



Appreciative Review of Capacity (ARC): Organizational Self-Assessment and Development

The **Appreciative Review of Capacity © (ARC)** is an organizational development process designed by Global Communities for civil society organizations to measure and improve their ability to fulfill their mission, manage quality projects and services and achieve long-term sustainability. We have successfully applied this methodology with more than 40 organizations in Colombia, Ghana, India, Nicaragua, and Rwanda, including with our country office in Colombia. The ARC process promotes a cycle of continual improvement to help organizations grow and develop through five major phases illustrated below. The ARC uses appreciative inquiry and storytelling to guide a cross-functional team from an organization through a constructive self-assessment following the steps outlined in the ARC Guide and applying the ARC Index. The process helps organizations understand what has worked well for them in the past and what factors contributed to success. Organizations then identify both internal and external resources they can draw on to improve, develop and implement an action plan for improvement with quarterly progress reviews, before the cycle begins again.

The ARC Index lets organizations rate their level of capacity in 66 critical abilities across seven functional dimensions of capacity. Using an appreciative approach, organizations score themselves according to five levels defined for each ability. Global Communities facilitates connections to local sources of support for training and technical assistance and promotes peer exchanges and mentoring so we and our partners learn from one another. Finally, partner organizations re-evaluate themselves to measure changes in their ongoing institutional development and ability to serve their clients. This collaborative approach builds trust as we help our local partners put in place systems to cultivate and sustain positive change.



7 Functional Dimensions

1. Governance
2. Strategic Planning
3. Human Talent
4. External Relations
5. Project/Service Management
6. Resource Development
7. Finance and Administration

Appreciative Review of Capacity (ARC) Process

5 Phases	10 Steps	Actions	Outputs and Outcomes
Define	1. Prepare Leadership for the ARC Process	Engage and Get Leadership's Commitment	Agreement from leadership on who and how they and the staff will be involved in the process
		Review and Adjust the ARC Guide and Index	Revised ARC Guide and Index to meet your needs
		Select Review Team	List of review participants who will apply ARC Index
Discover	2. Prepare Staff for the ARC Process	Select Facilitator	Designated facilitator and note taker
		Set Schedule	Draft calendar for the ARC process
		Gather Documentation	Copies of documentation for review team and outside validator
		Arrange Workshop Logistics	Copies of ARC Index and dimension descriptions for review team Agenda, participant list, flipcharts, markers, paper, etc.
	3. Appreciate Current Capacity through ARC Index Workshop	Introduce ARC Process and Index	Participants understand the process and appreciative inquiry
		Appreciate CSO and its Capacity by Dimension and Ability	Positive stories from CSO's experience by applying appreciative inquiry across the 7 dimensions
			ARC Index score sheets from each members of the review team
		Calculate Average and Total	Score sheet and diagrams with total and average scores
		Reach Consensus on Level for Each Ability	Average ARC Index score, revised based on group discussion Comments and notes from ARC Index workshop with initial ideas for improvement
	Optional. Externally Validate Score	Compare Internal and External Scores	Validated baseline of your organization's overall capacity that identifies current organizational strengths
4. Set Baseline for Service Delivery	Review Indicators of Quality and Quantity of Service Delivery	Baseline for the leading indicators in the quality and quantity of services delivered to clients	
Dream	5. Envision Capacity Development Priorities	Consider Options for Setting Priorities	List of prioritized abilities to focus on for learning / improvement
		Consider the Level of Complexity	Refined list of abilities considering need for behavior change
	6. Identify Sources of Support	Research Sources of Assistance	Inventory of resources to support Action Plan implementation
Design	7. Construct an Action Plan for Improvement	Define the Capacity Development Leader	Mutually-agreed upon one-year action plan for each priority ability
		Define the Tasks and Ownership	
		Define the Tools	
		Set a Budget	
	Revise Action Plan	Defined budget for capacity improvement	
Destiny	8. Implement Action Plan	Prepare Progress Reports	Updated action plan(s) as needed
	9. Monitor Changes in Capacity and Service Delivery	Analyze Change in Scores	Quarterly progress reports
	10. Repeat ARC Index and Sustain Change	Celebrate Success!	New Action Plan(s) that incorporate the lessons learned. Parties, events, awards, certificates to recognize your team