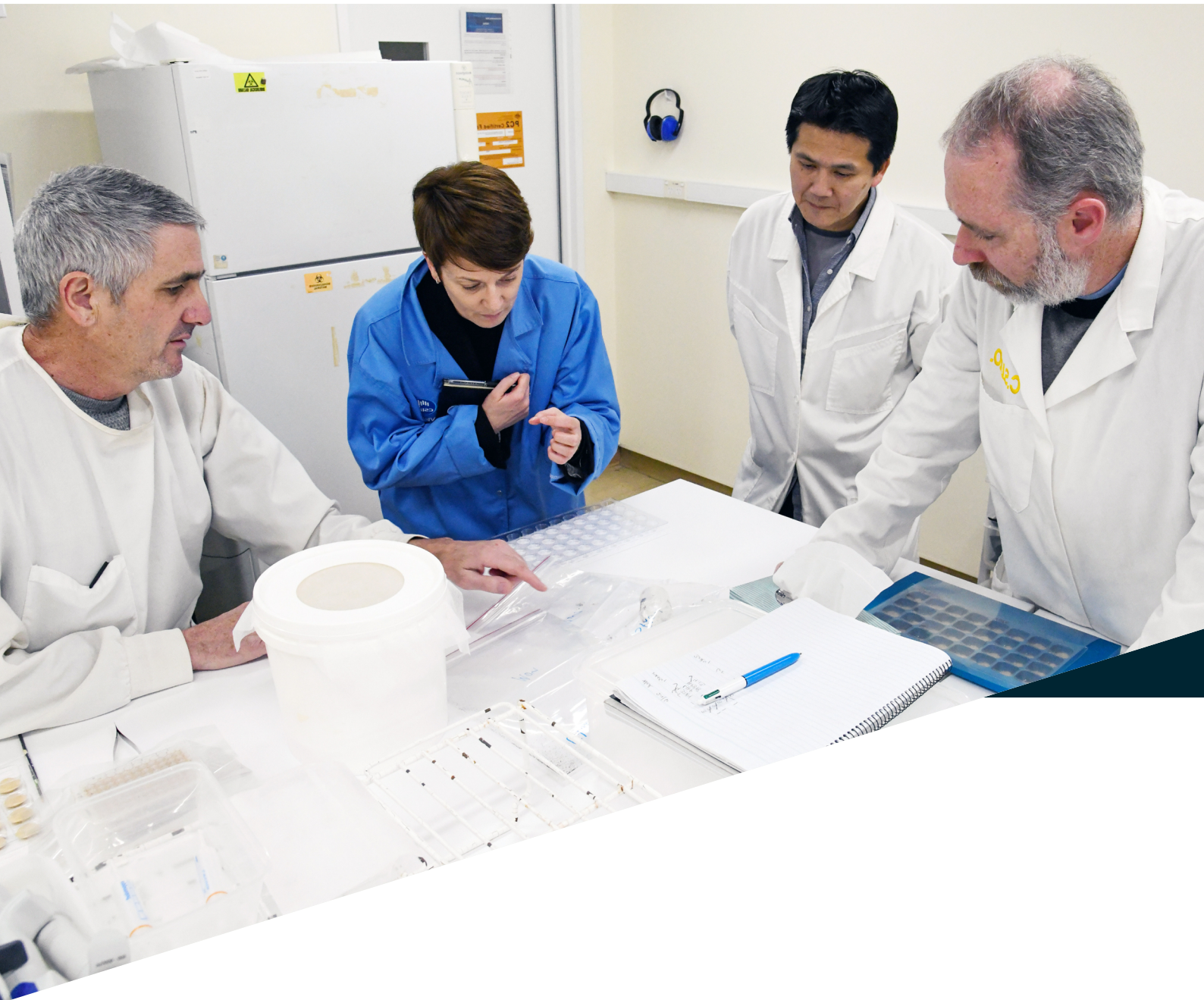




**Australian Government**  
**Australian Centre for  
International Agricultural Research**

# Recommendations for ACIAR's approach to Institutional Strengthening



JULY 2020



A female farmer harvests local vegetables on the farm

# Recommendations for ACIAR's approach to Institutional Strengthening

## **Disclaimer**

This report was drafted by Graham Teskey (Principal Global Lead for Governance, Abt Associates) and Lavinia Tyrrel (Deputy Technical Lead and Practice Manager, Abt Associates). The views expressed in this report are those of the team and do not necessarily reflect those of Abt Associates.

## **Acknowledgements**

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July 2020



2021

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All photographs provided by ACIAR

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James Quilty and the Hon Penny Wensley at Arboretum



# 1 Introduction

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## **1.1 This is the third report of three and presents the team's recommendations.**

The first report assessed five ACIAR 'institutional strengthening' projects: these are summarised in chapter 2. The second report considered donor approaches to institutional strengthening: this is summarised in chapter 3. Chapter 4 poses one high level strategic policy question for ACIAR.

## **1.2 The terms of reference (see Annex 1) specify that report 3 will make recommendations regarding:**

- The current role of ACIAR in institutional strengthening;
- The types of institutional strengthening that are aligned with ACIAR's mandate and comparative advantage;
- Options for increasing ACIAR's efforts in institutional strengthening;
- Methodologies for assessing institutional capacity for ACIAR; and
- Methodologies for prioritising partners for specific and intentional institutional strengthening programs.

## **1.3 These issues are discussed in Chapter 5.**

Chapter 6 presents a proposal.

## 2 Recap: the five project review

**2.1 The first report summarised the emergence of ‘capacity development’ as a topic of study (or at least practice) in its own right over the last fifty years.**

Five ACIAR projects were then assessed against this literature. These projects are listed in Figure 1 below (based on Figure 4 in the first report).

**Figure 1:** The five projects reviewed

Projects	Dates	Budget (AUD m)	Project - Purpose
Improving Agricultural Research Coordination in Eastern Indonesia (SADI)	2006/07 – 2008/09	12.936	To strengthen the capacity of the provincial: Assessment Institutes for Agricultural Technology, and also the Indonesian Centre for Agricultural Technology Assessment and Development
Mainstreaming Research in Myanmar’s Agricultural and Veterinary Universities (SLAM)	1/19 – 12/23	2.354	To develop research as a core activity of the university, enabling Yezin Agricultural University and the University of Veterinary Science
Institutional Strengthening in PNG: translating fisheries research into policy and management (National Fisheries Authority, NFA)	7/19 – 6/24	2.37	Organisational development: main aim is ‘research and management capacity of NFA’
Enhancing Livelihoods through improved Forest management in Nepal (EnLift)	4/13 – 3/18 and 7/18 – 7/23	2.5	Two projects, initial plus successor. Three objectives: <ul style="list-style-type: none"> <li>• Household ag systems to improve livelihoods</li> <li>• Improve community forestry systems</li> <li>• Improve productivity of underused land</li> </ul>

Source: Five caveats



## 2.2 The five projects are at different stages of implementation:

one project (SADI) ended over a decade ago, while another (SPC) is only now beginning. Second, (and a consequence of the first), staff with tacit first-hand knowledge of the projects were available for four projects only. Third, available documentation varied: the Nepal project was the best documented with a full range of documents available (proposal, design, workplans, annual reports and a completion report). By contrast, the only document available for the SPC project was the Memorandum of Understanding. Fourth, given the limitations in the documentation, the review team had to draw inferences on important questions including project goals, theories of change, and assessments of project progress and achievement. Finally, care needs to be taken in synthesising five such diverse cases. The cases vary from a budget-supported partnership with an international organisation (SPC) through three fairly 'conventional' organisational

development projects (SLAM, SADI and NFA) through to an ambitious multi-sector 'rules of the game' changing institutional initiative in Nepal. Figure 2 distils four features of the five projects (Table 10 in the first report).

### *Effectiveness of ACIAR approaches to institutional strengthening*

## 2.3 The first report noted that it is entirely reasonable for ACIAR to apply different approaches in different contexts.

But what is less reasonable is that differences stem from the absence of a consistent or coherent framing of just what 'capacity development' is, how change happens, what can be expected of external partners, and how to measure and assess any changes achieved. The review team concluded that it is hard to discern anything that could be described as an ACIAR approach to institutional change.

Figure 2: Synthesising summary

	SADI Indonesia	SLAM Myanmar	SPC	EnLift Nepal	NFA PNG
Focus: Organisational or Institutional?	Overwhelmingly organisational	Organisational, with individual training attached	Designed to be institutional, but in practice mostly organisational – with added individual components	Institutional: to improve the formal and informal rules of the game regarding communally owned forest land	Organisational, with individual training a significant component
Problem	Poor organisational performance and weak coordination and collaboration	Weak internal university management and outdated teaching methods contributing to low quality veterinary graduates	No explicit problem as such – but as an international body providing scarce skills and regional public goods, ACIAR perceive it to be a critical partner	No clear and accepted rules of the game regarding use of community owned land and forest resources	Internal organisational dysfunction; existing in highly politicised policy context for fisheries management
Modality?	Australian TA, predominantly from ACIAR	Australian university-based TA and scholarships	Budget support, with some training attached	Mix of Australian and local TA	Australian university-based TA and training
Single or multiple partnerships?	Multiple: four sub-national partners and one national	Two national universities	Single agency	Multiple agencies	Single agency
Sectors involved	Government only	Government only	International body	Public sector, private sector, community groups	Statutory Authority (quasi govt) only
Measurement	Good: but no completion report	Good	None	Good but no MELF (yet)	None yet

Source: Concluding: the 'value-add' of ACIAR

**2.4 The review team concluded that the value added by ACIAR is two-fold. First, its technical and scientific excellence, and second, its ability to establish long-term partnerships<sup>1</sup> with local and regional organisations beyond a single project or budget cycle.**

It is the view of the review team that these two strengths are interdependent. Long-term partnerships build trust which allows for technical support more easily to be provided and received in-country; and the provision of quality technical support is likely to lead to repeat work and an ongoing partnership.

**2.5 However, it was also clear to the review team that ACIAR's strength is not its capacity development, organisational change or institutional strengthening skills.**

Indeed, one interlocutor said that s/he "did not possess the right skill set" for the organisational change task at hand.

**2.6 The first report concluded by considering whether or not ACIAR has a role in institutional strengthening.**

The answer was definitely yes, but it will require four changes:

- adopting a common framing for, and appreciation of, capacity development and change in ACIAR;
- a greater emphasis on contextual understanding;
- a more systematic and rigorous approach to problem diagnosis and project design; and
- partnering with public or private organisations whose main business is capacity development.

<sup>1</sup>In the online survey conducted by the review team for this consultancy; 79% of staff believed their project team have the depth of relationships needed in country help their partner achieve project outcomes. In responding to the question of ACIAR's comparative advantage, the three common themes emerged: (i) "long standing" "trusted" "reliable" partnerships (ii) ACIAR's reputation for "technical and practical excellence" in agricultural research and (iii) being able to "relate" professionally to individuals in partner institutes and understand the context they are working in.

# 3 Recap: donor practices

## 3.1 The review conducted by the team was depressing.

The Department for International Development (DFID) funded Governance and Social Development Resource Centre's 2011 report states<sup>2</sup>:

*".....there is still some lack of clarity around the concept of capacity development, and developing a clearer common understanding underpinned by shared principles and values is still seen as an important objective. The lack of consensus "has left many agencies and particularly DFID with the impression that the concept adds little if anything to development effectiveness".*

And

*"Capacity development has for too long been misdiagnosed as a technical problem but is increasingly understood as a wicked problem requiring a radically different problem-solving approach".<sup>3</sup> In social science of course 'wicked-hard problems' refer to social or cultural problems that are difficult to solve for three reasons: (i) there exists only incomplete or contradictory knowledge; (ii) many people are involved – and they have to act together to solve the problem (the collective action problem); and (iii) the interconnected nature of the problem with other problems. Capacity development falls into this category".*

## 3.2 The primary modality for capacity development remains individual skills and competencies.

When exercised independently of other types of support, this approach has serious limitations: organisations can be poorly structured and dysfunctional, and individuals often move within organisations or leave altogether.<sup>4</sup> Even more importantly, the incentives and motivations that drive individual and collective behaviour may not support performance and functionality.

## 3.3 Consequently, the provision of skills training only as a means of generating organisational capacity has become less common in recent years.

The focus has shifted towards organisational development. Such support typically involves improving internal organisational processes (business process re-engineering – BPR) with the hope of galvanising transformational change (see Figure 1 in the first report 1 for the Burke-Litwin model).

## 3.4 It is increasingly recognised that to be effective, organisational approaches need to be viewed alongside the formal and informal institutions that drive behaviour.

Institutional support is the least understood and the most challenging for partners to achieve (see Figure 3 in the first report). Donors tend to preference other types, and there is "varied conceptual understanding of how development of individual capacity contributes to achieving institutional and organisational change"<sup>5</sup>, meaning that successful examples are hard to find.

## 3.5 The second report noted that capacity development remains an emergent body of work with little consensus on interpretation, modalities, measurement, or successful approaches.

Lacking a rigorous literature, donors find it challenging to engage effectively, particularly at an institutional level. If capacity development activities are to meet expectations, it will be necessary to move beyond viewing them as assets of individuals (e.g. farmers) and organisations (e.g. farms) and think more holistically about the capacity of systems and institutions.<sup>6</sup>

<sup>2</sup>University of Birmingham. GSDRC 'Current thinking on capacity development', June 2103

<sup>3</sup>Ibid page 2

<sup>4</sup>Anyonge, T., Jonckheere, S., Romano, M., & Gallina, A. (2013). Strengthening institutions and organizations: An analysis of lessons learnt from field application of IFAD's sourcebook on institutional and organizational analysis for pro-poor change. P.17

<sup>5</sup>Anyonge, T., Jonckheere, S., Romano, M., & Gallina, A. (2013). Strengthening institutions and organizations: An analysis of lessons learnt from field application of IFAD's sourcebook on institutional and organizational analysis for pro-poor change

<sup>6</sup>Denney, L, 2017, \$15bn is spent every year on training, with disappointing results. Why the aid industry needs to rethink 'capacity building'; Oxfam: From Poverty to Power Blog, accessed May 17 2020: <https://oxfamblogs.org/fp2p/15bn-is-spent-every-year-on-aid-for-training-with-disappointing-results-why-the-aid-industry-needs-to-rethink-its-approach-to-capacity-building/>

# 4 One strategic and policy question

**4.1 The primary question for ACIAR is the extent to which engaging in institutional strengthening (or capacity development as it is more commonly known), is core business.**

Is it essential for the achievement of ACIAR's mission? The mission statement on the right makes it clear that the purposes of research are better outcomes – in ACIAR's case, more productive and sustainable agricultural systems. It should also be stressed that “building the capacity of international agricultural researchers” is in the ACIAR Act, and thus a mandated role for the organisation.

## Mission

To achieve more productive and sustainable agricultural systems, for the benefit of developing countries and Australia, through international agricultural research partnerships.

**4.2 ACIAR's ten year strategy also presents six high-level objectives, as shown in figure 3.**

All six are about achieving better development outcomes. The implication is clear: research is a means to an end and not an end in itself. Knowledge is created to be used, to be turned into policy and thus into practice.

## Objectives

**This strategy focuses ACIAR's research portfolio on agrifood systems in the Indo-Pacific Region towards six high-level objectives.** These objectives are consistent with the ACIAR's purpose under our enabling legislation. They reflect the Australian Government's aid policy and the 2030 agenda for Sustainable Development.

ACIAR brokers and invest in research partnerships in developing countries to build the knowledge base that supports crucial development objectives:

-  Improving food security and reducing poverty among smallholder farmers and rural communities
-  Managing natural resources and producing food more sustainably, adapting to climate variability and mitigating climate change
-  Enhancing human nutrition and reducing risk to human health

In pursuing these objective, ACIAR works to ensure that our research programs pay particular attention to:

-  Improving gender equity and empowerment of women and girls
-  Fostering more inclusive agrifood and forestry market chains, engaging the private sector where possible
-  Building scientific and policy capability within our partner countries

Figure 3: ACIAR objectives

**4.3 This review team have concluded therefore that capacity development absolutely has to be ACIAR core business.**

Without it, the risk of undertaking world-class research with little possibility of effecting change would be significantly higher than it is today. The implication however is that ACIAR will need to do more than build skills and competencies of individual colleagues in partner organisations. In many, if not in most partners, ACIAR will have to address

a mix of organisational issues: structure, management, leadership, performance, and funding. In some partner organisations ACIAR may also have to reflect on the extent of institutional challenges and constraints that may undermine chances of success.

# 5 A set of recommendations

## **5.1 This chapter considers the five questions in the Terms of Reference:**

- The current role of ACIAR in institutional strengthening;
- The types of institutional strengthening that are aligned with ACIAR's mandate and comparative advantage;
- Options for increasing our efforts in institutional strengthening;
- Methodologies for assessing institutional capacity for ACIAR; and
- Methodologies for prioritising partners for and specific and intentional institutional strengthening programs.

## **5.2 References will be made in this chapter to the views expressed by ACIAR colleagues regarding possible next steps.**

*The current role of ACIAR in institutional strengthening.*

## **5.3 The first review report concluded that ACIAR's work at present – from the small sample of five – is focused on building skills and competencies of individuals, and sometimes of groups and individuals.**

There is nothing wrong with this...as long as no unrealistic claims are made for wholesale organisational transformation. The question for ACIAR is whether it wishes to be more ambitious.

## **5.4 The consistent view expressed in the (statistically insignificant) survey was that developing the organisational capacity of ACIAR partners is important and necessary<sup>7</sup> for two reasons:**

- focusing on individual scientific and research skills alone will be insufficient to ensure research findings are translated into policy and then into practice; and
- ACIAR's modus operandi is based on partnership: such an approach requires a broad equivalence of organisational performance and functionality.

*The types of institutional strengthening that are aligned with ACIAR's mandate and comparative advantage.*

## **5.5 The first report summarised how approaches to, and understandings of, capacity development have developed over the last decades.**

The arrival of the New Institutional Economics in the 1990s had a major impact on both thinking and practice. However, what is now seen as the three-fold conventional wisdom (the three levels of analysis: individual, organisational, and institutional) will bring challenges for ACIAR. Figure 3 in report 1 (repeated below as figure 4) shows the dilemma: should it focus on the left-hand end of the spectrum (individual skills and competencies, some organisational change) which is 'easier' to do, but risks being less effective in ensuring knowledge gets turned into policy and ultimately into practice?

## **5.6 ACIAR is clearly effective at the 'Individual' column.**

A number of respondents noted comfort with ACIAR's focus on building the individual skills and competencies of colleagues, but were less confident of ACIAR's ability to strengthen organisational capacity. It was noted that limited attention was paid to organisational capacity issues and challenges at the design stage, and this constituted "a missing opportunity" for ACIAR. As one interlocutor noted:

*"While ACIAR has a long history on IS and CD, these have been non-systematic and non-strategic. Our IS and CD efforts lack "an end in mind" as well as coherence in terms of a strategic approach. We have been providing massive amount of training/skills development and learning opportunities, but these are not rooted in a larger vision defined by our partners and us".*

<sup>7</sup> The term 'fundamental' was often used

**5.7 It is clear therefore that ACIAR is less comfortable with the 'organisational' column.**

This may be due to the team's small sample: however, given what respondents said, this seems unlikely.

Finally, the review team saw only one project – Enlift Nepal – that ventured into the right-hand institutional column. This is not surprising – this is where even the angels fear to tread.

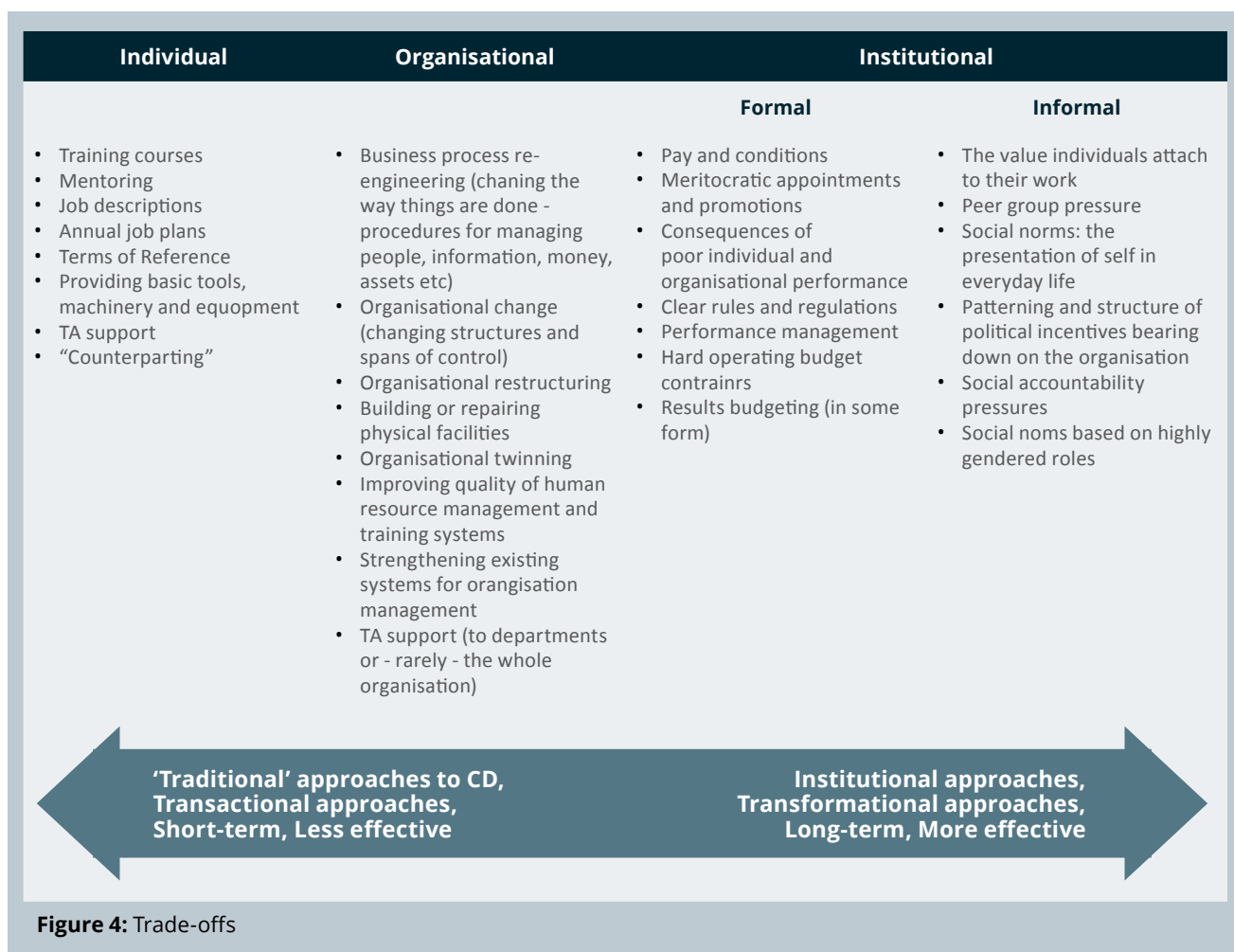


Figure 4: Trade-offs

**5.8 The implication is that ACIAR may wish to design its support more carefully to address the specific organisational problems or challenges faced by the partner.**

Figure 5 shows how such a policy – decision frame could be constructed and applied at the project selection and design stage, as well as regular project review points (e.g. annual).

Figure 5: Decision frame

Inputs to be provided:	Organisations that are:				
	Basically functional	Functional but lacking one or two deep-research skills	Showing signs of dysfunction but with solid corporate foundation	Significantly dysfunctional but with limited external political, bureaucratic and financial support	Dysfunctional: external environment not propitious
Individual skills and competencies	Yes	Yes	Yes	Yes	
Organisational support	No	Possibly	Yes	Yes	No engagement
Institutions: incentives and motivations	No	No	No	If possible	

**5.9 Such decisions will have to be based on sufficiently in-depth problem diagnostics – in short does ACIAR know what it will be getting into?**

The further to the right (the more dysfunctional) is the potential partner, the greater will be the challenge, and the greater will be the need for institutional change of the sort that ACIAR will not by itself be able to provide. Aligning what ACIAR can offer with what may be needed by the partner will be a critical test for ACIAR. It may mean not working with certain research organisations if they are too dysfunctional. It may also mean revising the type of support provided by ACIAR to a partner if it judges that the organisational and institutional context changes during implementation.

*Options for increasing efforts*

**5.10 If ACIAR concludes that capacity development is indeed core business, then there are three options:**

- I. ensure that all staff in ACIAR have core skills in capacity development;
- II. strengthen the individual skills and competences, and the cross-agency capability, of the Capacity Building section of ACIAR, enabling it thereby to serve the whole organisation and all its initiatives; or
- III. contract out all capacity development work to external specialists.

**5.11 Staff expressed a preference for option ii.**

Strong support was expressed for building the strength of the Capacity Building team in ACIAR, enabling it to provide support and advisory services across the whole ACIAR portfolio. Without exception respondents welcomed proposals for a common framework; a common language; a guidebook (or strategy note); common induction training; a consensus on objectives; agreed indicators, and modest (realistic) ambitions.

**5.12 One or two respondents went further, suggesting that all three options were needed in combination.**

The sustainable long-term solution for ACIAR would indeed be option ii, but in the short-term (say six months), external support may be needed to co-design and put in place a bespoke ACIAR system, which then would be overseen by ACIAR staff. External support could be available thereafter as required. Simultaneously, all ACIAR staff would participate in a basic CD crash course.

**5.13 Figure 6 summarises the pros and cons of the three options.**

The team are of the view that option ii is preferable, especially when coupled with the judicious application of options i and iii. This option would build on the skills already existing in the Capacity Building section. It may be the most difficult to fund, as it would require additions to the core (departmental) budget. By contrast, option iii could be funded by adding any capacity development budget to project/program costs. However, option ii would deliver a better pay-off over time with better investment decisions, better problem diagnosis and better strategy articulation program by program and project by project. Option ii would require the Capacity Building section to be engaged at project design and selection stage, and at regular project review points (e.g. annual). In support of options ii, ACIAR could also consider:

- **Low-effort option 1:** allocating time for the Capacity Building section to undertake low-cost, low-intensity all-staff induction and training sessions – e.g. brown bags, project team webinars;
- **Low-effort option 2:** allocating a small budget to the Capacity Building team to buy-in external specialist support to advise on high-value, high-priority investments (e.g. review designs);
- **Medium-effort option 3:** task the Capacity Building section with drafting simple guidelines for Capacity Development (framing, language, preferred model, measurement, review) and sharing among all staff. If funds are available this effort could be supplemented with external support. The extent of the external support and the intensity of the documentation and induction will depend on the resources available; or
- **High-effort option 4:** this option would reflect that the fact the capacity development is core business for ACIAR and that not doing it is not a viable option. Here, the Capacity Building section will lead the implementation of the new 'strategy', drawing on external resources as required (see chapter 6).

**5.14 The review team would suggest that 'Capacity Development' needs to become a way of understanding and thinking about how ACIAR designs and delivers its work - just as gender and inclusion is.**

If ACIAR view Capacity Development (or Institutional Strengthening) as core business, then consequences follow. It cannot be considered core business if nothing changes.

**5.15 Whichever approach and adoption is adopted, ACIAR must:**

- regularise and formalise the involvement of the Capacity Building team at project design, and regular project review (e.g. annual) points to advise on CD issues and progress;
- clarify the precise nature of the capacity problem being addressed in the partner organisation;
- define a common framework for organisational assessment and analysis;
- articulate a shared language, understanding and terminology;
- specify what it is that ACIAR wishes to measure;
- emphasise modesty in ambition;
- ensure gender equality and inclusion are integrated into all OD/ID/CD problem diagnoses, design and monitoring processes;
- re-emphasise longer-term time frames but with sustained ACIAR capacity development involvement;
- focus not only on individual skills training and more on OD;
- produce a simple guide on ACIAR’s approach to capacity development; and
- include capacity development modules CD module in all ACIAR induction programs.

**Figure 6:** Pros and cons of the three options

	<b>(i) Train all staff</b>	<b>(ii) In-house</b>	<b>(iii) Contract out</b>
<b>Pros</b>	<ul style="list-style-type: none"> <li>All staff share a common understanding</li> <li>All projects will adopt a common approach</li> <li>Alignment among staff</li> </ul>	<ul style="list-style-type: none"> <li>Resource on tap for whole of office</li> <li>Common approach and framing can be put in place</li> <li>Shared language</li> <li>Organisation can learn over time</li> <li>Allows for the institutionalisation of an ACIAR approach</li> <li>Builds on what is in place already</li> </ul>	<ul style="list-style-type: none"> <li>Can hire from Australia and / or country of operation</li> <li>Detailed knowledge of country context</li> <li>Can hire consultants according to the specific sector and the needs of the program</li> <li>May be the easiest to afford (add on to each project/ program cost?)</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>Risk of superficial approach</li> <li>Risk of limited interest and commitment</li> <li>No deep ownership</li> </ul>	<ul style="list-style-type: none"> <li>May be hard to attract sufficiently skilled people?</li> <li>Possibly the most expensive (but see bullet 4 Contract out ‘pros’)</li> </ul>	<ul style="list-style-type: none"> <li>Danger of different and conflicting approaches</li> <li>Requires diligence and oversight in head office</li> <li>Variable quality of consultants</li> <li>Weakness of in-country management and professional oversight</li> <li>Loss of ACIAR branding and visibility</li> <li>No institutional memory</li> <li>Not sustainable over the long-term</li> <li>Risky to rely on outsiders</li> </ul>
<b>Summary</b>	<ul style="list-style-type: none"> <li>CD is not a core ACIAR competency for researchers - nor should it be</li> </ul>	<ul style="list-style-type: none"> <li>In the view of this review team, the preferred approach when coupled with the judicious application of option i and ii in support of the Capacity Building unit</li> </ul>	<ul style="list-style-type: none"> <li>Too many risks to be a viable strategy by itself</li> </ul>

Source: Methodologies for assessing institutional capacity



**5.16 As noted in the second report, there are many models and approaches to capacity development and organisational change.<sup>8</sup>**

They range from simple ones, such as ‘SWOT’ and ‘force-field’ analysis, on to more sophisticated models such as the McKinsey ‘7 S’ approach (figure 7). There are two major weaknesses with this model. First, any ‘S’ could be located anywhere – there is no causation or hierarchy of what influences organisational performance. Everything is equally weighted. Second, and more egregiously, the model makes no reference to the external environment - the legislative basis, the policy context, or the domestic political economy, all of which may have deeper implications that ‘structure’ or ‘style’ – particularly in developing countries.

**5.17 The ‘five core capabilities’ model (see right) as proposed by the European Centre for Development Policy and Management (ECDPM) model and discussed in report 2 is more sophisticated still.**

However, while these capabilities undoubtedly resonate, it does not provide a template for problem diagnosis, assessment, design and implementation. It was for these reasons that the review team first proposed the use of the Burke-Litwin model in Abt’s Expression of Interest in this assignment.

**5.18 The model is repeated at figure 9.**

It possesses three advantages: it brings together individual skills, internal organisational elements and external drivers and institutions; it shows – schematically – how these elements fit together; and it shows how all the elements fit together to generate and sustain functional capacity and performance.

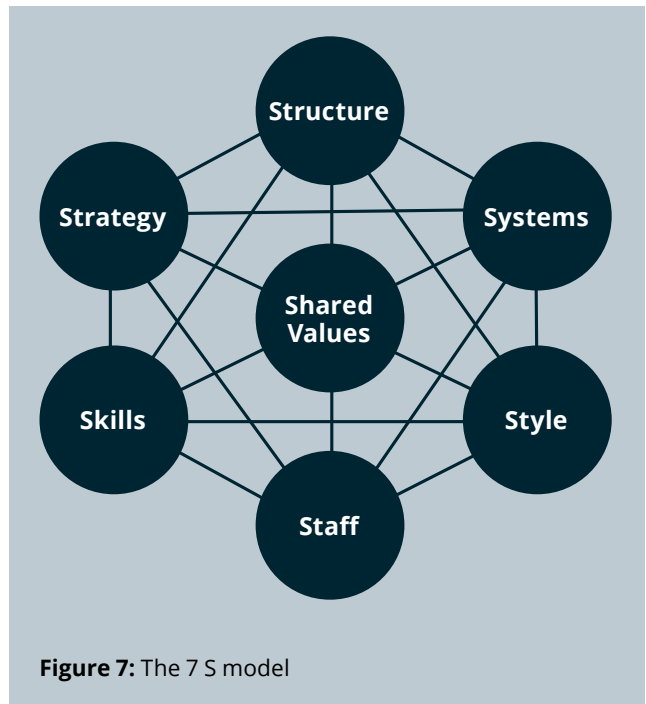


Figure 7: The 7 S model

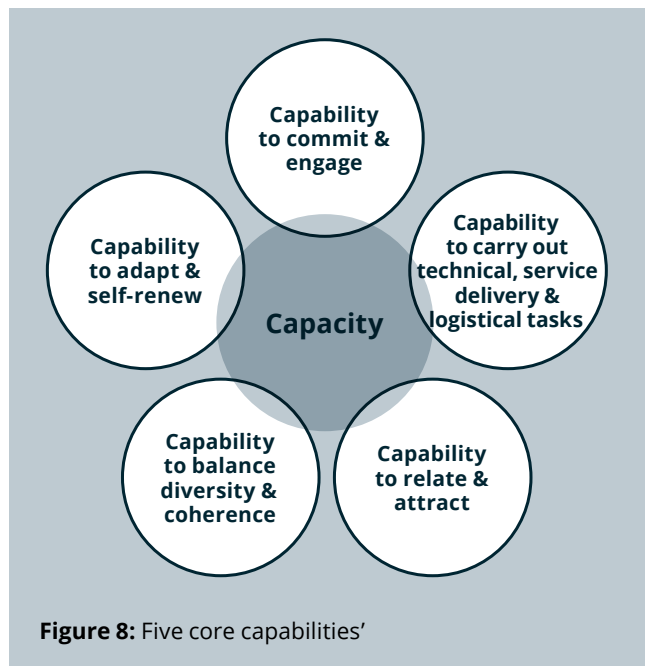
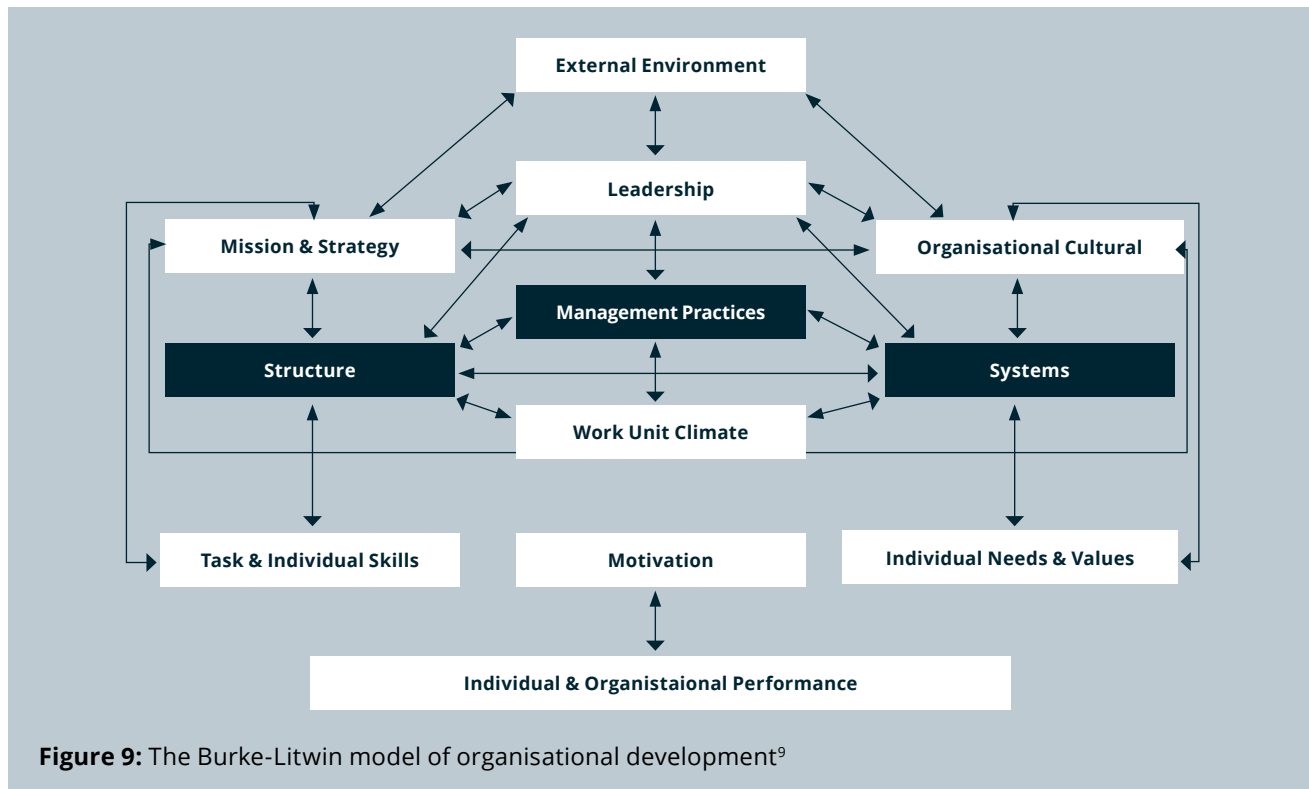


Figure 8: Five core capabilities'

<sup>8</sup> It should be emphasised that most of these models assess organisational capacity

**5.19 Most importantly this model aligns with ACIAR’s needs in delivering an unequivocal assessment at the outset with regard to what the ‘capacity development’ challenge precisely is, and whether ACIAR can help address it.**

For these reasons, the review team recommends that ACIAR adopt the Burke-Litwin model. It is widely used – and it is accessible and intuitive. That said, it is probably less important which model is used and more important that one model – whichever one - is used consistently.



**5.20 The authors hesitate to use the term ‘methodology’ in this context.**

Any approach to choosing partners will be more an art than a science. Decisions are likely to be made on five grounds:

- ‘tier country’ for Australian assistance;
- the strategic importance of the agricultural sector or sub-sector to the partner and to Australia;
- the skill set available in ACIAR;
- the commitment of the partner organisation / government – in terms of enthusiasm, budget, organisational functionality (our figure 5 above), staffing availability, and political interest and profile; and
- the history of engagement.

**5.21 Which criteria will be most important will vary country to country.**

In certain countries indeed they may be in conflict. For example, the PNG Fisheries project at the NFA is clearly located in a critical country, in a critical sector, and takes place against the background of a long historical association. Yet possibly in terms of figure 5, the NFA may be considered just too dysfunctional (and the political environment too unconducive for change) for ACIAR to make much of a difference. These decisions are tricky - they are why organisations have senior management structures. The authors of this report would suggest that a more formal methodology – at least beyond a set of agreed criteria such as this in the paragraph above – may be counterproductive.

<sup>9</sup> W Warner Burke and George Litwin ‘A Causal Model of Organizational Performance and Change’. *Journal of Management* 1992, 82, p 523



# 6 A proposal for an ACIAR Capacity Development Strategy

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**6.1 Given its mission and objectives, the question for ACIAR is not whether to include capacity development work in its repertoire, but how best to do it.**

This review team have concluded that an in-house, fully-skilled, and experienced capacity development team – enabled by the factors outlined in chapter 5 above – is needed if ACIAR is going to put in place a consistent, coherent, and viable OD strategy.

**6.2 Paragraph 5.13 outlined four options:**

- **Low-effort option 1:** allocating time for the Capacity Building section to undertake low-cost, low-intensity all-staff induction and training sessions – e.g. brown bags, project team webinars;
- **Low-effort option 2:** allocating a small budget to the Capacity Building team to buy-in external specialist support to advise on high-value, high-priority investments (e.g. review designs);
- **Medium-effort option 3:** task the Capacity Building section with drafting simple guidelines for Capacity Development (design guidance including: framing, language, preferred model, measurement, and review) and sharing among all staff. If funds are available this effort could be supplemented with external support. The extent of the external support and the intensity of the documentation and induction will depend on the resources available; or
- **High-effort option 4:** this option would reflect that the fact the capacity development is core business for ACIAR and that not doing it is not a viable option. Here, the Capacity Building section will lead the implementation of the new 'strategy', drawing on external resources as required.

**6.3 Not surprisingly, this review team would make the case for option 4.**

It should be noted that 'high-effort' does not necessarily mean high-cost (it could do – but it does not have to). Figure 9 outlines a strategy for Capacity Development in ACIAR.

**6.4 It is critical that ACIAR lead all the work, not the external consultants.**

Senior staff in ACIAR must be committed to the integration of these tools at all stages of ACIAR's internal planning cycle, from identification and selection, through design and appraisal, on to implementation and reviews, through to assessment, evaluation, and close-out.

**6.5 Finally, all the four options outlined in paragraph 6.2 – and especially option 4 - will require the full commitment of all ACIAR staff.**

Any strategy put in place will only be as effective as its implementors.

# Annex 1: Terms of Reference

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## BACKGROUND

Through our long-standing relationships with partner agricultural research institutions, ACIAR has developed a substantial body of knowledge about the institutional strengths and weaknesses of these organisations. Institutional bottlenecks greatly impact the funding for, and outcomes of research. Such constraints can originate in the agricultural research systems itself, including lack of technical skills required to undertake research, inadequate facilities, or poor research practices. Constraints can also be seen in the managerial and administrative systems, examples include; unclear budgeting processes, poor HR practices, inadequate IT systems or under-developed management structures and leadership skills. Furthermore, individual research agencies may experience issues in their boarder environments, such as issues negotiating with funding agencies or producing research that has policy impacts.

ACIAR does not currently take an explicit organisation-wide approach to building institutional capacity. Research project interventions are often aimed at building the capacity of individual or teams of researchers around a specific issue. ACIAR's formal capacity building program directs its efforts at enhancing management skills and leadership skills (JAFel, JDF) and upskilling individual researchers' scientific skills (JAF and MWF). The University of the South Pacific Twinning scheme attempted to take an institutional-approach to building the capacity of USP to deliver enhanced education, although this was only partially successful.

Selecting a number of high-priority partners and co-developing institutional strengthening approaches can have significant benefits for both ACIAR and the partner organisations. Through a joint-process of identifying strengths and weaknesses, ACIAR can strengthen our partnerships, while developing relevant and useful interventions. An institutional approach will also add value to our existing research projects, as constraints to the utilisation of this research are addressed in the design and implementation of research projects. Such an approach would be particularly useful for fledgling and weaker institutions that do not receive governance or institutional support from other donors.

## REQUIREMENT

To inform our approach to institutional strengthening, ACIAR requires a consultant to undertake a desktop review of our existing institutional support approaches. This will entail a case study of five research projects to determine their explicit and / or implied institutional support theories of change.

These approaches will be benchmarked against current 'best-practice' literature to determine:

- The theoretical / development practice / typologies of approaches being used
- The likely effectiveness of the approaches, with an identification of alternate approaches where applicable
- The 'value-add' / 'comparative advantage' of ACIAR's approach vis-a-vis other development actors

The consultant will also undertake a desktop review of other donors working the international agriculture sector and outline their approaches to institutional strengthening.

Following these reviews, the consultant will make recommendations on:

- The current role of ACIAR in institutional strengthening
- The types of institutional strengthening that are aligned with ACIAR's mandate and comparative advantage
- Options for increasing our efforts in institutional strengthening
- Methodologies for assessing institutional capacity for ACIAR
- Methodologies for prioritising partners for specific and intentional institutional strengthening programs.



**ACIAR**

