

Greetings!!!

Capacity building is the process of unleashing, strengthening, creating, adapting and maintaining capacity over time (OECD, 2006). It refers to premeditated, synchronized and mission-driven efforts aimed at strengthening the management and governance of nonprofit organizations to improve their performance and impact. This occurs through organization development activities, such as leadership development, strategic planning, program design and evaluation, board development, financial planning and management and others.

IFAC recognizes the importance of understanding country context and tailoring Professional Accountancy Organization (PAO) capacity building efforts to address the unique needs of each national environment.

IFAC has identified the nine components that cover the full spectrum of a PAO's responsibilities and, when properly addressed, contribute to a successful PAO that serves both the public and private sectors.

The nine components are interdependent but fall into three categories—the building blocks of PAO capacity building:

- ✱ **Sustainability:** appropriate legal foundation(s), governance structure, and operational capacity;
- ✱ **Standards and enforcement:** facilitating the adoption and implementation of standards for accountancy education, ethics, audit, and public sector accounting based on international benchmarks and monitoring compliance;
- ✱ **Relevance:** connectivity between a PAO and its membership base and broader society in order to understand and respond to the needs of both groups across the private and public sectors.

Core Capacity Building Activities

Capacity building engages organizations in the following core activities using a combination of standard and tailored approaches:

- ♣ **Assessment-** Asset based forms and

processes have been designed to assist in pinpointing their current status and goals for growth. Complete the assessment, examine results, use the results to develop action plan priorities and goals and measure progress.

- ♣ **Planning-** Using a format that aligns with the assessment, then complete action plans that prioritize growth areas and include goals and action steps. The action plan guides the use of resources to address priorities.

- ♣ **Implementation-** Resource Linkage and Technical Assistance. Based on the action plan, identify resources, choosing from a range of options.

- ♣ **Evaluation and Learning-** Finally, reassess their capacity periodically, comparing their new capacity levels in different elementary areas to their initial assessment. They monitor, document and report their progress on action planning and capacity development, and engage in learning opportunities.

While the importance of capacity building is widely acknowledged, more attention needs to be drawn to the identification and implementation of effective capacity building approaches. The ultimate goal of capacity building is to sustain a process of individual and organizational change and to enable organizations, groups and individuals to achieve their development objectives. Any capacity building activity needs to be carefully designed so that it contributes to this goal. In this process, it is essential that the needs of the beneficiaries as well as the already existing capacities in a country are carefully assessed and that the specific capacity building objectives are clarified.

This issue also presents a good number of articles on the cover story theme 'Capacity Building for Sustainability' by distinguished experts and authors as well as an interview from industry stalwart. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.