. The definition that emerged in Chapter 3 based on this study is that global capacity is:

a cooperative social process that addresses the relationships between an organization and a vast array of stakeholders. At this level, organizations have the capacity to create and achieve a shared vision, mission and goals/objectives across borders. It is global capacity that results in people and organizations being integral parts of a connected and responsible global community.

In this study, the NNGOs have demonstrated that the task of achieving significant development challenges like reducing poverty or fighting against environmental degradation on a global basis is too great and complex for any single organization or group of people to handle alone. That is why NGOs from the North and the South along with other international agencies are acknowledging that cooperation needs to be recognized as a core capability to address significant development issues. Hence, the question was asked of these NNGOs:

What is global capacity?

CEDPA: having the capacity to link what we do in the field and our regions served on a global basis for a specific sector. This requires a mutual understanding of development and a shared vision for the future.

Counterpart: This is hard to define, but I can be sure of one thing when building global capacity you must let go and be flexible. Sometimes you do things in the best interest of a partner and not your best interest. It is when an organization in partnership with others expands a program or service on a global basis.

CRWRC: it is all about having direct relationship with all your stakeholders to help a sector such as the poor on a world-wide basis. It is having the ability to cooperate based on mutual respect and share goals.

Pact: It is when a diverse group of organizations (such as a NNGO, a SNGO, international agencies and local community groups) can join forces to meet enormous development challenges that they cannot accomplish alone on a global basis, perhaps in a single sector.

CEDPA said that they want to be a Global Social Change Organization (GSCO). A GSCO is an organization concerned with social change on a global basis (Johnson, 1992). The interim director of training's goal is to depict CEDPA as a GSCO and show that their core capacity building programs can be delivered and have impact on a global basis. CEDPA is already doing

this by means of linking what they do in the United States to their regional offices and then to the women's sector on a world-wide basis.

For example, one recent CEDPA sponsored activity was The Fourth World Conference on Women in 1995 in Beijing, China. The conference provided a comprehensive agenda for women's advancement. "The international conference in Beijing wasn't the World Conference on Women, it was the women's conference on the world," claimed Chief Bisi Ogunleye, CEDPA alumna, president of Network of African Rural Women Association, (CEDPA Annual Report, 1995, p. 6).

In building global capacity, another example of this would be CEDPA's ACCESS program for women. This is a five year, \$25 million program that will build a global network program in much of the world to link future women leaders together. These women travel to Washington, DC for certain skills training. Then they are sent back to their home countries where they are connected to a worldwide network. CEDPA also follows up with regional program in China, East Asia and West Africa. The director of training described this as one of their new programs with global outreach.

For Counterpart, they believe that even though the VEST program was a practice run on consortium building, and it started as an example of multi-organizational capacity building which they intend to expand on a global basis.

One of CRWRC's new challenges is to break new ground into developing global partnerships for sustainable development. They are working on a model to showcase effective and trusting partnerships throughout the world. This will be done by the creation of new solutions to address poverty issues through dialogue that is face-to-face and electronic. As far as the core capabilities to build global capacity, CRWRC feels that their organization and partners need to pay close attention to relationship building and cooperation. The team leader for this new partnership initiative said:

In 1962 CRWRC established World Relief to transfer resources on a global basis through its Disaster Resource Relief (DRR) Programs with over 1000 volunteers. In 1970s, we reorganized to do community services for the poor. In 1980s, we learned to transfer skills and knowledge overseas to help the poor build capacity and in 1990s we are into partnerships. Over time we realized that direct relief services was not the answer. Today, we more truly share our knowledge base with our partners as well as they share with us. Our goal for the remaining part of the decade is to build global partnerships.

In a discussion of global capacity with Pact, the program director of institutional capacity building used the metaphor of the "holy grail" to describe it. He said:

the concept of global capacity is as exciting as the search for the "holy grail." But, as the metaphor suggests, it may be as ephemeral as the grail. The road to this "place" is through continued learning and practice with "capacities" that we do understand: human development and organizational capacity development. If the path from individual capacity building to organizational capacity building does in fact lead to global capacity, then the unit of analysis must be networked institutions influencing regional or global policy. This will require a redefinition of: what is community? what constitutes "global stakeholders"? and a serious look at the axiom "all politics are local"!

In the interviews, it was a challenge for the participants to put into words what global capacity meant. Only one participant provided insight into what he believes are some of the core capabilities needed for an organization to have global capacity as:

effectiveness and efficiency in handling routine recurring "organizational" processes; flexible strategic change/repositioning in relation to the external environment; inter and intra-sectoral consortia/networking on a global level; cooperative relationship building, optimization of advanced information technologies to mobilize constituents and educate global stakeholders.

Korten (1990), in a spaceship analogy of our world, described the importance of cooperation: "life on a spaceship can be sustained only through the cooperation of all of the spaceship's

inhabitants. Each must feel the stake in maintaining the system and be willing to accept its allocation of available resources as just” (p. x). As information and communications technology and transportation continues to bring the world closer together and interdependence of the environment is recognized, it becomes clear that our future depends on new forms of cooperation between and among citizens of the world.

Is global capacity then simply multi-organizational capacity taken to the extreme? It is after all many organizations working in harmony toward a shared objective or goal. At the same time, however, it also possesses characteristics which transcend multi-organizational capacity. For starters, global capacity is not geographical in nature. While at the lower levels, organizations work to solve specific problems in specific areas. In contrast, global capacity appears issue based. From this perspective the issue overshadows the local or regional components of the problem and transcends geographic boundaries. It places the global issue above those of any individual region or country. For instance, fighting global environmental issues does not necessarily mean that every region in the world must improve their dealings with the environment. In contrast, some may do better while others do worse, as long as the sum change is for the positive. This is subtle yet significant difference. In order to be effective, global capacity must be driven from a global vantage point. The focus cannot be on any particular region but on the aggregate change.

Since developing this global vantage point is rare (if not impossible) for any single organization (whether it be an NGO, government or other) to develop, many organizations must work in harmony to share information and resources. Further, to share in the name of the overall good

requires organizations to ignore the outcomes in any particular location while focusing on the big picture. This places immense demands on the level of trust and cooperation between and within these organizations. Therefore, only those who have developed great skills at both the organizational and multi-organizational levels should consider developing their global capacity.

Summary

The contribution and quality of projects and activities that each of these four organizations have been able to do in capacity building is impressive. This chapter served two purposes. The first was to provide examples of highly effective NNGOs and how they are operationalizing capacity building at multiple levels. The second was to provide the NNGOs' perspectives of the key research questions.

From the Northerner's perspective, we learned that the process of searching for capacity building solutions must come from within the environment of the recipient organization. This means that the solutions should be indigenously rooted, so that capacity building can be built from the ground up. These efforts will lead to sustainability in the organization. It was also learned that NNGOs cannot provide the answers for the SNGOs; however, they can provide the assistance. By working in partnership, the SNGOs can create and implement their own solutions. Therefore, there exists a sense of ownership of the capacity building process. When the capacity building process as well as the solution is owned by the SNGO, they will be confident of their ability to create the future. Through this process, the NNGOs have shown that the SNGOs take pride in themselves and the strength of their people and community. It was also mentioned that the NNGOs value the input from the South and learn from them as well. The most helpful capacity

building intervention, although not explicitly stated, has been to promote an open dialogue in which relationship building and mutual learning can take place.

The NNGOs all mentioned that if solutions from the North are directly imported and imposed upon the SNGOs, it will create a dependency instilling a feeling in the SNGOs that they cannot help themselves. Then the SNGOs will not be capable of building capacity. Therefore, if the South is to be assisted by the North, they need a commitment by both sides. The models and tools provided by the North must be flexible to the South's environment.

Another important lesson that resounded repeatedly throughout this chapter is that capacity building is the building of relationships between and among people. Capacity building is a relational construct. This becomes more evident as an organization moves up the capacity building levels from organizational to multi-organizational and global. Therefore, in building capacity, each organization must understand each other's language regarding definitions of key concepts, must understand each organization's core capabilities of the past and the present and what capabilities to strengthen in order to be prepared to deal with the future.

If nothing else, this chapter provided a strong understanding of four successful NNGOs and their relationships with their Southern partners in building capacity. All four of these organizations have successfully made capacity building a living manifestation of their missions. All four have well developed organizational and multi-organizational capacity building programs. And, all four are well on their way to breaking new ground in the ever developing area of global capacity.

Chapter 7: Conclusion: Creating the Future

“All that is meaningful grows from relationships; it is within this vortex that the future will be forged.” -- Kenneth J. Gergen

The discussion of capacity and capacity building extends beyond the case studies and literature review presented here to multilateral and government agencies, universities and at international seminars all over the world. Despite the attention it has received, trying to define, implement, and measure capacity building has proven difficult. The Bangladesh Country Director for CRWRC described it best when he said, “the realm of capacity building suffers from a paradox: like other intangible wonderfuls, such as peace and happiness, everyone seems to see capacity as a good thing but no one is really certain what to do to specifically bring it about.”

In the beginning stages of this study, it was asked of the participants: “what do you hope could be learned from this study?”

CEDPA: We hope you can shed light on the how controversy of capacity building. The indicators are part of the what world but at CEDPA we are invested in the how to develop capacity. We also hope your study articulates what are the key terms in the field from a Southern and Northern perspective and how other organizations do capacity building projects. We need you to help us really understand what should NNGOs be doing and how to properly define it. Something visual would be helpful.

Counterpart: To understand who is saying what about capacity building, but perhaps you can provide us with not another model to say here is how you specifically build capacity, but how about a framework that will give organizations like us options to make choices about capacity building. How do we define how to build capacity between and among partners? That has been one of the reasons why this capacity building agenda has to move to the next level something beyond organizational capacity. There is something more to be understood besides how to build organizational capacity.

We need something user friendly for the capacity building field like a framework to use as a tool for decision-making to help understand capacity building efforts. Or, a framework to help assess effectiveness of programs and give us a structure to assess partners programs or where they should be in a capacity building process

CRWRC: We need a framework to understanding what capacity building entails. Our constituency wants to learn how to get people involved in capacity building arena. They also want to learn what other NNGOs are doing and what SNGOs are asking for. What does capacity building look like?

Pact: We hope you identify the gap between the literature and the field. Many studies provide something from a Northerner's viewpoint. There are few studies that provide information from a Southerner's perspective, why not a study that integrates both perspectives? Capacity building is so intangible. We like the idea about a framework for discussion and decision-making purposes for capacity building. Sometimes you learn that capacity building is a dynamic or circular process, but a framework can be linear to explain a complex relational process or issue.

The purpose of this study was two-fold. It was to understand the meanings of capacity building from the perspectives of both NNGOs and SNGOs and it was to discover the nature of capacity building as a process for allowing organizations to pursue their missions. The two goals and a variety of qualitative research tools allowed a capacity building framework to emerge. The framework helps summarize and unite the definitions, insights and guidelines to help organizations understand how to build capacity as well as identify the core capabilities for their organizations.

This study has incorporated the western literature and perceptions of Northern NGOs (NNGOs) as well as insight into the Southern NGOs' (SNGOs) views on key concepts of capacity building. Part I: Capacity Building: Key Players and Concepts, reviewed and addressed the literature that defines NGOs, basic concepts, metaphors and theories that guided the study. Part II: An Appreciative Approach to Capacity Building explored the ways in which NGOs pursue capacity building and answered the key research questions of the study. The study provided a transboundary learning experience of capacity building. It used an appreciative approach to bring people together across organizational and geographical boundaries and gain their insights through dialogue. The NGOs studied were chosen because to some degree they incorporate capacity building into their daily agendas, even though they focus on different populations and projects in different countries.

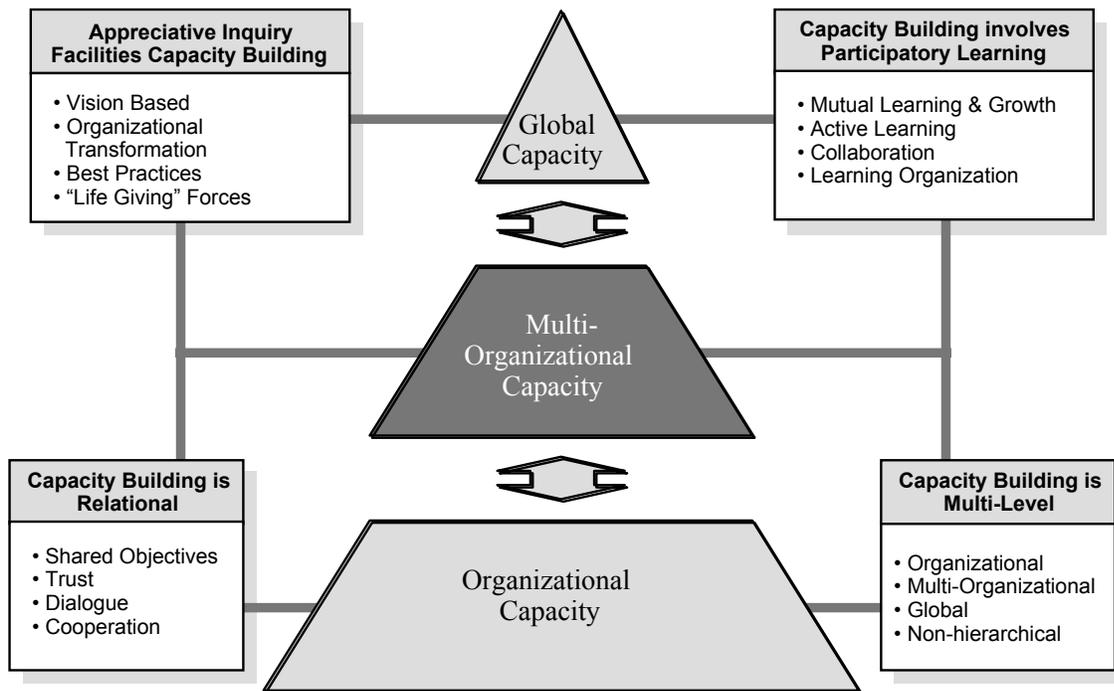
Depending upon the organization, it is hoped that this framework will allow each to better understand capacity building. It helps to clarify a direction, views, values and capabilities to create a learning environment for capacity building while at the same time become actively involved in creating the future. More importantly, perhaps, is its ability to provide a basis of common understanding for continued discussion, assessment and implementation of capacity building research and projects. In so doing, the framework offers both utility and value for NGOs, donor organizations, governmental agencies, researchers and policy makers.

To develop this framework, literature was reviewed to determine if any existing frameworks were available. None were found. Then, participants in the field were asked what would be the most useful product of this study. Unequivocally, they all mention the need for some type of framework to capture the capacity building process. Figure 7.1 offers this graphic depiction and illustrates the essential elements of this new framework. These elements form the foundation for the study's content.

Several central themes emerged from the development of this framework. First was the multi-level nature of capacities for NGOs. Three separate and distinct levels have been identified as organizational, multi-organizational and global. These levels are not mutually exclusive. Rather, they are highly complementary and inter-dependent. An organization can and often does operate at multiple levels at the same time. Second, the building of capacity is a complex process, and one for which there is no single formula for success. Many approaches can and have helped organizations build capacity. Finally, just as there is no one right way to build

capacity, an organization does not necessarily proceed from one level to the next, but the process of building capacity is non-hierarchical.

Figure 7.1: Relational Capacity Building Framework



In addition, this study has identified multiple underlying core capabilities for each of the three capacity building levels. While not the primary focus of this study, it is important to have a basic understanding of what these capabilities are and how they relate to the process. It is these capabilities which function as the building blocks by which capacity is built. The two important elements of these core capabilities are apparent: they permeate multiple levels of the framework and they are relational in nature. Tables 3.4, 3.5, 3.6, 5.5, 5.6, 6.4 and 6.5 list these corresponding core capabilities from a review of the literature, six SNGOs and four NNGOs. These tables demonstrated the fact that certain capabilities are important to the capacity building process at multiple levels. That is to say, many of the core capabilities that help build organizational capacity also help to build multi-organizational and even global capacity. In

addition, these capabilities are relational in nature. In other words, they cannot be developed in a vacuum. This was explicitly demonstrated in all 10 case studies which revealed that through relationship building, organizations were able to develop and strengthen their capabilities to serve their mission.

There are several key findings in this study. First, the capacity building process can be conceptually constructed in a multi-level framework. Second, capacity building is a relational process. Third, capacity building results in a participatory learning process for those organizations involved. Finally, the capacity building process can be facilitated through appreciative inquiry. The concluding section summarizes these findings from the study.

1. The Capacity Building Process is Multi-Level

Proposition 7A: Capacity building to be sustainable and effective is a pro-active integrative multi-level process of building an organization's future to exist beyond its initial funding or program activity at the organizational level. Building capacity at any level (e.g. organizational multi-organizational or global) will not be easy, but it is the key to NGO excellence in meeting significant development challenges.

Capacity building is a multi-level process. In the past, the term possessed an indistinct quality that was applied to a wide variety of concepts in all manners of NGO operations. By depicting the capacity building process with three distinct levels, a foundation for dialogue can begin with a common understanding of key aspects of the overall process. The process that emerged is analogous to building a pyramid in which each layer is distinct and separate but the strength of each layer depends on the strength of the others. It is noted that it is not necessary for any one organization to have all three capacity levels, but it does help to have an understanding of each level.

The first level is *organizational capacity*. This occurs when individuals begin working together “to build the internal relational components of the organization so it can better use its resources (e.g. people, time and money) to achieve its mission, attain its vision and goals/objectives to sustain its existence.” Members of the organization (e.g. managers and staff) cooperate to develop the organization’s internal capabilities. In viewing organizational capacity in this framework, it is the fundamental component of capacity building (and the foundation of the pyramid) because it is at this level that the organization assumes its identity and defines its mission (a mission which is indigenous to the organization, its people and the culture). In short, organizational capacity is based upon internal relationships which exist within an organization and through which the organization’s structure is defined.

Historically, capacity building interventions have focused at the organizational level of analysis, emphasizing the development of core capabilities and improvements in processes and organizational performance. Proposition 3B stated:

Capacity building has generally been addressed from an organizational and operational structure of NGOs, defined as organizational capacity. Limited attention has been given to two other levels of capacity: multi-organizational and global. As a result, some of the most critical capabilities of NGO’s capacity such as relationship building and the ability to cooperate have been overlooked.

As important as the organizational capacity level is, it can become so inwardly focused that it does little to address opportunities, challenges and relationships that are external to the organization. NGOs which focus too intensely at this level can develop internal paralysis by spending all of their time developing internal capacity and losing sight of their mission. Organizational capacity building does not fulfill a NGO’s mission but it does contribute to the organization’s ability to do so. This is an important point because it provides the basis for the distinction between organizational capacity and the two other levels. At this stage a NGO’s

focus is internal. In order for it to be successful, however, it must shift its attention outside the organization. It is when this shift in focus involves working with other organizations that the concepts of multi-organizational and global capacity are encountered, and organizational capacity can then be further built.

The second level is *multi-organizational capacity*. When an organization begins to work with other organizations, such as a SNGO with a NNGO, it enters this next level of capacity building.

Multi-organizational capacity is:

developing and nurturing the external relationships beyond the organizational capacity of its board, management, employees and volunteers. At this level, people are working collaboratively to achieve program or project goals. Together, two or more organizations are collectively pursuing a common vision, mission or set of objectives. It is multi-organizational capacity that magnifies the scale and impact of the work of a single organization through the support of partnerships, networks, coalitions and alliances.

Multi-organizational capacity has three important functions. First is to act as a bridge for the development of capacity at the other two levels. For example, before a NNGO can build global capacity it must first have strong multi-organizational capacity. In this sense, multi-organizational capacity is a stepping stone to global capacity. It is the means by which an organization moves from an inward focus to a global one.

Second, for the NNGOs, it provides a vehicle to deliver their missions in a manner which is far more effective than by actually providing direct service delivery. In all four cases, the NNGOs have made a conscious decision to reduce their service delivery efforts in lieu of providing multi-organizational capacity training to SNGO partners. It is this ability to link which facilitates a highly efficient and effective method of delivery and maximizes an organization's ability to accomplish its mission.

Third, multi-organizational capacity acts as a *facilitator* for the other levels of capacity. This differs from the bridging function in that it is multi-directional. Through multi-organizational capacity both organizational and global capacity are enhanced. It is the connecting capacity in the NGO relationship. The six SNGOs' case studies illustrated this point by demonstrating that engaging in multi-organizational capacity allowed them to build organizational capacity. Therefore, multi-organizational capacity enables organizational and global capacity.

Proposition 3D: Multi-organizational capacity needs to be carefully planned and targeted at the local, national, and regional levels. Multi-organizational capacity results in informal learning process on all partners involved which can enhance a partner's organizational capacity. Once NGOs understand the value of reaching more people within a community through relationship building, they will work at developing and strengthening their core capabilities to ensure that their efforts result in achievement of significant development challenges.

It is through the development of multi-organizational capacity that a NGO learns it cannot go it alone. In pursuing its mission, each NGO is part of a complex and dynamic web of relationships. Therefore, to have a significant impact on those they serve they must be prepared to work with each other. They need to develop a solid understanding of what it takes to build capacity beyond the organizational level.

The third level that is slowly gaining attention is the challenge of responding to global issues such as poverty, war and the deterioration of the environment. When organizations begin to address these global issues, they enter the third level of capacity building. *Global capacity* is:

a cooperative social process that addresses the relationships between an organization and a vast array of stakeholders. At this level, organizations have the capacity to create and achieve a shared vision, mission, goals and objectives across borders. It is global capacity that results in a cooperative spirit of people and organizations being integral parts of a connected and responsible global community.

NGOs which choose to focus on building global capacity must learn to cooperate and work together with individuals and organizations at all levels to create a critical mass of support for global social change. Cooperation is for the common good. For example, “given that NNGOs, SNGOs and governments in the South are competing for the same aid resources, an approach that encourages cooperation between them may be the sound and more sustainable option” (Eade, 1998, p. 20).

Many people in the field have criticized the concept of capacity building for being too idealistic and theoretical to be practical. However, these 10 case studies (six SNGOs and four NNGOs) have demonstrated how capacity building can be operationalized and sustained. In this relational capacity building framework, an organization’s efforts to build capacity is a function of the interplay of these multiple levels. Conceptually, it is important to see organizational, multi-organizational and global capacity levels as interacting and over-lapping. There is a danger to the organization of looking at capacity building in isolation or at one level at a time. Capacity building does not begin with organizational capacity nor end with global capacity. Rather, capacity building involves the whole network of relationships in society from those developed at the organizational level to the multi-organizational and global levels. Nor does capacity building dictate that an organization is confined to one level at a time. Organizations can and do operate at multiple levels of capacity building simultaneously.

Capacity building is concerned with creating and sustaining relationships of mutuality and reciprocity. As organizations operate within these levels of capacity building, it is important to remember that it is a multi-directional, multi-dimensional and multi-relational process. This

means that there is a need to focus on enhancing the quality of existing and potential capabilities that build the capacity level where the organization is operating. If done correctly, the process is not linear.

In summary, if each person makes a commitment to serve in the best interest of its organization by learning to cooperate and work in mutual appreciation of others, it can achieve its mission. This is first learned at the organizational level inside the company, then with outside organizations and finally with organizations throughout the world. The point is that if organizations can build a solid foundation upon which to serve their goals and then work together with others in a “spirit of cooperation,” they can collectively pursue their missions. Therefore, a starting point in joining together to build a foundation for civil society and sustainable development is the building of relationships.

2. Capacity Building is Relational in Nature

Proposition 7B: The only way to retain a holistic, relational approach to capacity building and develop the capabilities required for each capacity level is to work more in partnerships with organizations that share a common vision, mission, goals or set of objectives where the whole is more than the sum of the parts.

In a very real sense, capacity building is the building of relationships between and among people. It is a series of relationships based upon trust and shared objectives. Therefore, in order to work together for the common good, people must believe in and trust each other. Trust like capacity building takes time. In Johnson’s (1992) research on global social change organizations (GSCOs), she concluded:

trust involves building dependable relationships and demonstrating one’s true commitments over time. It means valuing the diverse cultures in which one is working, honoring traditional wisdom and permitting one’s own notions and concepts to be influenced to some extent. . . . As GSCO’s continue the slow process of building trust relationships, person by person, on issues of common

interest and concern, they will increase international capacity for cooperation and collaboration.
(p.410)

Trust is probably the most obvious foundation for any relationship and even more important in a relationship that crosses organizational and geographic boundaries. Limerick and Cunnington (1993) suggested three ground rules in managing trust: (1) a focus on equity and fair sharing, (2) a focus on the long-term aspect of a relationship and (3) a focus on leadership. They view trust as managing the soft issues of a relationship. It is trust that lies in the heart of any relationship.

In addition to trust, the relational aspect of capacity building implies a “give and take” element. It is a relationship of openness to dialogue and the mutual exchange of resources. Therefore, respect is of utmost importance between the partner organizations. If there is mutual respect and trust, it creates the right environment that allows for cooperation between and among organizations in building capacity.

Capacity building is a relational construct. In the definition, capacity is described as “everything involved to construct *relations* to pursue an organization’s vision, mission, goals and objectives.” It seeks to change the nature of relationships in a positive and uplifting way. In building capacity, organizations must understand each other’s language on key concepts in the field and appreciate their past and present strengths in order to be prepared to deal with the future.

A mission statement is enacted through projects and programs at the organizational level. NGOs depend on their people to have the knowledge to do the things necessary to achieve their mission; this knowledge is relational in that it is constructed by people. Whether these relations

are constructed inside or outside of the organization, the knowledge must end up inside the organizations (Hosking & Fineman, 1990).

Proposition 3A: Capacity building is a relational process of building an organization's future because it is not organizations which build capacity, it is people. Whether a NGO recruits people with strong individual capabilities or they develop them internally, it is the capabilities which are relational in nature that dictate the organization's potential for success.

In relationship building we must be open, flexible and transparent in relationships with the partner, collaborating in a participatory process of building capacity. For the organizations studied, building relationships has been the source of learning from one another (e.g. team learning).

3. Capacity Building is a Participatory Learning Process

Proposition 7C: NGOs must learn to value learning personally and professionally at all levels. Learning from the inside takes place among staff, board and management by direct interactions in decision making, sharing of experiences, visits to all levels of the organization, and workshops and training. In addition, learning requires input from the outside.

Hamel, Oz and Prahalad (1989) found that the organizations that get the most out of their relationships are those that set out to learn from each other. So, learning is important in managing the capacity building process. It has been stated in the management literature that if members of organizations constantly concern themselves with creating and understanding values, visions, mission, goals and objectives as well as experimenting with new processes and activities to ensure organizational effectiveness, these organizations are "learning organizations" (Senge 1990). Organizations grow and sustain themselves not only by learning from others within their organizations but by learning from their partners.

Mutual learning and growth is based on the relationships developed and nurtured among the many individuals, organizations and agencies involved in development. Oxfam, a British

poverty-focused NGO that works in over 70 countries around the world, researched and concluded that a mutual learning approach in building capacity “fosters participation and responsibility, both individual and collective; and promotes human creativity and solidarity, instead of reinforcing power and patronage” (Eade, 1998, p.191).

In this study, several times the classic proverb “give a man a fish, feed him for a day; teach him how to fish, and feed him for a lifetime” was recalled. It applies in this participatory learning process for both the NNGO and SNGO as illustrated:

Can we -- as NGOs, as donors as governmental extension services -- honestly claim to have achieved that much capacity in our own organization, we who strive to teach others? Have we really learned and mastered what we teach, have we been able to organise ourselves sufficiently to achieve meaningful impact? Can we not learn from our partners as well? (CDRA, 1995, p.2)

This study suggests that NGOs must become active learners in the capacity building process. In many of the assessment phases of building organizational capacity, SNGOs were able to self-reflect and self-assess their organizations. In five of the six studies of the SNGOs, they felt that the capacity building intervention allowed the organization to challenge its identity and build the necessary capabilities to sustain its organizational capacity. This seems to capture the basic philosophy and practice of the learning organization. Active learning has the capability to turn the reactive flailing organization into a proactive learning organization and when done at the multi-organizational level, it then becomes a learning community. Senge (1990) termed it as organizations “continually expanding its capacity to create its future” (p. 14).

Capacity building as a participatory learning process can play an important role in the future destiny of NGOs. Here, NGOs have the opportunity to “learn by doing,” “learn by using” and “learn by helping others.” In these case studies, learning was not something that took place

within a single organization. On the contrary, learning resulted in the building of multi-organizational capacity through a collaborative learning process of working together. To become a learning organization would require a transformation in the culture of many NGOs. Edwards (1996) concluded in his studies of NGOs:

. . . staff need to feel secure that in making time and space for reflections and learning they are not going to be punished; learning has to be legitimized by senior managers and the necessary resources protected. Learning has to be built into job descriptions (for senior managers as well as for front-line staff), and rewards for experimentation and inquiry should be built into staff appraisal systems, rather than (as is common today) action being taken to get rid of those who are seen as disruptive or subversive. (p.9)

Therefore, learning to learn supports the capacity building process at every level.

4. Appreciative Inquiry Facilitates the Capacity Building Process

Proposition 7D: Appreciative inquiry is an innovative, vision-based method of open dialogue to help organizations and their partners create a shared vision and mission of the future. As mission driven organizations, NGOs may benefit from the appreciative inquiry approach which invites us to work in innovative ways by seeking to learn and value the history of organizations, identifying and building on their strengths and creating and joining in partnerships.

Appreciative inquiry, like capacity building, is both a theory and a practice. It grows out of social constructionist theory and its application is for organizational transformation (Srivastva & Cooperrider, 1990). Three of the four NNGOs felt that appreciative inquiry allowed them to discover and to bring out the best practices of capacity building for their organizations as well as their partner organization. Several of the SNGOs alluded to the process as being “appreciative in nature.” Appreciative inquiry is based on the assumption that the best way to see the future is to value and learn from the past and understand what is happening now by “learning about the organization, its relationships and its environment; and by identifying and building on existing strengths rather than examining in detail problems and deficiencies” (Liebler, 1997, p. 31). For example, each organization was asked:

What is it that best seems to facilitate the capacity building process?

CEDPA: Like the methodology you have used to collect your data, we believe if we use appreciative inquiry from the beginning of our capacity building assessment process to learn where the people are that we are serving, it will give us a positive vision based initiative to build from. We believe in building on the best practices of the organizations that we serve. We used it in a few training sessions and the women feel so liberated. Appreciative inquiry has taught us to communicate in a positive manner with clarity, excitement and growth. At CEDPA, we believe that capacity building is dynamic and constantly changing. We are a metabolizing corporation, an amoebae. The successful people at CEDPA are dynamic and people never settle. We are never in perfect agreement, but always in dialogue and discussion on what builds capacity. It is also through training the trainers rather than CEDPA doing all the training over the world that we accelerate the capacity building process in other institutions.

Counterpart: We learned that when appreciative inquiry is enacted and diverse organizations are connected to one another through relationship building, everyone in a equal voice brings to the partnerships the exceptional and rich capabilities that give their organizations the life-giving forces to sustain its existence.

CRWRC: There are many OD methodologies available to build capacity. We like the appreciative inquiry method because it allows everyone to have an equal voice in a dialogue. It allows for free and full participation. Capacity building takes an eternity and appreciative inquiry is an-ongoing process that never has to end for an organization as well. I would suppose that any methodology that allows for valuing and participating each other uniqueness would help any organization understand what it takes to build capacity.

For over three years, the Global Excellence in Management Initiative (GEM) has made this process central to its work with over 50 U.S. Private Voluntary Organizations (PVOs) and with other NGOs worldwide. While there are many applications of appreciative inquiry in management and leadership, the same application is used in helping organizations build capacity.

It is based on a 4-D model:

a cycle of activities that guide members of an organization, group, or community through four stages: *discovery* - finding out about moments of excellence, core values and best practices; *dream* - envisioning positive possibilities; *design* - creating the structure, processes and relationships that will support the dream; and *delivery* - developing a plan for implementation (Liebler, 1997, p. 30)

Appreciative inquiry has a role in capacity building as well as a method of qualitative research. In helping the NNGOs build capacity, it emphasizes a collaborative process of open dialogue to help these organizations and their partners understand what they see happening when the organization is working at its best. This data can be used to help the organization create an image of “the best of what can be” for the future. The power of appreciative inquiry is in its

potential to create a visual image as the members of the organization participate in envisioning a mutually agreed upon and shared future. As the organizations identify and describe the “life-giving” forces of their organization, together they can discover and create the future of their organizations with energy, vitality and commitment. The positive language and affirmation fits with the value systems of these organizations. In addition, the process can be a helpful approach in any capacity building effort because it requires a “strategic vision, collective action, multiple parties and an empowering context for innovation and development” (p. 31).

The appreciative inquiry process mirrors the multi-level and relational framework of building capacity because it moves members of an organization “beyond organizational boundaries to form new relationships to get things done” (p. 37). Appreciative inquiry has been used with many types of organizations from private and public nonprofit organizations to for-profit organizations and government and international agencies worldwide. Although the focus of appreciative inquiry for NGOs has been to help them build organizational capacity, it has been most often used recently to help bring organizations together in building multi-organizational capacity. For example, appreciative inquiry was used to train a number of NNGOs and SNGOs in Harare, Zimbabwe to address the most effective ways these organizations could fight poverty and environmental deterioration. The approach helped to surface several important concepts (Mann, 1997, p. 41):

- common definitions in partnerships
- tools for building partnerships
- best practices for relating to partnerships
- plans for building future partnerships

Today, there is some experimentation in using appreciative inquiry processes and ideas on a global basis. To illustrate, it is being used to find a way to establish peace and human rights and

eliminate poverty and environmental degradation in the world. The United Religions Initiative (URI) is attempting to create itself as a GSCO to bring organizations together to address these issues on a global basis. By the year 2000, it is their goal to have this transboundary GSCO charter completed so as to allow anyone with an interest in the organization to be part of it. The preceding section generated some common themes relevant to capacity building. More work can be done to further test these propositions and the framework applicability to the field.

Capacity building has been around since the 1970s. During this time it has gone through periods of both prominence and neglect. Its apparent importance has waned with the demands of donor agencies. In the late 1970s to early 1980s, capacity building served as a catalyst to enable NGOs to serve longer term development missions. Then, the entire process almost slipped from existence between 1984 and 1989 when the donor agencies felt capacity building was no longer an important component of new funding projects⁵³. However, in the early 1990s, capacity building came back into style. According to a former director of USAID's PVC Office, "all of the sudden capacity building meant something and now everyone is listening to it again."

If nothing else, perhaps this study has established that capacity building can and should have a prominent role in the NGO world. More importantly, capacity building is not a fad, but a fundamental component to building successful NGOs. Capacity building concepts must become established as the fundamental truth of the organization not just something that is done to win the favor of donor agencies. By institutionalizing capacity building, NGOs can begin to develop traditions which embed these practices into the very mission of the organization.

⁵³ The gap in capacity building was also reflected in the literature review because from 1984 - 1990 there were hardly any articles on the subject.

Research Implications

A framework is a skeletal structure designed to support an overall concept. This framework does just that. It is intended to provide a basis upon which future research can be pursued. It is hoped, the relational capacity building framework offers a baseline of key terms, concepts and abstractions to facilitate further commentary on the part of researchers, practitioners and policy makers. However, in many ways it raises more questions than it answers. As with any project it was limited by time, resources and the intentions of the researcher. It is, therefore, with a mixture of apprehension, expectation and relief that this project now turns to the potential contributions that others may make to the many questions left unanswered.

In an effort to provide some direction for future research, the primary implications that result from this study can be divided into three main categories: research, management and organization development (OD).

With respect to the relational capacity building framework, there are several areas that would benefit from additional research. One obvious area is the need to determine how well this framework actually helps organizations work through the capacity building process. If the link can be strengthened between the understanding and effective use of these capacity levels and the efficiency of the organization in achieving its mission and sustaining its existence, it may become a useful framework for discovering what levels of capacity need to be strengthened for a single organization or its partners.

A second potential research opportunity lies in the generation of primary research on capacity building for SNGOs. This study concentrated on the way four NNGOs and six SNGOs build capacity. For the SNGOs, the research was an interpretation and synthesis of qualitative studies. Primary research should be extended to the Southern partners of the four NNGOs and other organization which work with one another to build capacity. Then, a comparison study could be done to see if they understand capacity building in the same way.

A large area of future research may deal with the core capabilities which underlie the capacity building levels. Much more can be discovered about how these core capabilities identified support the capacity levels. Which capabilities are the most essential? How do you measure these core capabilities? How does one develop the core capability of cooperation? This huge area of research has the ability to provide numerous potential studies and broad implications for both researchers and practitioners.

Finally, the area of capacity building would benefit greatly through a general expansion of the organizational dimensions of capacity building. Areas of research can include: Why should we measure capacity building? How do you best build capacity? Three of these four case studies of NNGOs just began to scratch the surface of how appreciative inquiry accelerates capacity building. And, a most challenging research question and task is how to operationalize capacity building on a global basis. These questions are all studies within themselves. There are many other possible research opportunities which could be based on this study, these areas simply represent some obvious directions. Beyond these research implications, there are management implications that should be considered for the stakeholders of the NNGOs and SNGOs.

First, much more needs to be learned about the effectiveness of different capacity building approaches. What are the implications of this relational capacity building framework for how NGOs in the North or South manage the capacity building process? What will the directors, managers and staff of these NGOs need to learn in order to more effectively build capacity? How are the NNGOs going to promote themselves as adding value in the area of capacity building of partners? Are these NNGOs applying these principles of capacity building to their own organizations? Finally, what capacity building criteria should donors and other agencies use to select organizations for grant distribution?

A second management implication is the need for a long-term vision and mission for the organization's future. Without a clear sense of direction and purpose, it is hard for any organization to build its organizational capacity, let alone think about entering a relationship with another organization. This long-term strategic thinking for SNGOs can require a whole reorientation of the approach to building capacity. As illustrated, organizational, multi-organizational and global capacity building are inextricably linked.

A third management implication is that NNGOs involved in building global capacity, must develop the other two levels (organizational and multi-organization) to direct and manage such programs on a global basis. The percentages of time and money that NNGOs invest in their own development are still extremely small (James, 1994). Global capacity building strategies require new capabilities and the strengthening of existing capabilities in the North as well as the South. Management must make a commitment in time and money to support this growth.

A final area of potential implication is for the OD professional. OD is an organization wide, planned effort with a goal of increasing organizational performance and effectiveness through planned interventions. In particular, OD has always looked at the human side of organizations. The ultimate goal of OD is to structure the environment so that the members of an organization can use their skills and abilities to the fullest to help the organization pursue its mission and sustain its existence. Hopefully, this study will provide some insight to OD professionals regarding the similarities and differences that exist between NGOs, especially from a Northern and Southern perspective. Furthermore, it may act to stimulate the interest of the OD professional to focus more closely on an area that will certainly prove to be a major source of growth and development, that of the NGOs.

Summary: Leading NGOs into the 21st Century

This study set out to interpret capacity building from a Northern and Southern perspective and to map out a framework to explain this process. It does not assume that all NGOs have experienced capacity building nor does it claim it should organize all NGOs around this relational framework. However, this study is more than just an interpretation of the North and South. It attempts to offer insights and guidelines into a new way of understanding capacity building and suggest ways in which NGOs can revitalize their organizations. The challenge was to find or create a framework that pulls together all the insights from the fieldwork, the literature and the meta-ethnography of six SNGOs.

Hopefully, the readers of this study experience an invitation to view capacity building as a relational process of creating an organization's future to better the world. This framework serves as only a beginning to help NNGOs, SNGOs, policy makers, donors and scholars dialogue about how best to go about capacity building. As demonstrated in the case studies, if capacity is being built and sustained, the visible outcomes can be:

- clarity of vision, mission, goals and objectives
- openness to assistance from the outside and new ideas/opportunity
- self-confidence, self-reliance and self-respect at the local level
- improved capacities and capabilities
- organizations and its people taking responsibility for their existence and future
- participatory organization development process where everyone is free to voice concerns and opinions
- new knowledge is created that is practical and useful
- important issues and needs of targeted population are addressed
- new relationships and responsibilities understood and accepted that will build capacity at other levels

Capacity is a living concept that has the freedom to grow and change through dialogue. It is much more than a set of skills. One person interviewed said, "often those organizations with the greatest capacity do not possess the skills but possess the spirit, enthusiasm and hope for change." If NNGOs and SNGOs are going to work together for the advancement of civil society and sustainable development, they will need the "spirit of cooperation" in which these organizations can work together to pursue their missions. To this end, this study provides an exciting opportunity to assist NGOs in their work for the development and expansion of civil society.

Appendix A: Highlights of Successful Innovations in Two Mega-Cities

An INGO - Mega-Cities Project

A Dual Strategy for Deliberate Social Change in Cities

A key activity of Mega-Cities Project is the processes by which grassroots organization expand their efforts. This activity is termed “scaling up.” Since 1992, Mega-Cities teams in New York City and Los Angeles have been working intensively with local grassroots groups and their leaders to transfer their best projects to other neighborhoods within and across the two megacities (and eventually to other megacities around the world) and to work with policy makers in order to influence public policy. This project identified over 100 leaders in each city, selected sixty innovations, and transferred their solutions. According to Janice Perlman, executive director and founder of the Mega-Cities Project, ‘the projects provide mutual support system for leaders and their organization; allies in other sectors; forum for exchange of ideas; exposure to global perspectives; opportunities to document and disseminate what they have achieved; and resources designed to enable them to scale-up and reach out.

Started almost ten years ago, the Mega-Cities Project’s network now includes 22 of the world’s largest cities. Each city has a Project leader located in a host institution and a steering committee. These collaborative partnerships include leaders from government, business, civic organizations, grassroots groups, the media and academia. The Mega-Cities Project global network is already functioning as transnational NGO voice to parallel the multinational corporations that are seeking profit and the international government agencies that are brokering power. In this configuration, the transnational NGO speaks for the interests of people.

Mega-Cities Project accomplishments have included sharing approaches that work, documenting and disseminating best practices and implementing a special project on urban leadership development. Mega-Cities Project promotes the transfer of workable solutions which are socially equitable, ecologically sustainable, politically participatory and economically viable. For example, in the Zabbaleen community in Cairo, the community overcame the stigma of garbage collection by converting waste into marketable products through micro-enterprises

using the profits to finance community development. This approach was replicated throughout the Bombay Municipal Corporations, a NGO network in Manila, and a community-based organization in Los Angeles, California. Mega-Cities’ projects provide theory and practice in the search for successful approaches to improving urban management and the conditions of daily life in world’s largest cities.

100 NGOs were reviewed that covered the following policy areas:

Policy Area	# of Orgs
HIV	4
Homeless	9
Child Welfare	15
Family Preservation	6
Social & Legal Services	2
Economic Development	8
Education	16
Affordable Housing	12
Health	6
Community Development	19
Environmental	6
Minority Discrimination	3
Women's Rights	8

(Note: Total does not equal 100 due to some NGOs falling into several categories)

Funding Sources:	NGOs Measures of Success:
<ul style="list-style-type: none"> • Private contributions (corporate and individual) • Foundation grants • Government contracts • Philanthropic Organizations • Public and private grants • Contracts & fees for services • Consulting Services • Earned Income 	<ul style="list-style-type: none"> • Concrete numbers • Ability to advocate at official level • Effectiveness of economic development initiatives • Improved financial and interpersonal skills • Multiple roles in the development process for community-based organization • Involvement in many other community projects • Low Housing rates

Critical Factors for Success of Grassroots Initiatives:

- Support services
- Coordination /collaboration with local service providers to meet needs
- Willingness to explore alternative methods of change
- Ability to foster positive attachment to strengthen a community
- Finding ways to increase funding and gain more access to private sector for support
- Historical presence
- Education to the community concerning their efforts
- Membership sustained (stakeholders in community)
- Flexibility, accessibility, accountability and independence
- Local government support
- Private and public funding, careful management of resources and support of community volunteers
- Commercial/professional philosophy and a “can-do” attitude
- Partnerships and alliances such as, cooperation of schools, law enforcement agencies, etc.
- Community-based organization willing to pool resources and work together to improve communities
- Grants
- Commitment, passion, persistence, and relationships developed, plus expertise and support required to develop successful program
- Charismatic commitments
- 9% of expenditures are used for the administration of project, while 91% of funds used for children
- The vision and commitment of the founders
- Strong and effective leadership and a Board of Directors that understand the problems facing the NGO
- The application of total quality philosophy is essential for developing and maintaining the supports of a diverse set of organization whose interests are often in conflict
- Many organizations started through personal saving and commitment of time and energy while seeking initial operating capital
- Respecting each client, empowering clients to meet needs and the use volunteers
- Following the trends and needs within the communities served

(Source: Volume I and II of Grassroots Innovations in the Greater Los Angeles and New York Areas)

Appendix B: NGO Types & Definitions

NGOs are nongovernmental organizations referred to as Private Voluntary Organizations (**PVOs**) in the United States. NGOs are playing an increasing role in civil society, international diplomacy, sustainable development and policy making of the United Nations. NGOs are well suited to act as leaders, facilitators and innovators in the relationships among governments, businesses and citizens.

Northern NGOs (NNGOs) are located in developed countries.

Southern NGOs (SNGOs) are located in developing countries. The term **local NGOs** and **indigenous NGOs** are used interchangeably with Southern NGOs. **SNGOs** focus primarily on issues pertinent to their local communities or country.

BNGOs are businesses that try to portray themselves as NGOs serving the nonprofit related needs of their customers.

CSOs are civil-society organizations that provide an important means of enabling citizens to participate in the political, social, economic and culture life of their communities and nations.

DNGOs are development NGOs that aim to promote and carry out development projects in popular sectors.

GCO are NGOs that focus on global change issues.

GONGOs are governmental NGO that are created by government to serve as instruments of public policy and action.

GROs are grassroots organizations that represent the communities at the local/grassroots level.

IAs are interest associations that represent special interest groups within a community.

LDAs are local development associations that represent an entire community on a general basis.

PGROs are profit making GROs like cooperatives.

GRSOs are grassroots support organizations that are an intermediary organization that work with and channel financial support to GROs. GRSOs are usually nationally or regionally based.

GSCOs are Global Social Change Organizations that are concerned with global social change of the common good as opposed to maximization of self-interest.

INGOs are international NGOs with a global focus on world issues.

NGDOs are NGOs development organizations in South Asia.

PINGOs are public interest NGO essential to the credibility of BNGOs.

POs are people organizations that represent the interest of their members.

PSCs are public service contractors that are market-oriented nonprofit business organizations serving the public agenda.

PVOs are private voluntary organizations, a common name in the United States used to refer to NGOs.

TNGOs are transnational NGO that have manage concerns related to transboundary issues of ecology and sustainable development.

VOs are voluntary organization created from the voluntary acts and commitments of concerned citizens who represent the voice of civil society and have a set of shared values.

Appendix C: NGOs: Countries of Origins

NGOs exist in the following countries from Asia to Latin America from Africa to Middle East.

Algeria	Grenada	Poland
Argentina	Guatemala	Rajasthan
Africa	Haiti	Rio
Angola	Honduras	Rwanda
Bangladesh	Hungary	Sahel
Barbados	India	Senegal
Belize	Indonesia	Sierra Leone
Benin	Italy	Singapore
Bogota	Ivory Coast	Slovak Republics
Bolivia	Jamaica	South Africa
Botswana	Jordan	South Korea
Brazil	Kenya	Sri Lanka
Burkina Faso	Kaman	St. Lucia
Bulgaria	Kyrgyz Republic	St. Vincent
Burma	Lebanon	Sudan
Cameroon	Lima	Swaziland
Canada	Libya	Taiwan
Central African Republic	Malawi	Tanzania
Chile	Malaysia	Thailand
China	Mexico	Tunisia
Columbia	Morocco	Uganda
Costa Rica	Mozambique	Uruguay
Cuba	Namibia	United States
Czech Republic	Nepal	Venezuela
Dominican Republic	Nicaragua	Vietnam
Ecuador	Niger	West Bank
Egypt	Nigeria	West Bengal
El Salvador	Norway	Yemen
Ethiopia	Pakistan	Zaire
Gambon	Panama	Zanzibar
Gambia	Paraguay	Zimbabwe
Ghana	Peru	
Great Britain	Philippines	

Appendix D: Key Environmental Organizations and Agreements:

Yr. Est.	Organization	Purpose
1951	<p>World Meteorological Organization (WMO)</p> <p>WMO was created at the Twelfth Conference of Directors of the International Meteorological Organization (IMO) which met in Washington in 1947. Yet the WMO did not begin operations until 1951 as the successor to IMO. Later that year, it was established as a specialized agency of the UN.</p> <p>Membership: 184 Countries</p>	<p>WMO has provided the focus for international cooperation in meteorology. WMO ensures the provision of authoritative international scientific information on the state and behavior of the global atmosphere, the climate it produces, its interactions with the oceans, and the resulting distribution of water resources on the Earth. WMO is also responsible for assisting member countries in applying weather, climate, ocean, and hydrological information to allow them to make more efficient use of resources. This is crucial for achieving the sustainable development of nations.</p>
1961	<p>World Wildlife Fund (WWF)</p> <p>Offices in 23 countries</p> <p>Membership: three million</p> <p>Annual Budget: over US \$170 million</p>	<p>WWF is a transnational environmental group that works on a variety of global environmental issues: desertification, climate changes, and ozone depletion. Activities range from the simple task of building fences around a forest to a more complex one of creating opportunities for sustainable development. WWF has been working with local people and believes that environmental protection depends on local communities to undertake sustainable development.</p>
1965	<p>United Nations Development Programme (UNDP)</p> <p>36-member Executive Board of both developed and developing countries approving major programmes and policy decisions.</p> <p>Annual Budget: US \$1 billion</p>	<p>UNDP is the world's largest multilateral source of grant funding for development cooperation. UNDP has three main goals:</p> <ol style="list-style-type: none"> 1. To help the UN become a powerful and cohesive force for sustainable human development. 2. To focus resources on objectives that are central to sustainable human development. 3. To strengthen international cooperation for sustainable human development and serve as a major substantive resource on how to achieve it.
1969	<p>Friends of the Earth (FOE)</p> <p>Local chapters in 51 countries.</p> <p>Membership: 500,000</p> <p>Annual Budget: two million</p>	<p>FOE addresses a number of environmental issues. Each chapter chooses its issue areas and strategies and carries out activities. In 1989, FOE along with 13 other environmental organizations formed the Coalition for Environmentally Responsible Economics (CERES). FOE is at the forefront of forcing economic institutions like the International Monetary Fund (IMF) and Multilateral Development Banks (MDBs) to weigh the environmental implications of their activities.</p>

Key Environmental Organizations and Agreements: (cont.)

1971	<p>Greenpeace (Vancouver, Canada)</p> <p>Offices in 30 countries and a research base in Antarctica. Employs: over one thousand full-time staff members, hundreds of part-timers and thousands of volunteers.</p> <p>Membership: six million Annual Budget: over 100 million</p>	<p>Provides a focused effort on almost every environmental issue with transboundary implications--including oil spills, toxic dumping, deforestation, climate change, ozone depletion, and acid rain. Greenpeace attempts to inculcate and disseminate a sensitivity to environmental affairs and inspire people to take action in the service of environmental protection.</p>
1972	<p>United Nations Conference on the Human Environment</p> <p>Meeting in Stockholm, Sweden</p>	<p>The first major modern international gathering on human activities in relationship to the environment. The conference produced a set of principles in the Stockholm Declaration and led to the founding of the United Nations Environment Programme (UNEP).</p>
1972	<p>United Nations Environment Program (UNEP)</p>	<p>UNEP was established as the environmental conscience of the UN system, and has been creating a basis for comprehensive consideration and coordinated action with the UN of the problems of the human environment. It lists 152 multilateral agreements that address environmental problems which were concluded up through 1990. Most of these treaties are designed to reduce environmental threats rather than adapt to them.</p>
1975	<p>Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)</p>	<p>CITES establishes world-wide controls on the international trade in threatened species of animals and plants. It requires that this trade be subject to authorization by government-issued permits or certificates. In the case of species threatened with extinction, CITES prohibits all commercial trade in wild specimens. There are over 125 member countries.</p>
1980s	<p>Global Environmental Facility (GEF)</p> <p>GEF is managed by three organizations: the World Bank, UNDP, and UNEP.</p>	<p>GEF was mandated at the Earth Summit to distribute funds for development projects that directly address global environmental problems.</p>
1983	<p>The Bruntland Commission or the World Commission on Environment and Development (WCED)</p> <p>Established by the U.N. General Assembly</p>	<p>The commission was charged with formulating a global agenda for change toward the year 2000 and beyond.</p>
1986	<p>International Council of Scientific Unions (ICSU)</p>	<p>The organization initiated a study to evaluate the interactive physical, chemical, and biological processes that regulate the Earth's unique system, the changes that are occurring in this system, and the manner in which these changes are influenced by human activities.</p>

Key Environmental Organizations and Agreements: (cont.)

1987	Montreal Protocol	Revised in 1990 and 1992 this provides for progressively stricter international regulations on the production and use of ozone depleting substances.
1989	Stockholm Environment Institute (SEI) SEI has a network of scientists, research institutes, project advisors and field staff located in 15-20 countries. The professional staff of the SEI is 60 people. SEI is best known as an international network.	SEI is an independent, international research institute specializing in the environment and development issues. It works mostly at the regional and global policy levels. SEI made substantial contribution to the preparatory work of UNCED and the development of Agenda 21. The Conventions on Climate Change and Biological Diversity along with the Statements of Principles are at the core of SEI's work.
1989	Sustainable Development Networking Programme (SDNP)	SDNP is dedicated to the belief that sustainable development cannot proceed without the free-flow of pertinent information, and is designed to complement and strengthen any ongoing network initiatives. SDNP's agenda is fully integrated into Capacity 21.
1989	Coalition for Environmentally Responsible Economics (CERES)	CERES produced a ten-point environmental code of conduct for corporations. This code includes commitments to waste reduction, damage compensation, and disclosure of environmentally harmful practices. The aim was to establish criteria for auditing the environmental performance of corporations.
1990	International Institute for Sustainable Development (IISD) (INGO)	IISD mission is to promote sustainable development in decision making internationally and within Canada. IISD contributes new knowledge and concepts, analyzes policies, identifies and disseminates information about best practices, demonstrates how to measure progress, and building partnerships. IISD has continuing financial support from Environment Canada, Province of Manitoba and receives revenue from foundation and other private sector sources.
1992	Agenda 21 (adopted at 1992 Earth Summit)	Agenda 21 incorporates a series of specific actions to give effect to the principles of sustainable development for the remainder of this century and leading into the 21st century with targets, cost projects, priorities, and allocation of responsibilities.
1992	International Institute for Environment and Development (IIED)	IIED addresses issues of urban sustainability.

Key Environmental Organizations and Agreements: (cont.)

1992	<p>United Nations Conference on Environment and Development (UNCED)</p> <p>Delegations from 178 countries, heads of state of more than 100 countries, and representatives of more than 1000 NGOs attend this meeting from 3-14 June in Rio de Janeiro, Brazil.</p>	<p>UNCED is best known as the Earth Summit. The five major agreements are associated with UNCED:</p> <ol style="list-style-type: none"> 1. Agenda 21 2. The Rio Declaration 3. The Biodiversity Treaty 4. The Statement of Forest Principles 5. The Framework Convention on Climate Change <p>UNCED is a descendant of the 1972 UN Conference on the Human Environment.</p>
1992	<p>United Nations Commission on Sustainable Development (CSD)</p>	<p>Agenda 21 called for the creation of the CSD to ensure effective follow-up of the UNCED and enhance international cooperation and rationalize the intergovernmental decision-making capacity. CSD would monitor the implementation of Agenda 21 recommendations. This is the primary international body for promoting sustainable development worldwide.</p>
1993	<p>Capacity 21</p>	<p>Capacity 21 is a catalytic initiative that assists developing countries to build their capacity to integrate the principles of Agenda 21 into national development.</p>
1995	<p>WTO Committee on Trade and Environment</p>	<p>At the Ministerial Conference in Marrakesh in April 1994, it was decided that a Committee on Trade and Environment would be established at the first meeting of the General Council of the WTO to examine the relationships between trade and the environment in order to promote sustainable development and make appropriate recommendation on whether any modification of the provision of the multilateral trading system are required.</p>
1996	<p>UN Convention on Desertification (UNCD)</p>	<p>UNCD promotes international cooperation on the sustainable use of fragile, dry-land ecosystems. It also addresses the root cause of poverty and hunger.</p>

Appendix E: Seven Propositions of the Key Ingredients to Success

The analysis of the 8 P's of the profit versus not-for-profit business when combined together may help NGOs become more focused and organized for sustained growth of their organizations. Perhaps this analysis would also work with for-profit organizations as well? Of course, this would be another study in itself. These beliefs can be summarized in the following general propositions:

Proposition 1. Due to the proliferation of NGOs, there are many more competing forces for financial and human resources. There is a need for them to become more oriented toward business/income operations. This movement alone requires one to rethink the historical definition of civil society and consider the new definitions of sustainable development.

Proposition 2. NGOs recognize the need but lack the desire or the implementation skills necessary for product development and funding. The leaders of INGOs should remain focused on fundraising while product development is moved to the NGO fieldsite level since it is at this level that they know what type of products need to be delivered for markets to succeed. When compared to business, the best product development teams are those that include the field sales personnel who interact with their customers on a regular basis while the financing issues of the business are best handled in the home office. This same philosophy could be applied to the product development for NGOs.

Proposition 3. Leaders of NGOs must be multi-tasking. The interviews revealed several leaders who had been entrepreneurs of businesses. Many of them described themselves now as a managers of a small businesses where they had many hats to wear from finance to marketing as compared to their executive days when they had many different people to wear the same hats. NGOs are strong institutions, programmatically, but their biggest challenge is “being vigilant,” that all the signs are read, that one looks at the external and the internal pressures, and keeps balancing those and making sure that things are running smoothly both internally and then whatever is buffeting the institution, that is handled too.

Proposition 4. Leaders of NGOs must be able to resolve conflict among opposing groups and touch the spiritual or mission side of people. The leaders interviewed discussed their abilities to help people see the vision as a necessary skill to keep the NGO a viable institution.

Proposition 5. Leaders of NGOs possess strong egos and focus intensely on their personal ideas and agendas for their organizations. Therefore, growth of the organizations can be inhibited as the organization matures; unless, the leader is willing to make the necessary management changes to allow the organization to grow.

Proposition 6. Partnerships and Alliances-Dynamic Dual. Key alliances must be develop and nurtured. The leaders of NGOs recognized the key role that partnering and strategic alliances played in achieving their goals and in several cases helped them realize their funding goals and extend their outreach activities.

Proposition 7. The social architecture of NGOs require the multi-levels of structure in order to grow and gain supporters of their mission.

(Source: Stavros & Johnson, 1996a)

Appendix F: Summary of Key Terms and Propositions

CHAPTER 2

Definition 2A: Nongovernmental organizations are nonprofit organizations not managed by governments and are mission driven. The mission of such an organization is to create, promote and implement development programs and projects to populations seeking assistance.

Proposition 2A: There is no standard definition. No one knows for sure when the first NGO was started and little systematic research concerning these organizations has ever been completed.

Proposition 2B: There are millions of NGOs. They exist in over 97 (based on the literature reviewed for this study) countries. Even though we cannot get an exact count of NGOs what we do know is that Northern NGOs (NNGOs) and Southern NGOs (SNGOs) must work together in building capacity of mutual empowerment aimed at transforming society's institutions and values. It cannot be the North versus the South. The two must work together and learn from each other.

Proposition 2C: NGOs focus their efforts on many different issues from building or strengthening a civil society to sustainable development activities. The primary role they serve is to be catalysts for positive change. In order to be successful organizational change agents, these NGOs need to continuously build and strengthen their own capabilities and capacity levels as well as those they serve.

CHAPTER 3

Definition 3A: Individual Capacity Building is being able to realize one's potential capabilities that can contribute to organizational effectiveness. An individual must continuously develop his or her capabilities to best serve the organization.

Proposition 3A: Capacity building is a relational process of building an organization's future, and yet it is not organizations which build capacity - it is people. Whether a NGO recruits people with strong individual capabilities or they develop them internally, it is these capabilities which dictate the organization's potential for success.

Definition 3B: Capacity is the ability or potential to mobilize resources and achieve objectives. It is everything necessary to construct the relationships required to achieve an organization's vision, mission and goals.

Definition 3C: Capacity Building is a social process of interdependent relationships to build an organization's future to pursue its mission, attain its vision and goals and sustain its existence. Capacity Building is about pushing boundaries -- developing and strengthening an organization and its people so it's better able to serve not only its target population but to consider the impact of all stakeholders.

Proposition 3B: Capacity building has generally been addressed from an organizational and operational structure of NGOs defined as organizational capacity. Limited attention has been given to two other levels of capacity: multi-organizational and global. As a result, some of the most critical capabilities of NGO's capacity, relationship building and the ability to cooperate, have been overlooked.

Definition 3D: Organizational Capacity is building the internal relational components of the organization so it can better use its resources (i.e. people, time and money) to achieve its mission, attain its vision and goals/objectives to sustain these over time.

Proposition 3C: When NGOs understand the core capabilities which are to be built, they have a greater potential to enhance their capacity. However, with the changing direction of NGO goals it is becoming increasingly important for NGOs to understand the capabilities of their partners. This research broadens the dialog on capacity building by allowing SNGOs to be evaluated through the use of common definitions and core capabilities as their Northern counterparts.

Definition 3E: Multi-organizational Capacity is developing and nurturing the external relationships beyond the organizational capacity of its board, management, employees and volunteers. At this level, people are working collaboratively to achieve program or project goals. Together, two or more organizations are collectively pursuing a common vision, mission or set of objectives. It is multi-organizational capacity that magnifies the scale and impact of the work of a single organization through the support of partnerships, networks, coalitions and alliances.

Proposition 3D: Multi-organizational capacity needs to be carefully planned and targeted at the local, national and regional levels. Multi-organizational capacity results in informal learning process on all partners involved which can enhance a partner's organizational capacity. Once NGOs understand the value of reaching more people within a community through relationship building, they will work at developing and strengthening their core capabilities to ensure that their efforts results in achievement of significant development challenges.

Definition 3F: Global Capacity is a cooperative social process that addresses the relationships between an organization and a vast array of stakeholders. At this level, organizations have the capacity to create and achieve a shared vision, mission and goals/objectives across borders. It is global capacity that results in a cooperative spirit of people and organizations being integral parts of a connected and responsible global community.

Proposition 3E: NGOs who choose to focus on building global capacity must learn to cooperate and work together with individuals and organizations at all levels to create a critical mass of support for social change. Capacity building at the global level encompasses a holistic relational way of thinking for NGOs.

Proposition 3.F: Building capacity at any level (e.g. organizational, multi-organizational or global) will not be easy, but it is the key to NGO excellence in meeting significant development challenges. Capacity building, to be sustainable and effective, is a pro-active integrative relational process of building an organization's future to exist beyond it initial funding or program activity.

CHAPTER 7

Proposition 7A: Capacity building, to be sustainable and effective, is a pro-active integrative multi-level process of building an organization's future to exist beyond its initial funding or program activity at the organizational level. Building capacity at any level (e.g. organizational multi-organizational or global) will not be easy, but it is the key to NGO excellence in meeting significant development challenges.

Proposition 7B: The only way to retain a holistic, relational approach to capacity building and develop the capabilities required for each capacity level is to work more in partnerships with organizations that share a common vision, mission, goals or set of objectives where the whole is more than the sum of the parts.

Proposition 7C: NGOs must learn to value learning personally and professionally at all levels. Learning from the inside takes place among staff, board and management by direct interactions in decision making, sharing of experiences, visits to all levels of the organization, and workshops and training. In addition, learning requires input from the outside.

Proposition 7D: Appreciative inquiry is an innovative, vision-based method of open dialogue to help organizations and their partners create a shared vision and mission of the future. As mission driven organizations, NGOs may benefit from the appreciative inquiry approach which invites us

to work in innovative ways by seeking to learn and value the history of organizations, identifying and building on their strengths and creating and joining in partnerships.

Appendix G: Interview Protocols #1, #2 & #3

INTERVIEW PROTOCOL #1

Introduction:

- Explain my relationship to GEM and CASE
- Leave a brochure of EDM program
- Purpose of the Study & Applied Research Project versus a traditional Ph.D Dissertation
- Significance of their Input
- Deliverables

Introduction Questions

- Q. So, please tell me about yourself (personal and professional career path) and organization's background
- Q. What was the most exciting time of your career in international development? What organization were you with?
- Q. Why have you selected your current organization?

Interest/Topic - Definitional Work:

- Q. What do the following terms mean to you: capacity? capacity building?
- Q. How do you work in the capacity building arena?
- Q. What are the some of the best models of capacity building you have seen? (or organizational excellence)?
- Q. What do you believe are some of the key capacities needed?
 - Is there a relationship between or among key capacities?
 - If limited resources for capacity building, where do you put your efforts?
(is it people? is it technology? is it program development or support?)
- Q. How important are the indicators in capacity building?
- Q. What are the approaches used to accelerate capacity building?
- Q. What would be the most useful products/tools from this project?
- Q. What are key sources of information for this project?
- Q. Would you like to be an informant or a case study in this ARP?

Other Terms:

- Q. What does organizational excellence mean to you?
- Q. What does institutional building mean to you?
- Q. How do you define these organizations NGOs, north versus South etc.?
- Q. In definitional work, does it vary from group to group?
- Q. In definitional work, what are the terms of ambiguity/unsolved problems?

INTERVIEW PROTOCOL #2

Capacity Building Questions

Obtain further information on organization but how it pertains to capacity building

Some warm-up questions:

1. What do you love most about your work and organization?
2. Looking at your entire experience in this field, can you tell me a time when you felt most excited about your work?
3. What do you think are the major challenges and trends in this area? What would you like to learn from such a study on capacity building?

Definition of **Capacity**

- What is it?
- Who defines it?
- What is meant by effective capacity?
- An operational definition of capacity.

Definitions of **Capacity Building**

- What is it?
- Who defines it?
- How important is capacity building? in general? for specific audiences?

Identification of **Key Capacities**

- What are the key capacities need to build organizational excellence?
- Is there a relationship between or among various capacities?
- Should these key capacities be categorized? If so, at the level of individual, organizational, and/or multi-organizational?

Identification of **Capacity Building** Models

Use of **Measurable Indicators** of **Key Capacities**

- Who would use these measures and how?
- What are the problems and opportunities they have arisen (or would arise) from their use?

What are Some **Methods** That Accelerate **Capacity Building**?

- What are the most effective approaches to building capacity?
- How do organizational build and sustain needed capacities?
- How long does it take?
- Is there a set of general principles that govern effective capacity building?

My goal: To make sense of this capacity building phenomena and highlight key area and capacities and to build a model/framework of organizational excellence for US Based PVOs and NGOs to allow for discourse on how to best build capacity to achieve their development challenges (mission). Gather suggested studies and resources from case studies.

INTERVIEW PROTOCOL #3**THESE QUESTIONS ARE DEALING WITHIN A CAPACITY BUILDING FIELD:**

1. When you are feeling best, what is it about your job with this organization that you value most? What things about the organization do you value most?
2. Where have you felt appreciated by your organization?
3. What is the single most important thing the organization has contributed to your life?

After the initial **appreciative inquiry** warm up, then the questions turned very specific to the research topic at hand.

4. How important is **individual capacity** to this project? What is it?
5. Now, what do you think are **core capacities** for an individual to have capacity?
6. What is **global capacity**? What do you think is a **global social change organization**?
7. What are the **core capacities** of **global capacity**?
8. What is the best way to build **global capacity**?
9. Let's go back to **OC and MOC**, what is the best way that these capacity areas are built?
10. Are there any other aspects, issues, factors do you want to tell me about **capacity building**?
11. In summary, what would you say are the greatest contributions your organization is making in the field of **capacity building**? in the world?
12. What further significant contributions would you like to see made in the field of **capacity building**? from the **donor** - policymakers? NNGOs? SNGOs? Literature?
13. How would you say your **capacity building** work fits with your overall life purpose?
14. If you have, three wishes for your organization - what are they.....

Appendix H: Summary of Environmental Concerns

Key Problem	Impact	Working Solutions
<u>Agriculture</u> : The use of pesticides, new plant strains, and irrigation have polluted and damaged crops.	Increasing hunger is projected by 2050, when soaring population growth is expected to triple the global demand for food.	GROs are pioneering sustainable farming practices to reduce soil erosion and certain types of chemical contamination.
<u>Water</u> : The earth's water is 97 percent saline; most of the rest is snow and ice. Fresh water is distributed unevenly and is increasingly polluted.	At least one billion people lack clean water most of them in developing countries. From 1950 to 1990 global water use has doubled, leading to more dams, river diversions, and depletion of aquifers.	More than 2,000 NGOs in 43 countries support the Manibeli Declaration to block World Bank funding for destructive dams.
<u>Toxics</u> : Toxic waste levels are not expected to decrease as the global economy grows fivefold by 2055. The U.S. is the largest producer of industrial materials -- and probably toxic waste.	Hazards expected include increasing reproductive failure and impaired development of the young and genetic alteration.	Entrepreneurs and researchers are working with manufacturers and BNGOs to build products, from cars to VCRs, out of reusable components.
<u>Energy</u> : The supply of fossil fuels may last another 300 years, but these resources are not renewable, and their extraction and use cause environmental damage. Nor is nuclear power a viable option, given its costs, risks, and waste disposal problems.	Oil's low cost hinders conservation pressure and slows the development of renewable energy sources, such as wind, solar, hydro, and geothermal.	Over the past decade more than 250,000 homes in the developing world have added rooftop solar systems.
<u>Forests</u> : Forests lost in the 1980s would cover an area twice the size of Texas; most are biologically rich tropical forests like those in Brazil or Indonesia. More forestland is being degraded and fragmented.	Destruction of forests results in the extensive loss of habitat and biodiversity; exhaustion of a prime source for energy, building construction, and paper.	Sustainable forestry is gaining momentum, from Mexico to Papua, New Guinea. In the U.S. alone, the number of areas of sustainably harvested forestland increased fourfold in 1994.
<u>Biodiversity</u> : There is major species die-off akin to the demise of the dinosaurs. 12% of mammal species and 11% of bird species were classified as threatened.	Failing ecosystems result in the loss of genetic diversity; and the possibility that undiscovered cures from medical plants and animals will be lost forever.	The threatened extinction of species has united international nongovernmental and hundreds of local GROs efforts in a multitude of habitat restoration projects.
<u>Atmosphere</u> : The Greenhouse gases such as CO ₂ and methane rose steadily with industrialization. CFCs also contribute to ozone loss. Current atmospheric chlorine levels are nearly six times normal and rising.	The ozone loss has resulted in a 26% increase in nonmelanoma skin cancers and untold damage to flora and fauna.	The Montreal Protocol 1987 agreement requires industrial countries to phase out production of CFC by 1996 and developing countries by 2006. CO ₂ and methane emissions have been declining slightly since 1989.
<u>Population</u> : U.N. estimates that world's population could climb from 5.6 billion to 9.8 billion by the year 2050, with the most rapid changes in urban areas where populations could triple because of global rural-to-urban migration.	Escalating demand for resources in the megacities and surrounding secondary cities will bring about environmental destruction if not protected.	Current U.N. strategy seeks to reduce poverty, raise women's status, and support family planning. More than 200,000 INGOs/NGOs/GRSOs and GROs exist to work on the issues resulting from overpopulated areas.

(Sources: Burke and Lloyd, 1995: World Resources Institute; Pacific Institute; International Rivers Network; WorldWatch Institute; EcoTimber International Energy and Resources Group at the University of California at Berkeley)

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