Networks and Capacity

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1 Introduction

The growth of networks as an organisational form is generally seen as a response to an increasingly complex world which has spawned new arrangements for collaboration among like-minded or like-interested parties, as well as actors that have not traditionally worked together. This process has also been facilitated by the rapid change in communication technologies which has opened up possibilities for information sharing and collaboration which previously would not have been possible.

In fact, networks have existed for millennia (e.g. among agriculturalists, political groups, religious organisations, institutes of higher learning), and have been important players underpinning cultural relations and promoting social capital. In contemporary society, networks exist as more or less formalised social arrangements – communities of practice, coalitions and alliances, public-private partnerships, policy research networks, service delivery networks and increasingly include actors coming together to 'govern by networks' – essentially diverse forms of organising that link capacities (individuals and organisations) across boundaries to exchange ideas, generate knowledge and mobilise for collective action.

Development practitioners have increasingly noted the importance of linking or connecting actors through networks, or other types of collaborative arrangements, as a way of addressing development issues more effectively in dynamic, complex and challenging environments. This has led to increased interest in networks as change agents or mobilisers of social and economic capital. What has been less explored is the capacity dimensions or characteristics of networks, including the notion of networks as a 'form of capacity', i.e. one which is different, or varies by degree, for example, from single organisations or multi-organisational systems.

Much of the enthusiasm around networks is rooted in a belief that the capacity of networks is greater than the sum of its parts. It is generally believed that networks can generate capacity and have an impact on social change processes which is greater than that which could be achieved by members acting alone. There is a sense among practitioners in the development community that conceptual frameworks and intervention repertoires to analyse, and support capacity development of networks have drawn mostly from the human resource, management and organisational development literature may be inadequate for understanding, making choices about intervention strategies and evaluating capacity in networks.

This paper is intended to serve two purposes:
1) to contribute to conceptual understanding of networks and associated capacity issues: what is a network, why do networks emerge, why and how are networks distinct or different from organisations or multi-organisational systems, what capabilities make them work, how do these capabilities develop over time, and what is their significance in responding to development challenges, and
2) to explore some implications for addressing capacity issues in networks, including choices of intervention strategies.

The paper will be presented in it current draft form at an ECDPM workshop, co-sponsored by SNV and UNDP in The Hague (September 20, 2005). The authors hope that the paper will serve to stimulate discussion and exploration of issues in greater depth. To that end, and in the spirit of reflection and appreciative inquiry, this paper

identifies throughout the text a series of questions imbedded to provoke and stimulate dialogue, yet hopefully not limit discussion in the workshop. Insights and feedback from practitioners at the workshop will serve to enrich the paper prior to its publication as one of five theme papers under ECDPM's study on *Capacity, Change and Performance*. Other themes that emerged as being significant and meriting deeper consideration include: Systems Perspective, Monitoring and Evaluation of Capacity Development, the Concept of Capacity, and Legitimacy.

This paper is not intended to offer a comprehensive review of network experiences, or capacity issues related thereto, nor does it offer an exhaustive analysis of relevant issues. Due to time limitations, neither of the preceding was possible. An even more restraining factor was the modest amount of grounded, empirical work which has been done in this area. The authors found a considerable amount of descriptive literature on networks, but less by way of reflective and analytical case studies. Literature which explicitly addresses networks and capacity or capacity development, or the idea of networks as a 'form of capacity' is even thinner. For the authors, these limitations reinforce the importance of emphasising a participatory and joint learning approach at the workshop in order to advance collective thinking with respect to networks and capacity. (Note: an annotated bibliography is attached to this paper.)

2 What is a network?

There are multiple definitions of networks. A sample is highlighted below

- *Plucknett (1990*) A network can be defined as an association of independent individuals or institutions with a shared purpose or goal, whose members contribute resources and participation in two-way exchanges or communications.

- *Engel (1993*) Networking is the process resulting from our conscious efforts to build relationships with each other… networks are more or less formal, more or less durable relational patterns that emerge as a result of such efforts. The core business is not the manufacture of products or the provision of services, but social learning, communication and the making of meaning.

- *Creech/Willard (2001)* A formal knowledge network is a group of expert institutions working together on a common concern, to strengthen each other's research and communications capacity, to share knowledge bases and develop solutions that meet the needs of target decision makers at the national and international level

- *Carley & Christie (2002)* Networks are non hierarchical social systems which constitute the basis social form that permits an inter-organisational coalition to develop.

- *Milward and Provan* (2003) Networks are emergent phenomena that occur when organisations or individuals begin to embrace a collaborative process, engage in joint decision making and begin to act as a coherent entity. When this occurs, a network has emerged. These new inter-organisational forms are referred to as partnership, coalitions, alliances, strategic alliance networks, consortiums and networks.

In this paper, we adopt a broad definition of networks, drawing on the similarities across these definitions and others in the literature. Networks are thus seen as:

- Groups of individuals and/or organisations
- With a common concern or interest
- Who contribute knowledge, experience and/or resources for shared learning, joint action or to achieve a shared purpose or goal
- Who may also rely on the network to support their own objectives

The array of definitions and the differences among them are a reflection of the diversity of networks. There is an equally vast **typology of networks**. Networks have been categorised by:

- Central purpose/motivation: communities of practice, knowledge networks, sectoral networks, social change/advocacy networks, and service delivery networks *(Liebler & Ferri, 2004).*

- Types of activities: The versatility of networks may be established through a broad range of activities including learning, service provision, advocacy, execution of projects, institutional strengthening *(Engel, 1993)*

- Functions performed and roles played: filter (providing a means for deciding what to pay attention to), amplifier (taking a message and presenting it in a way that is understood and absorbed more quickly, developing profile), investor/provider (funds, resources), facilitator, convenor, community builder *(Yeo, 2004)*

- Levels of intervention: local/ community and organisational, inter-organisational, sectoral, national, regional, global and/ or multi-layered 'nested networks' that integrate efforts from local to global. *(Carlie and Christie, 2000)*

- Who is being networked: individuals and/or organisations; civil society and/or private sector networks; state-non state networks.

- Structure: a continuum from loose ties to formalised arrangements and structures

These typologies offer different lenses through which practitioners can begin to navigate through the vast and specialised literature on networks and delve more deeply into capacity issues that may arise in different types of networks. For example, IDRC has developed a substantial body of knowledge on policy research networks. There is an growing literature on global networks (UNDP, World Bank and other multi-lateral organisations), on NGO and civil society networks, on social action networks for sustainable development, on knowledge and innovation networks , etc. and the list goes on.

A limitation of typologies is that they narrow the lens through which we seek to understand networks. This, in turn, can limit our appreciation of capacity issues in networks. Networks are complex and multi-dimensional. They may combine service delivery, research and advocacy in the pursuit of their overall purpose. Networks also evolve over time in response to changing environments, emerging opportunities and members' interests.

Networks are diverse and be categorised or defined in various ways. This paper focuses primarily, although not exclusively, on formal networks that work in the public interest. It doesn't go into any depth on differences in capacity issues by type, level of intervention etc. although this could be may emerge as an interesting topic for further research.

3 Why do networks emerge?

> *"Formation of networks in society is not new. Hunter gatherers daily survived overwhelming ecological odds through cooperation and leveraging individual efforts through bonds of mutual trust and reciprocity. Small groups everywhere share this ancient and larger than life capability with their Kalahari counterparts. "*
>
> Stephenson, 2002.

Throughout the ages, the poor have formed networks of reciprocity and exchange as a response to economic insecurity, lack of social services and marginalisation in the political process. As long as unemployment is high and living in poverty is a reality, and as long as large segments of the population find it difficult to access medical, child care and other services, the poor and marginalised build their own social and economic systems - strong networks of reciprocal exchange among members of their community (Granovetter, 1983).

Almost all of today's networks in Brazil have their origin in the social movements of the 1960s. The fight against dictatorship shaped a common ground and broad consensus to create democratic, participatory and decentralised structures in society. Initially grounded in solidarity networks of intellectuals and practitioners committed to social justice and development, they have evolved as broader networks of actors linking government, NGOs and public enterprises to scale up the capacity of Brazilian society to address complex development issues.
Networking collaboratively: The Brazilian Observatorio   Campos and Hauck (2005)

According to Liebler and Ferri, civil society actors form networks to:

> "*increase access to information, expertise and financial resources, increase efficiency, multiplier effect and impact, increase visibility of issues, develop shared practices, mitigate risks, reduce isolation and increase credibility. Other drivers include: opportunities to share learning, strengthen advocacy capacity, respond more effectively to complex realities and scale up impact*"

Engel (2005) suggests that civil society actors are motivated to join networks to:

- *upgrade their performance* through collective action when they perceive a lack of access to relevant knowledge to be critical factors hampering their work.
- *upstream - join forces* and search jointly for new ways to understand and intervene in circumstances that are complex and defy simple analysis. Sharing strategies,

deepening understanding by addressing global problems through knowledge of their local, national and regional contexts is possible

- *upshift their impact*: to take the focus of their activities to a higher level, enabling them to participate in the public and /or government debate about development and to effectively influence policy making

Similar motivators drive the emergence of networks in the private sector, the growing interest of the public sector in 'governing by networks", and the creation of sector networks of public, private and not-for-profit organisations.

- Many large corporations today are evolving into decentralised networks of smaller units. They are connected to networks of small and medium businesses that serve their subcontractor and suppliers. Units belonging to different corporations enter into strategic alliances and engage in joint ventures. The various parts of those corporate networks continually recombine and interlink, providing them with the flexibility to reconfigure their operations and access to specialised knowledge as factors in the environment (including client preferences) change.

- 'Governing by network' – is increasingly prevalent in the U.S.A in sectors such as: parks and forest management, law enforcement, disease control and prevention. Governments' move to more networked models of organising integrated service delivery through 'partnering' with civil society and private sector organisations is driven by a need to access specialised expertise and increase flexibility to deliver on a range of services to the public.

- Sectoral and global public policy networks have emerged in response to a growing number of challenges that require collaboration between the public sector, civil society and the for-profit sector (business and their associations). They are increasingly prevalent in sectors where actors recognise their interdependence and where capabilities from all three sectors are needed to address complex issues e.g. in environment and natural resource management, health including HIV and AIDS, education and job creation. For example: *The World Commission on Dams* was jointly initiated by opponents and advocates of large dams to review the effectiveness of dam construction and to explore alternatives to manage water resources. *Medicines for Malaria Venture* was launched to solve the problem of private sector under-investment in vaccine research and production.

The last several decades have also witnessed a proliferation of informal as well as institutionally supported "communities of practice". They respond to social and professional interests in connecting with other practitioners, to exchange knowledge and experience so as to enrich practice and address ever evolving challenges for which there are no known or codified answers. Historically, informal networks of communication emerged among midwives, craftsmen and others engaged in common practice to share knowledge and experience, innovate and to develop their professions and trades. In an increasingly inter-connected world, fuelled by sophisticated information technology, people at a local level are better able to link into national, regional or global networks to address broadly shared interests.

Referring to knowledge networks, Creech & Willard (2001) suggests that the main factors that drive their emergence include:

- A sense of urgency: growing complexity and inter-relatedness of major social, economic and environmental problems and the failure of some of the narrow approaches to solve issues like HIV AIDS, environmental degradation, poverty alleviation etc. make multi-stakeholder learning unavoidable and highly needed
- A sense of frustration in public and academic actors: marginalisation of research endeavours and lack of impact on public policy
- Private sector experiments in knowledge management have led public sector and civil society organisations to be interested in networks.
- Possibilities afforded by communications technology

In many parts of the world, professional knowledge networks draw from a strong academic and research core located in functioning institutions, primarily universities. In Africa, it is the weakness of the core that motivated the establishment of networks. Despite the fact that most of the central services of these networks have been financed by international public funds, the impetus for creating them was the result of direct donor interest. Rather, there was usually a base of similar activities around which a network could be formed, allowing members to achieve a shared purpose: to provide mutual support in generating knowledge to better address critical problems of Africa

Networks in International Capacity building: Cases from Sub-Saharan Africa. Prewitt (ed) 1997

Emergence and development of networks is enabled by a variety of endogenous factors in societies as well as external factors. The literature and case work done in the context of this study suggest that some of the factors at play include, but are not limited to the following:

Endogenous factors:
- Pre-existing social capital – strong relationships among like-minded individuals and organisations with some capabilities who are motivated to learn and act together because they believe they can better achieve their purpose through a network
- Opening of political space (e.g. as in the cases of COEP and Observatorio),
- Other factors: leadership with vision, credibility and legitimacy

External factors:
- External interventions that help to open up political space
- Facilitation of exchange and the coming together of isolated individuals with competencies and organisations with capabilities
- Access to external resources (e.g. funding, means of communication)

The dynamic interplay of these and other factors and their implications will be explored later in this paper and at the workshop.

Questions for dialogue:
- What are the primary motivators or drivers that explain the emergence of networks?
- To what extent do these vary by circumstance; what are key contextual factors?
- What are the implications for understanding or thinking about emergence and development of network capacity?

4 How are networks distinct in capacity terms?

To the extent that the concepts of capacity and networks are addressed together, it is usually from the perspective of how networks contribute to the capacity of member organisations. While this is clearly important, less consideration has been given to the distinction between networks, organisations and other multi-organisational arrangements as 'forms of capacity' and the implications of these differences conceptually and operationally.

As a prelude to exploring the question of what is required to build up network capacity, we first refer to the draft ECDPM paper 'The Concept of Capacity' which defines capacity as follows:

> ➢ *that emergent combination of attributes, capabilities and contextual relationships that enables a system to exist, adapt and perform.*
>
> > o Capacity is both a means and an end of development
> > o Capacity is based on the central ideas of collective abilities, systems and empowerment
> > o Capacity takes quite different forms in different contexts
> > o It sees the concept of capacity as ranging over a variety of units of analysis

The draft paper on 'The Concept of Capacity' "uses three terms to unpack the idea of individual and collective skills and abilities at different levels.
- We refer to 'competencies' when we focus on the skills and abilities of individuals.
- We use the term 'capabilities' to refer to a broad range of collective skills that can be both 'hard' (e.g. policy analysis, marine resources assessment) and 'soft' (e.g. the ability to earn legitimacy, to adapt, to create meaning and identity).
- Finally, we use the term 'capacity' to refer to the overall ability of a system to both perform and sustain itself. "

Questions for dialogue:

- Is the characterisation above a useful way to think and talk about 'capacity', Is it clear to practitioners?
- Are there other more useful ways to think and talk about capacity or capacity development of networks?

The following chart compares some of the distinguishing features of networks and organisations emerging from the literature in management and new institutional sociology, and from review of case materials. The authors recognise that there are further distinctions between networks and multi-organisational arrangements which we hope can be drawn out more fully in the workshop.

Organisations	Networks
Are mandated by a governing body, shareholders, members… to achieve organisational goals and objectives	Are constituted through the **voluntary coming together** of individuals from different organisations or parts of an organisation, to advance an issue or achieve a purpose they value. Usually involves a higher level of shared leadership and participation.
Are structured more or less hierarchically to meet their goals. In '*Structuring of organisations*', Mintzberg has identified patterns/configurations of elements that characterise different types of organisations (strategic apex, core operations and administrative support) These ideal types can be placed on a spectrum from hierarchical bureaucratic structures typical of state institutions and funding agencies, to professional associations and structured "adhocracies" which are more typical of NGOs.	***Wide variety of flexible structuring patterns*** which evolve in response to member commitment and environmental requirements: Structuring focuses on networks of communication and may include mechanisms for information dissemination or exchange (web-sites), spaces that bring together actors committed to sharing information and experiences (meetings and workshops), participatory project or task teams with a commitment to act collectively. Some networks are managed by rotating headquarters, some hire temporary consultants, some have a core secretariat. NOTE: The secretariat is not the network.
Codified roles & functions (organogrammes and job descriptions) and practices (rules, procedures, routines for organising and delivering products and services with some level of predictability.	***Fluid and organic***: Networks are in constant evolution and adapt to achieve their purpose, meet members' needs and respond to opportunities or challenges in the environment. They are effective for exchange of knowledge, innovation & to generate commitment for collective action. Functions and practices emerge over time, and their trajectories and results are not easily predictable.
Governance and accountability: structured decision making and accountability to Board, politicians, shareholders or funders for performance	***Negotiated order and reciprocal accountability*** among members of the network. Members will do things to the extent they are committed to a common purpose or to each other, and to the extent that others will reciprocate.

Typologies such as the one above may be useful to explore the different logics that animate networks and organisations. These distinctions may provide:

- some clues as to why individuals that belong to organisations may choose to join a network (e.g. space for exchange, to advance issues they can't within existing formal organisations or institutions;
- some indications of the challenges that networks may face in their interface with organisations that operate on a different logic (e.g. state bureaucracies), and/or,:
- offer perspective on creative tensions inherent in making choices about structure and governance as networks face internal or external pressures to formalise and institutionalise. The distinction between an institutionalised network of service

providers for the state and a highly decentralised NGO may become quite fuzzy when it comes to capacity issues.

If the distinctions indeed reflect some of the key properties of networks, then this has implications for understanding capacity development in networks and capabilities that are required to make them work. These are reviewed in the next section.

While they can be useful, typologies also carry the risk of fostering perspectives that are a-contextual, a-historical, and disembodied from actors that give them life. Successful networks can adapt form and logics over time. That is why they are so powerful and important as a 'form of capacity'. If one adopts an ecosystem perspective (Carley and Christie, 2002 and Capra, 2004), it leads to thinking of organisations more as fluid, living systems that interact with and adapt to their environment. This invites practitioners to move their focus from organisational change to understanding and supporting broader dynamics of social change.

Given the preceding, there is an increasing recognition of the limits to looking at capacity issues solely from the perspective of organisational development (OD) theories. A more organic, systems perspective invites us to look beyond structures, systems and functions, to 'see' organisations, communities, networks and societies as living organisms – as webs of actors (the term actor is used to denote individuals social groups with the capacity for agency, decision making and action) (Hindess, 1988).

Capra (2004) argues that there are 'hidden connections' embedded in organisations and in society more broadly that link up like-minded individuals and organisations to learn, deliver services, etc. and that represent a unique form of capacity that we are not equipped to deal with. The aliveness of an organisation or a network of individuals and organisations, its flexibility, creative potential and learning capability resides in these informal communities of practice and informal networks of communication.

Capra further suggests that human organisations always contain both designed and emergent structures. The designed structures are described in the official documents. The emergent structures come about through the informal networks and communities of practice. We need both. However, there is tension between designed structures which embody relationships of power and emergent structures that represent an organisation's aliveness and creativity. The challenge is to find the right balance between the creativity of emergence and the stability of design.

Practitioners interested in capacity development thus need to better understand networks not simply as designed structures but as combinations of fluid patterns of relationship-based dynamics which evolve within the network itself and in response to the broader environment - especially in challenging and dynamic contexts. In some cases, network cultures may remain relatively open and flexible while structures and governance arrangements become more formalised and less fluid over time.

"COEP is committed to building a just and inclusive society for all Brazilians, one without hunger and poverty". Its members include government agencies, parastatals and organisations from the private sector and civil society. COEP is in fact a network of networks, active federally, in all of Brazil's 27 states, and now also at the municipal level. COEP is not formally registered, and its non-hierarchical design is intended to make space for diversity, creativity and energy, and to encourage participation. In its daily and strategic workings the network relies heavily on informal power – the chemistry among its people, their knowledge and contacts. Yet it is not a loose or simple organisation. Its guiding principles are clear and its statutes detailed. It is tightly organised and increasingly complex. Its governance structures are consistent across networks at national, state and municipal levels, and as COEP has grown, it has elaborated its administrative and operational capabilities.

Questions for dialogue

- Do networks represent a distinct 'form of capacity'?
- In thinking about the emergence or development of 'networks' (and capacity thereof), where do we usefully draw distinctions and boundaries for practical purposes, e.g. formal networks (however defined), multi-organisational systems, public-private partnerships that respond to a public good?
- Is there a risk of seeing every type of collaboration as 'networking' ('everything is a network') to the point where it is no longer helpful in understanding or addressing capacity development issues?

5 What capabilities are required to make networks work, adapt and perform?

Following from Liebler and Ferri, Campos and Hauck identify four areas of organisational and network capabilities that can apply to a range of networks and organisations.

Four areas of organisational and network capabilities

External capabilities – needed to interact with the wider institutional and organisational environment;
- to engage in partnerships, alliances and networks
- to undertake public relations and outreach work
- to maintain relations with stakeholders, including donor agencies
- to pursue lobbying and advocacy
- to exchange knowledge with other organisations and networks

Internal capabilities – relevant for the internal functioning of the organisation, or network;
- to develop visions and strategies
- to agree on a governance structure
- to set up and use management systems, including financial management
- to undertake monitoring and evaluations
- to engage in resource generation, including fund-raising

Technical capabilities – essential to undertake the actual work, specialisation, profession, etc. of the organisation, or network;
- to develop and execute service delivery activities
- to advance sector policies through research, dialogue, and information
- to create, disseminate and apply systems, procedures or practices
- to build internal skills and knowledge and to create capacities in others through, e.g., training
- to raise the quality and standards of projects or programmes

Generative, or soft, capabilities – needed to let activities or processes develop in a smooth and comprehensive manner. They are somehow underlying and encompass aspects such as;
- to act with agility and dynamism
- to manage cooperation and competition
- to work across boundaries and across different hierarchical levels
- to balance autonomy with inter-dependence
- to develop and act with a systems view
- to learn how to learn
- to envision the future and to lead along new ways

Case examples reviewed in the literature and both of ECDPM's case studies on networks in Brazil cast no doubt that some essential technical capabilities are needed for network performance. The cases also support the need for what has been defined above as "soft capabilities": the ability to act with agility and dynamisms, to manage tensions between autonomy and inter-dependence, to act with a systems view, etc. Arguably what are coined as "external and internal" capabilities may require a combination of "hard/technical" capabilities and "soft" capabilities needed to manage fluid systems.

Rather than debating what the appropriate categories are for describing capabilities of organisations or networks, we choose to focus on: 1) deepening our understanding of what capabilities, and combinations of capabilities, seem to make networks work, adapt and perform at different points in time in their evolution, and: 2) identifying lessons and issues that are emerging from experience relating to the development of network capacity.

We found the notions of "adaptive capacity" and "generative capacity" helpful in trying to deepen our understanding of the dynamic of capacity issues in the context of networks. Given that there is limited literature and case work on networks and capacity, we offer the following as a set of propositions to be tested and explored further with practitioners.

- ***Adaptive capacity***

Part of the interest in networks is the belief that successful networks can adapt in form and dynamics over time, making them powerful and an important 'form of capacity'. Adaptive capacity is the capacity to strategically adjust thinking and actions in response to changing circumstances based on improved knowledge and understanding. (Sorgenfrei and Wrigley, May 2005). Adaptive management is concerned with the process of learning and continuous decision making in complex, adaptive systems. Complexity arises from multiple relationships and interactions among actors within the system as with organisms in natural ecosystems

Effective networks hone their capabilities and create mechanisms for regular feedback and reflective analyses which are needed to deal with the uncertainty and ambiguities of their environment and to adapt interactively with them. They invest in creating vibrant communication channels to gather intelligence from a range of sources and establish spaces for sharing and processing it so it becomes collective wisdom. Understanding networks from this perspective helps to explain why those that form from the ground up, on the basis of compatible interests and activities, and even those externally driven networks which maintain solid anchors in local communities and institutions, tend to be the most sustainable and have the most impact (Bernard, 1996)

The coming together of multiple actors in networks encourages and requires a shared analysis, questioning of mental models and assumptions about how the world works through exposure to a diversity of views, embracing perspectives that are broader and more systems-oriented, and thinking in terms of complex systems and shared learning. Networks with diverse, boundary spanning contacts are particularly useful, especially where they provide links with other communities and powerful actors. However, diversity is a strategic advantage only if there is a truly vibrant community sustained by a web of relationships. If the community is fragmented into isolated groups and individuals, diversity can become a source of tension and competition.

Well functioning networks possess a range of capabilities or capacities for adapting to change, managing internal tensions and generating (and dissolving) a variety of forms for collective learning and action. Adaptive capacity involves managing tensions and making choices about formal-informal structure and arrangements, autonomy and inter–dependence, diversity and integration, leading and following, collaboration and competition (for resources, profile) at any given point in time.

COEP and Observatorio have demonstrated their capability to manage these kinds of tensions, showing a significant degree of fluidity and network strength.

Politically, COEP is consciously non-partisan, yet must be politically astute because it operates in a charged institutional milieu. COEP is both a network of organisations and a network of people. Its membership is institutional, yet the quality of the organisation's contributions depends very much on the individuals involved. It is the people who take part in COEP who make it work, with their commitment, passion and competence. COEP network has drawn upon its considerable internal resources to manage this growth. COEP has adapted its governance and management structures to changing circumstances while preserving consistency with its original principles

COEP's activists feel strongly about the organisation and its work, and there are strong personalities within the network, yet it has largely been free of divisive conflict, and has not been captured by personal, political or commercial agendas. Intangibles like leadership, creativity, confidence and legitimacy give COEP its energy, and attract new participants, yet it can only do what it does because institutional members make sizeable financial contributions, and donate an even larger pool of in-kind resources. The whole undertaking, moreover, works on a national scale in such a large country partly because of Brazil's reliable communications infrastructure.

These paradoxes, and others, appear to be sources of a host of creative tensions that are managed within networks. These could be further explored with practitioners in the workshop.

- ***Generative capabilities***

Liebler and Ferri have identified a types of capabilities which they call 'generative' or "soft" and which include what is described above as 'adaptive capacity'. The authors of this paper were attracted to the concept of generative capabilities as something distinct from, yet related to adaptive capacity. The value of making the distinction is that it can draw attention to a neglected but important aspect of network capacity: that which draws on the competencies of individuals and capabilities of member organisations to generate capacity that is greater than the sum of the parts. The challenge is to not loose sight of the dynamic interplay between adaptive and generative capabilities.

Effective networks can access and connect existing capabilities to generate collective capacities to address complex problems. (Portes and Yeo, 2001). From her review of policy research networks, Anne Bernard (1996) suggests that effective networks generate added-value in capacity terms as they:

- *Offer opportunities to link, utilise and generate capacity* … to link to others, to get higher profile or level of use, cross fertilisation of expertise, a broader base for generation of ideas and action. The network thus fosters capacity utilisation and development
- *Sustain capacity*: protect against the abuse of institutions in repressive regimes, fill the gap of weak institutions nationally and regionally, create enabling environments for sustaining the potential for more focused research and development as people wait for political and economic institutions to become again supportive of public policy research
- *Enable creativity and risk taking.* Provide a critical mass for moving beyond sharing to be able to advocate, lobby and operationalise change. They allow cross sectoral perspectives to be brought into policy debate, give protection in expressing alternatives, provide space within and for professionals and policy makers to explore and create together within a context of 'suspended responsibilities' . They are a

venue to encourage lateral thinking, to develop new agendas which might eventually make it into the mainstream.

Bernard cautions that policy research networks complement government and research institutions but cannot substitute for depth and continuance of strong institutions necessary for sustained capability, programme delivery and generation of policy at national and local levels. Networks mobilise interest, foster communication and break down barriers. They catalyse and associate.

Questions for dialogue

- Are the ideas of adaptive and generative capacity central to understanding capacity in networks? Do they add value, conceptually or practically, to our understanding of capacity and its utilisation or development in networks?
- What other capabilities are particularly salient to networks, i.e. in terms of our thinking about them as a form of capacity, or in contributing to their effectiveness?

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6 Emergence and Development of Capacity in Networks – Key Issues

The emergence, development and strengthening of capabilities in networks is influenced by a host of factors, some of which are profiled below. In some cases, the approach reflects a purposeful orientation with respect to capacity issues, e.g. supporting charismatic leadership to mobilise human or organisational resources, while other examples reflect the organic or emergent nature of change which often characterises network behaviour. The emergence or development of capabilities in networks over time also contributes to the transformation of networks as 'forms of capacity' as structures, governance arrangements, learning and delivery capabilities adapt to new realities and positioning vis a vis members and the broader community.

- ***The role and function of leadership***

Both accounts of the founding and growth of the Brazilian networks (ECDPM cases) highlighted the various functions of leadership in networks – functions that were assumed by a number of key actors at different points in the evolution of the network:
- leading thinkers and practitioners whose charisma, legitimacy and imagination energised groups of committed activists to bring different people and organisations together as a network to achieve a common purpose;
- politicians who opened up political space for network emergence;
- distributed and complementary leadership functions assumed by persons within the various member institutions

The structure and culture of the COEP network requires a particular type of leadership: non-authoritarian, accessible, ready to listen, to encourage people, to accept diversity of views, willing to work towards consensus while maintaining the integrity of the network mission, ensuring that people have space to voice their ideas and sufficient autonomy to get things done, within CEOP's broad programme guidelines

The intellectual and informal leadership which determined the early days of this 'sanitary movement' still determines the current functioning of the Observatório. The leadership is not particularly embedded with one of the institutions, or workstations. It is rather present within a group of persons who share the same ideas and professional background, and who are today in a leadership position in the health sector.

Skidmore argues that leadership in networks is about mobilising people*….*
> *" forcing them to confront the gap between the rhetoric about what they are trying to achieve and the reality of their current capacity to achieve it.   Leaders try to make the case for why change is necessary and then make the space for it to occur*"   Demos, p. 95

He identifies the following characteristics of network leaders:
1. They start with the deepest needs of their members and work back to establish the configuration of organisation, resources and capacities needed to meet them. Based on the Brazilian cases, we might add that network leaders are also able to assess opportunities and potential space for action in the environment (in Brazil, this seems to be partially a function of a dense network of personal and professional relationships that cross boundaries)
2. They need to be able to find ways of persuading other organisations of the need to work together and that particular ideas or new directions may be worthwhile
3. Network leaders finds ways to harness the knowledge and experience of actors by structuring and facilitating conversations and creating a common language that enables people to cross boundaries – within and beyond their organisations to work towards a common purpose. In the case of Observatorio, network leaders have worked in and understand the institutional logic of both the state and of the member institutions, enhancing their capacity to build bridges across boundaries.
4. They tap into people's sense of professionalism and connect them with a higher purpose that motivates them
5. Network leaders empower others to act and nurture other leaders.

Questions for dialogue

- Does this characterisation of network leadership make sense generally? What does it imply in terms of leadership capabilities required to foster network effectiveness?
- To what extent does history and context matter in understanding leadership in networks?
- Where does leadership come from when networks are managed by third parties in secretariats…do leadership capabilities unfold differently?
- To what extent is the emergence, development or exercising of leadership, as a network capability, influenced by external stakeholders, e.g. northern funding agencies?

- ***Space in networks***

A recurrent issue in both the Brazil case studies and in much of the literature is that of space. Space in networks has several separate and inter-related dimensions:

- the degree of opening in the political space as a factor in the capacity of the networks to influence public policies
- the degree of policy, operational and financial autonomy that allows the network to invest in the development of its capabilities or to negotiate for support
- the amount and quality of space for members – for them to connect and build relationships amongst themselves, learn from each other and develop commitments to contribute knowledge, resources, time and energy to act/to do.

Maintaining space for members' participation is key to network survival and vibrancy (as a network) and a factor in their willingness to invest financial or in-kind resources in developing the capabilities of the network (e.g. by funding a secretariat, hosting a meeting, etc.)

There are often difficult choices and trade-offs involved in achieving the right balance between seizing an opportunity afforded by political space, maintaining autonomy, and ensuring space for members.

Questions for dialogue:

- How central is the idea of 'space' to network emergence, development and performance?
- What conditions lead to increased space? How can it be promoted or nurtured?
- What is the role (and the limitations) of information technology in creating space and in building network capacity?

- ***Contextual, endogenous and external factors***

The ECDPM case studies in Brazil (COEP and Observatorio) highlight the importance of social-political culture and context, which has allowed for the coming together of diverse capabilities which, in turn, has allowed for a broad and increasingly expansive impact. Some of the African experience, on the other hand, (not all) characterises networks as mechanisms which serve a 'maintenance' (or compensatory) function in the absence of capacity in core national institutions (Prewitt, 1998). In these cases, network capacity serves to bridge weak institutions and the lack of or limits to core capacities seem to impede the broader influence of networks that we see in the Latin American cases.

Prewitt suggests that the network creation in Africa has been a relatively autonomous process with significant differences across sectors and disciplines in terms of their use and density, and with a significant failure rate possibly characteristic of an area where there is relative ease of entry. Nevertheless, there are examples of vibrant, effective African networks (e.g. ICT sponsored by IDRC).

There are a host of other issues of interest to funders and practitioners regarding the influence of external factors on network growth and development, including the role of donors. In *Conservation and Development Interventions in Network: the Case of the*

India Ecodevelopment Project, Karnaraka, Sanghamitra Mahanty (2002) provides food for thought with agencies and funders. He argues that

- Networks evolve in an existing context of agendas and relationships, which then shape its evolution. It is important to take time to understand the history of interaction among actors before projects – especially at site specific level - and the diversity of objectives guiding them.
- There needs to be space for dialogue and conflict management on fundamental issues. When there are deep seated differences on these issues, it is difficult to come to negotiated pragmatic paths of action acceptable to all actors.
- While the eco-development designers articulated a desire to move away from a blueprint approach to intervention (World Bank 1996), the strongly hierarchical structure of the Forest Department enabled a limited degree of innovation and flexibility for field staff. An intervention aiming to change the nature of the relationships between agencies and other groups, and to work in a flexible and participatory mode cannot escape the wider questions about the structure and dynamics of the facilitating organisations, and the skills, views and capabilities of key staff.
- Even the most apparently powerless actors, such as villagers and tribals ultimately hold the power of complicity or disengagement. Project design that is locked in from the outset, leaving no space for facilitators to accommodate alternative visions can lead to conflict and ultimately failure.
- Although there is growing recognition that adaptive and learning approaches to interventions are needed, we are some distance from achieving this in practice. Time constraints, the need to prescribe budgets, activities and outputs, and strongly hierarchical organisational structures pose barriers to process interventions.
- For conservation practitioners, a key issue is the need to attend to the process of identifying, negotiating and establishing a network among key actors as a central part of the intervention vs. as a secondary annoyance in the achievement of goals.

Questions for dialogue

- How important are endogenous factors (e.g. pre-existing relationships and social capital) to network development and performance?
- What other contextual factors help us to understand capacity and performance in networks e.g. purpose of the network, impetus for creating, resourcing?
- Are their clear patterns or differences in terms of how capacity emerges or is developed, or what form it takes? Does this vary by sector, thematic orientation, region etc.
- How can stakeholders effectively manage the tensions between transparency and accountability requirements of external actors and the need for flexible, emergent approaches?

- ***Network Performance and Accountability***

While this paper is about networks and capacity, inevitably the discussion turns to the issue of performance, and associated issues such as accountability for network performance. While there is much excitement about networks, most notably their potential for contributing to important change processes, much of the evidence about

network performance is 'anecdotal'. Establishing 'cause and effect' relationships between network inputs or activities and outputs, e.g. at the level of policy change, new learning, or service delivery enhancement, is also difficult for a variety of reasons.

CEOP is a vibrant network… yet the broader results of COEP's work are less clear, both in its affiliates' development initiatives with communities, and in its public and institutional mobilisation campaigns,

Existence of Observatório shows that a mix of capabilities resulted in a series of outputs - seminars, publications, associations, etc. These shaped demand for more quality products and helped the actors of the Observatório to develop their core business and a niche from where they could add value to the public health discourse. The outputs also contributed to outcomes at a higher level, such as the achievement of a legal status, secured funding for research over a longer period of time, and – most important – the use of knowledge and information for improved public health policy making.

There are signs that "[a]dvancements in the Brazilian health sector have been made possible as a result of solid health services research, which has brought together researchers, health service professionals, and politically organised groups." (Elias 2003: 47) The Observatório network has certainly contributed to this advancement. There is policy work and academic research in the areas of history of human resources in health, training, management, labour market and employment. These are known and referred to by MoH and there are signs that the outputs are used at the ministerial level. But overall evidence that the results are effectively and systematically used for policy dialogue and policy making is thin.

Almost inevitably, significant social change processes (which networks are often established to address) take time and the contribution of networks to those processes, or achievement of results (at various levels), as mentioned above, is difficult to measure, especially in the short to medium term. This suggests a need to think more about intermediate indicators of network performance and an articulated theory of change which recognises that networks are fluid and emergent structures whose distinctive capabilities are their flexibility. It also has implications, of course, for network accountability for results and achievement of performance targets.

Questions for dialogue

- What do we really know about network performance?
- How can we better understand and measure changes in network capacity and performance?
- To what extent do networks contribute to improved capacity utilisation in society?
- What are the risks of networks serving as a 'de-capacitating force, e.g. drawing off resources from member organisations?

7 Implications for practice

- Development or strengthening of networks as a form of capacity requires a particular mindset – a willingness and ability to look for synergies, potential to enhance reach or impact, openness to shared responsibility and accountability and relinquishing a certain degree of autonomy; it also requires analytical and adaptive capacity to move forward effectively in collaboration with network colleagues in a complex and evolving environment; appreciative inquiry can be a useful 'tool' to explore capacity issues and the dynamics of networks

- Liebler and Ferri suggest that donor support is most crucial at start up; also that it should be long-term, not driven excessively by 'results orientation' and should include core funding, not just support for projects

- There is a call for design principles to guide interventions in support of capacity development in networks. Prewitt's report on *Networks in International Capacity Building Cases from Sub- Saharan Africa* (1998) offers a note of caution and strong reservation about a 'model network' or 'blueprint strategy'. Experience has shown that successful research networks now functioning in Africa did not arrive by similar routes. They are *'reflections of different origins and different trajectories traversed over the years. In the process, most networks have accumulated a wealth of experience, some of which constitute vital social capital that could be dissipated by forcing conformity to a model of another network.*"

- Though appreciating that there is merit in identifying best practices and transfer of learning, Mkandawire (quoted in Prewitt) suggests that: '*There is a tendency among donors in search of success stories to exhibit irrational exuberance about certain institutional arrangements… and given their quest for homogeneity and risk aversion, the chances are that donors will tend to propose models that facilitate monitoring rather than innovation and serendipity*'

- There are some calls in the literature to adopt qualitative approaches to capacity assessment when engaging in networks and emergence of some methods such as: appreciative inquiry and mapping of social actors

- Recognising the fluid nature of networks, the complex nature of the goals they seek to achieve and the multiple actors that are involved, there is also a call in the literature to recognise the limitations of strategies that assume a predictable trajectory of cause and effect over time. More qualitative and participatory approaches to M & E attempt to address funder and other stakeholders needs for performance accountability e.g. Contribution Assessments and Story telling (Church et al) and Outcome Mapping are examples .

- Prewitt concludes with questions posed at a conference on 'Networks in International Capacity Building: Cases from SSA' and that touch on the question of strategic interventions:

    o *Should there be a more strategic view of which networks to invest in and how might they be optimally structured?*
    o *How to leave space for spontaneity and serendipity and yet realise the benefits of a more coherent and strategic overview of the place of, and prospects for, building the capacity for knowledge creation, dissemination and application in Africa?*