

The 5 Capabilities approach in capacity development of organisations

This flyer can be used as a reference on how the 5C approach can be integrated in NICHE projects.

The NICHE programme¹ contributes to sustainable strengthening of higher education and TVET capacity in partner countries, thus contributing to economic development and the reduction of poverty.

The NICHE programme focuses on capacity development of organisations. The capacity development should be grounded in a thorough analysis of the requesting organisation's capacities and its context, linked to the broader capacity needs at sectoral and national level. The programme aims to develop capacity in developing countries through a holistic approach.

Why a 5C approach?

In order to achieve sustainable outcomes a NICHE project is embedded in the organisation as a whole.

In order to understand the organisation and how to strengthen its capacity, NICHE uses a holistic approach, called the 5 Capabilities (5C) approach.

The goal of the 5C approach is to assess in a participative way the capabilities of an organisation and to assist in evaluating the changes over time. It is a tool for preparing a future dialogue on improving capacity development. It highlights which capabilities it needs to develop in order to realise the organisation's objectives. Therefore, the 5 C framework could be beneficial for the strengthening of the organisation during self-assessment, reflection and planning.

Capacity and the 5 five core capabilities

Capacity development

In NICHE, capacity development is seen as a process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity overtime (OECD/DAC, 2006). Capacity development must be well designed and executed in order to produce sustainable effects. The literature shows that this is a process that is only successful when built on a clear vision, a broad-based commitment and active stakeholder participation.

Capacity development takes place at three levels:

1. individual (professional development of individuals);
2. organisational (strengthening the capabilities of organisations);
3. Institutional (development of rules and conditions which allow organisations to function properly).

The three levels are interdependent so this requires an integrated approach combining individual development with organisational reforms and institutional changes in order to effectively use newly acquired knowledge and skills.

¹ www.nuffic.nl/niche

Capacity development of organisations

Capacity development often involves processes of change and aims to enable organisations and institutions to resolve, innovate and respond to society needs.

Morgan (2006) suggests the following definitions for commonly used terms:

- Competencies: the energies, skills and abilities of individuals.
- Capabilities: the collective ability of a group or a system to do something either inside or outside the system.
- Capacity: the overall ability of an organisation or system to create value for others.

It is those capabilities that enable an organisation to fulfil a function ("to do things") and at the same time to sustain itself. He identifies "five core capabilities" in organisations and systems: the capability to act, the capability to generate development results, the capability to relate, the capability to adapt and the capability to achieve coherence (Morgan, 2006, p. 8-19).

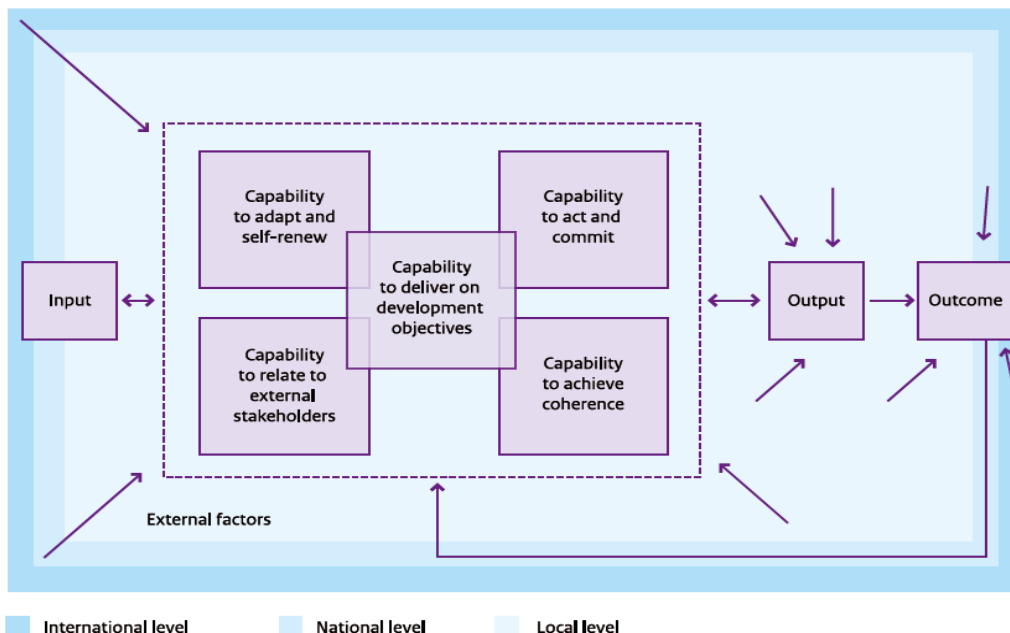
The five core capabilities

The five core capabilities provide a basis for assessing the capacity of an organisation or system at a given point in time. This enables the organisation to define a baseline for evaluating changes in capacity and performance over time.

The 5C framework² distinguishes 'five core capabilities' in organisations and in systems:

1. The capability to act and commit;
2. The capability to deliver on development objectives;
3. The capability to adapt and self-renew;
4. The capability to relate to external stakeholders;
5. The capability to achieve coherence.

These five capabilities are separate but interdependent. The capabilities are only meaningful for an organisation when the pointers per capability are formulated in the words of the organisation itself.



Source: De Lange, P. & Feddes, R. (2008). General Terms of References. Evaluation of Dutch support to capacity development. The Hague: IOB.

² This framework was developed by the European Centre for Development Policy Management (ECDPM) (www.ecdpm.org)

I. Capability to act and commit



The capability of an organisation to organise itself and to motivate and engage its staff to work energetically towards common goals.

This capability assumes that the organisation has a legal basis for engaging in binding commitments (autonomy), that it has effective systems (administrative, financial, human resource development, monitoring + evaluation, etc.) in place and that the organisation has a committed and stable leadership.

Suggested **pointers**³ that are often used to describe this capability and to capture change are:

1. Existence and regular review of organisational business plans, strategies and visions. Plans and strategies are followed by effective implementation and monitoring.
2. Effective systems; structures and (gender) vision with a legal basis to make binding commitments.
3. Leadership has decision autonomy and implements decisions in time.
4. Staff is managed pro-actively and encouraged to do their best.

II. The capability to deliver



The capability of an organisation to use the knowledge, expertise and experience required to carry out actions and achieve the results aimed for.

For instance, an educational organisation with this capability offers educational programmes which respond to demands from the labour market and are gender sensitive. It offers education which adheres to agreed standards and performance measures.

Suggested **pointers** that are often used to describe this capability and to capture change are:

1. To have access to current and future financial resources
2. Existence of effective systems regarding a) administration, b) finance, c) information management, d) monitoring, e) ICT, f) quality management, g) outreach, h) strategic planning and management;
3. The organisation has the skills and knowledge, the staff to carry out technical, service delivery and logistical tasks;
4. The organisation has appropriate infrastructure.

³ These pointers are suggestions and are presented below as an example, however, each organisation should review which pointers are valid in their specific case.

III. Capability to adapt and self-renew


	The capability of an organisation to learn internally and to adjust to shifting contexts and relevant trends
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This capability assumes that the organisation is open to learning and self reflection. It is alert on shifting contexts and has processes and structures in place (e.g. knowledge management systems) to cope with changing environments. The organisation encourages innovation.

Suggested **pointers** that are often used to describe this capability and to capture change are:

1. The organisation or system is able to assess trends or changes and has anticipated or adapted to these effectively.
2. The organisation has an active knowledge management system to learn from past mistakes and successes.
3. The organisation has a training protocol and a HR development plan which encourages and rewards learning and exchange.
4. Participants demonstrate the ability and discipline to learn and absorb new ideas.
5. Change is positively valued. A fruitful balance is maintained between stability and change.

IV. Capability to relate to external stakeholders


	The capability of an organisation to build and maintain networks with external actors.
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The organisation with this capability can build and maintain relationships with external partners, for instance for the acquisition of funding. It has political legitimacy, social credibility and reputation. The organisation can analyse different contexts and stakeholders with attention to power relations.

Suggested **pointers** that are often used to describe this capability and to capture change are:

1. Existence of a strategy and resources to network and relate to other relevant stakeholders.
2. Existence and density of contacts or networks with stakeholders, donors, universities and training institutes. As a consequence, did the networks result in sharing knowledge and experience, mobilising adequate technical and financial resources, or influencing the broader policy frameworks in which they operate?
3. The organisation is linked to, and oriented towards the labour market. The content of its programmes is sensitive to labour market demands.
4. The organisation or system is seen as legitimate and accountable in the eyes of its supporters and stakeholders.
5. The integrity of the organisation, its leadership and staff is widely acknowledged.

V. Capability to achieve coherence

	The capability of an organisation to be consistent between vision, strategy and operations and between mandate and identity and to maintain a balance between innovation and stability.
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This capability assumes that the organisation shares a common vision and strategy and is able to keep the balance between diversity and focus and between innovation and stability. It has a style of management that fits the organisation.

Suggested **pointers** that are often used to describe this capability and to capture change are:

1. Existence and application of a set of simple principles which govern the organisation's operations.
2. Consistency between ambitions, vision, strategy and operations within the organisation.
3. The organisation has a shared vision and strategy and maintains a clear identity, related to its core mandate and interests.
4. Gender concerns are part of the organisation's policy and practice.
5. All structures inside the organisation or system are sufficiently integrated.

Rules of thumb

The following key components are needed for successfully applying the 5C framework in capacity development:

- Ownership is crucial for sustainable capacity development. It concerns the willingness and the ability to engage and an open attitude towards change.
- The use of the 5C framework requires the involvement of multiple stakeholders. The meaning of each capability is specific for each organisation. The process is only meaningful if the stakeholders agree on shared values and when all stakeholders are oriented in the same direction.
- Define clearly which are the boundaries of the organisation or the system that is being analysed with the 5C approach.
- Keep in mind that the 5C analysis forms the basis for the NICHE project. Stronger capacity of the organisation directly contributes to the sustainability of the outcomes of the NICHE project.
- A critical mass of staff members should be involved and their active participation should be encouraged by top management.

When to use this tool in the NICHE programme

	NICHE process	Why do we use 5C tool?	How do we use 5C tool?	Document	Actor	When
SYSTEM LEVEL	Identification	NICHE takes a holistic approach to develop capacity in developing countries.	In a NICHE country Nuffic brings together the organisations which implement NICHE projects in a particular (sub)system with relevant stakeholders in order to analyse the challenges which a system faces and to discuss how the NICHE organisations can collaborate in order to make a difference to these challenges.	NICHE Country Plan (NCP)	Nuffic	Baseline: set up of the NCP
		NICHE projects are expected to collectively contribute to improvements of the system ⁴ in which the project organisations operate. Hence it is of great importance that NICHE projects are aware of scope and nature of the system to which they contribute, understand their role in improving the system and seek collaborations between NICHE projects and with relevant stakeholders in order to create greater impact of the individual projects.	Topics for discussion: - What are the boundaries of the system? - What are the strengths and weaknesses of the system? - Which actors and factors determine the present status of the system? - What challenges can the NICHE programme help to address? - What changes/outcomes can be expected from the implementations of the NICHE projects?			Update NCP
ORGANISATIONAL LEVEL	Articulation	The NICHE programme focuses on capacity development of organisations. In order to achieve sustainable outcomes a NICHE project is embedded in the organisation as a whole.	The requesting organisation is asked to analyse the strengths and weaknesses of the organisation (or unit requesting the project) according to the 5 capabilities.	Profile / outline	Requesting organisation	Baseline: when articulating the profile and outline
	Matching supply and demand	The capacity development should be grounded in a thorough analysis of the requesting organisation's capacities and its context, and how it responds to capacity needs in the economy and/or society.	The bidder is asked to elaborate in its bid on its approach to strengthen the capabilities of the requesting organisation, as presented in the outline.	Proposal	Provider	
	Implementation M&E and learning	In order to understand the organisation and how to strengthen its capacity NICHE uses a 5 Capabilities (5C) approach. It could be beneficial for the strengthening of the organisation during self-assessment, reflection and planning	Through a 5C assessment changes and progress in capacity at project or organisational level can be monitored.	reports	Project parties (requesting organisation and provider)	Midterm review NICHE project End Evaluation NICHE project

⁴ A system is a set of interacting or interdependent components forming an integrated whole. In the NICHE programme, system usually corresponds with the education system, or one of its sub-systems, i.e the higher education system or the TVET system. A system has structure, it contains parts (or components) that are directly or indirectly related to each other; a system has behaviour, it contains processes that transform inputs into outputs (material, energy or data); a system has interconnectivity: the parts and processes are connected by structural and/or behavioural relationships.