

Integrating learning into organisational capacity development of Cambodian NGOs

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Abstract

A holistic learning approach to organisational capacity building with Cambodian NGOs produced impressive results in some organisations and important learning about blocks to change in others. The approach clearly demonstrates that moving beyond traditional training and organisational development interventions into processes that promote learning and its integration into everyday work practices has positive and lasting impacts. Organisations willing engage with the learning approach found that both individuals and the whole organisation were able to function more effectively, and that this contributed to sustainability and resilience. The approach also produced important lessons about organisational readiness to embrace learning and change.

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Background

At 17 years old, the NGO sector in Cambodia has yet to find its way to sustainable maturity. The first Cambodian NGO (CNGO) was established after the Paris Peace Accords were signed in 1992. Throughout the mid 1990s many new organisations were formed and when negotiations with the last factions of the Khmer Rouge regime finally brought nationwide peace in 1998, NGOs were able to work throughout the country. Today many organisations are operating across multiple sectors, mostly in rural areas and working with various forms of community development. There are also specialist NGOs, most notably those working in human rights and democracy.

Not all of the CNGOs formed during the last 17 years have survived, and while many still operating have impressive track records of achievement, cultural factors, poor ability to adapt and change, and perceptions of donor requirements keep many CNGOs trapped in ways of thinking and doing that inhibit their capacity to develop and respond to a changing environment. Senge's *'inertia of deeply entrenched mental models'* (Senge 1994:179) is particularly apt for the majority of CNGOs. The learning disabilities identified in 'The Fifth Discipline' (Senge 1994:17) are not a precise fit for those in CNGOs; the reality is, perhaps, even more disabling than those he described. For example, few CNGO staff have a job description to give them clarity about their role and tasks, which is a major obstacle to them drawing meaningful learning from their work. A *'delusion of learning from experience'* (Senge 1994: 23) exists in Cambodian culture because experience is not seen as a valid source of learning. Only 'theory' taught in classrooms is valued, which the majority of Cambodians are unable to translate into workplace practice. Fear of punishment and losing face through mistakes is a powerful inhibitor of initiative and flexibility. Not surprisingly, most Cambodians believe it is better by far to follow the rules, or, if in doubt, do nothing.

These and other factors combine to create organisations that have severe difficulties with learning and change, except of the form that has been labelled *'regressive learning'*. This phenomenon is discussed in 'Relationships for Aid' where it is noted that *"Regressive learning' occurs when a recipient organization 'learns the ropes' and changes its own values and ways of working so as to respond to the requirements of the financing organization."* (Eyben 2006:8) Funding exigencies lead many CNGOs to unquestioning compliance with donor conditions, which frequently results in an avoidance of learning from experience if it in any way differs from the pre-defined activities and expected project outcomes. Learning does happen, but learning for development is both severely limited and rarely acted upon, and cannot hold its own against the higher imperative of learning to comply with donor requirements.

ICCO, the Dutch inter-church organisation for development cooperation (1), has been active in Cambodia supporting both international and local development organisations since 1988, giving core funding, including budget allocations for organisational and staff development, and other forms of support and advice. VBNK (2) is a local capacity building NGO that has

been providing a range of learning and organisational development services through training and consultancies for clients working in the social development sector since 1997. In 2004 ICCO had 22 Cambodian and 2 international partner NGOs, including VBNK. The Cambodian partners were, broadly speaking, community development organisations located in the North Western provinces of Battambang and Banteay Meanchey (among the last to be freed of civil conflict between the remaining Khmer Rouge forces and those of the Royal Government of Cambodia) and a group of well established human rights, democracy and advocacy organisations based in Phnom Penh.

An ICCO regional capacity building advisor was based in Hanoi. One of his first initiatives in Cambodia was to provide training on micro-credit for several of the community development partners. He subsequently observed the results of this training were not what he had hoped for, and recognised that this was, in part, due to the lack of any follow up activity after the training. This was an important insight, one shared with the ICCO programme officer for Cambodia, and which became influential in all their subsequent thinking. The advisor's work with ICCO's CNGO partners over more than 18 months showed that many organisations also had significant areas of weakness in basic and essential aspects of operational and organisational management. He concluded that ICCO's previous budget support approach to capacity building had not resulted in significant expansion of capacity. ICCO therefore decided to explore a different approach to building the capacity of their partners. This led to the formulation of the ICCO Partners Project (IPP).

The Project

First steps and assessments – 2004 and 2005

Financial management had emerged as the priority issue, and ICCO hired two independent consultants, one expatriate, one Cambodian, to undertake a comprehensive assessment process with 10 partners. The results provided important information not only about financial management capacity but also linked areas such as organisational structure, management and governance. Work began with some initial training to help the partners install the QuickBooks software and to develop related internal financial procedures. Meanwhile, ICCO approached VBNK about delivering the financial management training while also working with them to develop a strategic, long-term and systematic approach to capacity development of their partners. This was to focus on organisational functioning, not the technical skills required for programme and project implementation.

VBNK had, several years earlier, embarked on a continuing process of developing its own capacity as a learning organisation. Trial and error with a range of approaches had yielded some hard won lessons about the enablers and blocks to learning and change within Cambodian organisations. As a result VBNK had chosen to work with two key approaches to bring about change in its own practice. The first was to work with the Action-Reflection-Learning-Planning (ARLP) approach (Taylor et al 1997) advocated by the Community Development Resource Association in South Africa, an organisation whose thinking and practice has been influential to VBNK in a number of ways. The second was to use, whenever possible, creative processes as a way to overcome blocks to learning. Creative processes take many forms, but can be generalised as activities that challenge participants to shift from patterns of narrow, conditioned reactions to stimuli into new dimensions of

response. While VBNK had been able to introduce some of those approaches into various training courses and consultancies, the prospect of being able to use them consistently in a long-term capacity development process was an exciting opportunity.

Through an iterative process of exploring what the project needed to achieve and what it might, therefore, look like ICCO and VBNK agreed firstly that the purpose would be *'To strengthen the organisational capacity and management of the ICCO partner organisations in order to strengthen their ability to deliver programmes that achieve positive impact.'*

The related objectives were that *'by the end of the project the participating ICCO partners will have:*

- *The capacity to manage and report on their finances in a sound and consistent manner which both helps them manage their activities more effectively and fulfils external requirements for good practice standards.*
- *Strengthened their organisational capacity and management in line with their own assessment of needs in areas agreed with ICCO and VBNK at the start.'*

It was recognised that these objectives were too general to be of benefit to individual partners, and that each would need objectives tailored to its specific needs. It was also clear that the project could not be designed in detail until a more thorough assessment had been conducted. This called for ICCO to support a process of project design without a clearly defined framework or methodology at the start. Having agreed on the purpose and objectives, and given some other broad guidelines, ICCO, in a remarkable display of trust in VBNK and the process, were willing to stand back and wait to see what emerged. The trusting and respectful approach of the ICCO programme staff helped to build the confidence of the VBNK Cambodian team as they embarked on an ambitious and complex undertaking, and also provided a role model for how to work with the partners.

All 22 CNGO partners were invited to undertake the participatory organisational assessment process. VBNK's design of both the assessment tool and the process for using it were informed by the work of Margaret Wheatley, a proponent of living systems theory in organisational development practice. Wheatley asserts that a healthy organisation (system) is one that is able to reconnect to more of itself:

When a system is failing, or performing poorly, the solution will be discovered within the system if more and better connections are created. A failing system needs to start talking to itself, especially to those it didn't know were even part of itself. (Wheatley and Kellner-Rogers 1998)

Thus the participatory process of enquiry was designed to involve all members of each organisation in a journey of discovery about itself. The three areas of assessment were:

- First, organisational management (legal basis and governance; values; culture; strategic planning; leadership, management and decision making; staff capacity and management; administration and finance);
- Second, project management (project design and planning; implementation; reporting and documentation; monitoring and evaluation; learning and adaptation; and, gender mainstreaming); and
- Third, strategic relationships (strategic relationships and advocacy; and resource development).

ICCO made it clear that participating in the assessment, and in any subsequent capacity building project, was voluntary and not a condition of future funding support. Additionally, in order to reassure the partners that their weaknesses would not be spelled out in detail, it was agreed that any information given to ICCO as a result of the assessments would be anonymous. Late in 2005, 15 partners went through the assessment process, which took the form of workshops with all staff, interviews with key informants, focus group discussions, and a review of key documents. Shortly afterwards financial management assessments were completed with another 10 partners.

The assessments produced rich and informative outputs, which the VBNK team analysed at two levels. Firstly, they produced a draft assessment report for each organisation, which was discussed and agreed with the partner before being finalised. Secondly, they produced a consolidated report for ICCO, which was used as the basis for the design of, and proposal for, the main project implementation phase. The consolidated report summarised the ranking that the partners gave to their identified weaknesses. The most common, ranked by more than two thirds as very significant, was resource development. Equal second were legal basis and governance, and strategic planning. Next was staff capacity and human resource management, followed by monitoring and evaluation. The sixth issue on the list was leadership, management and decision-making. The VBNK team found this area the most difficult to accurately assess because in Cambodian culture it is very difficult for staff to say anything critical about management, especially if management is present. Nevertheless, some critical issues emerged (VBNK, 2005:17). These are worth noting, given the importance that leadership issues subsequently assumed in the project:

- *Leaders are neither visionary, non incorruptible and are not result and people-oriented, and cannot recognize nor manage internal tensions, cannot coach when and where needed*
- *Staff do not feel free to raise issues, questions and feedback ... staff are not clear about who decides what ...staff are not clear about who does what*
- *Decisions are not addressed wisely (no discussion with an informed group of key staff, and in the light of available resources) and are often delayed*

The assessments proved to be an important intervention in their own right and laid the foundation for the activities to follow. The holistic and systematic review of each organisation demonstrated the validity of Wheatley's (1998) principle of connecting to self in that it raised awareness of important issues; helped staff recognise strengths, weaknesses and needs; opened up a new perspective on capacity development; and challenged each organisation to commit to learning and change.

The project design was completed by the end of 2005, and negotiations with ICCO concluded with agreement for a two-year project implementation phase to start in March 2006. The project's learning-based approach to organisational capacity building was unique in Cambodia, and VBNK and ICCO agreed that learning about the project itself should be built into all its stages and aspects so that it could later be shared with others. ICCO allocated funding for the team to document all implementation and review activities, to identify emerging learning and how it had been applied to ongoing activities.

Responding to the needs: core implementation and wrap up phases 2006 - 2008

All 15 partners who went through the assessment exercise chose to participate in both the development management and financial management strands of the project. A further 3 opted to work on financial management only, making a total of 18 participating partners. VBNK created a team of experienced staff who brought a diverse set of skills, some finance-focused, others more versed in organisational, management and governance issues.

Expectations of all stakeholders were clarified in a meeting between ICCO, VBNK and the partners at the start of the core implementation phase. Key expectations were: first, that VBNK would provide effective responses to identified needs and weaknesses in order to build capacity. Second, that VBNK would honour its commitment to confidentiality, i.e. that there would be no reporting to ICCO about individual partners, the agreed exception being in the event that a partner dropped out of the project (3). Third, partners would participate and communicate with VBNK in a spirit of trust and honesty; work on their learning objectives and indicators, and be committed and willing to learn and change. Fourth, ICCO would continue funding and resource support (4).

The importance of recommitting to anonymous reporting cannot be emphasised enough, as without this agreement it is unlikely that many of the partners would have been open to identifying their problems and weaknesses.

As noted above, VBNK has learnt a great deal from the work of CDRA and their approach to development:

... while all clients develop, none does so in quite the same way as any other. So developmental interventions are not 'expert products or packages of resources' delivered as input to organisations. Rather, they are processes which are created and applied in response to particular situations. ...they are purposefully and specifically geared towards helping people gain an understanding of themselves such that, in time, they are better able to take control of their own future and to themselves arrive at effective solutions to questions, problems and concerns (CDRA 1998:16)

Richard Beckhard (1969:9) emphasises how increasing organizational effectiveness and health requires interventions into the organization's "processes" that are planned, organization-wide and managed (led) from the top. This thinking was influential to how VBNK approached the project design; an assumption underpinning the project was that a systemic approach to organisational change would be more effective than stand alone events. The team recognised that all interventions (apart from some technical financial inputs) would need to be tailored individually to each organisation, to be adaptable to changing needs, and to incorporate learning methodologies that would sustain beyond the life of the project.

During the assessment phase, each partner prioritised the issues they wanted to work on. Learning objectives and indicators for each of the issues were agreed between the partner and VBNK and written into the contract for participation. The financial management interventions needed were: accounting systems; budget planning and monitoring; donor and fund monitoring; finance and accounting tips; financial manual; internal control

systems; organisational structure and governance; and Quickbooks. The development management issues that partners had prioritised were: budget planning and monitoring; donor and fund monitoring; boards and governance; internal communication; leadership and management; learning and adaptation; monitoring and evaluation; problem solving; project design; report writing; resource development; roles and responsibilities of management team; staff development; strategic planning; and values.

All of the partners worked on at least two different issues during the life of the project. In keeping with the learning philosophy of the project the partners and VBNK worked together to review and revise priorities at regular intervals, to ensure that interventions remained relevant and focused on current needs. For some organisations, gaining capacity in one area allowed them to understand differently their needs in other areas, and thus to reassess their perspectives on the priorities. VBNK responded accordingly.

Given the complex and ambitious nature of the task before them, the IPP team recognised that they needed a framework to help them structure and monitor their work, not only to plan, prepare and deliver interventions but also to incorporate their supporting strategies. The key supporting strategies underpinning the core interventions were: ongoing clarification of project purpose, approaches and expectations; maintaining open communication with partners; regular review and revision of learning objectives; flexibility; and continuous development of the team's own capacity. In addition, the framework incorporated the various documentation, reflection and review processes necessary to support the project as a learning process in its own right. Using the framework helped the team to keep a range of work themes in process at the same time, to keep a balance between the interventions and the supporting strategies, and to keep learning central to all that they did.

Before the issue specific interventions began each partner had a two-day orientation workshop in which VBNK presented its approach to learning and capacity building. This allowed the participants to understand the processes in which they would be engaged, and the partner and VBNK to clarify mutual expectations. Another preparatory step was the first three-day plenary session during which representatives of all the partners and VBNK shared information about themselves in order that everyone could get to know each other better. The retreat had a 'soft' agenda, with a lot of opportunity for connecting informally and no pressure for outputs. While these start-up activities took considerable time and resources, it was judged that this was the most effective way to engage the partners with what everyone anticipated would be a challenging process and to build trusting relationships that proved to be an indispensable foundation. As the final evaluation (VBNK 2008a) observed, good relationships and trust facilitated participation, honest communication, openness to new ideas and willingness to change, all of which are essential components of learning.

A critical feature of the process design was the amount and nature of contact days between the IPP team and the partners. Each partner had to commit to 2 contact days a month, for activities of one form or another, but the participants and activities varied according to the content. For example financial inputs were primarily technical, for finance staff, but sometimes directors and programme managers joined for sessions on broader financial management issues. Some activities targeted horizontal groups such as the Management

Team, while others targeted more vertical selections, such as all the levels of staff involved in project implementation coming together to work on monitoring and evaluation. A few activities, such as values clarification processes, were conducted with all staff. Structuring the interventions and providing regular and focussed follow up sessions at each partner's office was a deliberate strategy to overcome the problem of taking 'classroom' learning into action. It also helped the partners understand that learning is an ongoing process, one which can, and should, be embedded in everyday work practices.

Some needs, particularly for some of the financial content, were best served by delivery in a standard training format, but primarily the VBNK team used participatory and ARLP-based design for their interventions, so that participants would learn to recognise and build on their own existing knowledge and problem solving skills. The linked, and also critical, feature of the design was to have all the interventions backed up in three ways:

- Every facilitated event or training session was followed up by workplace visits during which participants could analyse and resolve the challenges of implementing new learning.
- Two formal reviews of the learning objectives and indicators with each partner provided an opportunity for ongoing monitoring and evaluation. The reviews were designed to be supportive to the partners, by focusing on reflective practice rather than inspection. The 'stories of change' method, for example, was particularly appreciated because it allowed individual staff to identify their own changes and to recognise how they were contributing to the organisational whole.
- Four plenary sessions and three financial management workshops were held in the core implementation phase for selected representatives of each partner. This provided the partners with opportunities to share and learn together from their experiences; to consolidate their learning; and to become more confident about what they were doing. The themes of the plenary sessions were: learning organisations; personal and professional development; impact and change; and, organisational sustainability.

In order to support learning and dissemination the team stopped activities once every two months to join VBNK's learning weeks (5), which provided them with the opportunity to conduct a structured and documented reflection and lessons learned process.

During the wrap-up phase, April to December 2008, each partner chose a final intervention for both the development management and financial management strands. There was a final plenary session on organisational development practices, and a final financial management forum on control systems. The project was evaluated in October 2008, and the VBNK team simultaneously undertook a reflection and review of the whole project in order to distil their learning. A short publication (VBNK 2008b) was produced and subsequently shared with the NGO and donor communities in a dissemination workshop.

In summary the IPP delivered an impressive range of capacity development interventions over four years to more than 280 staff in 18 different organisations. Based on the organisational assessments in 2005 all interventions were tailored, using different methodologies, to the individual organisation's needs and operating realities. Plenary

sessions, follow up activities, and review and revision of the learning objectives were all important additional dimensions contributing to the holistic learning approach.

Overview of organisational changes achieved

The end of project evaluation (VBNK 2008a) noted that, dependent on the issues prioritised for attention, a range of important individual, system, organisation and programme level changes were identified within the different partner organisations. In summary:

- Staff were demonstrating increased skills and confidence to do their jobs, and reporting improved communications skills within and outside their organisations
- Relationships and communications between finance and programme departments within organisations were improved sufficiently to reduce misunderstanding and conflict in the application of financial procedures
- New understanding of good practice and their enhanced performance had resulted in partners upgrading various policies and operational guidelines
- 15 of the partners who participated in the financial management strand were using QuickBooks and had accounting systems and a financial manual in place; this contributed to improvement in internal control systems (which has been acknowledged by donors)
- Staff in most organisations were applying their newly-acquired skills to prepare and monitor budgets and grant funding
- Several organisations had, for the first time, developed comprehensive strategic plans to guide organisational growth and decision making
- There was evidence that some partners, drawing on the facilitated learning process provided through the IPP, had changed their own facilitation practice in their work with communities. Some partners had adopted capacity building through learning as an important long-term strategy, and had integrated it into their strategic plans or identified it an organisational value. In short, these partners had linked individual and organisational learning both to programme quality and to the long-term sustainability of the organisation itself.

Working with a learning approach

For the partners the message about engaging with a different approach was reinforced when they were asked to define their learning objectives as part of the contract of participation. All were familiar with objectives being set for training courses and workshops, but organisational learning objectives were completely new. Obviously, review and revision of learning objectives enables good planning for the next round of activities. But as described above, when reviews of the learning objectives and indicators revealed that they were making progress, the confidence of both organisations and individuals subsequently increased. Given that both learning and confidence are recognised as a key capabilities in the seminal work on capacity done by the European Centre for Development Policy Management (Baser and Morgan 2008), it is significant that the use of this mechanism can result in this outcome. Those partners with whom it had not been possible to agree clear learning objectives and indicators at the start appeared to have less commitment and lower levels of participation.

Implementation was not, of course, without its challenges, some of which have highlighted important issues about the design and implementation of this and any similar learning-

based projects in future. The first challenge was in the basic concept of activities designed in a learning framework rather than a more traditional approach of technical transfer of knowledge and skills through teaching or training. Such an approach is profoundly counter-cultural in Cambodia, where the didactic style of education experienced by the vast majority of Cambodians has been rote learning, which has actively suppressed intellectual curiosity and analytical inquiry. The difference that this approach sought to achieve is summed up by Shaull in the foreword to Freire's 'Pedagogy of the Oppressed'.

Education either functions as an instrument which is used to facilitate the integration of the younger generation into the logic of the present system and bring about conformity to it, or it becomes "the practice of freedom," the means by which men and women deal critically and creatively with reality and discover how to participate in the transformation of their world" (Shaull 1970:15, original emphasis).

Commitment to learning and change by both the whole organisation and individuals within the organisation is essential to the success of any change process. Most important, if change is to be implemented, is the participation and support of senior management. During implementation of the IPP leadership proved to be a key factor in determining how successful the approach was within each participating organisation. In organisations where directors would not support implementation of learning, changes did not happen, regardless of what the staff had learned. Where directors would not change their leadership style or approach, the staff quickly lost any motivation to apply their learning. In some cases this resulted in staff turnover. Comments from one former partner employee, interviewed for the evaluation, illustrate this point.

Our director did not participate.... There were many topics we learnt such as leadership and management, team building, problem solving, which ... we expected would help to solve our internal problem between the management and the implementing level, unfortunately it didn't change.

In organisations where there was nepotism, new policies were developed but remained a paper exercise that did not contribute to any real change.

Resistance manifested in many forms in the IPP, not only amongst senior management, but also at the level of individual staff. Participants who were new to being in facilitated processes found it difficult to participate and contribute their own ideas. The participatory, experiential nature of interventions often challenged prevailing, culture-based, assumptions about how people learn, which embodied expectations that the IPP team were the experts who would provide the right answers. At times the facilitators struggled to overcome these assumptions and expectations in order to stay with planned processes. Their challenge was to 'hold the line' on the learning approach in the face of strong participant expectations for a different experience. This called, especially in the early days, for confidence and commitment on the part of the VBNK team, when resistance was strongest. Another challenge was that even when there had been good engagement and understanding during an intervention some participants found it difficult to leave the comfort zone of old habits and introduce new systems into their work practices. As Kaplan has noted '*Development is not so much the pain of taking on the new but the pain of letting go the old* (Kaplan 1996:8). In these cases the VBNK follow up activities, and the attitude and influence of the partner's

senior management, were both critical to overcoming the resistance so that practices changed.

The dual methodology of facilitation and coaching, linked to on the job learning, is most effective in helping participants to gain the skills and gain confidence to apply their learning into the workplace. This is true even in cases where the content is best presented initially through training. Coaching conversations provided the facilitators with detailed information about real workplace needs, which enabled them to then choose the appropriate design for interventions. Follow up activities included helping to schedule implementation steps, getting participants to finish assignments on time, and simply talking through the successes and challenges of applying knowledge in the workplace. Coaching sessions also provided opportunities to monitor progress against objectives and indicators.

Plenary sessions enhanced personal relationships among the partner group, which in a context characterised by lack of trust and poor communication was, in and of itself, a worthy outcome. The plenary sessions also contributed significantly to organisational development through both the formal input of content and the informal sharing of experience, ideas, and issues of common concern. Using plenary sessions for review of the project's objectives, indicators and achievements was also helpful for formulating responses to changing needs.

As the attention of the aid industry turns to the strategic issue of how to maximise south-south cooperation for, and local ownership and leadership of, capacity development processes (see, for example, Bonn Consensus Statement, 2008 and the Accra Agenda for Action, 2008) the IPP yields another important insight. Delivering on the complexities entailed in a holistic approach to organisational capacity building requires a dedicated and specialized team with diverse skills and knowledge. The evaluation found that having the IPP created and implemented by VBNK's Cambodian staff with only limited expatriate support was one of its most important strengths. The project developed the confidence of both facilitators and participating partner staff and created solutions that work in the Cambodian context, reducing a cultural barrier to change so prevalent in expatriate driven agendas. There are lessons here for all development practitioners who are concerned to support processes that lead to local solutions for capacity development.

The evaluation team noted that the IPP both provided a wealth of new learning and improved the confidence, capacity and skills of many individuals and their organisations. However they also noted that it was not possible – so soon after the end of the project – to identify the full impact of the project. VBNK has committed to conducting a follow-up evaluation in its annual impact study in 2010.

Conclusions

Establishing positive and enabling relationships is of critical importance in the post-conflict Cambodian context. The various start up activities described above facilitated the development of trusting relationships that were critically important to the overall process and also opened up conversations about issues that usually remain beneath the surface (such as those related to hierarchy and power). The other, equally important, benefit of the start up processes was that taking a broad systemic approach to assessment of the

organisation's functioning set the scene for an approach to capacity development that moved beyond the stand alone training and organisation development interventions that have been the norm in Cambodia. As the organisations became better connected to themselves, their awareness, understanding and ownership grew, and importantly, the leadership began to assume responsibility for the change process. But the shifts in attitudes and behaviour that support a commitment to change would not have happened without the foundation of understanding and trust between facilitators and participants.

The approach taken challenged long-held cultural norms and expectations about how learning happens and associated beliefs about capacity building. Experience during the project, confirmed as a key finding in the evaluation, was that establishing clear learning objectives and indicators at the start, and reviewing them regularly, is a helpful mechanism not only for monitoring, but also for building confidence, a pre-requisite of capacity. While the plenary sessions required significant investment of resources, they contributed considerably to the success of the project.

An emergent learning as the project drew to a close was that organisational readiness is a primary indicator of future success. Increasingly throughout the project it became clear that poor engagement with learning and change processes was linked to organisational readiness, which is, in large part, determined by the attitudes and actions of the organisation's leadership. Reliable indicators of the level of change that is possible within an organisation are the director's understanding of the change process, coupled with her/his commitment to allocating resources, to participating in activities, and to implementing the resulting outcomes.

The literature referenced above indicates that learning, capacity and change develop from a complex set of interdependent factors. In its long-term, multi-dimensional approach, the IPP offered, for the first time in Cambodia, an alternative to traditional approaches to CNGO capacity development. While the learning approach taken in the IPP requires a greater investment of time and resources than more traditional capacity development activities, the outcomes have shown that where an organisation is willing and able to engage with a holistic process the results are significantly better than any produced by external training. For the organisations that were ready to engage with this new approach the emphasis on reflective practice ensured not only that their skills and functioning improved, but also that their learning deepened and became embedded in workplace practices in a way that will endure long beyond the end of the project.

Notes

- (1) ICCO's mission is to work towards a world in which people live in dignity and prosperity, a world where poverty and injustice are no longer present. ICCO provides financial support and technical advice to local organisations and networks across the globe that are committed to providing access to basic social services, bringing about fair economic development and promoting peace and democracy. www.icco.nl
- (2) VBNK's mission is to be a centre of learning, working creatively with others to generate and share innovative practice and local knowledge that can contribute to positive social change. www.vbnk.org
- (3) During the main implementation phase of the project one partner dropped out of the project. Despite substantial efforts by the VBNK team to keep working with

them, the partner's repeated failure to engage in any of the schedule activities made it impossible to continue to think of them as an active participant in the project and ICCO were duly informed.

- (4) In 2005 ICCO started a major review of all aspects of its functioning and programming worldwide. The result was a strategic change of approach, which in Cambodia resulted in a decision to cease funding the majority of the existing partners, including VBNK. The impact of this news was, in a number of cases, detrimental to the progress of the project as senior managers responded to the urgent need to find new core funding support for their organisations and activities.
- (5) VBNK stops external activities for one week every two months in order to engage in a structured process of reviewing activities to identify learning, and to plan how to implement the learning into future activities. Past experience showed that this level of time and commitment was necessary in order fully to embed learning into the organisation's culture.

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