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

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

What is Capacity Strengthening?

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

Capacity strengthening can take place in many different spaces. It can be offered at the **household or community level** to support people in better meeting their own needs or it can be offered at the **institutional level** to support people in better meeting the needs of others, through better provision of effective systems and services. FBPP will provide institutional capacity strengthening using state-of-the art Emergency Preparedness and Response approaches to support sustainable localisation of capacities.

Community and household
People learn to meet their own immediate needs

Institutional capacity strengthening
People learn to enhance systems to help meet the needs of others at large

A brief history

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

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

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

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

Why is ICS so difficult?

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

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

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

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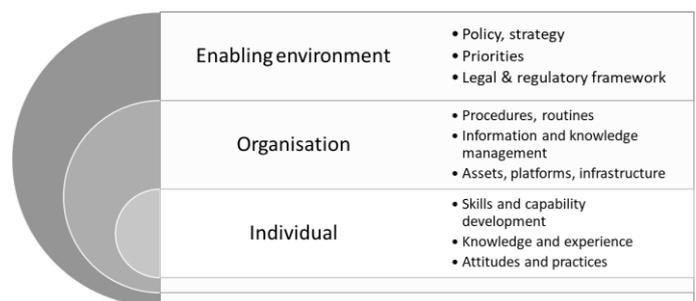- The nature of sustainability and capacity change.

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

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

Complex systems

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

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

Enabling environment	• Policy, strategy • Priorities • Legal & regulatory framework
Organisation	• Procedures, routines • Information and knowledge management • Assets, platforms, infrastructure
Individual	• Skills and capability development • Knowledge and experience • Attitudes and practices

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

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

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

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

ICS objectives

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

1. **Growth** refers to the increased capacity of stakeholders to do things on their own over time. It is expressed as a sustained change in desired and relevant stakeholder **behaviours and practices**.

2. **Results** are measurable project or programme outcomes that stakeholders are able to achieve as a consequence of their growth. Short-term results can be achieved by external players, but they are rarely sustainable.

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

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

- Change current HSC&L behaviours and practices to better respond to **anticipated** changes in contexts and forecasted stakeholder needs.

- **Absorb** unexpected shocks to HSC&L mechanisms through proper contingency planning and to quickly return to pre-shock performance levels.

- Incrementally **adapt** institutional HSC&L behaviours and practices to evolving needs.

- **Transform** HSC&L behaviours and practices through continuous improvement through research, development and innovation.

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

Sustainability of capacity change

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

How is this done? It is important to recognise and understand the differences between the phases of the **capacity transformation** process. These phases include capacity **creation**, **retention**, **maintenance** and **utilisation** (though not always in this order).

Capacity **creation** is achieved when people or organisations (through their people) acquire specific technical or functional skills and competencies through targeted capacity strengthening activities (e.g. training individuals in warehouse management). It does not mean these skills will be used to achieve a specific result; but having them is a key step for this to happen. Importantly, if the capacity transformation process stops with capacity creation, then both individuals and organisations risk losing the capacity acquired, even quite quickly, as time goes by.

Capacity **retention** has meaning both for people and organisations. In general, retention is secured when people or organisations anchor newly acquired skills into daily operational realities and thus begin to embed new behaviours and practices.

For people to retain capacity, using it regularly is essential – or it fades due to lack of relevance (e.g. a logistician who is taught new inventory management skills but assigned to fleet instead of warehouse management will lose those skills over time for lack of application and relevance to his duties).

For organisations to retain capacity, they need to ensure there is always an adequate supply of duly capacitated staff within the organisation so that it can be tapped into when needed. For example, ensuring courses on inventory management are offered on a rotational basis, multiple times a year and to all logisticians – not just those currently assigned to Warehouse management, or officially adjusting job profiles to reflect enhanced responsibilities and accountabilities in relation to inventory management.

When organisations do not explicitly prioritise capacity retention, they are vulnerable to brain drain, staff turnover, and "single supplier"-type dependencies and dynamics. Retention is therefore essential for the sustainability and longevity of organisational change.

Capacity **maintenance** is achieved when intentional efforts are made to ensure that the underlying level of technical and/or functional skills and competencies required to sustain the new behaviours and practices remains adequate, updated and aligned with changing contexts, technologies, trends etc., over time (e.g. the warehouse training programme is continually updated to reflects new approaches, technologies and policies).

Capacity **utilisation** is achieved when people or organisations carry out specific functions in a more accountable, effective, efficient and/or economic manner as a result of the changed behaviours and practices emerging from the above (e.g. improved warehouse management ensures commodities in inventory are sufficient to meet emergency needs, are still valid and in quality condition, are easily locatable, properly packaged, etc., all factors that improve effectiveness and efficiency of commodity movement, distribution and value to the end user). This leads to the achievement of targeted performance results which were not as well (or at all) achieved before the ICS engagements.

Handling complexity

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

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

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

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

Form and function

Form is not just what it looks like. Form is how it functions.

~ Steve Jobs

Defining purpose: The Capacity Outcome Statement (COS)

Complex systems perform many different functions. Agreement between enabling partners and key stakeholders on clear

capacity strengthening outcomes is essential to ensuring the **right** functions are addressed, following the form of the ToC.

A **capacity outcome statement (COS)** clearly states:
- **Whose** capacities are being supported.
- **Which** of their many capacities are being targeted.
- **Why** those capacities specifically are being supported (i.e. to achieve what?).

A standard formulation can be useful:
- Enhanced capacities of [**whose capacities**] to effectively [**achieve what**] as a result of [**which capacities**].

A **COS** contains key words (**qualifiers**) that highlight and anchor important expectations of the capacities.

Qualifiers define *what* (results) the capacities need to achieve as well as *how* (growth) they should do so. For example:

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

Defining function or entry points for change: The ICS Framework
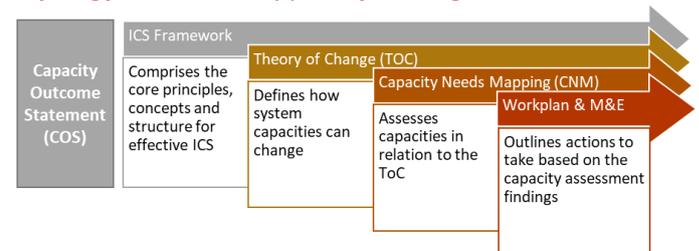
The ICS Framework is the conceptual model that underpins the strategy and operational tools used to put institutional CS support into practice. It is best articulated through the Theory of Change and *together with* the **core principles** and **fundamental concepts and definitions**, is the pillar on which the approach rests.

The ICS Framework also helps:
- Define what the ToC elements **relate to** in real life, when pursuing the COS.
- Make it easier to put a coherent systems-strengthening approach **into practice.**
- Articulate a comprehensive and considered programme **rationale.**
- Suggest a change process **monitoring** framework.
- Support systematic and structured documentation and **reporting.**

In addition to laying out the core concepts and principles that are essential to effective ICS, the framework also unpacks complex institutional systems into five easily recognisable

pathways of engagement. Each pathway is further "unpacked" into **capacity bundles** that are critical for that pathway's optimal performance. For example:

Pathway 2	Institutional accountability and effectiveness
Bundle 2.1	Institutional mandate & recognition
Bundle 2.2	Coordination & accountability
Bundle 2.3	Information dissemination
Bundle 2.4	Process optimisation through digitalisation
Bundle 2.5	Information management systems
Bundle 2.6	Evidence-based approach
Bundle 2.7	Assets, platforms and infrastructure
Bundle 2.8	National/local partnerships

Each capacity bundle suggests one or more specific capacity strengthening **entry-points** that ICS practitioners and key stakeholders can consider and jointly prioritise as areas to work on. How these entry-points are addressed will depend on current stakeholder capacities, resources and demand.

Each entry-point or activity, in order to be considered successfully completed from a *sustainable capacity strengthening perspective*, needs to progress along a sequence of specific **process milestones**.

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

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

Defining form: The Theory of Change (ToC)

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

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

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

Performance assessment

If you always do what you always did, you will always get what you always got.

Not everything that can be counted counts, and not everything that counts can be counted.

~ Albert Einstein

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

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

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

1. How **relevant** the change in behaviour that emerges from the capacity strengthening is to achieving the desired result (e.g., acquiring knowledge of the principles of supply chain optimisation and the capacity to undertake multisectoral policy revision is less relevant to ensuring proper fleet management than acquiring skills in vehicle tracking and maintenance is, but becomes more relevant if the objective is ultimately to guide national supply chain policy reform). If relevance is very high, contribution is more likely; if relevance is relatively low, contribution may be marginal.

2. The **proximity** between the people receiving the capacity strengthening support and the individuals who will undertake the actions that will lead to improved performance and achievement of results. If they are close, the contribution of the capacity strengthening is likely to be higher than if they are not.

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

Principles

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

Partnerships: Establishing positive, equitable partnerships – including beyond and across sectors and areas of expertise – are critical to effective ICS, particularly when circumstances might suggest power and knowledge differentials between the ICS practitioner(s) and the stakeholder(s); and between the different stakeholders within the partnership.

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

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

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

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

Partnerships and roles

Tell me and I forget. Teach me and I remember. Involve me and I learn.

~ Benjamin Franklin

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

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

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

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

The ICS Practitioner or 'enabler' role

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

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

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

Where to from here?

When there is explicit stakeholder demand for ICS support, a clear **15-step Roadmap** can help operationalise all the above, to ensure – as much as possible – that the original partnership objectives are achieved and sustainably institutionalised.

The essential steps for the ICS practitioner are to:
1. Become familiar with the *ICS Theory of Change* and *framework for system capacities*.
2. Draft a *Capacity Outcome Statement* (COS) following stakeholder discussions and demand.
3. Map key stakeholders/actors to be engaged in COS discussion and validation.
4. Engage with interested/relevant partners to sensitise them to the practitioner role and approach to ICS.
5. Engage with interested stakeholders to explain the "not-business-as-usual" approach to ICS.
6. Share draft COS with stakeholders for dialogue, refining and validation.
7. Determine if a Capacity Needs Mapping (CNM) (baseline) is required.
8. Map key stakeholders/actors for CNM discussion.
9. Engage with partners to sensitise them to – and support customisation of – the CNM to the COS.
10. Engage with stakeholders to sensitise on the CNM and the process.
11. Preliminarily complete the CNM building on available information and knowledge.
12. Discuss and validate the CNM with partners and stakeholders.
13. Select and prioritise areas of engagement.
14. Draft concise Institutional Capacity Strengthening Strategy for stakeholder validation and approval.
15. Articulate multi-year work-plan for stakeholder validation and approval.