



## **Corporate Strategy on Capacity Development**

### **A. DEFINITION OF CAPACITY DEVELOPMENT**

1. In international development, capacity is seen as “the ability of people, organizations and society as a whole to manage their affairs successfully”<sup>1</sup>, leading to attainment of the Millennium Development Goals and FAO’s three Global Goals in line with national development plans. Capacity Development (CD) is the “process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time”.<sup>2</sup>

2. CD has traditionally been associated with knowledge transfer and training of individuals, yet it is a complex, non-linear and long-term change process in which no single factor (e.g. information, education and training, technical assistance, policy advice etc.) can by itself be an explanation for the development of capacity. It contributes to addressing specific needs of member countries and (sub)regions across the three interlinked individual, organizational, and enabling environment dimensions. FAO’s approach to CD is intended as a principal ‘modus operandi’ underpinning FAO’s programme of work. All of FAO’s technical work at headquarters and in countries has some CD aspect. Some of FAO’s work (e.g. in the development of standards, global information systems, or international treaties) is not focused primarily on CD, but national and regional actors do need to develop their capacities to contribute to and use these products and services.

3. The general trend in the international development community is to replace the term “capacity building” with “capacity development”. The shift in terminology reflects an evolution from an original concept of an essentially externally-driven process in which there were no pre-existing capacities, to a new concept that places strong emphasis on national ownership and on endogenous change processes. In conformity with other UN agencies, FAO will adopt the new term ‘capacity development’, although the previous term will continue to be valid as it is pervasive in existing FAO documentation.

### **B. THE BUSINESS CASE FOR CHANGE: A NEW APPROACH TO CAPACITY DEVELOPMENT**

4. Capacity is a critical aspect of development, which is reflected throughout the Paris/Accra Aid Effectiveness Agenda. Ever since FAO’s inception, CD has been at the core of its mandate and one of the most important result areas for the Organization. In the complex, crowded and competitive sector of Agriculture and Rural Development (ARD)<sup>3</sup>, FAO has to change to become a more effective CD actor. Inaction would cause the Organization’s CD role to become obsolete and unfit for the current needs at country and regional level, with consequences to the Organization’s effectiveness, credibility, and reputation.

5. Pressure for change comes from FAO’s internal reform processes and from the global environment, including the United Nations and the evolving needs and demands from member countries. As a core function, CD is closely associated with the Organization’s key processes that are being transformed – such as managing for results and improving FAO’s programming practices and approach to measuring impact. At the same time, changes in the global aid environment affect the way the Organization traditionally positions itself as a player in the international development arena.

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<sup>1</sup> Source: Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC)

<sup>2</sup> Source: OECD/DAC

<sup>3</sup> ARD includes all sectors of FAO work, including food security, forestry, fisheries and natural resources.

These changes include:

- increasing calls on FAO to participate in UN-wide country approaches focusing on CD, and to plan and coordinate CD under multi-donor mechanisms;
- countries increasingly leading their own development programmes and managing the allocation of resources, with several implications for the role that FAO plays;
- global challenges of climate change, environmental degradation, and the worldwide financial and economic crises, and the resulting complex new development needs, which have increased the demand for specialized advice on a wider range of agricultural problems, and led to the demand for support in development of non-technical “Functional” capacities such as leading, managing, adapting to, and sustaining change;
- increasing availability of other sources of expertise in the ARD sector, with FAO no longer being the only global expert in its domain.

6. The combined effect of such factors makes CD a compelling topic on FAO’s agenda and calls for new instruments, approaches and skills to attract resources, make partnerships, and relate to national and regional actors. Hence the new corporate strategy introduces some key improvements in FAO’s approach to CD, which include:

- A shift in the nature and quality of CD support aimed at accelerating the transformation of FAO’s role from that of a provider of technical assistance to that of a facilitator of change over extended time horizons. This new approach builds on local resources, including people, skills, technologies and organizations, and it focuses on strengthening the sustainability of CD interventions by encouraging national ownership in development processes.
- More emphasis on dialogue with national partners and stakeholders, to move from supply-driven to demand-driven CD efforts, involving joint setting of goals and strategies based on assessed needs, mutual interests and collaborative relations between FAO and national and regional actors.
- A more integrated approach whereby capacities of individuals, organizations and the enabling environment are considered, with attention to Technical and Functional capacities as explained below.
- An increased focus on forming partnerships with other CD actors, for FAO to complement the limitations in its own capacity at country level while covering other sectors across the development environment, thus leveraging a greater impact on CD processes for all actors.

### **C. BENEFITS OF THE NEW CAPACITY DEVELOPMENT APPROACH**

7. The new approach will benefit FAO in various ways as it will result in: an increased coherence and effectiveness of CD activities across the ARD sector; a strengthened impact and visibility and a strategic re-branding of FAO’s CD role; a strengthened credibility for FAO as a CD partner within the international community and in the context of the UN “Delivering-as-One”; and an increased and more effective application of FAO’s resources for CD linked to achieving outcomes in the MTP-PWB. Ideally, countries will also engage in this new approach to CD jointly with FAO as mutually accountable parties, and become more capable of creating, adopting, leading, implementing and sustaining change initiatives towards achievement of their objectives in food security and ARD.

### **D. FAO’S NEW CAPACITY DEVELOPMENT VISION**

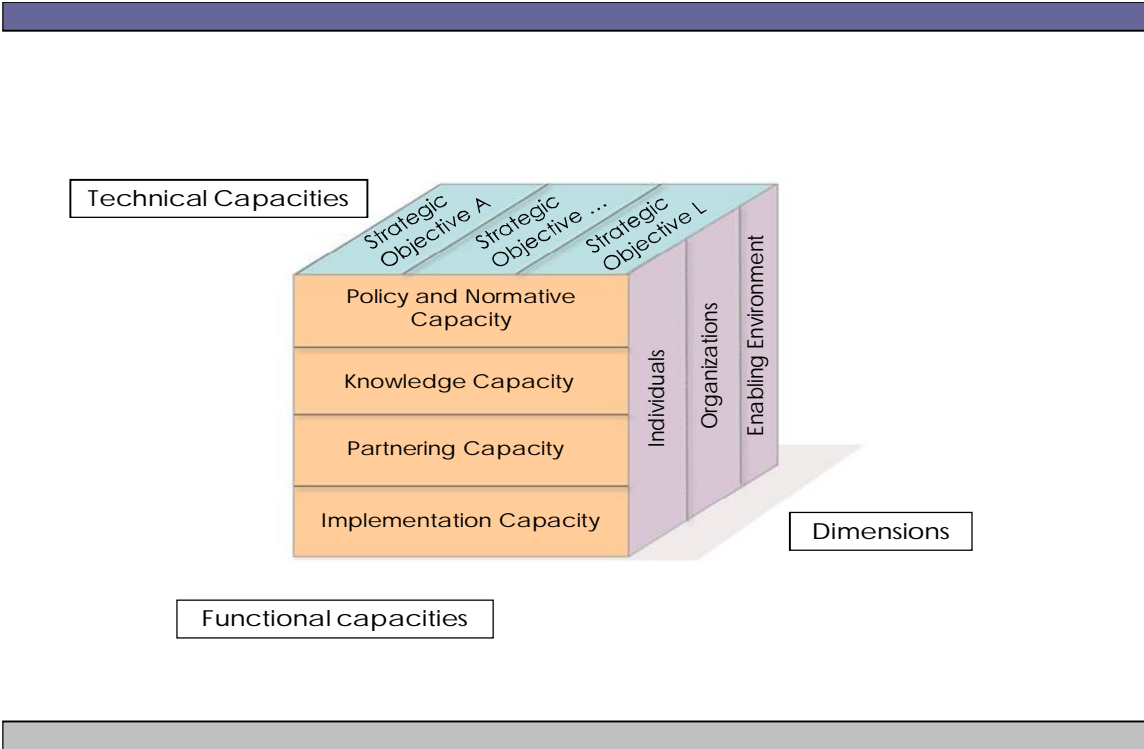
8. FAO will be an important actor for CD in its areas of work in agriculture and rural development (including forestry and fisheries). FAO will play a catalytic role in partnership with national, (sub)regional and international actors by delivering high-quality CD support grounded in national, regional and global plans and strategies. FAO’s CD role will be geared towards facilitating

the development of a sustainable capacity base of countries and regions in food security, agriculture and rural development to help achieve the three Global Goals of FAO Members and the MDGs.

**E. FAO’S CAPACITY DEVELOPMENT FRAMEWORK**

9. The new CD framework, introduced in the Corporate Strategy on CD is an analytical tool that will guide FAO staff and their partners in analysing jointly existing situations in terms of capacities and identifying the appropriate type(s) of intervention for fostering the development of capacities in countries. The framework (*Figure 1*) is based on the enhancement of Technical and Functional capacities, which are prerequisites to achieving the three Global Goals of FAO Members, across three dimensions: individual, organizational and the enabling environment. The components of the framework are discussed in the following paragraphs.

*Figure 1: The CD Framework in FAO*



10. Technical capacities are required in the broad areas of food and agriculture to enable national and (sub) regional actors to carry out all technical tasks required to intensify production sustainably, manage natural resources, and eventually to improve food safety and security for all. FAO’s technical work is reflected in the eleven Strategic Objectives (A-L) in the Strategic Framework.

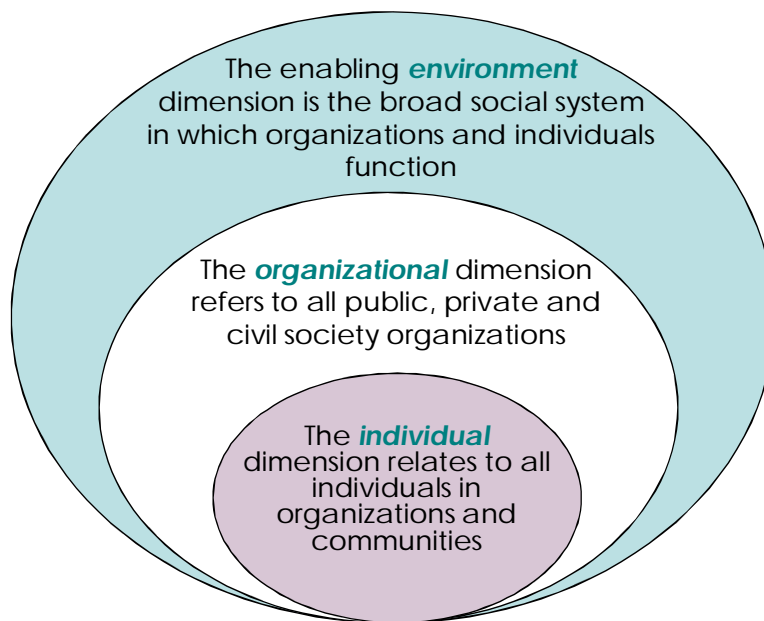
11. In addition, four Functional capacities enable countries and (sub)regions to plan, lead, manage and sustain change initiatives in ARD to ensure that technical know-how is embodied in local systems and processes in a sustainable way:

- a) *Policy and Normative*: capacities to formulate and implement policies and lead policy reform;
- b) *Knowledge*: capacities to access, generate, manage and exchange information and knowledge;
- c) *Partnering*: capacities to engage in networks, alliances and partnerships;
- d) *Implementation*: management capacities to implement and deliver programmes and projects, from planning to monitoring and evaluation.

12. Technical and Functional capacities, which are in themselves inter-related, exist across three dimensions of enabling environment, organizations and individuals (*Figure 2*).

- a) The dimension of enabling environment relates to political commitment and vision; policy, legal and economic frameworks; national public sector budget allocations and processes; governance and power structures; incentives and social norms.
- b) The organizational dimension relates to public and private organizations, civil society organizations<sup>4</sup>, and networks of organizations<sup>5</sup> in terms of: a) strategic management functions, structures and relationships; b) operational capacity (processes, systems, procedures, sanctions, incentives and values); c) human and financial resources (policies, deployment and performance); d) knowledge and information resources; and e) infrastructure.
- c) The individual dimension<sup>6</sup> relates to the people involved in ARD in terms of: knowledge, skill levels (technical and managerial) and attitudes that can be addressed through facilitation, training and competency development.

*Figure 2: The three dimensions of CD*



<sup>4</sup> e.g. central and decentralized government agencies and ministries, social protection systems, inspectorates, laboratories, national agricultural research systems, global and regional economic commissions, enterprises, cooperatives, chambers of commerce, consumer groups, producer associations, community-based organizations, NGOs, formal and non-formal education and training institutes, etc.

<sup>5</sup> e.g. research and extension systems, transboundary natural resources management systems, surveillance systems, public-private partnerships, etc.

<sup>6</sup> e.g. public servants and staff of ARD organizations, producers, farmers, fishermen, herders, rural service providers, distributors, technicians, traders, food inspectors, etc.

13. In CD interventions, all three dimensions are interlinked; individuals, organizations and the enabling environment are parts of a broader whole. CD often involves the enhancement of knowledge of individuals, although the output of individuals greatly relies on the quality of the organizations in which they work. Furthermore, the effectiveness of organizations and networks of organizations is influenced by the enabling environment<sup>7</sup>. Conversely, the environment is affected by organizations and the relationships between them.

## F. MOVING TOWARDS IMPROVED CAPACITY DEVELOPMENT PRACTICES

14. The new approach will require FAO staff at all locations to adopt improved practices and tools, as well as to participate in learning programmes on CD. An internal review of good CD practices identified the strengths of FAO's current CD practices with critical success factors that apply at three different stages in CD interventions (*Table 1*). These have been documented and are available internally and *via* the Organization's CD Portal Web site. Technical departments and decentralized offices will strengthen FAO's CD approach by embedding these factors systematically into their CD work.

*Table 1. Critical success factors in CD*

| Early stage: identification of CD demands  | Formulation and implementation  | Finalization and sustainability aspects  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Use of frameworks derived from international initiatives (e.g. conventions, treaties)</li> <li>• Early involvement of national actors using participatory approaches</li> <li>• Commitment of national actors to policy implementation and performance improvements</li> <li>• Identification of local/national champions to catalyse change</li> <li>• Undertaking of targeted needs assessment</li> </ul> | <ul style="list-style-type: none"> <li>• Attention to national, regional and sub-regional context</li> <li>• Attention to all three dimensions of capacity</li> <li>• Attention to Technical and Functional capacities</li> <li>• Combination of modalities of intervention</li> <li>• Application of sound training methodologies with appropriate pedagogy</li> <li>• Adoption of medium- to long-term approaches</li> <li>• Creation of networks for knowledge and experience sharing</li> </ul> | <ul style="list-style-type: none"> <li>• Internalization of changes by national actors into their priorities, systems and processes</li> <li>• Ongoing strategic budget allocations</li> <li>• Incremental approaches building on feedback from previous phases</li> <li>• Empowerment of local communities</li> <li>• Monitoring and evaluation of outcomes and impact</li> </ul> |

## G. AGENDA FOR ACTION TO IMPLEMENT THE STRATEGY

15. The organizational changes required in FAO to adopt its new CD approach have been formulated into an implementation plan which requires the contribution of all FAO units at all locations. The implementation plan comprises five main areas of action as below.

16. Internal CD governance and coordination. FAO will take measures to establish effective CD governance in order to ensure that FAO's approaches to CD are appropriately guided by Members' needs, and that CD is fully institutionalized within FAO's systems and procedures. The governance tasks will be led by an Interdepartmental Working Group on CD, and coordination will be ensured amongst FAO's eight core functions based on synergies identified between the different strategies and implementation plans. Actions on CD will also be integrated with the ongoing processes under the Immediate Plan of Action for the reform of FAO.

<sup>7</sup> adapted from DAC, *The Challenge of Capacity Development: Working towards Good Practice*, February 2006

17. CD programming. Guidelines and criteria for formulation, approval, and monitoring and evaluation of FAO's projects and programmes will be revised to reflect and emphasize the new CD approach, leading to increased corporate coherence.

18. Planning, monitoring and reporting mechanisms. FAO's Strategic Framework provides the means for structured and inclusive planning, monitoring and measuring the impact of CD activities contributing to agreed outcomes as measured by targets and indicators. FAO's CD activities are critical to achieving many of the specific results (outcomes)<sup>8</sup> in the Medium Term Plan that contribute directly and indirectly to fighting poverty and defeating hunger, reinforcing FAO's external accountability for CD outcomes by its Members.

19. Communication of FAO's CD strategy will be important to raise awareness, firstly internally amongst FAO staff who will engage actively in making CD practices more effective, and it will promote understanding of the Organization's enhanced CD role and its operational implications. Secondly, external communication about FAO's CD strategy and achievements will become an integral part of the Organization's corporate communication activities with member countries and the general public.

20. Institutionalization of the CD function in FAO's human resources policies and procedures will include: establishment of clear roles and responsibilities in CD amongst technical departments and decentralized offices; reflection of CD-related responsibilities and targets in job descriptions and performance evaluation processes of staff at all levels, including FAO Representatives<sup>9</sup> and Regional Representatives<sup>10</sup>; personal development frameworks and learning programmes for CD-related competencies for FAO personnel at all levels; inclusion of appropriate selection criteria for short-term personnel recruited for assignment on CD-oriented programmes.

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<sup>8</sup> Approximately one third of the Organizational Results in FAO's Medium Term Plan explicitly refer to CD, and many other Organizational Results involve CD.

<sup>9</sup> Based on the latest revision of the Administrative Manual (4/2/2008), a FAOR "assists their countries of accreditation with *developing national capacity*, mobilizing resources, developing partnerships and exchanging knowledge and information in favor of food, agriculture and rural development".

<sup>10</sup> The Regional Representative "supports capacity development and resource mobilization for food security, agriculture and rural development in the region" [Administrative Manual (4/2/2008) Section 117.2.32 (iii)].