



Development as Capability Building: Foundation for Problem-Driven Change

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Abstract

Development is widely understood as requiring stronger capability, yet there is little agreement about what capability is or how it is built. This paper argues that development is fundamentally a process of building the foundations of capability. Drawing on the capability approach, dynamic capability theory, and the state capability literature, it conceptualizes capability as the empowered ability to turn capacity into performance, and identifies seven mutually reinforcing building blocks that underpin it: contextually actionable know-what, contextually actionable know-how, intrinsic motivation, authorization, institutional navigation, resource mobilization, and strategic time and timing. The paper distinguishes between ordinary capability, which enables reliable execution of established tasks, and adaptive capability, which enables individuals, organizations, and societies to diagnose unfamiliar problems, learn, experiment, and create new ways of working. It argues that development depends particularly on strengthening the foundations of adaptive capability, from which new institutions, routines, and established capabilities emerge. The paper further suggests that these foundations are best developed through experiential, problem-driven learning rather than through training or technical assistance alone. Evidence from participant reflections in Problem-Driven Iterative Adaptation (PDIA) programs illustrates how these seven foundations can be strengthened through iterative engagement with real-world problems. The paper concludes that development interventions should be judged not only by the solutions they deliver, but by whether they leave behind stronger foundations for future problem solving and sustained positive change.



Capability is Key to Development

Few people would disagree with the view that development and capability are connected. Yet capability is often assumed rather than examined, raising questions: What is capability? How does it matter for development? Can it be built? This note tackles these questions.

The Building State Capability program (BSC) defines capability as the empowered ability of state agents to do things and more specifically as the empowered ability of state agents to turn capacity into performance. This definition emphasizes the ability to perform rather than the resources, formal structures, or stated intentions often associated with performance. As such, capability is revealed in whether actors can solve problems, deliver services, respond to challenges, and achieve results:

- A law creates the capacity or potential for new ways of engaging but requires supportive capability (agents with the empowered ability to interpret and enforce it) before it can change behavior.
- A new technology creates capacity or potential for new production, delivery or relational gains but requires supportive capability (agents with the empowered ability to use the technology) before it impacts performance.
- A policy only expands what a society can do if it is matched with agents with the empowered ability to implement it in practice.

As defined, capability differs from the related concept of capacity, which tends to refer to the stock of resources, assets, and inputs available to an individual, organization, or society. The distinction can be illustrated through simple examples shown in Figure 1.

Figure 1. How Capability Converts Capacity into Performance



As the figure shows:

- Two doctors may possess the same qualifications, yet one may be far more capable in applying such knowledge and in helping patients.
- Two villages may receive the same water pumps, yet only one may maintain them over time and enjoys prolonged water supply.
- Two countries might adopt the same budget law, but only one might consistently manage public finances effectively.

The doctors, villages, and countries possess similar kinds and levels of capacity but only one has the capability to translate such into effective action and sustained results.

Development is therefore not fundamentally about accumulating qualifications, resources, or institutional forms. It is about building the capability to mobilize these capacities and get things done, by identifying problems, marshalling action, implementing solutions, learning from experience, and continually improving performance over time. Countries develop not because they adopt the right forms, but because they build capabilities that make those forms work.

Capability in the Literature

The idea of capability appears across multiple literatures, often with different emphases but a common concern: understanding why some individuals, organizations, and societies can achieve valued outcomes while others cannot.

At the individual level, the most influential work comes from Sen (1999), who defined capability as the freedom people possess to achieve valued ways of being and doing. In this approach, capability concerns what people are able to accomplish, not merely the resources they possess. Education, health, income, and rights matter because they expand people's ability to live lives they value. In this tradition, capability is fundamentally about human agency and opportunity.

Within organizational and management studies, capability is typically understood as the ability of organizations to perform tasks effectively. Nelson and Winter (1982) emphasize routines and learned organizational behaviors that allow firms to perform activities reliably. Such capabilities are built over time through experience and become embedded in organizational processes. Schumpeter (1934) and later Teece et al. (1997) extend this thinking to reflect on how organizations adapt when circumstances change, noting that capabilities are needed to perform known tasks reliably and to sense opportunities and threats and learn, adapt and transform (what Teece calls 'dynamic capabilities' that often differentiate durable firms from others). Across the literature, capability is the ability to perform and keep performing (even through change).

Political economists and public management scholars have extended the capability concept to governments and societies. North (1990), Acemoglu and Robinson (2012), and Andrews et al. (2017), Mayne et al. (2020) and Kattel et al. (2025) all focus on the ability of states to facilitate collective action, implement policies, solve problems, and produce developmental outcomes. Here, capability concerns whether institutions function, not simply whether they formally exist. This tradition highlights capability as the ability to govern and solve collective problems.

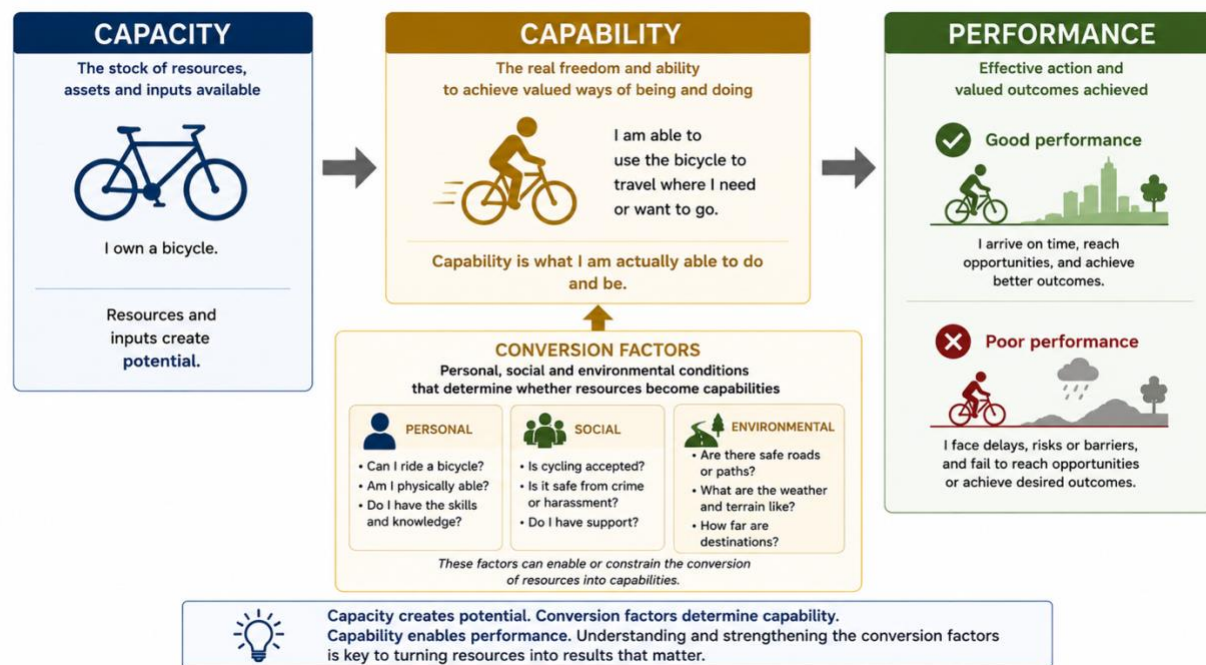
Capability Foundations—or Building Blocks—Matter

Some authors in these literatures have increasingly sought to move beneath capability itself, however, to understand the underlying factors that make it possible. Within the capability approach, for instance, Sen (1999) recognized that resources do not automatically translate into valued functionings. Subsequent scholars developed this insight by identifying the conversion

factors that shape this process, emphasizing the personal, social, and environmental conditions that determine whether individuals are able to transform resources into capabilities and capabilities into valued outcomes (Alkire, 2005; Robeyns, 2005).

A simple example is a bicycle (see Figure 2). Possessing a bicycle creates the potential for mobility, but whether it expands a person's capability depends on a range of conversion factors. The individual must know how to ride it, be physically able to use it, have access to roads or paths, and live in an environment where cycling is safe and socially acceptable. The same resource can therefore generate very different capabilities depending on the conditions that enable—or constrain—its effective use.

Figure 2. Conversion Factors Underlie Capability



A similar evolution has occurred within the dynamic capabilities literature. Having established the importance of higher-order organizational capabilities for sustained performance, researchers increasingly turned their attention to the microfoundations of these capabilities: the lower-level routines, processes, interactions, and decision-making mechanisms from which they emerge (Teece, 2007).

Across both approaches, the common objective was not simply to identify capability but to explain what underpins it. This shift provides an important influence on the current paper, which seeks to identify the foundations or building blocks that underpin capability and explain

how capacities are translated into effective and sustained performance. Importantly, the search for these foundations is not merely conceptual. It is motivated by a practical question: what should governments, organizations, and development partners invest in if they wish to build capability?

Answering this question matters, because if higher-order capabilities emerge from more fundamental building blocks, then the building blocks of these capabilities become the objects of policy and management attention. Rather than attempting to build capability as an abstract concept, practitioners can strengthen the specific knowledge, forms of empowerment, relationships, organizational arrangements, and other foundational conditions from which capability emerges.

Identifying these foundations therefore provides a practical basis for capability-building interventions. It shifts attention away from assumptions that additional resources, institutional reforms, or technical solutions will automatically generate capability, towards identifying the underlying conditions that allow existing capacities to be converted into effective action and sustained performance. In this way, understanding the foundations of capability is important not only for advancing theory but also for improving the design of public policy, organizational reform, and international development practice.

Problem Driven State Capability and its Foundations

The state capability literature has grown in recent decades—emphasizing the importance of state agents to have the empowered ability to translate resources into sustained public performance (Andrews, Pritchett & Woolcock, 2017; Kattel, 2022; Kattel et al., 2025; Mayne, de Jong and Fernandez-Monge, 2020; Morgan, 2006). Within this literature, problem-driven governance has become a central higher-order capability that states are advised to cultivate—especially to deal with complex problems and manage collaborative efforts.

Contributing to such message, Mayne, de Jong and Fernandez-Monge (2020) identify reflective, collaborative and data-analytic capabilities as core to problem-oriented governance. They leave open a more fundamental question, however: what are the foundations of these capabilities? What are the underlying building blocks that enable individuals and organizations to reflect effectively, collaborate productively, analyze problems, and ultimately translate capacity into capable, problem-driven action?

We examined these questions by looking beneath the surface of experience in a problem-driven governance intervention in Mozambique, tracing how capability emerged over five phases of a reform process (Andrews and Samji, 2026). Rather than asking simply whether participants became more reflective, collaborative, or analytically capable, the analysis examined the underlying changes that made these higher-order capabilities possible. Across the intervention, seven recurring building blocks consistently appeared to underpin effective problem-driven action:

- **Contextually actionable know-how (KH):** the practical knowledge of how to investigate problems, experiment, adapt, collaborate, and implement change in context.
- **Contextually actionable know-what (KW):** an accurate understanding of the problem, its causes, the surrounding context, and potential pathways for improvement.
- **Motivation (M):** the willingness, confidence, and commitment of individuals to engage with difficult problems and persist through uncertainty.
- **Authorization (A):** the formal and informal permission, legitimacy, and psychological safety that allow actors to question existing practices and take action.
- **Institutional navigation (I):** the ability to work across organizational boundaries, understand institutional relationships, and navigate the wider system in which problems exist.
- **Resource re-mobilization (R):** the ability to identify, combine, and redeploy existing people, information, relationships, finance, and other resources to support change.
- **Strategic time and timing (T):** the ability to create space for reflection, sequence actions appropriately, recognize windows of opportunity, and sustain adaptation over time.

These building blocks combine to foster problem driven state capability:

$$\text{Capability} = \text{KH} \times \text{KW} \times \text{M} \times \text{A} \times \text{I} \times \text{R} \times \text{T}$$

As indicated in the equation, we believe that the building blocks foster capability in a multiplicative manner. Each building block is necessary, but none is sufficient on its own:

- Strong knowledge cannot compensate for a lack of authorization.
- Motivation without practical know-how often produces effort without progress.

- Resources achieve little when actors cannot navigate institutions to access the resources.
- Likewise, authorization and institutional support rarely generate effective action when individuals lack the motivation or knowledge to use them.

Capability is therefore constrained by its weakest building block. Improvements in performance require strengthening the entire chain rather than investing disproportionately in any single element.

A New Way to View Development and Capability Building

This model shifts attention from capability as a single attribute to capability as a system of complementary building blocks or foundational factors. It also provides a practical explanation for why investments in training, organizational reform, funding, or institutional design frequently produce disappointing results: they strengthen only part of the capability system while leaving other foundational constraints unresolved.

The model suggests the need for a more comprehensive way of thinking about the dynamics of development and capability building: Individuals, organizations, and societies become capable when they understand what needs to be done, know how to do it, are motivated to act, are authorized to act, can navigate the institutional environment, can mobilize resources, and can use time strategically. Re-visiting the examples used to introduce this paper illustrates how these seven building blocks combine to create capability.

- **Consider the two doctors we referenced earlier.** Their capability depends on whether they correctly diagnose a patient's condition (know what), possess the clinical expertise to respond (know how), are committed to providing high-quality care (motivation), have the authority to make clinical decisions (authorization), can navigate the hospital system and work effectively with colleagues (institutional navigation), have access to medicines, equipment, information, and specialist support (resource mobilization), and have sufficient time to diagnose, treat, and follow up appropriately (strategic time and timing). Two doctors may possess identical qualifications, yet differences in these other building blocks can produce very different capabilities and, ultimately, very different patient outcomes.

- **The same logic applies at the village level.** A community's capability to maintain its water supply depends on whether residents understand what maintenance is required (know what), possess the practical skills to undertake repairs (know how), are willing to organize and contribute (motivation), have clear authority and responsibility for maintenance (authorization), can coordinate across community groups and external agencies (institutional navigation), are able to secure spare parts, finance, labor, and technical assistance (resource mobilization), and can organize maintenance before failures occur and respond quickly when they do (strategic time and timing). Weakness in any one building block can undermine the entire system.
- **Similarly, at the national level, improving public health similarly requires more than funding or formal institutions.** Governments must understand the causes of poor health outcomes (know what), possess the technical and managerial expertise to address them (know how), sustain political and bureaucratic commitment (motivation), empower officials throughout the system to make decisions and solve problems (authorization), enable coordination across ministries, levels of government, providers, and communities (institutional navigation), mobilize financial, human, informational, and technological resources (resource mobilization), and sequence reforms while creating sufficient time for learning and adaptation (strategic time and timing). Capability therefore emerges not from any single factor but from the interaction of all seven.

Ordinary (Established) and Adaptive (Dynamic) Capability

The seven building blocks we identified provide a general foundation for understanding capability. They explain what capability is built from, regardless of whether individuals, organizations, or states are performing established tasks or confronting entirely new challenges. The nature of these building blocks, however, differs according to the kind of work being undertaken.

Drawing on the distinction developed by Nelson and Winter (1982) and Teece and colleagues (1997; 2009), we distinguish between two broad forms of capability. Ordinary (or established) capability refers to the empowered ability to perform known tasks reliably using established knowledge, routines, and institutional arrangements. Adaptive (or dynamic) capability refers to

the empowered ability to identify new problems, discover new solutions, mobilize new forms of collective action, and continually learn and adapt when existing routines prove inadequate.

Although originally developed to explain firm performance, this distinction applies equally to individuals, organizations, and states:

- Doctors require ordinary capability when diagnosing familiar illnesses but adaptive capability when confronting an unfamiliar disease.
- Public organizations rely on ordinary capability to deliver routine services but adaptive capability when responding to crises, technological change, or shifting public demands.
- States similarly depend on ordinary capability to collect taxes, educate children, and administer established programs, while adaptive capability becomes essential when addressing complex development challenges, climate change, demographic transition, or institutional reform.

This distinction parallels the difference between technical and adaptive challenges (Heifetz et al., 2009) and between complicated and complex problems (Stacey, 1996; Snowden & Boone, 2007). Technical problems have relatively well-understood causes and established solutions. Adaptive problems are characterized by uncertainty, contested objectives, incomplete knowledge, and the need for experimentation and learning. Put simply, ordinary capability is about doing known things well; adaptive capability is about learning what should be done and creating new ways of doing it.

Importantly, we believe both forms of capability depend on the same seven building blocks

$$\text{Capability} = \text{KH} \times \text{KW} \times \text{M} \times \text{A} \times \text{I} \times \text{R} \times \text{T}$$

The difference lies not in the foundations themselves but in how each foundation is expressed:

- Ordinary capability draws on established knowledge, stable authorization, familiar institutional relationships, predictable resource arrangements, and routine patterns of work.
- Adaptive capability requires these same building blocks to become dynamic:
 - Knowledge must be generated rather than applied
 - Motivation must be sustained despite uncertainty

- Authorization must be negotiated rather than assumed
- Institutional relationships must be created across existing boundaries
- Resources must be mobilized in new ways
- Time must be managed strategically to allow experimentation, reflection, and adaptation.

The comparison in Table 1 illustrates how each of the seven building blocks changes as organizations move from routine implementation to adaptive problem solving.

Table 1. How the Building Blocks Differ for Ordinary and Adaptive Capability

Building Block	Ordinary (Established) Capability	Adaptive (Dynamic) Capability
Know What (KW)	Understanding established problems, agreed goals, and proven solutions. Success is already known.	Diagnosing unfamiliar problems, questioning assumptions, and discovering what success should look like.
Know How (KH)	Applying established skills, routines, procedures, and technical expertise consistently and efficiently.	Experimenting, learning, adapting, and creating new ways of working when existing routines no longer suffice.
Motivation (M)	Sustained by familiar incentives, established norms, predictable roles, and confidence that effort will produce results.	Sustained by purpose, curiosity, resilience, and commitment despite uncertainty, ambiguity, setbacks, and risk.
Authorization (A)	Derived from established roles, mandates, rules, and procedures that clearly define who may act and how.	Created and expanded through leadership, trust, experimentation, coalition building, and permission to challenge existing practice.
Institutional Navigation (I)	Working effectively within established organizational structures, relationships, and governance arrangements.	Building new coalitions, spanning organizational boundaries, reshaping relationships, and creating new forms of collective action.
Resource Re-mobilization (R)	Drawing on established budgets, personnel, information systems, technologies, and infrastructure allocated through routine processes.	Recombining existing resources in new ways, mobilizing previously unused assets, attracting new partners, and creating new resource opportunities.
Strategic Time & Timing (T)	Working according to established schedules, routines, planning cycles, and implementation timetables.	Creating protected time for reflection and learning, sequencing reforms, exploiting windows of opportunity, and adapting the pace of change as learning emerges.
Primary Output	Reliable implementation, consistent performance, efficiency, and scale.	Learning, adaptation, innovation, institutional transformation, and the creation of new routines.
Fishing Metaphor	Knowing how to fish. The fish are plentiful, the equipment is familiar, the techniques are proven, and success comes from repeatedly applying established knowledge and routines.	Learning how to secure food when there are no more fish. The problem itself has changed. People must first understand why fishing no longer works, discover alternative food sources, learn entirely new techniques, motivate others to abandon old habits, gain permission to experiment, build new partnerships, mobilize different resources, and allow sufficient time for learning before new routines can emerge.

The last row's fishing metaphor illustrates the distinction between ordinary and adaptive capability. Ordinary capability is like knowing how to fish. The problem is understood, the objective is clear, the techniques are well established, and success depends on reliably applying existing knowledge and routines. Adaptive capability arises when there are no more fish. Existing knowledge no longer solves the problem because the environment has changed. People must first understand why fishing no longer works (know what), discover new ways of securing food (know how), remain committed despite uncertainty (motivation), obtain permission to experiment (authorization), build new relationships and coalitions (institutional navigation),

mobilize different resources (resource mobilization), and create the time needed for learning and adaptation (strategic time and timing).

Development is therefore not simply becoming better at fishing. It is developing the capability to discover entirely new ways of securing food when existing solutions fail and then embedding those discoveries as the next generation of established capability.

Development as Building the Foundations of Capability

This thinking helps us reflect differently on development. With McGillivray (2012), we understand development as a process of good change. Development is not simply economic growth, modernization, institutional reform, or the accumulation of resources. It is the progressive improvement of human well-being through sustained positive changes in what individuals, organizations, and societies can do.

Viewed through the framework developed here, this turns development into a process of building the foundations of capability. Societies improve not because they acquire more resources or adopt better institutional forms, but because they strengthen the underlying building blocks that enable people and organizations to act effectively. Development therefore involves expanding contextually actionable know-what and know-how, strengthening motivation and authorization, improving institutional navigation and resource mobilization, and creating the time and timing necessary for learning, experimentation, and implementation.

These foundations, in combination, generate both ordinary capability—the ability to perform established functions reliably—and adaptive capability—the ability to discover new solutions when existing approaches are insufficient. Adaptive capability is particularly important because it allows societies to respond to uncertainty through experimentation, coalition building, learning, and adaptation. As new solutions prove successful, they become embedded in routines, organizations, and institutions, eventually forming the next generation of ordinary capability.

Building Dynamic Capability through PDIA

If development is fundamentally a process of building the foundations of capability, an important question follows: how are these foundations developed?

While ordinary capability can often be strengthened through training, technical assistance, and the transfer of established knowledge, adaptive capability develops differently. Because

adaptive capability concerns the ability to respond to uncertain, evolving, and complex challenges, it cannot be transmitted through instruction alone. It is built through experience, where individuals and teams confront real problems, experiment with possible solutions, reflect on outcomes, adapt their actions, and progressively improve their ability to act under conditions of uncertainty.

At Building State Capability (BSC), we use an action learning and action research process called Problem Driven Iterative Adaptation (PDIA) as a structured approach for developing these foundations. PDIA engages individuals and teams over several months around real, locally nominated problems rather than predetermined solutions. Participants investigate problems before proposing answers, unpack causes rather than symptoms, undertake small experiments, learn from both success and failure, engage stakeholders, build coalitions, expand authorization, and continually revise their understanding as new evidence emerges. ***The emphasis is not on implementing a known solution but on building the capability to discover one.***

Viewed through the framework developed in this paper, PDIA systematically strengthens all seven foundations of adaptive capability:

- **Contextually actionable know-how (KH)** develops through experimentation. Rather than learning prescribed methods, participants acquire practical skills in inquiry, facilitation, experimentation, adaptation, negotiation, and collective problem solving through repeated cycles of action and reflection.
- **Contextually actionable know-what (KW)** develops as participants investigate problems, question assumptions, identify underlying causes, and progressively refine their understanding of both the problem and what successful change would require.
- **Motivation (M)** grows because participants work on problems, they identify as important, experience ownership over the change process, and build confidence through visible progress and incremental successes.
- **Authorization (A)** expands as participants engage political leaders, managers, colleagues, and other stakeholders, creating legitimacy, trust, and permission to challenge established practices and pursue new approaches.
- **Institutional navigation (I)** strengthens as participants build relationships across organizational boundaries, understand how different actors influence implementation,

and learn to work through the wider institutional system rather than within a single organization.

- **Resource re-mobilization (R)** develops as participants identify, combine, and redeploy existing people, information, relationships, technologies, and financial resources in new ways instead of waiting for additional external inputs.
- **Strategic time and timing (T)** develop as participants learn to sequence interventions, recognize windows of opportunity, create protected space for reflection, and appreciate that adaptive change requires persistence, iteration, and appropriate pacing rather than rapid implementation alone.

Importantly, PDIA does not strengthen these foundations independently. Each cycle of diagnosis, experimentation, reflection, and adaptation reinforces multiple building blocks simultaneously. Better diagnosis improves experimentation; experimentation generates new knowledge; early successes strengthen motivation; collaboration expands authorization and institutional navigation; new relationships facilitate resource mobilization; and repeated learning encourages participants to manage time strategically. Over time, these mutually reinforcing processes progressively strengthen adaptive capability.

Seen in this way, PDIA is more than a problem-solving methodology. It is a structured process for building the foundations of adaptive capability. Its principal contribution is therefore not simply that it helps solve individual problems, but that it leaves individuals, organizations, and societies better equipped to address the next complex problem they encounter. In this sense, PDIA builds capability by systematically strengthening the seven foundations from which adaptive problem solving emerges.

Tracking Dynamic Capability Growth

How do we know when dynamic capabilities are growing?

This is not a straightforward question. Unlike established capabilities, dynamic capabilities cannot be assessed through examinations, competency certifications, or demonstrations of mastery over known tasks. Such assessments may indicate whether individuals possess established knowledge and skills, but they reveal little about whether they can diagnose unfamiliar problems, navigate uncertainty, and adapt effectively in changing environments.

Ultimately, dynamic capability is revealed through an empowered ability to do, which manifests through improved results. Individuals, organizations, and societies with stronger dynamic capabilities should become increasingly able to address complex challenges, generate solutions, and achieve valued outcomes. The difficulty is that these outcomes often emerge only after long periods of time. If development is a process of building dynamic capability, how can we identify growth before the results are evident?

To answer these questions, we draw on the action learning literature (Leonard & Marquardt, 2010), which argues that experiential learning is best understood through the changes participants themselves report in their thinking, behavior, relationships, and ways of working as they engage with real-world problems. Rather than only measuring whether participants complete activities or achieve immediate outcomes, this approach examines whether they perceive themselves to be strengthening the foundations of adaptive capability. Specifically, we ask whether participants report:

- developing a deeper understanding of the problem (know what),
- learning new ways of investigating and addressing it (know how),
- increasing their commitment and confidence (motivation),
- expanding their legitimacy and permission to act (authorization),
- becoming better able to work across institutional boundaries (institutional navigation), mobilizing existing people, relationships, information, and other resources in new ways (resource re-mobilization), and managing time and sequencing more strategically (strategic time and timing).

While growth in these seven foundations does not guarantee successful reform, it provides evidence that participants are becoming increasingly capable of addressing complex challenges. Table 2 presents illustrative examples from participant reflections, showing how individuals described growth across each of these seven foundations during their PDIA journey.

Table 2. How PDIA Progress Relates to the 7 Building Blocks of Capability

Foundation or Building Block	Participant A	Participant B	Participant C
Contextually Actionable Know What (KW)	Reframed the challenge from making spending "more efficient" to improving transparency, legitimacy, and citizen trust.	Shifted from viewing the issue as a technical market-design problem to understanding the broader public problem and its effects on consumers and stakeholders.	Moved from assuming the challenge was an awareness gap to recognizing missing implementation frameworks and practical decision criteria.
Contextually Actionable Know How (KH)	Learned to deconstruct problems into root causes, use fishbone analysis, identify entry points, and manage iterative cycles of action.	Learned to begin with diagnosis rather than solutions, ask better questions, facilitate shared analysis, and work through Authority, Ability and Acceptance.	Learned to replace assumptions with evidence, facilitate collective inquiry, build networks, iterate solutions, and adapt based on learning.
Motivation (M)	Built confidence through visible progress and discovered that "small wins are big," increasing commitment to continued reform.	Developed stronger commitment by connecting technical work to the lives of citizens and the public value of reform.	Sustained motivation through iterative learning, celebrating incremental successes, and observing tangible evidence of progress.
Authorization (A)	Expanded legitimacy from a personal concern to a legislative proposal formally considered by Parliament.	Learned how to build political and organizational support while aligning stakeholders behind a shared reform agenda.	Recognized that authorization is formal, social, and practical, and deliberately expanded each throughout the change process.
Institutional Navigation (I)	Learned to work across ministries, parliamentary committees, and civil society organizations to advance reform.	Built relationships across organizations and sectors to develop a shared understanding of the problem and collective ownership of solutions.	Expanded collaboration across departments, partner organizations, and international actors, creating new pathways for coordinated action.
Resource Re-mobilization (R)	Leveraged existing transparency initiatives, stakeholder relationships, and legislative processes rather than waiting for new resources.	Mobilized existing expertise, workshops, stakeholder networks, and analytical resources to generate a common reform platform.	Combined surveys, pilot workshops, reports, international partnerships, and organizational networks to support implementation.
Strategic Time and Timing (T)	Learned that sustained change required sequencing reforms, building momentum through small wins, and allowing time for coalition building.	Used iterative cycles of reflection and experimentation, recognizing that diagnosis before action ultimately accelerated reform.	Created regular opportunities for reflection, evidence gathering, and adaptation while responding to emerging opportunities over time.
Language Used to Describe the Journey	"Fishbone diagrams are transformative"; "Iteration works"; "Teaming matters"; "Everything is about people"; "Small wins are big."	"Don't tackle the head first—get the bones"; "Questions are key"; "Authority, Ability and Acceptance"; "Develop a shared understanding."	"Moving from assumptions to evidence"; "Authorization is not binary"; "Complex problems require iterative learning"; "Small wins build capability and momentum."
Observable Result	Transparency legislation entered the parliamentary process.	Shared diagnostic and reform agenda adopted as the basis for wider reform.	New implementation frameworks, pilot initiatives, strengthened partnerships, expanded authorization, and broader organizational engagement.

Source: Adapted from IPP participant learning journey blogs

Conclusion: Building the Foundations of Capability

This paper argues that the central challenge of development is not simply building capacity or even capability but building the foundations from which capability emerges. Drawing on the capability and dynamic capability literatures, it has conceptualized capability as the empowered ability to do and proposed that this ability rests on seven mutually reinforcing building blocks:

contextually actionable know-what, know-how, motivation, authorization, institutional navigation, resource mobilization, and strategic time and timing.

Together, these foundations explain why some individuals, organizations, and societies can translate capacity into effective action while others, despite possessing similar resources or formal institutions, are not.

The paper further argues that these same foundations underpin both ordinary capability, which enables actors to perform established tasks reliably, and adaptive capability, which enables them to diagnose unfamiliar problems, experiment, learn, collaborate, and create new ways of working. The difference lies not in the foundations themselves, but in how they are developed and deployed. Ordinary capability applies existing knowledge and institutional arrangements; adaptive capability continually creates new ones.

This perspective has important implications for development. If development is understood as sustained change, then it depends fundamentally on societies strengthening the foundations that make adaptive capability possible. Successful adaptation generates new practices, relationships, routines, and institutions that eventually become the next generation of ordinary capability. Development is therefore a continuous process of building foundations, generating adaptive capability, institutionalizing learning, and expanding what societies can accomplish.

The discussion of Problem-Driven Iterative Adaptation (PDIA) illustrates one practical approach to this process. Rather than transferring predetermined solutions, PDIA deliberately develops the seven building blocks through cycles of problem diagnosis, experimentation, reflection, coalition building, and adaptation. Evidence from participant reflections suggests that such experiential processes strengthen not only what people know, but also their motivation, authorization, institutional reach, ability to mobilize resources, and capacity to act strategically over time.

The implications extend beyond PDIA. Development interventions should be judged not only by the policies they produce or the projects they complete, but by whether they leave behind individuals, organizations, and societies with stronger foundations for future action. Training that increases knowledge without expanding authorization, reforms that create new structures without strengthening institutional navigation, or investments that provide resources without building motivation and adaptive know-how are unlikely to produce sustained capability. Lasting development requires strengthening the entire system of complementary building blocks.

Ultimately, this shifts attention from asking "What capability should we build?" to asking "Which foundations of capability need strengthening?" and focuses attention on the deeper processes through which societies become increasingly able to solve their own problems, adapt to changing circumstances, and generate sustained improvements in human well-being.

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