

What is Capacity Development?

By Leng Chhay

What is Capacity?

Capacity can be defined as the ability of individuals, organizations, institutions, and societies to individually or collectively perform functions, solve problems and set and achieve objectives¹. Capacity consists of three levels: Individual, organization, and institutions/society:



Institution is the broad social system within which individual people and organization function. It can be formal, e.g. rules, laws, policies and other legal framework, or informal such as customs, traditions, and social norms that govern civic engagement. Institutions govern individual and collective behavior. The enabling environment that sets the overall scope for capacity development.



Refers to the internal structure, leadership, systems, policies procedures, decision-making process, and organizational culture that determine an organization's effectiveness.



Knowledge, skills, behaviors, and experience that allow an individual person to perform.

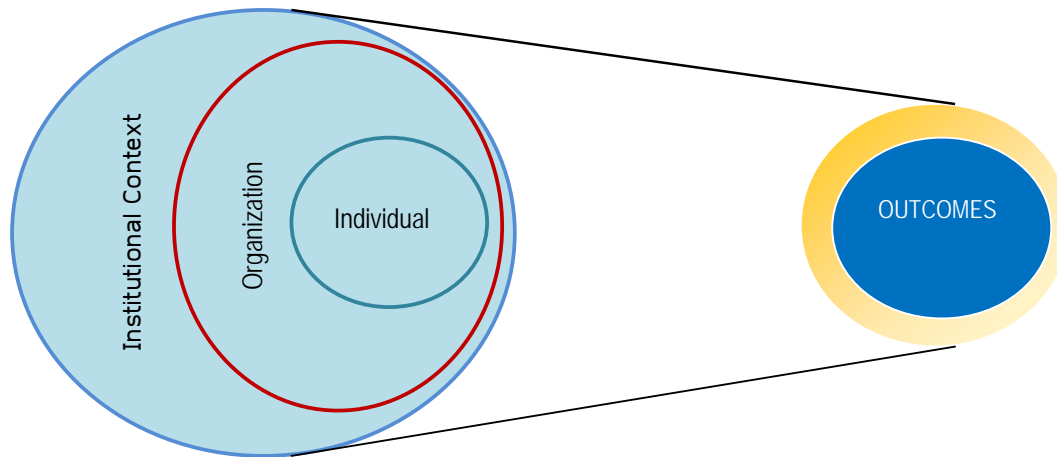
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- » Capacity Development can be defined as the process to develop those three levels of capacity, i.e. assessing the needs and develop capacity of individual staff to perform their job (*individual*), the Organization/unit that they work for (*organization*), and laws and regulations that the Organization/unit and individual staff must comply (*institution*).
- » Similarly, Capacity Development is about transformations that empower individual, leaders, organizations and institutions/societies². UNDP sees capacity as the process, through which individuals, organizations, and societies obtain, strengthen, and maintain the capabilities to set and achieve their on development objectives over time.

¹ Japan International Cooperation Agency (2004): *Capacity Development Handbook*. (Tokyo: JICA), p. 16.

² UNDP: *Capacity Development – A UNDP Primer*, page 5-6

Capacity Development Context³



In Cambodian context, the perceived understanding of Organization and Institution is a bit problematic. Due to the translation, people often refer Organization to Non-Government Organization, and Institution refer to Government/state Organization.

In the capacity development context, approaches to capacity development were changed over the last three decades. In the 1970s the major focus was on the development of the individual, through scholarships, external and “on-the-job” training, and tools and equipment for people in key positions. The organizational focus of the 1980s led to restructuring and re-design, using organizational audits, advisory support, and help with the development of financial and HR systems. The 1990s brought an increased understanding of the wider institutional framework and the need to focus on outcomes. Sustained capacity development needs to be built on consistent and complementary interventions at all levels.

³ DFID – *Promoting Institutional Development*, page v