



LOCAL DECISION MAKING

Capacity Strengthening Policy

The NSW Government, through OCHRE, acknowledges current research and recognises that by strengthening the capacity of both Aboriginal communities and the NSW Government, sustainable improvements can be made to the health, wellbeing and prosperity of Aboriginal communities.



Education
Aboriginal Affairs



OCHRE



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Purpose

The NSW Government through OCHRE has committed to strengthening the capacity of both Aboriginal communities and the NSW Government, to make sustainable improvements to the health, wellbeing and prosperity of Aboriginal communities. Through Local Decision Making, an initiative of OCHRE, the NSW Government intends to negotiate Accords with Aboriginal regional alliances setting out how decision-making will be shared. As a part of the Accord negotiation process NSW Government agencies and regional alliances will negotiate capacity strengthening strategies and identify resources to invest in community leadership and governance and government agencies capacity.

The Capacity Strengthening Policy has been developed to guide these negotiations and the strategic investment of NSW Government resources. The Policy:

- Defines capacity strengthening;
- Provides strategic guidance on capacity strengthening for NSW Government agencies, Aboriginal communities and broader stakeholders; and
- Provides approaches to monitor and communicate results on capacity strengthening.

Aboriginal communities and NSW Government agencies already have capacity and the Policy will assist with the identification of existing assets, strengths and opportunities for strengthening capacity and developing methods for measuring improved outcomes.

The Policy may also be used outside the scope of Local Decision Making to support NSW Government agencies and other stakeholders to improve the impact of existing programs and services by enhancing Aboriginal community capacity.



Background

Capacity strengthening is a fundamental part of service delivery and program implementation in Aboriginal communities. Capacity is defined as the ability of individuals or organisations to perform specific functions, solve problems, and set and achieve goals; that is, to get things done. Capacity strengthening can relate to almost any aspect of an organisation's work—improved governance, leadership, mission, strategy, administration, program or service development and implementation, income generation, partnerships and collaboration, evaluation, advocacy and planning.

Capacity strengthening enhances the short and long term potential of Aboriginal communities, the NSW Government and other stakeholders to support local community priorities in a coordinated, innovative and flexible way.

Capacity strengthening is an inherent part of OCHRE particularly Local Decision Making (LDM), but it is also part of the NSW Government's broader Aboriginal community development work, which looks to empower Aboriginal communities to grow and change according to their own needs and at their own pace, and to develop their skills and ability to act together to influence sustainable improvements.

The Capacity Strengthening Policy is supported by the LDM Good Governance Guidelines (the Guidelines). The Guidelines have been established to provide a transparent pathway for regional alliances to progress through LDM and are based on research undertaken by the Centre for Aboriginal Economic Policy Research (CAEPR). The Guidelines incorporate an extensive continuum of good governance principles, with specific principles tied to each phase of LDM.

Before the NSW Government can transfer greater decision-making authority to regional alliances it must be satisfied that they are operating in accordance with these good governance principles and clear criteria for demonstrating these principles must be negotiated and agreed in Accords. Exactly how regional alliances demonstrate each good governance principle is up to each regional alliance.

When negotiating capacity strengthening strategies, as a part of Accord negotiations, NSW Government agencies and regional alliances will need to focus on the prerequisite good governance principles for the relevant phase of LDM as they signify key areas for action and investment.

As affirmed in this policy the Guidelines recognise that governance capacity development, the governance environment and the governance of government are key governance principles that will cut across each phase of LDM and will require action to effect change at the broad system level.



How to use the Policy

The Policy defines capacity strengthening and sets out an approach for implementing and monitoring capacity strengthening strategies as a part of Local Decision Making (LDM). It will assist NSW Government agencies to negotiate capacity strengthening strategies in consultation with Aboriginal communities and regional alliances participating in LDM.

The Policy is not intended to prescribe a method to capacity strengthening, but rather guide systematic approaches that support the development and coordination of capacity strengthening efforts.

The Policy should be used to:





Defining capacity strengthening

Capacity strengthening is a fundamental part of service delivery and program implementation in Aboriginal communities. Capacity is the ability of individuals or organisations to perform specific functions, solve problems, and set and achieve goals; that is, to get things done. Capacity strengthening can relate to almost any aspect of an organisation's work—improved governance, leadership, mission, strategy, administration, program or service development and implementation, income generation, partnerships and collaboration, evaluation, advocacy and planning.

As identified in OCHRE Local Decision Making (LDM) will:

1. Strengthen capacity within Aboriginal communities to work in partnership with government; and
2. Strengthen capacity within government to work in partnership with Aboriginal communities.

To strengthen Aboriginal community ownership and capacity, community priorities must be generated by Aboriginal communities in consultation with NSW Government agencies and other stakeholders. Community priorities must build on existing infrastructure, ability and experience, and be responsive to political and governmental realities. Approaches must be tailored to meet the needs of individual Aboriginal communities and contribute to the vision and aims of OCHRE.

Strategies and/or plans must focus on strengthening capacity within and between Aboriginal communities and the NSW Government, so that Aboriginal organisations are able to gain more control of how NSW Government services are delivered in their communities, and move along a pathway that builds their management skills, decision making skills and authority. The NSW Government also needs to develop skills and implement arrangements to ensure it is flexible, understanding and responsive to the needs of Aboriginal communities, and to recognise Aboriginal leadership and decision-making.

Individuals, Communities and Organisations

A key focus of capacity strengthening is to enhance the abilities of a range of organisations so that Aboriginal communities have a genuine voice in determining what and how services are delivered to their communities. Strategies must build on existing skills and leadership so that Aboriginal people play a progressively greater role in decision-making and NSW Government agencies can increase their flexibility and responsiveness to the needs of Aboriginal communities, and recognise Aboriginal leadership and decision-making. Other stakeholders, including non-government and private sector organisations, will be approached and encouraged to support capacity strengthening strategies. This transition will largely be undertaken as a part of OCHRE, particularly the LDM initiative; however, it will also be systematically integrated into in all aspects of Aboriginal Affairs' work to support Aboriginal community governance.

Aboriginal communities and the NSW Government will identify existing assets and strengths, and training and development opportunities needed to strengthen capacity. Training and development may be formal including professional courses, seminars and conferences, or informal including mentoring, shadowing, coaching, and interactive and participative discussions with experts. While taking direction from Aboriginal communities, the NSW Government will need to encourage Aboriginal communities to consider their existing assets and strengths, as a starting point for planning capacity strengthening.

Implementation of capacity strengthening will need to be monitored against the capacity strengthening priorities identified by Aboriginal communities and this Policy.



The Broad System

OCHRE specifies a number of measures to support systemic improvements and transition. These include Senior Management Council oversight and increased monitoring, transparency and public reporting through the Deputy Ombudsman (Aboriginal Programs).

As part of the Local Decision Making (LDM) initiative, Accords will be established between Aboriginal community organisations and the NSW Government setting out agreed priorities, governance arrangements and levels of investment.

To ensure that NSW Government (and Non-Government and private sector) actions focus on strengthening rather than limiting the capacity of Aboriginal communities, Accord parties must:

- Assessment of the systemic constraints to strengthening capacity;
- Development of agreed goals between the NSW Government and Aboriginal communities;
- Establishment of power-sharing arrangements between the NSW Government and Aboriginal communities; and
- Establish a common understanding about the broad system of government within Aboriginal communities, and Aboriginal cultural awareness within government, and the Non-Government and private sector.



Capacity Strengthening Policy

The Policy includes:

- Guiding principles,
- Tiers or levels of activity;
- Action areas for capacity strengthening; and
- Capital areas.
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Figure 1: Capacity strengthening policy components



Guiding Principles

Capacity strengthening strategies and plans must be:



Figure 2: Underlying Principles

Tiers of activity

Capacity strengthening can occur across three tiers or levels for activity:



Figure 3: Tiers or Levels



Action areas

Capacity strengthening will occur at each phase of Local Decision Making (LDM). This requires actions and activities to focus on particular good governance principles for regional alliances:



Figure 4: Principles as action areas for each phase of LDM

Capacity strengthening within government will also occur at each phase of LDM:



Figure 5: Principles as action areas at the broad system level



Capitals

Capacity strengthening will utilise assets available to government and Aboriginal communities. Capacity strengthening requires an enabling institutional environment as much as it needs trust, strong networks and good relationships. The capitals used will depend on the self-identified needs of regional alliances and the capacity of government.

Capitals which may be targeted for use across the range of action areas include:

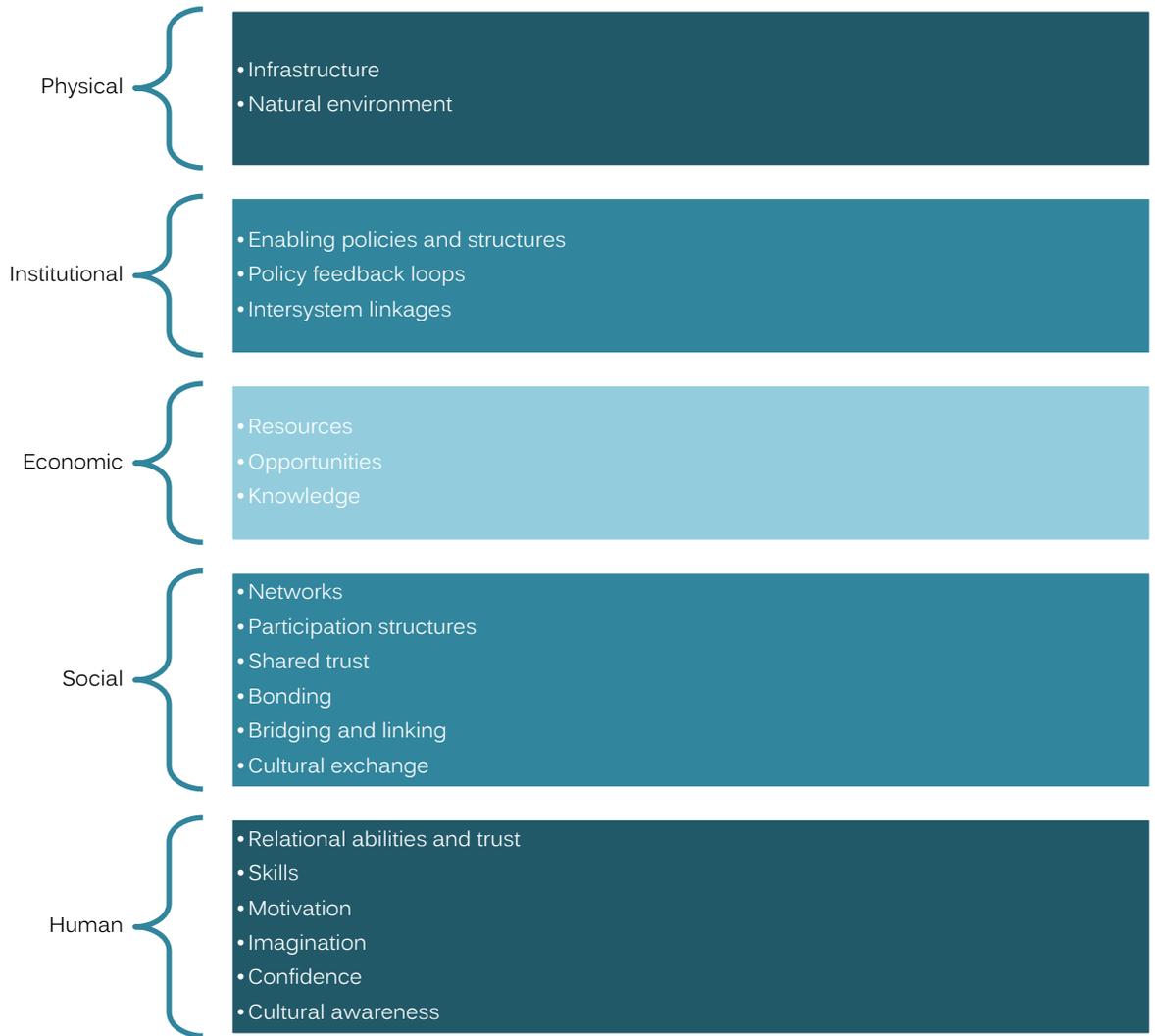


Figure 6: Inputs



An integrated approach

Integrated and reinforcing approaches to capacity strengthening must address the broad system as well as individual, community and organisational capacity. The Policy encourages participants to examine services and programs through a structured lens in order to replace ad hoc, poorly structured activities with directed responses which are based on best practice, and are monitored and assessed.

Individual, community and organisational capacity strengthening activities must be coupled with efforts to strengthen the broad system. This will ensure that the full array of changes required to sustain Aboriginal leadership and decision making are supported.

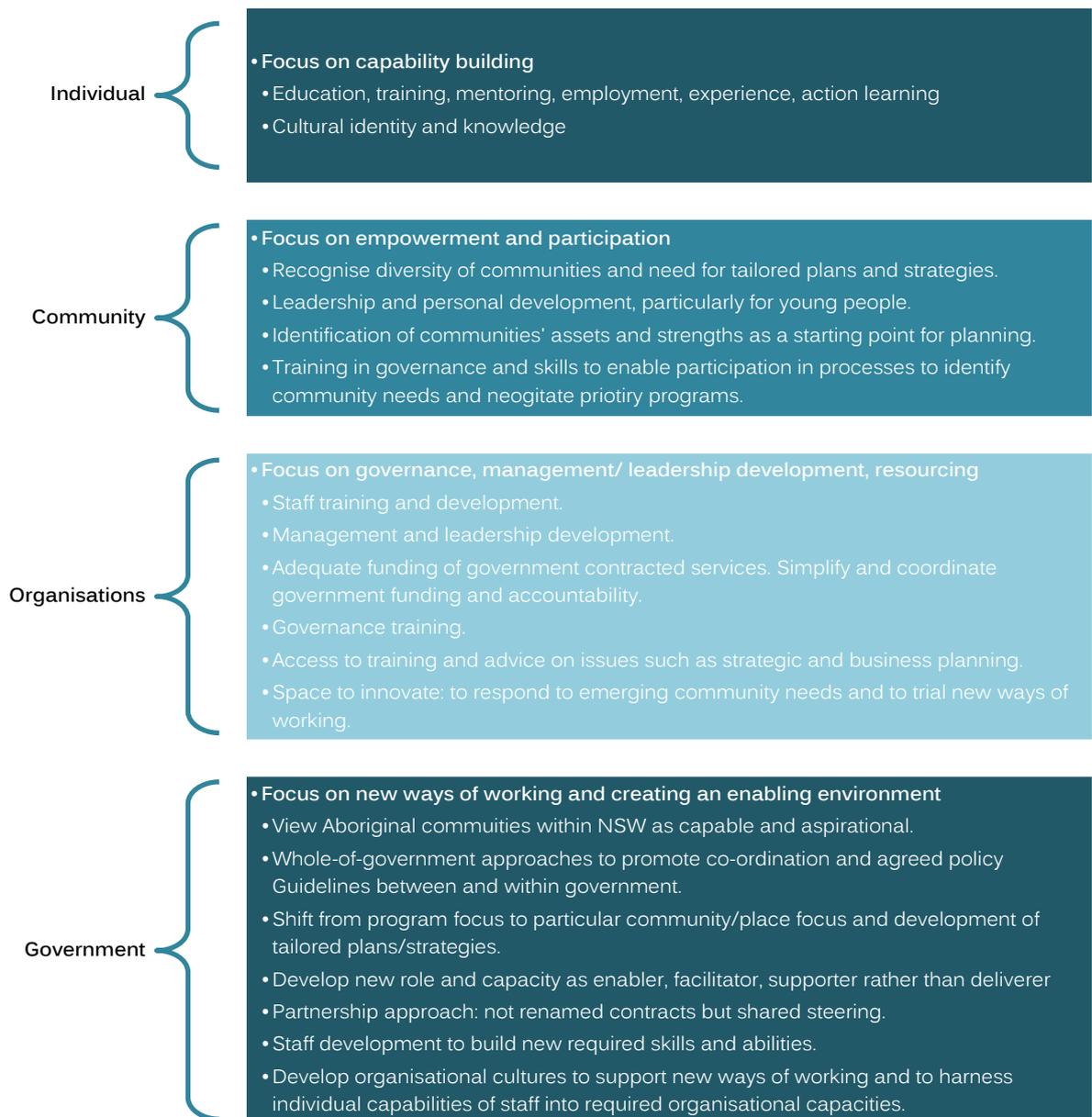


Figure 7: Examples of Capacity Building Strategies and Types of Activity



Monitoring and evaluating capacity strengthening

Capacity strengthening includes a varied set of activities and a range of capitals for use across multiple tiers. Capacity strengthening requires rigorous monitoring and evaluation, established from the outset. Monitoring and evaluation of capacity strengthening is an integral part of the overall monitoring and evaluation framework for OCHRE, particularly for Local Decision Making (LDM). This includes monitoring changes in the NSW Government on outcomes against investment, primarily the capacity of NSW Government agencies to work with regional alliances and Aboriginal communities.

This Policy provides an outline of basic information recommended for documenting the planning, implementation and measurement of progress. The outcomes of capacity strengthening strategies and activities must be measured against Aboriginal community perceptions of success. This will require sufficient baseline information on existing individual, community, organisational, and systems level capacity and performance, and targeted assessments of needs.

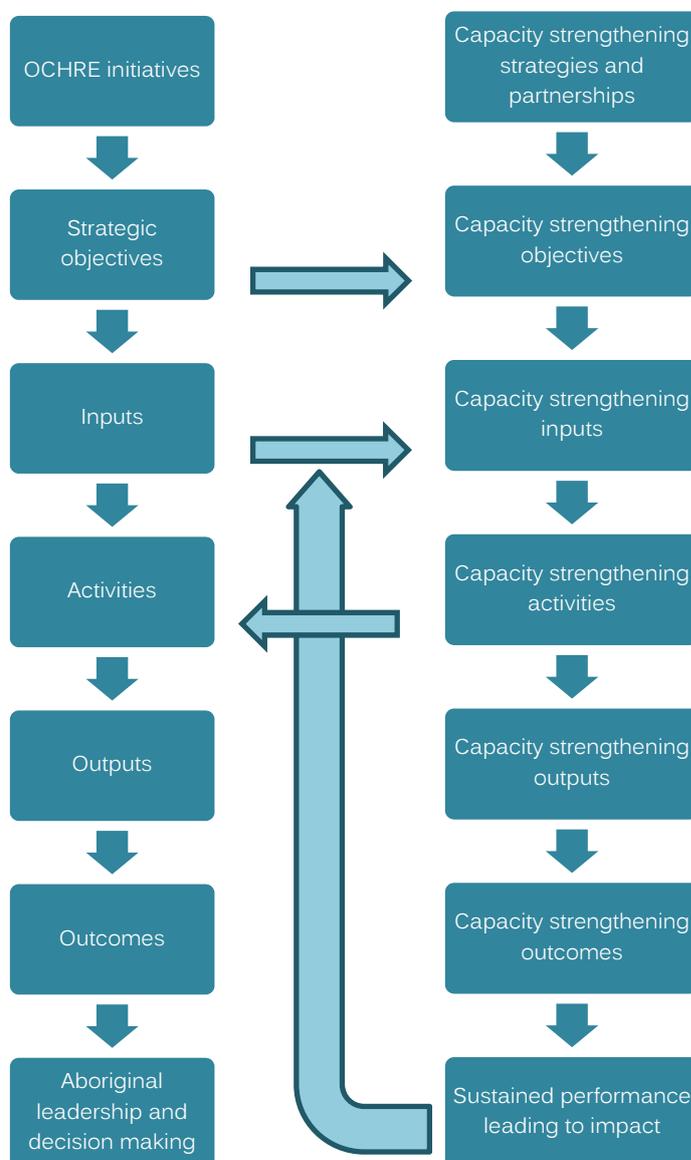


Figure 8: Logical Guideline: Capacity Strengthening for OCHRE



NSW Government agencies and other stakeholders must address the following questions in planning and monitoring capacity building strategies/plans and activities:



Figure 9: Planning and monitoring capacity building strategies/plans and activities



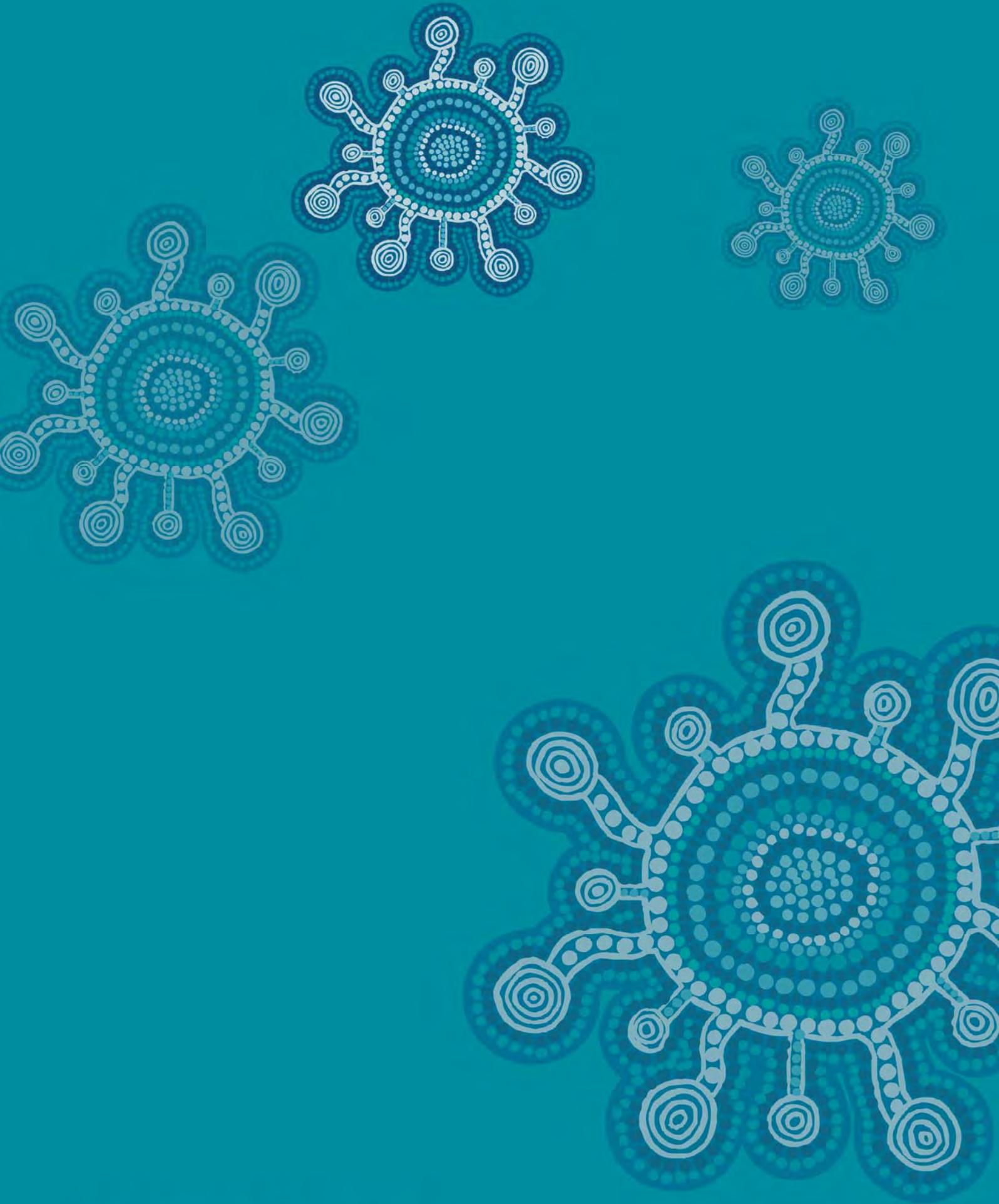
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