

DEMAND-DRIVEN ORGANIZATIONAL CAPACITY DEVELOPMENT

Lessons from Local HIV and AIDS Civil Society Organizations in Malawi

“For me, demand-driven capacity development is like going to a local tree nursery, selecting a tree seedling that you really like, and bringing it back home and planting it in your compound. Then you water and care for the tree, because once it matures it will honor you with good shade and fruits. But many projects come here and plant their own trees in our yard. We allow them to do it, but those are trees that we didn’t ask for and don’t care about. They ask us to water them and leave. We let those trees die because they don’t belong to us. That’s why you see so many dead trees in NGO compounds.”

—Civil society organization (CSO) leader in Malawi



INTRODUCTION

Developing countries need to further improve the performance of their public, private, and civil society sectors if they are to achieve their goals of reducing poverty and providing better HIV and AIDS and other health services to their citizens. Achieving improved performance requires sustained investments in capacity development of individuals, teams, and organizations.¹ Human and organizational development cannot succeed without competent and motivated individuals and teams leading capable organizations that are mission driven and supported by strong foundational internal systems as well as an external enabling environment to deliver results.

Developing capacity of local organizations and institutions has been a fundamental component of international development for many decades now, as these organizations are pivotal in advocating for access to services and providing services to millions. Calls for changes in the practice of development assistance, articulated in global pronouncements such as the Paris Declaration and Accra Agenda for Action, as well as major donor reform initiatives like USAID Forward, all aimed at improving aid effectiveness through greater country ownership of health and development assistance programs, have highlighted the need for investments in the capacity of indigenous organizations and country systems.

The capacity development community has traditionally used a supply driven approach to design and deliver capacity development,² with client organizations on the receiving end. Over the years, a rich tableau of organizational capacity assessment and improvement tools and methodologies have also been created and applied in a wide variety of team, organizational, and institutional settings to assess

needs, use the findings to develop action plans to address performance gaps, and improve performance. Also, the technical assistance model used to address performance gaps has often been characterized by language and attitudes that in some cases are based on untested assumptions about expatriate knowledge and recipient ignorance.³

Today, while many donor funded projects have capacity development components, the objectives of these activities and appropriate methodologies to use still are somewhat ill defined, and the results poorly tracked, measured, and reported. Even in instances where objectives are better specified, supply-driven lengthy assessments, often top heavy action plans, internal constraints to change, resource constraints and the inability of capacity building technical assistance providers to strengthen the ability and disposition of local change agents to implement and manage change efforts often hamper the achievement of those objectives and the measurement of change. Evidence in the literature shows that organizational capacity development is most effective when it is jointly planned and managed together with the beneficiaries; flexible and responsive in design; embedded with an overall organizational design process and implementation that is rooted in local context; led and prioritized by the organization; acknowledges the impact of the overall external environment and is complemented by other forms of local support networks.⁴ ■

1. *Still Our Common Interest*, Commission for Africa Report, 2010.

2. In this paper, the terms “capacity development” and “capacity building” have been used interchangeably.

3. *Real Aid: Making technical assistance work*, Action Aid, 2005.

4. *The challenge of capacity development: Working towards good practice*, OECD, 2006.

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ACRONYMS

AIDSTAR	AIDS Technical Assistance Resource
CIDA	Canadian International Development Agency
COR	Contract Office Representative
CRECCOM	Creative Centre for Community Mobilization
CSO	Civil society organization
DANIDA	Danish International Development Agency
DFID	Department for International Development (UK)
EU	European Union
FOCUS	Foundation for Community Support Services
ICO	Intermediate Capacity Outcome
MAGGA	Malawi Girl Guides Association
MANASO	Malawi Network of AIDS Service Organizations
MDG	Millennium Development Goal
MHRYN	Malawi Human Rights Youth Network
NACC	Namwera AIDS Coordinating Committee
NGO	Non-governmental Organization
PEPFAR	US President's Emergency Plan for AIDS Relief
TA	Technical Assistance
USAID	United States Agency for International Development

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I. PURPOSE OF THE TECHNICAL BRIEF AND OVERVIEW

Funded by PEPFAR through the USAID Global Bureau of Health's Office of HIV and AIDS, the AIDSTAR-Two project, led by Management Sciences for Health, has a mandate to deliver organizational capacity building to HIV and AIDS implementing organizations, including local nongovernmental organizations and civil society organizations. The purpose of this technical brief is to analyze and describe the **process** and share the **results** and **lessons** of a **demand-driven approach** to capacity development funded by USAID Malawi that AIDSTAR-Two implemented with a group of 14 HIV and AIDS civil society organizations in Malawi. The brief is intended to summarize the experience and generate discussion and improve collective strategic thinking and practice around locally-owned, alternative methods to results-oriented organizational capacity development.

Capacity Development for Civil Society Organizations (CSOs)

For decades, billions of dollars have been spent to strengthen the capacity of local civil society organizations in the health sector as well as public sector institutions. These investments are essential for several reasons. First, health sector CSOs in developing countries play a full range of roles as development and health actors and change agents. These roles include the delivery of basic health and other social services, support for community development, advocacy for vulnerable populations, policy influencing in support of participatory governance, and the promotion of transparency and demand-driven accountability in public affairs.⁵

Second, within each of these roles, it is also essential to acknowledge the complexity and diversity of CSOs in terms of their mission and mandate, as well as the socio-economic, cultural, and political environments. It is important to take these factors into account in order to effectively manage expectations on what these organizations can achieve in the context of their own reality, and the approaches that are being used to strengthen their capacities in the first place.

The capacity of an individual, team, organization, or a society is not static. It changes over time, and is subject to both internal and external influences. The AIDSTAR-Two project has defined capacity in the following way:

Definitions

- **Capacity:** the ability or power of an organization to apply its skills, assets, and resources to achieve its goals.
- **Capacity building:** an on-going evidence-driven process to improve the ability of an individual, team, organization, network, sector, or community to create measurable and sustainable results.
- **Organizational capacity building:** the strengthening of internal organizational structures, systems and processes and management, leadership, governance, and overall staff capacity, based on evidence, to enhance organizational, team, and individual performance.

5. *Strategic Alliances: The Role of Civil Society in Health*, WHO, 2001.

II. MALAWI: CONTEXT AND BACKGROUND

Malawi is one of the least developed countries in the world, with an estimated population of 15.3 million with a growth rate of around 2.9% per annum⁶ and a poverty rate of 39 percent.⁷ Social indicators are showing some improvements—life expectancy has improved to 51 years (49 for women and 53 for men) in 2009 from less than 40 at the turn of the century; HIV prevalence is now at 12.6 percent, down from 14 percent in 2006; and food security has also significantly improved. Malawi is likely to achieve five out of eight Millennium Development Goals (MDGs)—with gender inequality, universal primary education, and maternal mortality unlikely to be met.

Despite progress on these health and social indicators, there are still significant structural and capacity barriers to an effective country-led and locally owned response to HIV and AIDS. While the public sector continues to play a prominent stewardship role in Malawi's national AIDS response, CSOs have also been playing a growing and significant role.

Malawi is a young democracy; so is civil society. The introduction of multi-party democracy in 1994 coupled with the socio-political, economic, and other development challenges facing Malawi meant that there was an increasing need for CSOs and more donors who were willing to finance CSO activities. CSOs are seen as having an important role to play in local development through their contacts with grassroots communities; their experience in delivering essential services, such as health and education, water and sanitation; and in assisting in the process of democratization, human rights, and good governance. Over the years, some of the

major donors who have supported CSOs include USAID/PEPFAR, DFID, EU, DANIDA, and CIDA. The World Bank has an NGO desk officer and there is an increasing tendency to collaborate with NGOs and financially support their work in Malawi.⁸

In Malawi, as elsewhere, civil society organizations that are well-led, managed and governed, are not only essential for providing and sustaining HIV and AIDS and other health services, but they also constitute an essential building block for promoting changes in the lives of families and communities, particularly the most vulnerable populations.

Over a period of two years (October 2011–August 2013), the AIDSTAR-Two Malawi HIV and AIDS Civil Society Organization Capacity Building Project, funded by USAID Malawi and supported by PEPFAR, collaborated with 14 local CSOs and provided technical assistance in internal institutional strengthening in the following areas that were requested by the organizations themselves:

- financial management, including hands-on training in the use of new financial software
- human resource management, including supervision and performance management
- leadership and management
- board governance
- HIV and AIDS policy advocacy
- resource mobilization
- monitoring and evaluation framework, including introduction to pathways to change
- team building
- improving administrative and internal communications
- USAID rules and regulations, fraud prevention, and risk management

6. World Bank, July, 2012.

7. *Welfare Monitoring Survey*, National Statistical Office, Malawi, 2011.

8. NORAD Report, 2000.

The project's overall goal is to contribute to the reduction of the spread of HIV by providing organizational capacity building technical assistance to local HIV and AIDS organizations to solidify their ability to deliver high-impact sustainable services. The scope of work that the AIDSTAR-Two project received from USAID Malawi did not include direct grants to the CSOs or technical service delivery support, as was the case under other previous mechanisms.

The project's working definition of a local civil society organization conforms to the requirements of USAID Forward, a signature reform initiative of USAID that seeks to expand partnerships and to enable local organizations to have a more active stake in the development of the country. In the case of Malawi, a local CSO has to meet the following standards/ requirements:⁹

- Be operationally/legally organized under the laws of Malawi

- Have its principal place of business in Malawi
- Be majority owned by individuals who are citizens or lawful permanent residents of Malawi
- Be managed by a governing body, the majority of whom are citizens or lawful permanent residents of Malawi
- Not be controlled by a foreign entity or entities who are not citizens or permanent residents of Malawi

An overview of the 14 AIDSTAR-Two Partner CSOs in Malawi

Table 1 on page 4 provides a brief description of the mission and overall programmatic purpose of each of the 14 civil society organizations. Figure 1 below shows the location of these organizations.

9. USAID Forward (extract), 2012.

FIGURE 1.
Location of the 14 civil society organizations

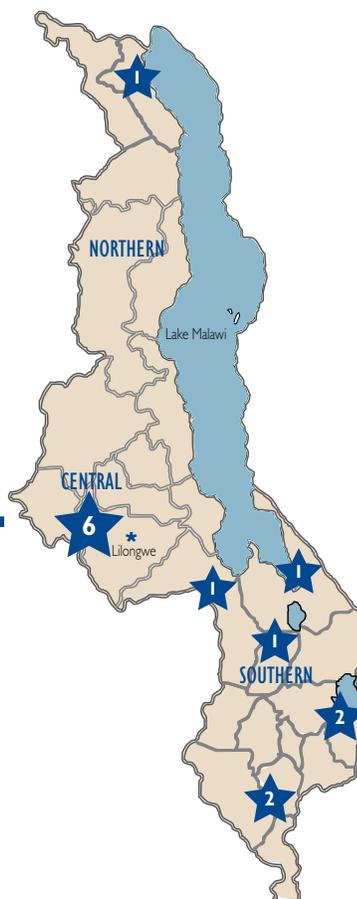


TABLE I.**Partner CSOs and mission statements**

ORGANIZATION	MISSION
Coalition Of Women Living With HIV and AIDS (COWLHA)	Seeking to enable its members lead a productive life by promoting sustainable livelihood programs and strengthening their capacity to effectively lobby and advocate for issues affecting their lives.
Foundation for Community Support Services (FOCUS)	Facilitating, advocating and implementing HIV and AIDS delivery services and sustainable livelihoods, targeting Malawian communities and uphold the values of transparency, professionalism, commitment and honesty.
Malawi Network of Religious Leaders Living or Personally Affected by HIV and AIDS (MANERELA+)	Fighting stigma, shame, discrimination, denial, inaction and miss-action (SSDDIM) in our religious institutions, congregations and local communities for the purposes of scaling up HIV prevention; treatment; care; impact mitigation by working in partnership with all stakeholders in the fight against HIV and AIDS as well as other communicable diseases.
Malawi Network of AIDS Service Organizations (MANASO)	Contributing to the reduction of HIV prevalence and alleviation of suffering caused by the epidemic in Malawi through coordination, capacity building, mobilization, and allocation of resources to AIDS Service Organizations.
Malawi Human Rights Youth Network (MHRYN)	Uniting and promoting all youth NGOs dealing with issues of human rights, HIV and AIDS and gender in Malawi to the young people through coordinating, implementation, and capacity building..
Malawi Girl Guides Association	Enabling girls and young women (3-25 years) to develop socially, emotionally, physically, mentally, spiritually, economically, and culturally so that they become responsible and useful citizens of Malawi.
YOUTHNET and Counseling (YONECO)	Empowering the youth, women and children; combating the spread of HIV infection; mitigating the impact of AIDS; promoting human rights and democracy and conducting research on youth, women and children's development.
Centre For Alternatives for Victimized Women & Children (CAVWOC)	Empowering women and children who have been victims of violence through provision of counselling and other services; and sensitize men and women on the need to create a violence-free society. Enshrined in this principle is the promotion of women and children's rights and achievement of gender equality regardless of sex, religion, or political orientation and ethnicity.
Namwera AIDS Coordinating Committee (NACC)	Reducing HIV transmission and mitigating its impact.
Luntha TV Station	Broadcasting about the Kingdom of God through quality information, education, spirituality, relaxation and entertainment contents that are both inspirational and professional.
Lilongwe Health Commission	Continuing the healing Ministry of Christ through the promotion of human life, the provision of preventive, curative and rehabilitative services in a holistic manner; through participation in collaborative networks and partnerships, in accordance with the needs and capacities of the communities, and in line with Catholic core values and principles.
Dedza Health Commission	Continuing the healing Ministry of Christ through the promotion of human life, the provision of preventive, curative and rehabilitative services in a holistic manner; through participation in collaborative networks and partnerships, in accordance with the needs and capacities of the communities, and in line with Catholic core values and principles.
Creative Centre for Community Mobilization (CRECCOM)	Sensitizing, motivating, mobilizing, and empowering communities and other stakeholders towards full ownership of development initiatives through their effective involvement and participation.
World Relief	Empowering the local churches to serve the most vulnerable.

Together, these organizations provide the following broad array of services to the communities that they serve, primarily in rural districts of the country:

- HIV and AIDS prevention, treatment, care, and support
- HIV and AIDS policy advocacy
- Addressing abuse and violence against women through justice, human rights, and women's empowerment programs
- Water and sanitation, nutrition, and household economic strengthening
- Family planning and reproductive health for women and youth
- Education bursaries and scholastic support for orphans and vulnerable children

When the project started working with the organizations, nearly all of them indicated that they had been assessed at least once over the previous

two years. They were also used to a supply-driven approach to receiving organizational capacity building technical assistance, and there was a sense of wariness about more assessments that generate long reports and action plans. They mentioned that some of these assessments are often not followed up; or too many challenges and changes are pursued simultaneously, and the process of implementing and institutionalizing those changes and committing the resources and personnel required to sustain them are all too often overlooked.

In view of this historical and contextual reality, the AIDSTAR-Two project elected to use a demand-driven approach to engaging with and supporting the group of civil society organizations. The next section describes the process and defining characteristics of this approach, starting with a general background on demand-driven capacity development.

III. DEMAND-DRIVEN ORGANIZATIONAL CAPACITY DEVELOPMENT IN MALAWI: Description of the Process and Defining Characteristics

Technical assistance and capacity building programs for local organizations have commonly been supply-driven—by donors and international NGOs.¹⁰ A lot of organizational capacity building efforts still tend to be supply driven and fragmented, relying too much on external experts and external best-practice models and tools. In most cases, technical assistance is “tolerated” rather than demanded and led by organizations and institutions in developing countries. This approach has received some criticism for various reasons, including a lack of ownership by local partners and a failure to address their genuine needs.¹¹ This has resulted in a more recent trend toward a more demand-driven approach whereby interventions are designed to meet the needs and demands for change.

AIDSTAR-Two defines demand-driven capacity development as a process of reflection, leadership,

and adaptation that gives a local organization the space to identify and prioritize its own capacity challenges, participate in the selection and implementation of plausible interventions and measurable results, and internalize the results to improve performance.

As this is still a fairly new approach, especially in the health sector, there are limited examples of demand-driven programs that have been implemented and evaluated. The most mature examples are found in other sectors such as local government, water and sanitation, as well as roads and infrastructure projects. And the most common mechanism discussed in the literature is the Capacity Building Grant or Capacity Building Fund—a form of discretionary budget support which gives local authorities the flexibility to determine, finance, and manage training and technical assistance according to their needs.¹²

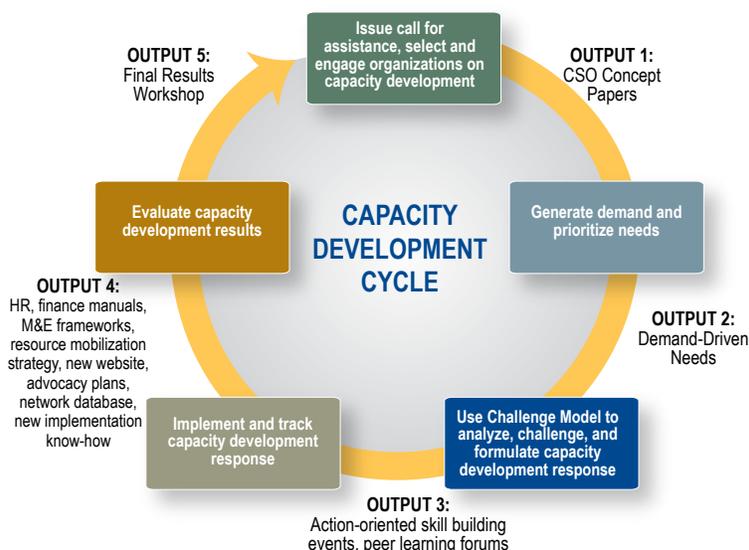
10. <http://www.gsdr.org/docs/open/HD547.pdf> (accessed July 31, 2013)

11. http://www.uncdf.org/english/local_development/uploads/other/uncdf_nepal-int2005.pdf (accessed July 31, 2013)

12. http://www.uncdf.org/english/local_development/docs/thematic_papers/0510_Delivering/UNCDF_LD2.pdf (accessed July 31, 2013)

FIGURE 2.

Action-oriented demand-driven capacity development cycle



In Malawi, the AIDSTAR-Two Project used an action-oriented demand-driven capacity development cycle work with the 14 CSOs. Figure 2 above captures the steps and phases of this approach that is informed by and builds on some of the assumptions and principles of effective capacity development and organizational effectiveness.

1) Identify CSOs: The first step in the process was the identification of local CSO partners. In order to identify partners that were ready and motivated to receive organizational capacity development technical assistance from the project, and to ensure full transparency, AIDSTAR-Two, with the support of USAID Malawi, issued a call for concept papers for technical assistance, using the local media to advertise the solicitation. The request for concept papers outlined the criteria for eligible organizations. Basic eligibility criteria included, but were not limited to:

- Copy of the organization's certificate of registration, incorporation, or an equivalent document granting legal status to do business in Malawi
- Copy of the organization's bylaws
- Copy of the most recent annual report or any similar document, which included the mission statement, board composition, and list of senior management
- A copy of the organization's latest audited or prepared financial statement

The request for concept papers also required that each CSO analyze their organizational capacity building challenges and priorities, provide evidence of the current baseline situation for each challenge and commitment from top leadership to a process of uninterrupted technical assistance, as well as availability and willingness of leaders and managers to provide time and space for effective and timely implementation of action plans.

A selection panel consisting of key local stakeholders (all Malawian) was assembled to review the concept papers, and based on technical evaluation results, 14 organizations were selected to receive targeted technical assistance in a broad range of organizational capacity areas to address their identified challenges. The selection process was documented in a final selection memo for USAID review and approval, and successful applicants were subsequently notified. Later, AIDSTAR-Two project staff coordinated and facilitated a series of engagement and alignment meetings with senior staff and primary stakeholders of all the new partner organizations to understand their current situation and align them to the strategy, goals, and methodologies of the AIDSTAR-Two Malawi Project; the benefits of participating; and explain what was required of local partners.

CSO partner engagement and dialogue became an essential ongoing strategy throughout the project to foster ownership and commitment. This was formalized through a Memorandum of Understanding that was signed both by the CSO and the AIDSTAR-Two project. It is therefore important to briefly describe how this strategy contributed to raising awareness and fomenting understanding of the confluence of demand and supply in organizational capacity development technical assistance.

2) Partner engagement: strategy for fostering self-esteem and promoting ownership:

All the available evidence from decades of development experience by donors and NGOs suggests that participatory approaches provide the foundation for sustainable development, and consultation and engagement are key components of participation.¹³ Effective and ongoing consultation and engagement in a way that encourages a diversity of input, combined with committed participation of all key local stakeholders who are well informed, and grounded in the

¹³. InterAction, 2011.

“AIDSTAR-Two Project staff and consultants are like colleagues. We look at them as friends who want us to improve and do better. We can discuss anything with them because the level of trust that we have developed is quite high. If there is an issue, we discuss and resolve it. Our voices are heard, and our opinion matters and we really value that kind of relationship.”

— Lawrence Khonyongwa, Executive Director, MANASO

local context, are important pillars upon which sustainable development and country ownership should rest.

The project in Malawi used a strategically organized process that was controlled by the project but creatively combined consultation, negotiation, and participation, and wove in relevant aspects of indigenous knowledge, expertise, and leadership to foster self-esteem and commitment and promote effective engagement of local civil society organizations. At the beginning, some of the CSOs were skeptical about the whole approach and thought they would request direct funding and receive it. In the first few months, the project held a series of engagement meetings with key representatives from each of the 14 organizations. Some of the meetings were joint events that brought the teams together, while others were on-site with each organization. These events were used to discuss and clarify expectations, develop trust, establish relationships, and also address specific technical concerns including the prioritization of capacity challenges and needs.

It was observed that such a process actually required considerable levels of dialogue and analysis, and at times appeared slow, unstructured, uncertain, and iterative. But, in the end it turned out to be a more effective engagement methodology. It generated not only trust and legitimacy with the organizational teams but also eventually provided space for the emergence of a high degree of commitment and ownership of the organizational challenges and results that accrued from the interventions. And since participation is always about people and the way we interact with them, it is essential for capacity development technical assistance providers, who often control the participatory process, to actively and patiently listen to their local partners rather than try to hurriedly fit their inputs into our own mental models or a universe that we understand,¹⁴ and move rapidly from assessment to planning to action without the needed depth of understanding and the process of introspection and commitment.

¹⁴ Rifkin, 2009.

“A Malawi proverb says: ‘If you are one-eyed, you don’t start a fight.’ Over the years, we feel we have been treated like one-eyed people or organizations. We are assessed and told what we need to fix, and we just accept what we are told. That is the kind of technical assistance that we have been getting for many years now. There is little dialogue or understanding of our own realities. But this process has challenged us to think about our situation and express our own demand. We feel respected and empowered. It gives you the energy to do more, to be committed and not to give up.”

—George Jobe, Executive Director, CRECCOM

3) Capacity building technical assistance: using different modalities to produce results:

Another important defining characteristic of the demand-driven approach is the use of a complementary bundle of intense and targeted technical assistance that the project put together to respond to the challenges that the organizations had identified. The box below demonstrates the variety and intensity of the technical assistance that was provided, and a brief description of the key components of the package delivered by project staff supported by a regular team of carefully selected local consultants and international short-term technical assistance to enhance the knowledge, skills, and implementation capabilities of CSO teams.

In both the virtual and face to face leadership development programs, the Challenge Model was used—encouraging CSO teams to work on one challenge a time. The Challenge Model (see Figure 3 next page) is a simple learning tool for teams to

use in the workplace to address real challenges and achieve results. Beginning with creating a shared vision, the Challenge Model creates motivation and commitment within teams, enabling them to develop a systematic approach to address a common concern.

As part of the demand-driven model, the project also procured and delivered specific equipment and resources to various CSOs to facilitate the successful implementation of their Leadership Development Program mini-projects that addressed specific organizational challenges that the CSOs identified. The equipment and assets included high capacity computers and servers, regular desktop computers and SAGE Pastel accounting software. All these procurements were covered under the existing MOU between the project and the organizations, and served as an incentive for the CSOs to remain committed and fully meet the results of their mini-projects.

BOX 1.

Key components

Multi-partner skill development events/workshops: joint 3- or 4-day skill building events that bring teams from all the CSOs together to address a commonly-shared challenge in a specific technical area, such as financial management, human resource management, leadership development, board governance, advocacy, and monitoring and evaluation.

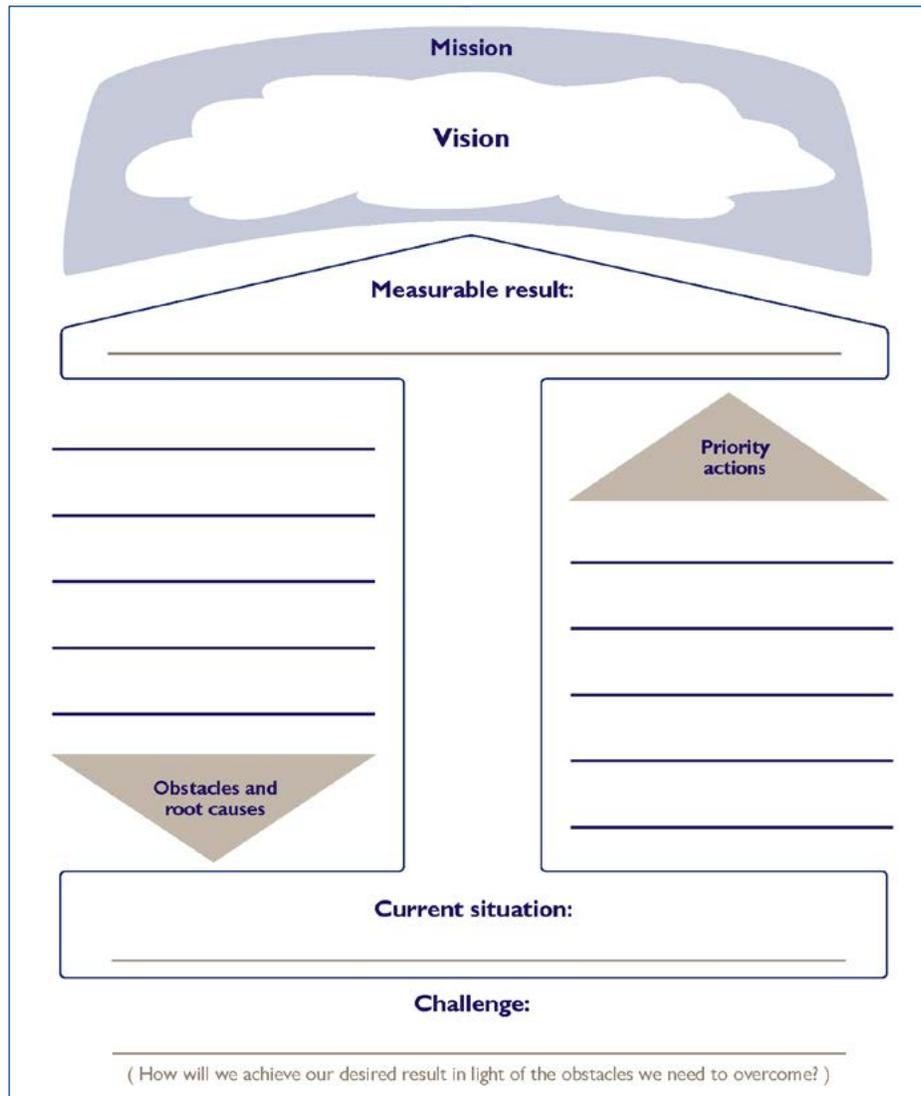
Virtual leadership development program: a 13-week Internet-based learning program that strengthens the capacity of team members to identify organizational capacity gaps and develop action plans to address them. The program is facilitated by trained facilitators who provide ongoing support to the teams. Some CSO teams participated in a face-to-face version of the same program and developed and implemented mini-projects to address challenges that were identified.

On-site mentoring and coaching visits: planned, regular follow-up visits by project staff and local consultants to listen to and support the CSO teams in the implementation of change efforts. Over time, a professional relationship is developed to maximize skill acquisition and the implementation effectiveness of the teams, and to provide them with additional professional tools, resources and creative strategies to move forward with their plans.

Peer exchange learning: carefully planned forums of collaborative learning through active helping and supporting between two CSO teams. Typically, a CSO is matched with another organization that is doing well in a specific area of capacity.

FIGURE 3.

The Challenge Model



4) Tracking progress and sharing results:

Each quarter, the CSO teams gathered together for a day to present and discuss progress and results of the capacity building activities that they were working on with the support of the project. During these events, each team received feedback and support from their peers as well as AIDSTAR-Two project staff and consultants.

The next section provides a summary of the results and lessons accruing from the implementation of the demand-driven model in Malawi.

Results and lessons are analyzed and presented using two angles: a) intermediate capacity outcomes; b) organizational results, and also sharing some quotes and stories of client satisfaction with the approach.

If capacity development initiatives are to have a pivotal role in helping organizations and institutions in developing countries to meet the challenges of the 21st century—in particular the Millennium Development Goals and post 2015 goals under discussion at present, and PEPFAR and

USAID goals and objectives—it is essential that those who are investing in and implementing these initiatives move forward with a firm understanding and appreciation of evidence-based notions of capacity development that underpin a demand driven approach,¹⁵ including:

- the nature of capacity development as an endogenous, and often slow and iterative process of change and transformation, and the fundamental importance of indigenous capacity for this transformation to occur and take root. In other words, lasting change can only be demanded and driven from within.
- the levels, nature, interconnectedness of capacity and capacity development, including individual skills, organizations/institutions, system and community capacity—all taking place within a complex adaptive system
- the nature of knowledge and expertise, where it is located, and how it can or cannot be shared and acquired
- the nature of the capacity builder-local partner relationship, which has profound consequences for success and failure in developing lasting capacities—as capacity development is not power-neutral.

The ability of capacity development practitioners to successfully explore all these critical considerations also calls for a shared understanding of some of the intermediate capacity outcomes (ICOs)¹⁶ that characterize how local capacity is actually strengthened and measured in real world settings, namely:

- i. Raised awareness—using a genuinely participatory approach and designing interventions that meet needs and demands for change

- ii. Enhanced knowledge and skills
- iii. Strengthened local coalitions and networks—creating wider social capital primarily through strengthened local connections and mechanisms
- iv. New implementation know-how—adapting interventions to local conditions and ensuring the integrity and quality of those interventions

An intermediate capacity outcome is a process-heavy attribute that guides and assists implementers to track and demonstrate an improvement in the “ability or disposition of the local change agents to take actions”¹⁷ that will effect organizational changes towards a specific result or goal. This is helpful on two fundamental levels: first, it is actually the actions and behaviors of individuals and teams within organizations that eventually lead to improvements in performance and organizational effectiveness, and second, normative indicators that track outputs like number of people attending workshops or manuals produced have so far failed to capture the critical role of local individuals and teams within organizations to initiate and manage organizational change efforts. ICOs help us to plug these gaps and also understand how capacity is actually created and sustained.

Some of these ICOs, popularized in a recent seminal publication of the World Bank Institute (see footnote below), provide a relevant frame for the analysis and presentation of the results as well as lessons that can be drawn from the wider set of interventions targeting the organizations in Malawi through the AIDSTAR-Two project.

15. *Capacity for development: New solutions to old problems*, UNDP, 2002.

16. *Guide to Evaluating Capacity Development Results*, World Bank Institute, 2012.

17. *Guide to Evaluating Capacity Development Results*, World Bank Institute, 2012.

IV. ANALYZING THE DEMAND DRIVEN CAPACITY DEVELOPMENT APPROACH: Summary of Results and Lessons

A. Impact on Intermediate Capacity Outcomes

i. Raised awareness: using a genuinely participatory approach and designing interventions that meet needs and demands for change

The common approach to working with local partners is often to precede every capacity building program with some type of a tool-led participatory needs assessment. Often the assessment tools may contain dozens of organizational components to assess. Typically, this is followed by some consensus building and prioritization of needs activities, and the development of a customized action plan to address the performance weaknesses. Often the action plan contains multiple areas of weakness that the organization should address. While such a linear approach (Figure 4) may have its merits, including the establishment of a baseline, there are also alternative, cost-effective ways to identify client needs—one of which is: ask them and trust their judgment. In the AIDSTAR-Two work with CSOs in Malawi, such an approach that puts the

onus on the client to create and articulate the “demand” for technical assistance, and actively contribute to the entire process was not only cost-effective but it also helped to foster confidence, self-esteem, and commitment on the part of the local partner—all important ingredients for the ownership and effectiveness of technical assistance.

The CSO participants in Malawi wanted to see open dialogue and relationship-building precede the introduction of any type of technical assistance or intervention. They also valued the opportunity to be involved in making decisions—especially about which priorities to address, when and how activities are programmed, who should be involved, and so on—rather than having such decisions made for them. At times, the CSO teams even demanded that certain planned interventions should be dropped or re-programmed because they felt they were unable to accommodate them in their busy schedules. It was also observed that even basic logistical issues like venues, location, and timing of meetings can facilitate or limit involvement.

FIGURE 4.

Linear approach to strengthening organizational capacity



“This whole issue of results is interesting. I agree—we have to show results. That is obvious. But we get frustrated when people funding our programs expect short-term miracles that don’t last. Some results are short-term, others are long term. Some are intangible and hard to appreciate or measure, but that doesn’t mean they are not important.”

—Cossam Munthali, Executive Director, FOCUS

All these observations have some resonance in the literature on participatory development—especially an acknowledgment of the fact that an important element of involvement or participation is the power to influence or make decisions, instead of carrying out instructions or implementing what has already been decided. Also, the power of decision-making has been reported to be positively correlated to desire for control, hope, achievement, motivation, and self-determination.¹⁸ Clearly, if people engage with effort and see the work as “theirs” rather than the technical assistance provider’s, the project’s or the donor’s, they are also likely to demonstrate the passion and commitment required to ensure that implementation proceeds smoothly and the results and benefits endure. As a CSO participant at one of the workshops said, “We are proud when we work together to solve our own problems.”

Many of the examples cited by the CSO participants also suggest that active involvement, when combined with training on skills and sharing of knowledge, may be especially effective.

However, there are several other factors that can limit effective engagement and participation, and it is essential to be aware of them, too. Most of these are related to the traditional nature and dynamics of projects, and they include: rigid intervention design structures and time-frames, pre-determined results frameworks, and all sorts of internal incentives of donor funded projects that may act as

¹⁸ *The New Dynamics of Aid: Power, Procedures and Relationships*. Brighton: Institute of Development Studies, 2001.

potential constraints on getting people purposively involved in all stages of capacity development planning and implementation. Also, the relentless focus on quantifiable results makes it difficult to make the case for scarce project resources to be spent on client engagement efforts, whose benefits are extraordinarily valuable but often hard to reflect in numbers or standard measures of success. Moreover, most projects are often too strapped for time to afford lengthy or time-consuming client engagement processes, as they are always under pressure to quickly show results, and respond to the next project milestone or reporting deadline.

On the other hand, if consultation and engagement are indeed “real exchange of ideas” or a way for those who need assistance and those providing it to get to know each other and balance the dynamics of supply and demand-driven capacity development approaches, and decide together in a spirit of mutuality and co-creation, then time is exactly what is required.

ii. Enhanced knowledge and skills

As described in section III of the technical brief, the project developed and used a complementary bundle of capacity development investments and simple, easy to apply tools to enhance the knowledge and skills of CSO teams in several areas. These include: using a simple matrix to learn how to prioritize challenges; taking one challenge at a time; and using the Challenge Model to develop clear and feasible action plans with measurable results that respond to the needs within their operational context.

Some of the actions and results that the CSOs were able to realize by working through the Challenge Model to address most of their capacity building challenges include an enhanced ability to:

- create a shared vision and define one measurable result at a time
- assess the current situation and identify opportunities and obstacles
- examine root causes of the performance gap
- define their challenge and select priority actions
- develop an action plan
- implement their plan and monitor and evaluate their progress toward achieving their desired result

Over time, it was observed that the CSO teams were also able to internalize the application of the model, and by achieving success in facing each challenge, the teams were inspired to apply the process repeatedly with new challenges that they had identified and prioritized. The process and the experience of applying the Challenge Model strengthened most of the teams' approach to organizational analysis (of the particular organizational challenge they were working on), problem-solving and monitoring of results and built confidence among its members that they can actualize real change in the effectiveness of their organizations.

iii. Strengthened local coalitions and networks

Local civil society organizations as well as public sector institutions work within a very specific context and their organizational network is unique based upon history, cultural norms, the economy, organizational relationships, political power balances, the history of civil society in the country and support for it or lack thereof, and development priorities and objectives inherent in that context.¹⁹ This larger contextual view enhances understanding of how social capital is created and nurtured in any given country, but also recognizes that the capacity of various social groups to act in their interest depends crucially on the support (or lack thereof) that they receive from one another, as well as the state and the private sector. In short, broader tenets of human development are accomplished when representatives of local actors such as civil society organizations create forums in and through which they can identify and pursue common goals.

Social capital refers to the organizations, relationships, and norms that shape the quality and quantity of a society's social interactions. Increasingly, evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. And social capital is not just the sum of the organizations or institutions which underpin a society—it is the glue that holds

¹⁹ *The State of Social Capital, Bringing Back in Power, Politics and History. Theory and Society* 31 (5), Simon Szreter, 2002.

“We were involved from the beginning. We learned how to use the Challenge Model to think through our own challenges and measurable results. Together with my team, I attended and actively participated in all the events to develop all these plans. They are from us, they are ours. The facilitators just helped us to assemble our ideas and gave us technical support. If we failed to implement them, we cannot blame AIDSTAR-Two or USAID. We can only blame ourselves because we got what we had requested.”

—Saeed Wame, Executive Director, NACC

“We are in a network and these peer exchanges are helping us to tap into our own local resources. We need to fully utilize the talents within our own peer CSOs because we have a lot of positive experiences that we can use. Instead of just complaining and feeling overwhelmed by the challenges that we are facing, we should be inspired by the connections that we can create right here in Malawi.”

—Gibson Nkanaunena, Country Director, World Relief

them together.²⁰ Evidence in the literature also suggests that social capital building can be equated with capacity development that target local groups and networks.²¹

In the work with the local civil society organizations in Malawi, it was observed that social capital can be enhanced and promoted through repeated exchange and face-to-face contacts through peer exchange learning forums. For example, the board of one of the organizations that was struggling for years to meet its responsibilities was able to visit with a dynamic board of another organization and learned how to improve their own effectiveness. Chairs of the two boards also maintained an ongoing relationship after the initial face-to-face meeting, and this was also facilitated by geographic proximity. Several similar peer exchange visits on different topics such as financial management and monitoring and evaluation were also planned and undertaken with similar success. In this regard, it is worth pointing out, of all the approaches that the project used to deliver capacity development technical assistance, the peer exchange forums were consistently ranked high (in terms of utility value and effectiveness) by the CSO participants in Malawi.

iv. New implementation know-how

Another key lesson that emerged from the work with the CSOs in Malawi is that capacity development with local partners is essentially a discipline, not simply a good deed. It requires sound and patient planning, critical analysis, creative design and evidence-based approaches, and robust monitoring and evaluation. But above all, it needs expert implementation to create a foundation for success that can be sustained.

There were some important attributes that characterized the implementation of the various capacity development interventions for CSOs in Malawi. Chief among these was the ability of local CSO teams to generate new products to address their organizational challenges. These involved developing operational manuals for human resources, financial management, or an organization-wide monitoring and evaluation framework. Typically, this would initially start in an action-oriented workshop setting that would bring teams together, and they would be offered technical guidance and input, sometimes in various phases. Each time, the teams would return to their work locations to continue working on and refining these products. Their implementation know-how was enhanced by regular on-site coaching, learning by doing, and support provided by project staff and local consultants.

In this process, the participants strengthened their ability as a team to collaborate and coordinate on a common task, an important ingredient for

20. *Social Capital Initiative Working Paper No. 1*, The World Bank, April 1998.

21. *Social capital formation: the role of NGO rural development programs in Bangladesh*, *Policy Sciences* 33: 459-475, Mondal Abdul Hye, 2000.

successful implementation. The whole process also involved personal and team discovery that is often associated with learning by doing. In other words, instead of a consultant or another external agent developing these materials for them, the CSO teams themselves assumed central responsibility for both the development and internal implementation.

There are a few important lessons that could be drawn here, and one of them is that organizational strengthening efforts face the same implementation challenges as other change efforts: local organizations are generally consumed and often overwhelmed by their daily activities. Also, in most cases, the leadership required to transform new needed knowledge and skills from workshops into institutional improvements is often weak or lacking. In addition, a multitude of capacity assessments and workshops are often not followed up by adequate implementation support; and the process of implementing and institutionalizing those changes and committing the resources and personnel required to sustain them are all too often overlooked. In Malawi (and this could be applicable in other

similar settings), it was realized that these dilemmas can be overcome by taking the following basic actions, among others:

- Prioritize challenges and needs demanded by the organizations themselves
- Address one challenge at a time
- Engage CSO leadership, including board participation, in implementing change
- Make time and resources available to strengthen implementation know-how among local partners by investing in on-site, self-directed, learning by doing approaches
- Focus on changes that are both feasible and necessary for organizational progress over time
- Avoid setting unrealistic expectations or standards of desired performance
- Avoid any attempt to support implementation by installing tools or approaches that lack any real relationship to the local context. Instead, strive for “best fit” rather than “best practice.”

“We are used to attending workshops and learning new things. It happens all the time. But most workshops don’t give you the chance to implement something or there is no follow-up after the workshop. But we have really benefitted from all these on-site coaching visits. The whole office is involved. At first, staff was skeptical and didn’t know what to expect. But the consultants kept us on our toes. They ask good questions, and want to know what we are thinking, or why we haven’t made progress on a given activity.”

—Weston Msowoya, National Coordinator, MHRYN

“After learning pathway to change, we are now applying it in some of our other programs as well. It’s a nice way to explain to ourselves, donors, and stakeholders what we do and how we learn. It’s also a good way to plan any project and see how change is taking place, so we know what we are monitoring. Learning this way of thinking has been a good result for us.”

—Maxwell Kaliati, Senior Program Manager, CAWVOC

B. Internal Organizational Capacity Results

Faced with the project’s short lifespan (18 months of actual implementation), there was an urge for achieving measurable organizational results quickly. Some of the accomplishments they cited include improvements in team morale, applying pathway to change methodology to other projects in the organization, and even shifts in their own thinking and perspectives in terms of how they now see and manage change as a result of participating in the leadership development program. The local CSO teams realized that some of these intangible accomplishments might not pass the current

standards and understanding of what constitutes a “measurable result,” but nonetheless they recognized and valued these changes as achievements within their organizations.

Table 2 on the next page provides a snapshot of common needs expressed by the CSOs, the range of interventions selected to address those needs, as well as organizational capacity results of the interventions that the CSOs implemented with the support of the AIDSTAR-Two project. On page 19, a vignette also provides additional narrative that demonstrates the organizational impact of a specific capacity strengthening intervention for one of the organizations.

TABLE 2.

AIDSTAR-Two Malawi Organizational Challenges, Interventions & Results

ORGANIZATIONAL CAPACITY NEEDS EXPRESSED BY CSOs	INTERVENTION(S)	EXAMPLES OF RESULTS
Lack of sufficient leadership and management skills and techniques for addressing organizational challenges	<ul style="list-style-type: none"> ■ Implemented 3-month Leadership Development Program (3 workshops and on-site coaching) 	Increased the participants' capacity to work in teams and achieve measurable results. Participants were introduced to tools and techniques on how to align and mobilize resources, inspire and coach others, identify team roles, distinguish commitment from compliance, give effective feedback, gain and maintain trust, acknowledge others, lead change initiatives, and analyze and interpret results on progress.
Lack of financial management skills	<ul style="list-style-type: none"> ■ Financial Management for Executive Leadership workshop ■ On-site coaching ■ In-house training in the use of Sage PASTEL Revolution accounting software 	<p>Improved knowledge of foundational financial management skills of CSO Executive Directors & Board Members; enhanced skills and understanding of their roles and responsibilities in ensuring sound financial and administrative management. Development of new or improved financial management manuals.</p> <p>Increased knowledge, skills, and understanding on the use of Sage PASTEL Revolution software for finance unit staff and senior management of CRECCOM, YONECO leading to improved financial management monitoring and timely reporting for all projects. YONECO was able to do internal audit on time for the first time. CRECCOM utilized new resource mobilization strategy to win an award from GIZ.</p>
Lack of monitoring & evaluation skills and systems	<p>A series of action-workshops interspersed with on-site follow-up coaching and support to generate specific products:</p> <ul style="list-style-type: none"> ■ Workshop on theory of change; ■ Development of pathways to change; ■ Development of performance Monitoring plans (PMPs) ■ On-site trainings in use of SPSS ■ Peer-learning exchange visit 	<p>Improved understanding of theory of change, pathways to change, and organizational M&E leading to developing of Results Frameworks and Performance Monitoring Plans.</p> <p>Improved knowledge, skills and application on how to use SPSS for M&E data and information analysis for monitoring and reporting within DCHC.</p>
Inadequate data and information within networks	<ul style="list-style-type: none"> ■ Needs assessment and mapping exercise of networks and affiliates to update and enhance data and information 	Improved data and information on the needs/gaps existing among networks and affiliates of MHRYN and MANASO through the establishment of an electronic directory of network members.
Lack of adequate knowledge and experience in human resource management	<ul style="list-style-type: none"> ■ Human Resource Management workshop ■ Supervisory skills workshop ■ Peer-learning visit ■ On-site coaching 	<p>Improved understanding of the components of HRM system, their functions, and their interrelated nature; development of new or improved HRM manuals.</p> <p>Enhanced knowledge and understanding of the processes involved to ensure the effective application of HRM procedures contained in the NACC HR manual to strengthen communication and maximize staff performance. DCHC rolled out HR manual to 10 out of 17 of their health facilities with 700 health workers. DCHC also reached out to Government Labor Department to train all HR focal points in local labor laws.</p>
Lack of knowledge and understanding of donor rules and regulation, fraud prevention, and risk management skills	<ul style="list-style-type: none"> ■ USG Rules and Regulations, Fraud Prevention, and Risk Management workshop 	Increased knowledge and understanding of USG rules and regulations, fraud prevention, and risk management among finance and other key staff, including Board members. Each CSO team developed their own risk management and fraud prevention register.
Lack of knowledge, skills, and understanding among CSO partners on how to develop advocacy policies	<ul style="list-style-type: none"> ■ Conducted workshop to enhance the knowledge, skills and approaches to effective policy and advocacy interventions among key CSO staff ■ On-site trainings 	Increased practical knowledge and competencies in policy and advocacy approaches among key staff in CSO partner organizations. Each team generated an advocacy action plan and one advocacy challenge that they will focus on for the next few months. Improved understanding of advocacy; full review and re-design of previous advocacy strategy for MANERELA+

BOX 2.

AIDSTAR-Two Strengthens YONECO Financial Management System

Youth Net and Counseling (YONECO) was established in 1997 as a local non-profit, non-governmental organization in Malawi to address gaps in HIV and AIDS, social justice, and reproductive health services affecting youth, women, and children. It empowers these population groups through strategies that include: counseling and life skills training; leadership and entrepreneurship development; community-based social and economic support services for abused and victimized women and children; and care and support services for orphans and their care givers.

Initially supported by just two donors, today YONECO receives funding from 25 different sources, and has an annual operating budget of \$2.1m. However, its dramatic growth in both revenues and program areas was not accompanied by a sufficiently robust financial management and reporting system. Staff spent several weeks, sometimes in costly off-site retreats, just to collate, generate, and submit financial reports for all the projects. Often, these reports were submitted late to donors and other funders. Also, internal audits were never conducted according to schedule, resulting in annual audit reports that were chronically late. The external audit report of 2011 by KPMG stated that, “weaknesses in YONECO’s financial management system would seriously jeopardize the progress and future of the organization.” This report resulted in one of their long term European donors threatening to withhold future funding if this situation was not fixed quickly. Mr. Mac Bain Mkandawire, YONECO Executive Director and founder says, “That statement, coupled with the threat from a key funder, was a major wake-up call for senior management and the Board, and we had to move quickly to address this major gap.” They hurriedly procured and installed PAS-TEL Sage accounting package from a company in South Africa. But staff didn’t receive any training on how to use the system to its full capacity, there was no back-up support, and frustration quickly set in, with some staff even suggesting that the system be dumped and replaced. It was at this difficult juncture that YONECO responded to a call for capacity building technical assistance from the AIDSTAR-Two project. Mr. Mkandawire adds, “We found your process interesting because you asked us to identify and prioritize our needs, and we listed financial management as our top priority.”

Upon engagement with AIDSTAR-Two financial management staff and consultants familiar with the software, YONECO were advised that the problem was not the software. Instead, staff lacked the skills and competencies to maximize the full application of the software. Hence, the system was reviewed, gaps identified and an action plan with clear steps developed for reinvigorating the system, including proper installation of the data files, creating a segmented chart of accounts, hands-on training for the accounts and program staff in the use of the software, and re-entering all the data starting from January, 2013 onwards. The system with the reconfigured data was tested and reports started to be generated.

The project also linked up YONECO with IT Center, a local vendor based in Blantyre, which provided additional training as well as future back up support. According to Mr. Mkandawire, “The link with IT Center was the biggest blessing that came out of our partnership with AIDSTAR-Two. We had no idea that they were here, literally next door and all this time we are struggling with the unresponsive company in South Africa.” He added, “For the first time in 11 years, this year we were able to conduct our annual audit on schedule, and now by the 10th of each month we have all financial reports ready.”

Clarity Ntonyani, the Finance Manager adds: “The support AIDSTAR-Two has been giving to our organization has been very good. In the past, we were mostly using MS Excel to produce reports and we received very bad remarks from the Finance Committee and donors were not happy with the delayed reports. Now we are doing very commendable work. We just go to the system and produce the reports without any hassle.”

The project also provided complementary technical assistance to YONECO in financial management for non-financial managers as well as risk management, fraud prevention and compliance training in US Government rules and regulations on financial reporting.

There were several other general but important lessons that emerged from this experience with CSO teams in Malawi that could be applicable for organizations in other similar settings:

- First, organizations do need technical skills, knowledge, and stronger operational systems to improve performance, but on their own these attributes have limited impact if organizations are not also able to react to changes in their environment through continued monitoring, evaluation, and learning, and to improve their institutional environment through advocacy, innovation, and overall leadership.
- Second, even CSOs that receive direct funding from donors (as some of the 14 that AIDSTAR-Two worked with did), face challenges beyond financial management, including how to engage with donors, how to respond to Requests for Proposals or Applications, how to write winning proposals, how to diversify funding sources, how to identify, contract, and manage consultants, how to lead a change process and how to obtain and use technical assistance.
- Third, CSOs ultimately must lead their own improvement processes: scanning their environment, articulating need and demand, setting priorities, engaging stakeholders, and monitoring and making key decisions that lead to organizational effectiveness and improved program results. What is required to facilitate such a process is the promotion of locally owned approaches that acknowledge and build on the skills and knowledge that already exist, value the input of local implementers, and make them co-creators of their own solutions to the organizational challenges that they face.

V. CONCLUSION

Local civil society organizations implementing HIV and AIDS programs in Malawi have varying capacity gaps and needs. The demand-driven capacity development approach used by the AIDSTAR-Two project to engage and provide technical assistance to the 14 CSOs has demonstrated that these organizations are often best placed to identify and prioritize their own needs, and assume leadership in the implementation of interventions to address their capacity challenges. Whether such organizations receive grants or inputs to enhance their technical service delivery capacity, it is essential to consider using a demand-driven approach to address capacity gaps. Lessons and results from this Malawi experience indicate that successful organizational capacity development is a process based on trust and strong relationships, and the implementation of bundles of complementary interventions with adequate follow-up and support to achieve desired results, and focusing not just on outputs like manuals or number of people trained but also on intermediate capacity outcomes.

The process and defining characteristics of demand-driven capacity development in Malawi also point to the evidence from the broader literature on education, motivation, and adult learning principles, especially in terms of how people and

organizations learn, grow, adapt, and create the results they truly desire. This is also in line with a more realistic view of learning that is applicable to capacity building approaches as well. For example, most effective teachers at any level will say that learning only takes place effectively when students are ready and motivated, and there is a strong, respectful relationship between teacher and learners. The most teachers can do is to promote dialogue, active engagement, and self-direction amongst learners, relate learning to genuine problems in learners' lives, enhance accountability, and create safe conditions under which people can learn, as most useful knowledge is tacit—and at a deeper level.²²

Lessons from this work in Malawi have some application for the practice of local capacity development in similar settings. For example, the types of knowledge and expertise which enable people to identify and prioritize challenges, and use basic tools to take the appropriate action, cannot be supplied as a simple package. Rather, it has to be demanded, steadily absorbed, tested, and modified. And this requires a constant process of reflection, learning by doing, and willing acquisition, as unless the individual or team genuinely wants to learn and grow, they will not be able to expand their capacities.²³ ■

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