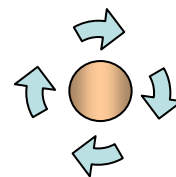


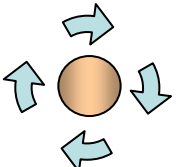
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Capacity Development and Capacity Assessment Training Course



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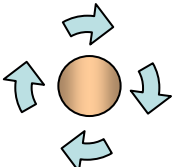
<b>Introduction</b>	
Capacity Development and Capacity Assessment Training Course	

## How to use this Training Guide

This guide was developed to assist in delivering capacity development and capacity assessment trainings, to help guide participants through each training session and the capacity assessment exercises. It leads the user to the key provisions of UN/UNDP corporate documents and statements on capacity development and capacity assessment, but is not meant to replace those documents and therefore should be treated as a companion guide. Participants are therefore advised to read the following documents prior to the training to allow them to engage proactively and substantively during the training

- **UNDG Position Statement on Capacity Development**  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6133>
- **Practice Note on Capacity Development**  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6003>
- **Practice Note on Capacity Assessment**  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6004>
- **UNDP Capacity Assessment User's Guide and Supporting Tool**  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6022>  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6021>
- **Supporting Capacity Development: the UNDP Approach**  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6211>
- **2007 CCA/UNDAF Guidelines**  
<http://www.undg.org/?P=226>
- **2007 Triennial Comprehensive Policy Review (TCPR) of Operational Activities of the UN Development System**  
<http://www.undp.org/execbrd/word/UN%20COORDINATION%20SECTION%2028-6-07.doc>  
<http://daccessdds.un.org/doc/UNDOC/GEN/N07/457/79/PDF/N0745779.pdf?OpenElement>
- **2008-2011 UNDP Strategic Plan**  
<http://www.undp.org/execbrd/pdf/UNDP-SP-decision.pdf>  
<http://documents-dds-ny.un.org/doc/UNDOC/GEN/N07/317/07/doc/N0731707.DOC?OpenElement>

The weblinks for each document are also shown above. Some of these documents have also been printed and attached in the annex section of this training kit as annexes.

<b>Introduction</b>	
Capacity Development and Capacity Assessment Training Course	

## Welcome to the Participants

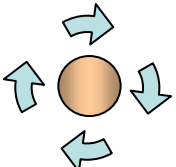
This Training Guide is a handy reference material for both facilitators and trainees who will be involved in training activities on Capacity Development and Capacity Assessment, whether as a trainer, facilitator or participant. This is an evolving product and users are encouraged to further improve and adapt this knowledge product to ensure its compatibility to their needs and purposes at the national, sub-national and regional levels.

As we roll-out the CD/CA Training Courses and use this training guide, we continue to adapt and adjust the sessions and materials to ensure that they are user-friendly and can directly contribute to your work in putting capacity development in the forefront of development advocacy and programming. As such, any comments, suggestions and insights from you will be very helpful

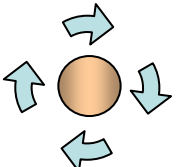


Please send your input and ideas to Niloy Banerjee, Capacity Development Advisor, UNDP Regional Centre in Bangkok, [niloy.banerjee@undp.org](mailto:niloy.banerjee@undp.org).

The Capacity Development Team  
UNDP Regional Centre in Bangkok

<b>Overall Schedule</b>	
Capacity Development and Capacity Assessment Training Course	

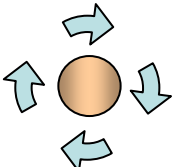
DAY 1	DAY 2
<b>Session 1</b> : Welcome/Introduction of participants Training Overview and Objectives	<b>Session 7</b> : Presentation of Simulation 1 Outputs
<b>Session 2</b> : Why is Capacity Development important in UNDP? What is different? Capacity Development: What have we learned so far? Overview of technical cooperation and CD issues	
<b>Session 3</b> : Results of Pre-Training Assessment on CD/CA Awareness	<b>Session 8</b> : Simulation Exercise #2: Developing Capacity  Development Strategies
<b>Session 4</b> : UNDP Capacity Development Approach	
LUNCH	LUNCH
<b>Session 5</b> : The UNDP Capacity Assessment Tool	<b>Session 9</b> : Presentation of CD/CA Plans: Q&A
<b>Session 6</b> : Simulation Exercise #1 – Working Group/Individual Exercise on Capacity Assessment	<b>Session 10</b> : Rolling out Capacity Assessments
	<b>Session 11</b> : Closing

<b>Schedule</b>	
Day 1: Introduction to Capacity Development and Capacity Assessment	

## Day 1

TIME	EVENT	CONTENT	FACILITATORS
09:00	Session 1: Introductions, Training Overview and Objectives	<ul style="list-style-type: none"> <li>Participant Introductions</li> <li>Introduction to the Capacity Development and Capacity Assessment Training Course and Course Mechanics</li> </ul>	
09:15	Session 2: UNDP and Capacity Development Capacity Development and Technical Cooperation: What Have We Learned So Far	<ul style="list-style-type: none"> <li>Why is capacity development important in UNDP?</li> <li>Overview of Technical Cooperation and Capacity Development Issues</li> <li>UNDG Statement on Capacity Development</li> <li>UNDAF-CCA Guidelines</li> <li>2008-2011 UNDP Strategic Plan</li> <li>Examples of Capacity Assessments in the Asia-Pacific Region</li> </ul>	
10:30	Session 3: Results of Pre-training Assessment on CD/CA Awareness	<ul style="list-style-type: none"> <li>Levelling-off on capacity development perspectives and experiences</li> </ul>	
10:45	Tea Break		
11:00	Session 4: UNDP Capacity Development Approach	<ul style="list-style-type: none"> <li>Definitions and Principles</li> <li>CD Framework</li> <li>Capacity for Whom and What</li> <li>Policy and Programme Implications</li> </ul>	
12:00	Lunch Break		
13:15	Session 5: The UNDP Capacity Assessment Tool	<ul style="list-style-type: none"> <li>CA Framework</li> <li>Core Issues and Cross Cutting Functional Capacities</li> <li>Case examples of capacity assessments in the region</li> <li>Steps in doing a capacity assessment</li> </ul>	
14:15	Session 6: Simulation 1 – Working Group/Individual Exercises on Capacity Assessment	<ul style="list-style-type: none"> <li>Setting Objectives and Scoping</li> <li>Setting the Stage: Stakeholder Identification and Engagement</li> <li>Identification of Core Capacity Issues and Functional Capacities</li> <li>Developing Assessment Worksheets and Identification of Capacity Indicators</li> </ul>	



<h1>Training Guide</h1>	
<p>Day 1: Introduction to Capacity Development and Capacity Assessment</p>	

# Session 1

## Introductions, Programme Overview and Objectives

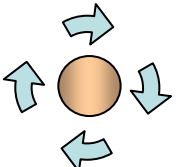


### *Session Objective*

*To provide participants with an introduction to the two-day capacity development and capacity assessment training. Participants will be guided through the workshop objectives, the methodology, and schedule for the following two days. There will be an opportunity for participants to introduce themselves through an interactive exercise.*





<h1>Training Guide</h1>	
<p>Day 1: Introduction to Capacity Development and Capacity Assessment</p>	

## Session 2

# UNDP and Capacity Development: What Have We Learned So Far



### Session Objective

*To provide participants with an understanding of UNDP's experiences and evolving approach to Capacity Development.. The session will present corporate*

*statements and guidelines on capacity development to contextualize session discussions within the framework of UN/UNDP development work and priorities.*

*The United Nations Development Programme is the UN's global development network. It advocates for change and connects countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.*

*UNDP Mission Statement*

Since its founding, UNDP has focused on developing national and local capacities for sustainable human development. Why then, is UNDP highlighting again in its corporate policies, efforts and strategies the role of capacity development? Does this mean that we are not doing enough? Let us take a look at global agreements and corporate guidelines that have been issued with direct relevance to capacity development over the last several years:

- The Millennium Declaration (2000) notes that "policies and measures, at the global level, ... [should] correspond to the needs of developing countries and economies in transition and are formulated and implemented with their effective participation.", and

resolved "to strengthen the capacity of all our countries to implement the principles and practices of democracy and respect for human rights, including minority rights."

- The Paris Declaration on Aid Effectiveness (2005) noted that "the capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives — from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on

sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.”

- A Position Statement on “Enhancing the UN’s Contribution to National Capacity Development” issued by the United Nations Development Group (UNDG) in October 2006 emphasized that UN Country Teams (UNCTs) ‘will have to make capacity development the core of their work, and develop new ways of assessing and achieving capacity development results as a team...’ It also notes the process steps to be followed by ‘UNCTs embarking on the integration of a capacity development approach into national development strategies (NDS), poverty reduction strategies (PRSs) and sector plans, through embedding such a collective vision and strategy into the CCA, UNDAF and country programmes’.

- The 2007 CCA/UNDAF Guidelines identifies capacity development as one of five inter-related principles [the four others being: human rights-based approach (HRBA); gender equality; environmental sustainability; and results-based management (RBM)] that must be applied at the country level in the development and monitoring of CCA/UNDAFs. It further notes that “the UNCT will draw on the strengths of the UN system and its comparative advantages to undertake a range of capacity development initiatives, among them:

- ✓ Facilitate capacity assessments that are

human rights and gender sensitive;

- ✓ Develop capacities to review and analyse pro-poor policy options;
- ✓ Strengthen capacities for coordination of development and humanitarian assistance;
- ✓ Facilitate consensus-building processes and broker relations between key development stakeholders;
- ✓ Strengthen capacities to implement and monitor international human rights obligations;
- ✓ Support the development and use of information and results-based management systems for greater accountability;
- ✓ Catalyze support for technological and knowledge acquisition and innovation capacities; and
- ✓ Provide international good practice in all the above and promote knowledge networking capacities.”

- The Triennial Comprehensive Policy Review (TCPR) of the UN’s Operational System Resolution (June 2007) noted the UNDG Position Statement on capacity development and highlighted the UN’s capacity development efforts, including facilitating capacity assessments, strengthening national capacities to implement and monitor international norms/standards, facilitating consensus-building processes and promoting capacities for inclusion and empowerment in decision-making, facilitation of societal and government actors in (enhancing capacities for) national

coordination in development and humanitarian assistance, among others. Noting that a continuous process of capacity development is required to which the UN system can make a significant contribution to internationally-agreed development goals including the MDGs, the TCPR Resolution likewise noted evidence from 40 country-level evaluations conducted by nine UN organizations which strongly suggests that the effectiveness of national capacity development efforts and the sustainability of results are compromised when they are not adapted to the ability of national partner governments to sustain the new initiatives or mainstream them in their policy frameworks.

- The UNDP Strategic Plan (2008-2011) emphasizes that capacity development is UNDP's 'overarching contribution' to global human development efforts, and that UNDP's efforts to support programme countries to develop national and local capacities for human development and achievement of the MDGs will be guided by three principles – national ownership, effective aid management, and South-South cooperation. It further notes that "UNDP will seek to strengthen national capacities in four areas of comparative advantage aligned with the values and objectives of the Millennium Declaration: poverty reduction and MDGs; democratic governance; crisis prevention and recovery; and environment and sustainable development"
- A draft UNDG Capacity Assessment Methodology User Guide in August 2007, based on

the 2006 UNDG Position Statement Capacity Development and building on UNDP's Capacity Assessment approach and tool, offers UN Country Teams a concrete tool for assessing capacities at the country level and developing strategies for capacity development.

Why this renewed focus on capacity development? It is because we have seen that many 'capacity development' efforts have not really delivered on their expected results. And we can trace these to several factors:

First, many development organizations and workers still have not grasped and utilized the immense potentials and power of capacity development, which unfortunately remains equated with, and served by, trainings for individuals within an organization. For instance, most budgetary allocations for capacity development in many regional and national programmes are assigned to either training or equipment (computers, softwares, etc.). Training by itself is not bad, but without sufficient follow-up and monitoring, institutional commitment to apply the newly-learned skills, and incentive systems to create positive change, training activities continue to be ineffective. Capacity needs assessments are often done in an ad hoc manner, limited to interviewing a few officers in an organization, and often misrepresent and skew the genuine capacity needs of the organization.

Second, the long-term nature of developing capacities also creates the perception of capacity development as an abstract concept, and therefore continues to inflame debates on what capacity development really means. All of us are engaged in capacity development efforts one way or another; the questions are if we are doing it systematically with specific results in mind, are we doing it well, and are we really building our clients' capacities?

Third, project or programme lifecycles often have rather short time boundaries (i.e., one to

three years) with clear 'results' and 'impacts' that are required to be presented at the end of the project/programme. While this certainly has its well-meaning reasons and advantages, it also constrains programmes and projects from introducing long-term capacity development strategies, and project managers often find recourse in the conduct of workshops and trainings to deliver the required 'results' and 'impacts'. Capacity development results are also liable to be defined by these short run frameworks which inevitably influence the type of activities that leads in to such results. Hence a preponderance of workshops and trainings characterise capacity development activities.

Fourth, and this is related to the third above, traditional technical assistance and cooperation frameworks do not give the same attention that they devote to 'results' and 'impacts', to processes dealing with effective capacity transfer approaches. The end result is that many technical experts and consultants working with public sector institutions often complete their assignments without effectively mentoring and coaching their 'partners' on the knowledge, skills and attitudes that the partners should have absorbed during the experts' period of assignment. Nor is the space available because experts are often asked to perform line functions.

There are of course many other factors – you yourself are most probably aware of a few other reasons why our approach to capacity development needs to be further revisited and continuously enhanced. On the box below, feel free to list down other factors that you think may have contributed to the failure of traditional capacity development approaches to deliver on sustainable results.

## Capacity Development and Technical Cooperation

On 02 March 2005, more than 100 countries and donor organizations endorsed the Paris Declaration on Aid Effectiveness, which provides an ambitious plan to reform the system of aid delivery towards

rationalizing aid management<sup>1</sup>. Recognizing that “while the volumes of aid and other development resources must increase to achieve these goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance”, signatories to the Paris Declaration committed to five pillars to enhance development effectiveness – ownership, alignment, harmonization, managing for results, and mutual accountability<sup>2</sup>.

These commitments are implicit recognitions as well of weaknesses in traditional technical cooperation<sup>3</sup> approaches. Fukuda-Parr, Lopes and Malik in UNDP (2002)<sup>4</sup> noted that technical cooperation is still frequently criticized for:

- *Undermining local capacity.* Rather than helping to build sustainable institutions and other capabilities, technical cooperation tends to displace or inhibit local alternatives.
- *Distorting priorities.* the funding for technical cooperation generally bypasses normal budgetary processes, escaping the priority-setting disciplines of formal reviews.
- *Choosing high-profile activities.* Donors frequently cherry-pick the more visible activities that appeal to their home constituencies, leaving recipient governments to finance the other routine but necessary functions as best they can.
- *Fragmenting management.* Each donor sends its own package of funds and other resources for individual programmes, and demands that recipients follow distinctive procedures, formats and standards for reporting, all of which absorb scarce time and resources.
- *Using expensive methods.* Donors often require that projects purchase goods and hire experts from the donor country,

<sup>1</sup> 2006 Survey on Monitoring the Paris Declaration: Overview of Results. OECD, 2007.

<sup>2</sup> Paris Declaration on Aid Effectiveness, 2005.

<sup>3</sup> OECD-DAC defines technical cooperation as “includes both (a) grants to nationals of aid recipient countries receiving education or training at home or abroad, and (b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries, (including the cost of associated equipment). Assistance of this kind provided specifically to facilitate the implementation of a capital project is included indistinguishably among bilateral project and programme expenditures, and not separately identified as technical co-operation in statistics of aggregate flows”. <http://www.oecd.org/glossary>

<sup>4</sup> Fukuda-Parr, Sakiko, Carlos Lopes and Khalid Malik (Eds.). 2002. Capacity for Development: New Solutions to Old Problems. UNDP.

although it would be far cheaper to source them elsewhere.

- Ignoring local wishes: The donors pay too little attention either to the communities who are supposed to benefit from development activities, to the local authorities, or to NGOs, of whom should comprise the foundation on which to develop stronger local capacity.
- Fixating on targets: Donors prefer activities that display clear profiles and tangible outputs. Successful capacity development, on the other hand, needs to be intrinsically included.

In the 1990s, UNDP, OECD-DAC, international financing institutions, and many aid agencies initiated and revisited their technical cooperation approaches resulting in greater emphasis on partnership, ownership and participation, policy dialogues, and results-based management. Very explicit in the technical cooperation reform agenda was the central role of capacity development affecting a paradigm shift in development transformation, i.e., fostering home-grown processes, building on the wealth of local knowledge and capacities, and expanding these to achieve whatever goals and aspirations the country sets itself<sup>5</sup>. From a supply driven approach to technical cooperation therefore, a more demand-oriented development cooperation framework anchored on capacity development (at the national, organizational, and individual levels) has begun to evolve (see Figure 5)

## Key Considerations Pertaining to Capacity Development<sup>6</sup>

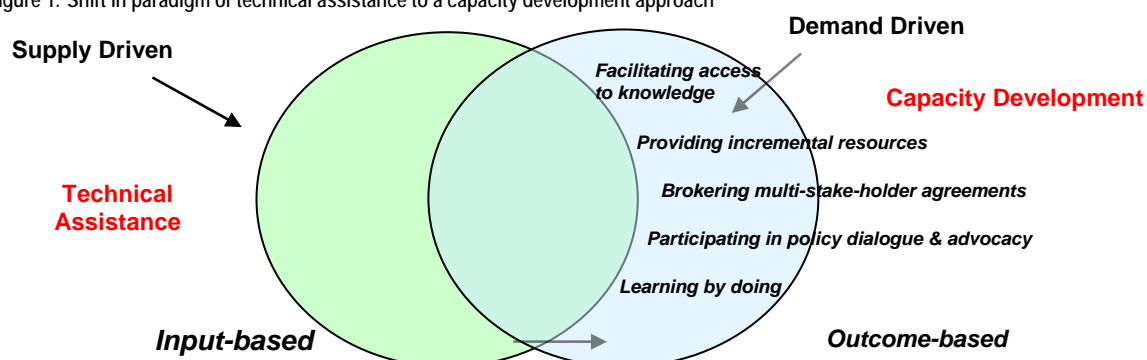
How should we approach technical cooperation from a capacity development perspective?

- Contextual, Endogenous Process and Opportune Timing

The development of a society's capacity is an ongoing endogenous process. The need for developing capacities often arises from (i) pressures for better government from the elite and leaders at the top, as well as citizens and clients at the bottom; (ii) new opportunities in the market place; or (iii) social challenges. In this sense, the task of capacity development is never done. Moreover, the process cannot be rushed, nor can it be expected to evolve in a controlled and linear fashion. A lag usually exists between any investment in capacity development, the emergence of new capacities and their translation into performance improvements. Windows of opportunity for change open and close with changes in leadership, which could bring with it a new look at development priorities, partnerships and resource availability. Sometimes, it is important to secure "quick wins" at the outset to mobilize political support and commitment to longer-term capacity investments. The ability of a country, an organization or a community to avail of opportunities to better their human development depends on the capacity base it has built that enables adaptability and flexibility to manage risks and changes.

The challenges of investing in capacities are often about managing trade-offs: making an investment that has an immediate return, or investing in initiatives that have a 5-10 year or

Figure 1. Shift in paradigm of technical assistance to a capacity development approach



<sup>5</sup> Fukuda-Parr, Sakiko, Carlos Lopes and Khalid Malik (Eds.). 2002. Capacity for Development: New Solutions to Old Problems. UNDP.

<sup>6</sup> UNDP Capacity Development Practice Note. September 2007.

longer gestation period, for example, investing in primary and secondary education for girls.

- **Political Economy**

Addressing capacity needs by putting in place skills, systems and processes will not hold the promise of sustainable results if the process does not take into account the inherently political and complex realities in the environment. Political, economic and social incentives relate to mindsets, norms and values. Sustainable results require effective participation, public access to information that leads to voice of the people (particularly women and disadvantaged sections of society), civic engagement and accountability for capacity results. The change processes related to capacity development come with changes in roles and responsibilities that can be most unsettling to vested interests and established power structures. External partners inevitably become part of this process and the political economy.

- **Incentives and Performance**

Perceptions and concerns about development performance usually provide the entry point for thinking about capacity issues. When a system or organization is seen to be under-performing, attention is drawn to the inadequacy of capacity. The opposite is also true. Good performance is usually associated with an organization or system managing and using capacities effectively. Yet, capacity does not automatically translate into improved performance and better development results. To illustrate: a car engine may have all the components to run smoothly, but it would still sit idle without fuel and a driver. By the same token, capacities may be in place, but appropriate incentives need to be present to put them in high gear and in motion toward the desired development destination.

Sound governance practice is a critical enabler in any environment. Countries are more likely to develop and make use of available capacities when there is strong political ownership and commitment at the highest levels, wide participation, transparency and clear accountability. In turn, capacity development processes can contribute to enhancing participation and accountability and

thus strengthen governance. An institution needs a supportive policy and legal framework, access to resources and the goods and services of other institutions, and the support of stakeholders in order to succeed. Similarly, a staff is motivated to apply its skills when it is adequately compensated for its efforts and when achievement is acknowledged and rewarded.

- **Quality of Engagement, Alignment and Harmonisation**

Development cooperation has the potential to facilitate and promote local processes, but unless carefully applied, it can undermine ownership and local capacity. For this reason, it is critical to pay careful attention to aid relationship dynamics. Each side of the “partnership” comes to the table laden with its own ideological and political baggage.

Aid relationships are affected by and contribute to shaping an influential political economy that has evolved in many countries to become a quite unwieldy, complex architecture. This architecture consists of stated objectives of a more or less shared nature but comprises equally misperceptions, vested interests and power differentials that feed an often vicious cycle of engagement. Breaking through the dynamics of engagement is not easy as it tends to involve changes in the aid systems that are usually induced by multiple competing parties. Changes and real transformation require genuine cooperation and collective responsibility.

- **Thinking and Acting in Terms of “Best Fit”**

Rather than “best practice,” it is “best fit” that often contributes most to sustainable change. These days, attention is focused on improving aid practices in ways that are more responsive to the capacity development challenge. This agenda includes harmonizing and aligning external support around country strategies, systems and processes, finding ways to make the aid relationship more equitable, transparent and participatory, and identifying roles, approaches and delivery systems for external partners that add value to local capacity development processes.

It is difficult to generalize about roles external partners may play, given that what is needed is contingent on the task at hand. External partners today may play more facilitative roles related to the management of change processes, rather than the more interventionist roles they may have played in the past. "Process facilitation"—an approach that is consistent with the idea of capacity development as an endogenous process — can help avoid disempowering local actors by ensuring that local partners remain in the driver's seat while donors reinforce local ownership and commitment. In practice, evidence shows that a period of capacity substitution is sometimes unavoidable. A country can design such intervention by the international community, however, to be made as constructive as possible, with a clear state legitimacy and an exit strategy for external partners in place from the outset.

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## Examples of application of capacity development approach

Capacity assessments of public institutions were carried out in Timor-Leste and Afghanistan using an enabling environment and organizational capacity assessment methodology. In both cases, a range of capacity development strategies across ministries and government departments were developed. In Afghanistan, a number of donors had adopted and/or supported many of the provisions of a Capacity Development Facility (CDF) that was established following the capacity assessment.

The UNDP capacity assessment framework has been applied in a number of countries (.e.g, Sri Lanka, Vietnam, Afghanistan, Nepal, Bhutan, among others) and contexts (e.g., local service delivery, governance, peace and crisis prevention, and institutional development for government agencies, among others).

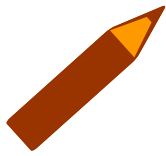
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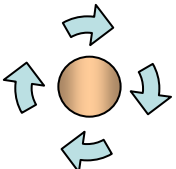


**Box 1.**

From my experience, previous capacity development approaches and activities have not been as successful as desired because of the following factors and/or reasons as well:





<h1>Training Guide</h1>	
<p>Day 1: Introduction to Capacity Development and Capacity Assessment</p>	

## Session 3

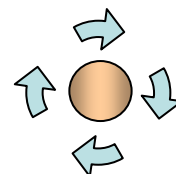
### Pre-Training Assessment on CD/CA Awareness



#### *Session Objective*

*The objective of this session is to discuss results of the pre-training survey on participants' perceptions of and awareness on capacity development and capacity assessment approaches. This will serve as the take off point for the training, with results of the survey to be used to guide the flow of discussions.*





## Session 4 UNDP's Capacity Development Approach



### Session Objective

*To introduce participants to definitions, principles and applications of UNDP's*

*CD Approach..*

*objectives in a sustainable manner."*

### So what's new?

UNDP has been historically involved in capacity development approaches, both from a state-building perspective as well as from a critique of technical cooperation. Given the observed limitations in previous capacity development approaches<sup>7</sup>, UNDP embarked on a rigid analysis of capacity development case experiences, producing three seminal publications<sup>8</sup> compiling best practices and lessons learned on capacity development programming. Based on these, ten (10) default principles for capacity development (see Box 2) were identified and promoted by UNDP in development programming to inspire ownership, transform leadership, and help ensure progress in capacity development efforts.

Capacity development (CD) is thereby the "process through which these abilities are obtained, strengthened, adapted and maintained over time". The capacity development process is very similar to the regular programme management cycle (see Figure 1) of assessment, planning and formulation, implementation, and monitoring and evaluation. We will go through these process steps one by one, but let us go through some key concepts that are critical to the understanding and application of the CD framework

### The UNDP Framework for Capacity Development

UNDP defines capacity as:

*"the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve*

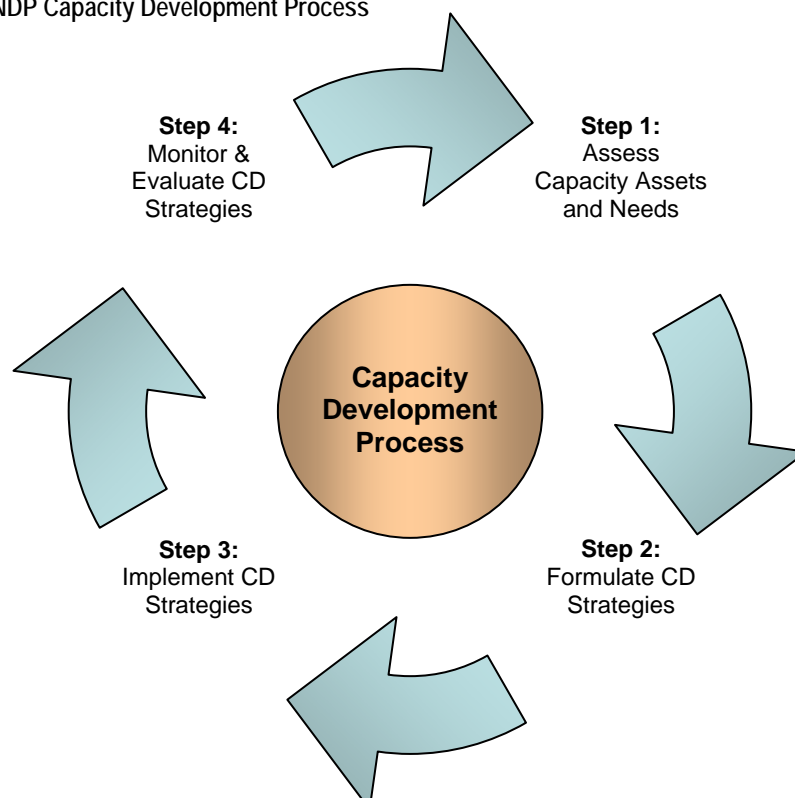
<sup>7</sup> UNDP. 1993. *Rethinking Technical Cooperation" - Reforms for Capacity Building in Africa"* Regional Bureau for Africa, Development Alternatives Inc., Elliot J. Berg (Coordinator)

<sup>8</sup> i) Capacity for Development: New Solutions to Old Problems <http://www.capacity.undp.org/index.cfm?module=Library&page>  
ii) ) Developing Capacity Through Technical Cooperation: Country Experience: <http://www.capacity.undp.org/index.cfm?module=Library&page>; and iii) Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development? <http://www.capacity.undp.org/index.cfm?module=Library&page>

### Box 2. Ten default principles for capacity development

1. **Don't rush. Capacity development is a long-term process:** It is not amenable to delivery pressures, quick fixes and short-term results seeking. Engagement for CD needs to have a long-term horizon and be reliable.
2. **Respect the value systems and foster self-esteem:** The imposition of alien values can undermine confidence. Capacity development requires respect. Self-esteem is at the root of capacity and empowerment.
3. **Scan locally and globally; reinvent locally:** There are no blueprints. Capacity development means learning. Learning is a voluntary process that requires commitment and interest. Knowledge transfer is no longer seen as the relevant modality. Knowledge needs to be acquired.
4. **Challenge mindsets and power differentials:** Capacity development is not power neutral and challenging vested interest is difficult. Frank dialogue and moving from closed curtains to a collective culture of transparency is essential to promote a positive dynamic for overcoming them.
5. **Think and act in terms of sustainable capacity outcomes:** Capacity is at the core of development. Any course of action needs to promote this end. Responsible leaders can inspire their institutions and societies to effectively work toward capacity development.
6. **Establish positive incentives:** Distortions in public sector employment are major obstacles to CD. Ulterior motives and perverse incentives need to be aligned with the objective of capacity development. Governance systems respectful of fundamental rights are a powerful incentive.
7. **Integrate external inputs into national priorities, processes and systems:** External inputs need to correspond to real demand and need to be flexible to respond effectively to national needs and possibilities. Where such systems are not strong enough they need to be reformed and strengthened, not bypassed.
8. **Build on existing capacities rather than creating new ones:** This implies the use of national expertise as prime option, resuscitation and strengthening of national institutions, and protecting social and cultural capital.
9. **Stay engaged under difficult circumstances:** The weaker the capacity, the greater the need. Weak capacities are not an argument for withdrawal or for driving external agendas. People should not be hostage to irresponsible governance.
10. **Remain accountable to ultimate beneficiaries:** Even where national governments are not responding to the needs of their people, external partners need to be accountable to beneficiaries and contribute to ownership by national authorities.

Figure 2. The UNDP Capacity Development Process



## Capacities for What?

The UNDP framework distinguishes between “technical” and “functional” capacities.

- **Technical capacities**, also referred to as ‘hard’ capacities, are associated with particular areas of professional expertise or knowledge, such as economics, engineering, fiscal management, agriculture, education, etc. Technical capacities vary and are closely related to the sector or organizational context in focus.
- **Functional capacities**, also referred to as ‘cross-cutting’ capacities, are associated with programme, policy, development, and change management expertise or knowledge that are relevant regardless of sector, profession or organization. These are the capacities that UNDP focuses primarily on supporting in conjunction with the technical capacities, particularly on emerging functional capacities that are less easy to define and often depend on much broader, societywide rules, norms and values.

There are five functional capacities that from UNDP experience are critical to policy and programme support. These capacities are not new and may look quite simple and straightforward – we are all doing these! However, based on UNDP’s development experience, it is the oversight of these capacities, the indifference to their importance, and inadequate recognition of capacity weaknesses in addressing them, that could contribute to the non-sustainability and failure of many development programmes. These functional capacities are:

- **Engaging in Multi-Stakeholder Dialogues** - This capacity relates

to capacity to engage and build consensus among all stakeholders (e.g., all relevant public, private and societal agents, as well as external partners). It includes the skills to perform the following: identify, motivate and mobilize stakeholders; create partnerships and networks; raise awareness; develop an enabling environment that engages civil society and the private sector; manage large group processes and open dialogue; mediate divergent interests; and establish collaborative mechanisms.

- **Assessing a Situation and Creating a Vision and Mandate** - This capacity pertains to the abilities to effectively access, gather, analyze and synthesize data and information, and translate it into a vision and/or a mandate. Applicable to institutional development and programmatic support, the objective is to strengthen capacities to understand and respond to issues holistically through effective synthesis of information, and anticipate long-term needs and development planning. It focuses on the ability to assess desired capacity levels in the future against capacities that exist at present, thus articulating the capacity needs that can lead to capacity development strategies.
- **Formulating Policies and Strategies** - Conceptualizing and formulating policies, legislations, strategies, and programmes require analyzing a range of development parameters that may affect needs and performance in a given area; exploring different perspectives; long-term strategizing; and setting objectives.

At the enabling environment level, it may also include conceptualizing sectoral and cross-sectoral policies, legislative and regulatory frameworks, inter-ministerial/inter-sectoral coordination mechanisms, participatory planning and budgeting and other arrangements for prioritization, planning and formulation of programmes and projects.

- **Budgeting, Management and Implementation** - This category includes project management capacities that are essential to the implementation of any type of policy, legislation, strategy and programme. It also includes execution aspects of programme and project implementation; costing of capacity development activities; mobilization and management of human, material and financial resources; and selection of technologies and procurement of equipment. Core management functions, such as public financial management and procurement are the main focus, as well as other conditions that facilitate the implementation of policies, strategies and programmes and effective service delivery.
- **Monitoring and Evaluation** - This pertains to the monitoring of progress, measuring of results and

codification of lessons, for learning and feedback to ensure accountability to partners and the ultimate beneficiaries of development. It also covers results-based management and monitoring and evaluation systems, as a means of reporting to donors. It naturally links back to policy dialogue, planning and improved management of implementation through drawing lessons from experience.

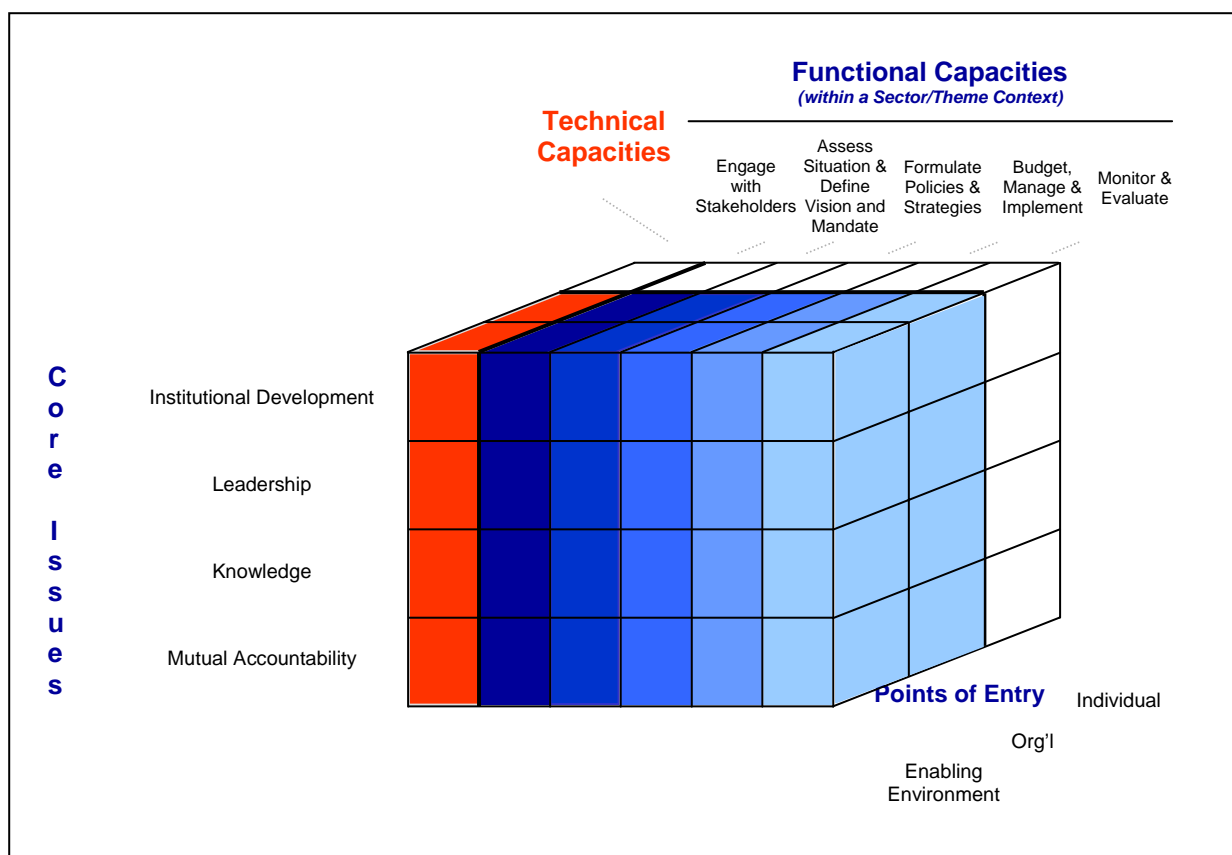
For UNDP, within each functional and technical capacity mentioned above, there are several core issues that can and should be explored from a human development perspective. Not all of these issues will necessarily be analyzed in any given assessment, but they provide a mapping of critical areas of capacity common to any country, to which a capacity assessment could be applied. The selection of core issues defines the scope and content of a capacity diagnostic exercise. The core issues in the UNDP Capacity Assessment Framework are:

- institutional development;
- leadership;
- knowledge management; and
- mutual accountability.

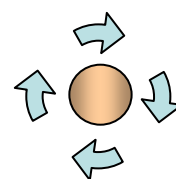
Human rights and gender equality overlay each of these core issues.



Figure 3. The UNDP Capacity Assessment Framework (CD cube)







## Session 5

# The UNDP Capacity Assessment Approach and Tool



### Session Objective

To introduce the UNDP CA Framework, present the concept and identification of core issues

and cross cutting functional capacities, discuss examples in the region, and guide the participants through a step-by-step process of conducting a capacity assessment.

The UNDP Capacity Assessment Tool was developed after a rigorous review of existing tools and methodologies that are being used by development agencies including donors, international NGOs, UN agencies, and international financing institutions<sup>9</sup>. It is oriented largely towards public service institutions (e.g., government, civil society organizations) although it may well find applicability in private institutions. The generic template allows the tool to be adapted to different sectors, institutions and contexts. It has seen applications in the context of public sector reforms, national/local governance, post-conflict/transition situations, and policy coordination/alignment, and various levels from national (e.g., ministry, department, bureaus) to local (district/provincial/municipal) levels involving one institution or across several institutions. The UN Development Group (UNDG) has likewise issued a draft Capacity Assessment User Guide based on UNDP's leading work on capacity assessments and the UNDP capacity assessment user guide and tool.

A capacity assessment is “an analysis of desired future capacities against current capacities; this

generates an understanding of capacity assets and needs, which in turn leads to the formulation of capacity development (CD) strategies.” It is integral to the planning and programming process, as the understanding of capacity assets and needs will serve as key inputs into the formulation of capacity development response strategies. Moreover, the indicators used to measure capacity assets serve as a foundation for the subsequent monitoring and evaluation of capacity development.

The Capacity Assessment Framework is composed of three dimensions:

- Dimension One: POINTS OF ENTRY

UNDP recognises that a country's capacity resides on different levels – enabling environment, organization and individual – and thus needs to be addressed across these levels<sup>10</sup>.

■ The individual level is the first and basic unit of capacity, in whom skills and knowledge are vested.

<sup>10</sup> Lopes, Carlos and Thomas Theisohn. 2003. Ownership, leadership and transformation: can we do better for capacity development? UNDP.

<sup>9</sup> A Brief Review of 20 Tools to Assess Capacity, Capacity Development Group, Bureau for Development Policy, UNDP, August 2005.

- The organizational level<sup>11</sup> provides the framework for individual capacities to connect and achieve goals beyond the capability of one or even a few people. They also offer continuity and act as a repositories of knowledge and experience, reducing dependency on single individuals, while enabling access to accumulated knowledge.
- The enabling environment level encompasses society as a whole, and especially of a country and its governance. It provides an ethos that largely determines the value system within which people and the economy function – embracing elements such as trust, honesty or concern for the poor, and conversely corruption and greed. The importance of this level of capacity was not fully appreciated until quite recently, with most efforts focusing on individuals and/or institutions. But experience has shown that externalities such as corruption, governance systems or conflict-prone attitudes are extremely resilient to change and have impeded many capacity development initiatives.

Why is the point of entry important?

Because you have to start off somewhere in conducting a capacity assessment. A clear objective for a capacity assessment will help you define your point of entry. Do you need to start at the individual level? Or the organizational level? Or the enabling environment level?

A capacity assessment may be used to conduct an assessment of the enabling environment of a national or sub-national entity, for example. Or it

<sup>11</sup> This reflects an update to UNDP's definition of "capacity" in that it refers to "organizations" rather than "institutions." Generally speaking, the organizational and institutional development literature distinguishes the levels of development by adding different emphasis and detail; there is general agreement that individual is the first level, followed by various combinations of organization, inter-organizational, institutional, societal and enabling environment. Douglass North places organization in a development context by defining it as "made up of groups of individuals bound together by some common purpose to achieve certain objectives. Organizations include political bodies (political parties, the Senate, a city council, regulatory bodies), economic bodies (firms, trade unions, family farms, cooperatives), social bodies (churches, clubs, athletic associations), educational bodies (schools, universities, vocational training centers)." North distinguishes organizations and institutions by stating that an institution constitutes "humanly devised constraints that structure human interaction."

may be applied to organizations in the public sector, such as a ministry, a department or a special office such as the Auditor General's. Or it may be conducted with private, non-profit or civil society organizations. The specific assessment questions and capacity indicators will then vary according to the objective/s of the capacity assessment, and the point of entry selected.

Capacity assessments at the individual level are generally conducted within the context of an organizational assessment; for example, they may be used to identify programme champions or change agents. Wide-scale individual performance appraisals, on the other hand, are generally carried out through performance management systems and are the responsibility of the countries or organizations concerned. As such, this capacity assessment methodology does not address individual capacity assessments in detail, but focuses on the enabling environment and organizational levels.

It should be noted that "these layers of capacity are interdependent. If one or the other is pursued on its own, development becomes skewed and inefficient."<sup>12</sup> This means that any assessment will be inadequate if it does not take into account conditions and dynamics that reside across all levels of capacity. It is therefore prudent, regardless of the point of entry, to expand the assessment to the other levels by "zooming in" and "zooming out." For example, an initial assessment that looks at a particular ministry may be expanded or zoomed out to look at the broader financial policies and links to national planning and expenditure management and to the functions of other ministries. On the other hand, it may also look into the finer details or zoom in on human resources and capacity dimensions of individuals within the ministry.

## • Dimension Two: CORE ISSUES

You have seen these mentioned in the previous section. There are four core development issues that UNDP is most often called upon to address, and it is not necessary to analyze all these issues in any given assignment. You will have to go back to the objective and the entry point in selecting which core issues to include in your capacity assessment. Let us take a look at them.

<sup>12</sup> UNDP's Capacity for Development: New Solutions to Old Problems

❖ **Institutional Development.** Well functioning national and local institutions are key to ongoing societal, economic and human development. By developing capacities on this scale, countries create a strong foundation for achieving key goals, such as reducing poverty, promoting effective and democratic governance, and fostering inclusive growth. It is this domestic capacity that is a precursor to sustainable growth. The scope of institutional development, in the context of a capacity assessment, focuses on four key elements: 1) mission and strategy; 2) business processes; 3) human resource management; and 4) information and communications technology. This scope applies to the enabling environment (with a focus on policy and regulatory frameworks, multi-institutional mandates and strategies, and coordination and partnering processes) as well as the organizational level (with a focus on discrete entities).

❖ **Leadership.** The relationship between capacity development and leadership is a fundamental one: fostering good leadership maximizes and protects investments in capacities within the enabling environment, as well as at the organizational and individual levels. Poor leaders can set efforts back by decades, and twist ownership to suit their own agendas, gearing it toward a culture of entitlement or excessive nationalism that is detrimental to capacity development. Successful leadership results in enhanced understanding, improved relationships, and greater collective effectiveness among working teams and their partners. Since people with overlapping goals have a better sense of how parts of the system fit together, good leaders build upon relationships and trust, mobilizing energy in a way that is sustainable, fosters ownership and generates commitment. Leadership development is thus an important response to capacity challenges. Among capacities assessed in this category are the abilities to foster ownership; manage relationships with key external stakeholders, including the ability to negotiate; develop, communicate and give direction on vision, mission and values; develop and implement a system

for overall management; and create an environment that motivates and supports individuals.

❖ **Knowledge.** Capacity development is underpinned by knowledge, or literally, what people know. Knowledge can be developed at a variety of levels (national vs. local, secondary vs. tertiary) and through a variety of means (traditional vs. formal, vocational vs. secondary). Traditionally, knowledge has been fostered at the level of the individual through training. However, the dissemination of knowledge can also occur at the level of the organization (through professional training and education, for example) and at the level of the enabling environment (through the development of education systems and educational policy reform).

❖ **Mutual Accountability.** An efficient, responsive, transparent and accountable public administration is not only of paramount importance for the proper functioning of a nation; it is also the basic means through which government strategies to achieve the MDGs can be implemented. Public administration is also the main vehicle through which the relationship between the state and civil society and the private sector is realized. Assessing capacities to manage and support an accountable public administration and ensure the reforms required, often on a long-term and sustained basis, is essential to effective governance and to providing a sound basis for equitable development. This category pertains to the capacity to ensure accountability through prevention and enforcement; strengthen national integrity institutions; increase public participation and build coalitions; increase mobilization, access to and use of information; and work with the international community.

#### • Dimension Three: FUNCTIONAL CAPACITIES

As discussed earlier, within any capacity level (enabling environment, organization, or individual) and across all core issues are functional capacities that are necessary for successful creation and management of policies, legislations, strategies and

programmes. These five cross-cutting, functional capacities are:

- ☞ Capacity to engage with stakeholders
- ☞ Capacity to assess a situation and define vision and mandate
- ☞ Capacity to formulate policies and strategies
- ☞ Capacity to budget, manage and implement; and
- ☞ Capacity to monitor and evaluate.

Integrating all three dimensions then will guide your capacity assessment. In summary:

- ✓ One, articulate well the objectives for the capacity assessment
- ✓ Two, identify the most appropriate entry point (enabling environment, organizational, individual)
- ✓ Three, identify core issues that needs to be addressed initially within the identified entry point to support the objective.
- ✓ Four, identify the functional capacities that need to be enhanced to address the core issues, which will include defining capacity indicators to determine current capacity assets and project desired future capacity levels. In this step, you may need to zoom in or zoom out as necessary to the other levels to address relevant core issues and functional capacities.

We will go through these in detail in the succeeding exercise.

## CONDUCTING A CAPACITY ASSESSMENT

Now that you know the theory and the framework, let us see how they are applied.

### The Capacity Assessment Team

What would be the ideal composition of the capacity assessment team then?

Ideally, the assessment management team should include a combination of expertise, specifically those familiar with 1) the national/local context; 2)

the specific content or sector under assessment; and 3) the capacity assessment methodology. The team could also be complemented with experts in cross-cutting issues, i.e., human rights based approach and gender equality. Regardless of the approach, an assessment “owner” (ideally the government or the partner requesting the assessment) should be assigned to manage the overall process. In addition, a Facilitator (usually the UNDP Focal Point) should be assigned to facilitate the CA process and liaise between the Owner/Requesting Partner and the Capacity Assessment Team. The Capacity Assessment Team Leader (usually a UNDP staff or a consultant) manages the overall technical part of the assessment, including discussions regarding assessment scope and scale; adaptation of the Capacity Assessment Framework; execution of the assessment, including quantitative and qualitative data collection; and interpretation of assessment results as they lead to the formulation of capacity development response strategies. From experience, it is ideal to have a combination of international and national consultants in the team.

In summary, the assessment team’s role would fundamentally be a facilitating function, and some of its key responsibilities will include the following:

- ☑ clarifying with the partner or client the objectives and scope of the assessment
- ☑ guiding the assessment process, including scheduling a number of assessment consultation meetings with your partner/client
- ☑ facilitating and ensuring the participation of key stakeholders in the assessment
- ☑ facilitating the formulation of capacity assessment indicators using the capacity assessment worksheets (you will see this later)
- ☑ consolidating and presenting the capacity assessment results
- ☑ recommending initial capacity development strategies to address priority capacity needs in consultation with the partner/client

## How does a capacity assessment start?

In general, the UNDP capacity assessment methodology largely advocates for and follows a self-assessment approach. In some cases though, a self-assessment process may not be appropriate. In any case, a clearer picture of the partner/client's capacity needs would emerge if the capacity assessment results are validated and triangulated with complementary independent observation and results analysis, where possible, such as:

- a) background documents (e.g., mission/vision statements, mandate, staffing, annual reports, etc.) and available reports/publications by (and about) the partner/client; and
- b) information from external key informants (e.g., donors, other ministries/agencies, civil society organizations, etc.) who have first-hand knowledge and information about your partner/client and who may also raise potential capacity needs.

A capacity assessment is usually initiated through a request from the government or a UNDP partner institution, and an agreement between the government/requesting institution and the UNDP country office that such an activity will play a significant contribution to the accomplishment of joint programmes. This expressed need from the

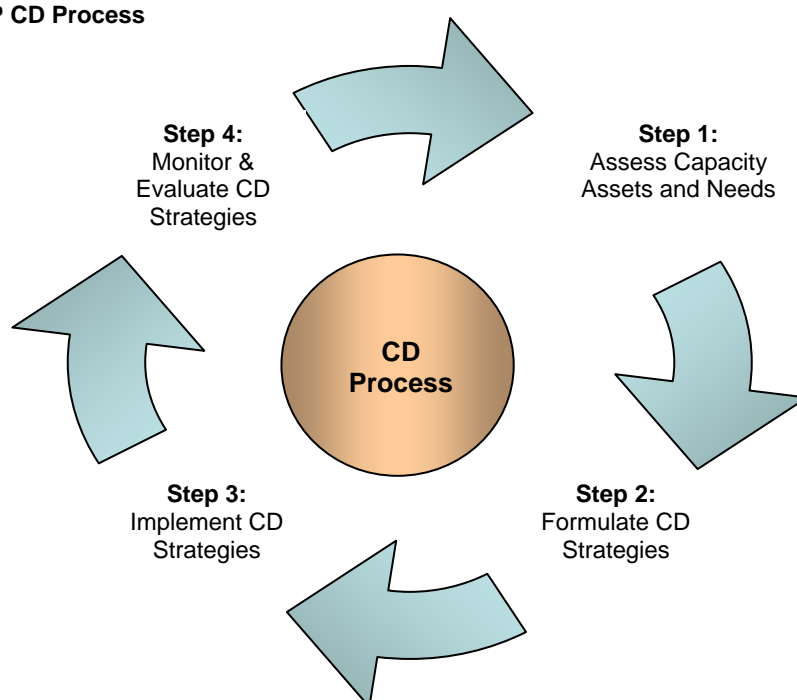
government or the primary client is very important in ensuring ownership of the capacity assessment process as it serves as a direct response to an articulated demand. Some capacity assessments in the region for example, started from the following:

- ☑ a government or partner request to the UNDP country office requesting specifically for a capacity assessment of a ministry or agency (or several ministries) as part of a public sector reform agenda, an internal restructuring, or in response to international agreements
- ☑ a joint UNDP country office and government initiative to develop a support programme or project, starting with a capacity assessment to inform and guide the priority activities to be implemented under the project
- ☑ a UNDP country office initiative to see how to incorporate a stronger capacity development support to its on-going project or programme

Once an agreement is reached to conduct a capacity assessment, a Facilitator (a UNDP staff or an external consultant) should be involved to guide the entire process. Assuming that the Facilitator (or Facilitating Team) has already been identified and recruited, you are now ready to proceed with your capacity assessment.

You may recall the capacity development process shown to you in Session 4. Let us take a look at it again.

**Figure 4. UNDP CD Process**



There are four key steps to this cycle; each step has sub-activities, and we will take a look at them one by one.

## Step 1. ASSESS CAPACITY ASSETS AND NEEDS

This particular step – as well as Step 2 – will be the main focus of the attention of the CA Facilitator or the Facilitating Team in the capacity assessment process. At the end of the capacity assessment, a set of priority capacity development strategies is expected to be recommended by the Facilitator/Facilitating Team based on CA results. As a Facilitator, some of the key steps you may have to follow are outlined hereunder.

### Step 1.1 Clarify the capacity assessment objectives and expectations of the primary client (*Why do you want a capacity assessment?*)

This is very important -- having a clear and open dialogue with the primary client on the specific objectives of the capacity assessment and priority issues of concern will enable you to effectively focus the assessment exercise. In addition to defining the valid scope of the exercise, clear objectives and expectations will allow you to avoid potential conflicting objectives or political interests.

The questions you will have to ask your primary client will include:

- ☒ What are your objectives for conducting the capacity assessment?
- ☒ How do you intend to apply the results of the capacity assessment?
- ☒ Are there specific issues that you would like the capacity assessment to focus on? (*Note: the client may be able to identify general or technical issues only, e.g., strengthen policy frameworks and enabling environments for good governance; aid coordination and management; local public service delivery, etc. – it will be up to the Facilitating Team to directly link them to functional capacities*)
- ☒ What scope (which ministries/departments/organizations, etc.) do you want to have in the assessment?

- ☒ What is your timetable for completing the capacity assessment exercise? (*Note: this is very important as a short timeline will allow you only to focus on a few priority capacity issues*).
- ☒ Are you committed to seeing the capacity assessment process through?
- ☒ Who will serve as the organization's liaison or focal point/s for the assessment process?

### Step 1.2 Identify and Engage Stakeholders throughout the Process (Who should we involve?)

This capacity assessment methodology follows a self-assessment approach, to ground the process in local ownership and commitment to change. It is an inclusive process, and the facilitators must avoid an assessment process being perceived as intrusive, or even punitive, or which risks undermining the confidence of the leadership among the local partners. The client should therefore understand that it is not only the leadership who will be providing information about the capacity level of the organization, but also key staff members who may represent different departments, staff levels or units, or staff associations.

To identify the internal stakeholders who will be involved in the exercise, a typical consultation process is described below:

- ☒ The organization's leadership, together with the CA Facilitators, meets and clarifies the objectives, initial scope of the exercise, and number of staff members to involve in the exercise. The CA Facilitators could also recommend the sampling frame for staff member involvement, based on their review of the organizational structure and staffing of the organization.
- ☒ A first consultation meeting is scheduled to present and refine the CA objectives and workplan, and generate organizational ownership and commitment on the CA exercise. Initially identified CA participants are



invited, and discussions should also include the possibility of involving other staff members who will be critical to the process but may have not been included in the initial list.

- ☑ To be presented in this initial consultation are the following, among others:
  - ✓ The objectives of the capacity assessment, its scope, and timetable of activities
  - ✓ Responsibilities of the CA participants and the facilitating team
  - ✓ The capacity assessment methodology
  - ✓ Identification of focal points to participate in further designing and analyzing the assessment indicators and results together with the Facilitating Team
- ☑ Consultation meetings should also be conducted to disseminate, review, validate and build consensus on the results of the assessment, particularly on the priority capacity issues and priorities for the subsequent capacity development programme.

### Step 1.3. Adapt the capacity assessment framework to local needs

Now that you have your facilitating team and identified the focal points from the organization, your initial task is to design the assessment to ensure that it answers two key questions: “capacity for whom?” and “capacity for what?”. Key steps to this are:

- ☑ Reviewing existing sources of information and knowledge

A regular first step in any research or programming. As noted in the previous section, available documentation on relevant policies, organizational structures and mandate, staffing, project files, research and analytical pieces, publications, etc., will guide and inform the focus and flow of the capacity assessment process. One of

the first steps therefore is to find out if similar assessments have been conducted in the past or are on-going, and how relevant the information is to the current exercise. This will help minimize the amount of new research and data collection that will be carried out.

- ☑ Defining the scale and scope of the assessment by selecting the point of entry, core issue/s, and functional capacity/ies

The point of entry will be the jump off point for the assessment, the identification of which will be guided by the objectives of the assessment, and can be informed by a review of available materials/documentations. However it is important not to lose sight of the interrelationships among the three capacity levels (enabling environment/organizational/individual. It is possible also that in the course of the assessment, one discovers that the roots of the problem lies elsewhere than initially expected, and therefore the assessment focus and scope may shift. For example, in many cases, a ministry or organization serves as the entry point, and in the course of the scoping it is discovered that other ministries, organizations or existing policy frameworks are actually contributing to the problem, and therefore need to be looked at as well.

Once you know your entry point, identify the core issues that you want to address to respond to the CA objectives. Do you need to look at all these core issues or would a selective analysis suffice? You may also need to check whether there are previous studies that have looked at some of these core issues. Similarly, it is important to select those functional capacities that will provide meaningful and actionable insights to the needs of the organization; you may not need to assess all five functional capacities.

It is also important at the outset to determine whether the core issues or the functional capacities will be the driver of the capacity assessment. A sample table below shows two possible scenarios for scoping:

Table 1. Possible scenarios for scoping

Scenario 1:	Scenario 2:
Entry Point: Department of Coastal Resources	Entry Point: Department of Planning
Core Issue: Institutional Development ← <i>driver</i>	Functional Capacity: Policy and Strategy Formulation ← <i>driver</i>
Functional Capacities: <ul style="list-style-type: none"> <li>❖ Situation Analysis and Creating a Vision/Mandate</li> <li>❖ Budgeting, Management and Implementation</li> <li>❖ Monitoring and Evaluation</li> </ul>	Core issues: <ul style="list-style-type: none"> <li>❖ Leadership</li> <li>❖ Mutual Accountability</li> </ul>

- ☑ Agreeing on the data collection approach and analysis

In general, it is better to collect the minimum amount of information to answer the assessment questions. Decisions therefore have to be taken about the kinds of information to collect and the data collection techniques to use. It will be useful to reflect back on the purpose of the assessment and take into account the following considerations:

- How important is it to collect hard quantitative evidence, as opposed to softer qualitative information?
- What kind of balance needs to be struck between external assessment and self-assessment?
- How important is it that the process of data collection is

participatory and encourages learning?

- To what extent is it necessary to collect data sets that can be compared over time as a measure of change?
- What is the value of data collection? Is it to emphasize strengths and opportunities that can be built upon? Or is it to focus on gaps and constraints? How will all the information that will be gathered input into the CD strategies?

The methodology selected, e.g., self-assessment, interviews, etc., determines who participates in the assessment exercise. Generally, a variety of perspectives should be gathered, which may suggest

### Box 3

*A variety of different information sources will be tapped and a variety of data collection techniques will be used.*

- *A case study approach that relies on multiple sources of information and data collection techniques is useful.*
- *Stakeholders can provide facts and figures, as well as opinions and insights.*
- *Politicians, researchers and other opinion leaders at all levels of society can be the source of valuable information pertaining to broader socio-cultural, political and economic trends.*
- *Managers and employees of an institution are best placed to say what works in their institution and where difficulties lie. They can also distinguish the formal institutional set-up, rules and procedures from the way things are practiced on a day to day basis.*
- *Customers or the public at large, can indicate their level of satisfaction with service delivery.*

*A variety of social science data collection techniques can be used to obtain such information, including: semi-structured, one-on-one interviews; sample questionnaires; focus group discussions; surveys of end users, e.g., client satisfaction surveys or scorecards; workshops; and self-assessment instruments.*

collecting input from people at various levels of an organization, e.g., director level and staff, central level and field, line and staff professionals. The methodology also determines where the exercise will be conducted, e.g., in the field, in a conference room, and by

#### Step 1.4 Developing the capacity assessment worksheets

What form will the assessor(s) fill-up then, you ask. We now come to the Capacity Assessment Worksheets.

The CA self-assessment process involves developing 'capacity assessment worksheets' by defining a selection of one or more cross-sections of entry points, core issues, and functional capacities plus the capacity development indicators. You are by now familiar with the core issues and the functional capacities. How then do we develop the indicators?

##### Capacity Development Indicators

Developing the capacity statements or indicators is part of the adaptation of the capacity assessment methodology to local needs and contexts. Some potential capacity statements or indicators are provided in the user guide (please see Annex), which you can use or further modify in adapting the worksheets to your needs. You may also come up with new guide statements or indicators in addition to the pre-defined indicators in the user guide.

whom, e.g., with a full-scale team or a one-person "pencil and paper" assessor. If there are representatives from varying levels of an organization, the assessment facilitator may want to separate the levels to foster a more open and candid dialogue.

sample worksheet is shown on the next page. It has ten (10) major sections and may look daunting, but is relatively easy to develop and fill-up. Each section is discussed in a separate table that follows the sample worksheet.

##### The Capacity Ratings

An assessment is made for each capacity statement or indicator in each cross-section of the worksheet. For a quantitative assessment, numerical ratings are given reflecting the level of current capacity. For a qualitative assessment, a short narrative is given to provide evidence to support the rating. The levels of capacity are rated according to five categories, and may be defined as follows:

- 1 Very Low No evidence of relevant capacity
- 2 Low Anecdotal evidence of capacity
- 3 Medium Partially developed capacity
- 4 High Widespread, but not comprehensive, evidence of capacity
- 5 Very High Fully developed capacity

#### **Box 4**


 *In some cases, the assessment team may need to translate the worksheets into the local language to allow greater understanding of the indicators and encourage more active participation of the assessors.*

Table 2. Sample Capacity Assessment Worksheet

<p>Functional Capacity: Budget, Manage and Implement <b>1</b></p> <p>Development Issue: Leadership <b>2</b></p> <p>The relationship between capacity development and leadership is a fundamental one: fostering good leadership maximizes and protects investments in capacities within the enabling environment, as well as at the organisational and individual levels. Successful leadership results in enhanced understanding, improved relationships, and greater collective effectiveness among working teams and their partners. Leadership development is thus an important response to capacity challenges.</p> <p><i>Desired capacity: ABC leadership needs to have the capacity to effectively, efficiently and accountably manage the organization at the central level and guide programme implementation at the local level.</i></p>													
<p>Please indicate a capacity rating for each guide statement:</p> <ol style="list-style-type: none"> <li>ABC leadership has the capacity to translate strategic and operational objectives into an appropriate organizational structure, with accompanying management levels, functions and responsibilities.</li> <li>ABC leadership has the capacity to decentralize resources and decision-making to the most appropriate level.</li> <li>ABC leadership has the capacity to guide implementation, i.e., be clear in what is expected of ABC and what ABC can expect from ministries/agencies/donors/localities <b>3</b></li> <li>ABC leadership has the capacity to document and use lessons learned from capacity development projects for policy formulation and implementation</li> <li>ABC leadership has the capacity to create a working environment that is free from corruption</li> </ol> <p>Potential Indicators:</p> <ul style="list-style-type: none"> <li>Alignment of ABC's structure with its programmes and activities</li> <li>Measurable indicators for programme implementation</li> <li>Clarity of goals and priorities among all ABC staff</li> <li>Responsiveness of ABC leaders to emerging capacity needs and issues within the civil service</li> </ul>	<p>Rating <b>4</b></p>	<p>Strengths <b>5</b></p> <hr/> <p>Areas for Improvement <b>6</b></p>											
<p>Evidence <b>7</b></p>													
<p>Score/Rating:</p> <table border="0"> <tr> <td>1 Very Low</td> <td>No evidence of relevant capacity</td> <td rowspan="5"><b>8</b></td> </tr> <tr> <td>2 Low</td> <td>Anecdotal evidence of capacity</td> </tr> <tr> <td>3 Medium</td> <td>Partially developed capacity</td> </tr> <tr> <td>4 High</td> <td>Widespread, but not comprehensive, evidence of capacity</td> </tr> <tr> <td>5 Very High</td> <td>Fully developed capacity</td> </tr> </table>			1 Very Low	No evidence of relevant capacity	<b>8</b>	2 Low	Anecdotal evidence of capacity	3 Medium	Partially developed capacity	4 High	Widespread, but not comprehensive, evidence of capacity	5 Very High	Fully developed capacity
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2 Low	Anecdotal evidence of capacity												
3 Medium	Partially developed capacity												
4 High	Widespread, but not comprehensive, evidence of capacity												
5 Very High	Fully developed capacity												
<p>Write <u>Average</u> Rating/Score that Best Reflects Current Capacity of Leadership for Budget, Manage and Implement <b>9</b></p>	<p>Write Rating/Score that Best Reflects Expected Capacity (in 2010) of Leadership for Budget, Manage and Implement <b>10</b></p>												

**Table 3: Sample Capacity Assessment Worksheet – What it stands for**

Section No.	What it stands for
1	The driver. In this example, the driver for this assessment worksheet is “Budgeting, Management and Implementation”, and core issues were identified to support this driver.
2	The core issue – in this case organizational “Leadership” is being assessed with regard to its capacities for budgeting, management and implementation
3	Guide Statements and Indicators. This is the heart of the worksheets, with each guide statement/indicator developed jointly by the Facilitating Team and representatives of the primary client, to assess the level of capacity of the organization with regard to the Driver and the Core Issue. The statements are formatted as “agree/disagree response tasks”, such that for each statement, the assessor(s) has to indicate a rating of 1-5 to indicate the perceived capacity rating for that specific statement.
4	The rating column provides the space where the assessor(s) will indicate the perceived capacity rating for each capacity statement/ indicator.
5	This space allows the assessor(s) to provide qualitative descriptions of the strengths of the primary client with regard to the Driver and the Core Issue
6	This space allows the assessor(s) to provide qualitative descriptions of the areas for improvement or weaknesses of the primary client with regard to the Driver and the Core Issue
7	Evidences. This section allows the assessor(s) to provide evidences that would support the rating (e.g., existing guidelines, policies, memoranda, researches conducted, etc.), and reduce biases in the self-assessment processes.
8	Rating. This section provides a quick reference guide for the assessor(s) of each rating category.
9	Average Current Capacity Rating. This section provides the space for the assessor(s) to indicate the overall capacity rating for that particular core issue and functional capacity by averaging the individual ratings in Section 4.
10	Desired Future Capacity Rating. This section provides the space for the assessor(s) to indicate their desired capacity rating in the future (timeline to be set, e.g., in 3 years, 5 years, etc.) to be able to effectively carry out their vision/mandate

It is important that the assessment team discuss the capacity levels prior to conducting an assessment to ensure a common understanding regarding the interpretation of each level. The team should adjust the level of definitions as it sees fit. The team should also determine prior to conducting an assessment what will be done with the results, e.g., will they be used to compare across entities (e.g., institutions, districts), and if necessary, ensure consensus on definitions across assessment teams.

### Defining Desired Future Capacities

UNDP's capacity assessment approach starts with a definition of desired future capacities, so that an assessment team is not biased or constrained by the universe of existing capacities. Once an assessor(s) receives the worksheet, it is therefore the bottom right column that needs to be filled up first.

Having said this, UNDP recognizes that it is important to approach an assessment with the perspective of building upon capacity assets that already exist (as opposed to a starting point on no capacity); with this perspective, it is easier to create viable capacity development response strategies that nurture and reinforce existing capacities to grow from within. In the course of this process, perceived capacity needs are naturally pointed to as well.

### Assessing Existing Capacity Levels: Using the Capacity Ratings

Depending on the best approach agreed upon by the assessment team and the primary client, the worksheets may be filled up individually or in groups (e.g., by staff members of

same level, by unit, by district office, etc.). Assessors will refer to the guide statements/indicators in each workshop, and note down their perceived capacity rating for each indicator. Evidence/s for each indicated rating should be provided in the appropriate space; ratings are then computed and the average rating should be indicated in the bottom left column. Other sections in the worksheet should also be completed.

As noted in the previous sample worksheet, there is five-point rating to indicate current capacity levels:

- 1 Very Low No evidence of relevant capacity
- 2 Low Anecdotal evidence of capacity
- 3 Medium Partially developed capacity
- 4 High Widespread, but not comprehensive, evidence of capacity
- 5 Very High Fully developed capacity

It is critical that the assessment team has a common understanding of each capacity rating, which should be clearly articulated to, and likewise understood by, the assessors prior to the actual assessment.

Assessors may be given at least one day to complete all the worksheets, after which these are collected by the assessment team and summarized.

For group assessments (e.g., one group of staff members completing only one set of worksheets), effective facilitation may be crucial. As noted earlier, in some cases it may be necessary to divide the groups by level (e.g., staff members, managers, directors, etc.) to allow a more candid discussion and rating of capacity indicators.

### Summarizing and Interpreting Results

Once the assessments have been completed, the worksheets are collected and the results tabulated. An MSeExcel CA Support Tool has been developed by UNDP to assist in summarizing the results, or you may create your own summaries using any available worksheet software. The quantitative results may immediately give you some priority capacity issues, based on the capacity indicators receiving the lowest ratings, from the perspective of the primary client. It will also immediately show you the gap between the desired versus the existing capacity levels in the organization. This comparison of desired versus current capacity levels will help the assessment team

determine the level of improvement required, and thus provides direction, extent, and focus of the capacity development response strategies that will be formulated following the assessment results.

In some cases, the information gathered from various sources (e.g., from interviews with development partners, beneficiaries and clients, etc.) may provide conflicting insights. The assessment team may consider further exploring those areas in question, either formally through continued assessment or informal discussions with key stakeholders.

A sample summary of assessment results is presented on the next page.

Table 4 Sample Summary Assessment Results

Core Issue and Capacity Statements/Indicators	Current Level	Desired Level (by 2010)
<b>Functional Capacity: Situation Analysis and Creating a Vision and Mandate</b>		
Core Issue 1: Leadership Capacity Statements/Indicators:		
1. ABC leadership has the capacity to develop a long-term vision for ABC.	2.67	
2. ABC leadership has the capacity to initiate and guide the design and management of effective capacity development programmes/plans for the civil service	1.82	
3. ABC leadership has the capacity and influence for effective policy formulation, implementation and monitoring towards enhancing positive impacts of the coaching/mentoring approach	2.22	
4. ABC leadership has the capacity to coordinate with other ministries, agencies and localities to ensure effective data collection, and information systems, for effective policy formulation, implementation and monitoring.	2.55	
<b>Avg capacity rating for cross-section of Situation Analysis/Visioning &amp; Leadership</b>	<b>2.31</b>	<b>3.09</b>
Core Issue 2: Policy and Legal Framework Capacity Statements/Indicators:		
1. ABC has the capacity to understand information needs that will guide the effective formulation of policies and programmes to enhance civil service capacities in the country.	2.50	
2. ABC has the capacity to coordinate with other ministries/agencies/donors to develop and implement a standard procedure or system for civil service capacity development	2.08	
3. ABC has the capacity to review and analyze lessons learned and emerging issues on civil service capacity development programmes and initiatives in the country.	2.22	
4. ABC has the capacity to align and integrate the office's workplan and budget to national planning and budgeting processes.	2.66	
5. ABC has the capacity to develop a common reporting system among government and donors.	2.50	
<b>Average capacity rating for cross-section of Situation Analysis/Visioning &amp; Policy/Legal Framework</b>	<b>2.40</b>	<b>3.16</b>
Core Issue 3: Mutual Accountability Mechanisms Capacity Statements/Indicators:		
1. ABC has the capacity and tools to effectively monitor and evaluate internal performance as well as the performance of its fielded coaches/advisors	1.97	
2. ABC has the capacity to develop mechanisms for receiving and processing suggestions and complaints on the performance of fielded advisors and coaches.	2.11	
3. ABC has the capacity to systematically document good practices in capacity development approaches, methodologies and tools for the civil service.	2.13	
4. ABC has the capacity to provide timely access to information on its programmes and activities to its clients and partners.	2.30	
<b>Average capacity rating for cross-section of Situation Analysis/Visioning and Mutual Accountability Mechanisms</b>	<b>2.13</b>	<b>2.93</b>
Core Issue 4: Participation of Stakeholders in Developing a Long Term Vision & Strategy Capacity Statements/Indicators:		
1. ABC has the capacity to engage its clients, partners and other stakeholders in developing a long term vision and strategy that would directly respond the capacity development needs of the civil service	2.28	
2. ABC has the capacity to influence ministries/ agencies/donors to ensure that effective capacity development approaches and methodologies, including effective coaching and mentoring, are integrated in national development plans.	2.33	
<b>Average capacity rating for cross-section of Situation Analysis/Visioning and Stakeholder Participation</b>	<b>2.31</b>	<b>3.71</b>
<b>Overall Level of the Organization for Analyzing a Situation and Creating a Vision</b>	<b>2.29</b>	<b>3.22</b>
<b>Capacity Gap</b>	<b>0.93</b>	



Let us analyze the data shown in the table above.

- As you can see, the number of indicators may vary for each cross-section. There are not fixed rules as to the number of indicators or to the way the indicators should be phrased, as long as the assessment team and the primary clients agree that they represent the capacities that should be assessed. In some cases, capacity statements may be phrased as questions, depending on the comfort level
  - The lowest ratings for each cross-section above have been encircled, and hover either immediately below or above 2.0. The overall average is computed as 2.29. If you will recall the capacity rating, a rating of 2.0 indicates “anecdotal evidence” of capacity exists, which means that there are no written or documented evidences of the capacity in question. This can indicate that the organization has to put in more effort to document and disseminate their policies, experiences, projects, to substantiate the capacities that they ‘claim’ to possess.
  - The encircled ratings indicate the lowest rated capacities for each cross section. These therefore immediately indicate the capacity priorities for the organization. If we will pick the lowest for each cross section, the ABC Agency’s priority capacity needs for Analyzing a Situation and Creating a Vision and Mandate are:
    - ❖ Enhancing leadership capacity in initiating and guiding the design and management of effective capacity development programmes/plans for the civil service
- and agreement between the assessment team and the primary client.
- The indicators look mostly at organizational capacities (e.g., systems, leadership, reporting, etc.) but also allow the zooming out to the enabling environment level (e.g., inter-ministerial/inter-agency coordination, policy formulation) and zooming in to individual capacities (e.g., documentation of good practices, strategic planning, etc.)
  - ❖ Capacity to coordinate with other ministries/agencies/donors in developing and implementing a standard procedure or system for civil service capacity development
  - ❖ Capacity and tools to effectively monitor and evaluate internal performance as well as the performance of its fielded coaches/advisors
  - ❖ Capacity to engage with clients, partners and other stakeholders in developing a long term vision and strategy that would directly respond to the capacity development needs of the civil service
  - ❖ The desired future capacity level was computed as 3.22 -- a 0.93 point gap therefore exists between the present level of capacity and the desired capacity level in five years. The desired capacity level indicates that the organization wants to move from anecdotal evidences (Level 2) to the next higher level of ‘partially-developed’ (Level 3).

## Preparing the Capacity Assessment Report

In preparing the capacity assessment report, it is important to include the process and methodology adopted, the stakeholders (internal/external) that were consulted, their perspectives and insights on the organization, a review and analysis of quantitative and qualitative information, and the resulting capacity development priority needs. The results should be reviewed, validated and enhanced through consultation meetings with the primary client, prior to finalization. A suggested format for a capacity assessment report is shown in Annex 1.

The question then to follow, once the results are in, is what capacity development strategies are needed to implement in the next five years to ensure that the organization's capacity level is indeed enhanced from 2 to 3?

We move on now to the formulation of capacity development strategies.

### **Step 2. FORMULATE CAPACITY DEVELOPMENT STRATEGIES**

The priority capacity needs defined from the capacity assessment drives the creation of capacity development response strategies and related action plans – the second step in the CD process. In order to complete this step, it is first important to recognize the key characteristics of CD strategies that should be considered in defining priority capacity investments. Please refer to Box 5.

#### 2.1 Define Appropriate CD Strategies

The UNDP approach focuses on the following capacity development strategies which may be applied to address capacity development needs in a variety of sectors and speak to integrated approaches to development.

**Institutional Reform and Incentives.** This involves process facilitation for change management, functional reviews, salary reform,

business processes, including project management and procurement capacities, among others.

**Leadership capacities**, particularly on negotiation, visioning skills, coaching and mentoring, ethics, advocacy and media.

**Education, Training and Learning**, including training methods, tertiary education curricula and investments, vocational education, on-the-job skills

**Accountability and Voice Mechanisms**, including capacities for peer reviews, citizen watch, monitoring and evaluation, stakeholder feedback, and public information campaigns.

These response strategies thus focus on the 'how' question (rather than the 'what') of addressing knowledge and skills gaps, management, ethics and vision gaps, as well as relational, participation and engagement gaps. For example, if 'leadership' is weak, how then do you strengthen it? For each identified priority capacity issue, the assessment team could therefore refer to any of the four capacity development strategies to think through specific responses.

The capacity development plan should consist of high-priority, short- to medium-term (one year or longer) initiatives and immediate (less than one year) quick-impact activities that build the foundation for ongoing capacity development as well as build momentum for the process.

#### **Box 5. Key Characteristics of Capacity Development Strategies !**

- They take a systemic approach to the capacity assets and needs in a country
- They require the engagement of multiple stakeholders, often across sectors, for integrated development
- They seed and support longer-term endogenous processes, and hence entail a mapping and understanding of endogenous capacities
- They guide and systemically strengthen specific skill sets in a results-based management approach (be it in a local and national setting)
- They facilitate information and knowledge sharing in the public domain, particularly to facilitate innovation and engagement on the political economy

## 2.2 Define Progress Indicators for CD Strategies

As in regular programme monitoring, indicators are needed to measure progress in the implementation of capacity development strategies. Establishing a baseline and target should therefore be established as well for each indicator. The process of monitoring progress will also allow the refinement of capacity development response strategies and potentially the design of new initiatives to address evolving needs.

### Step 3. COST CAPACITY DEVELOPMENT STRATEGIES

The best developed policies and programmes will go nowhere without appropriate funding. It is therefore critical that the capacity development strategy options and related action plans are accurately costed in order for the team to realistically determine the extent of funding required for implementation. The issue of funding capacity development strategies arising from the assessment should also be considered and discussed in the initial stages of the assessment process, as it may have implications on the utility of the capacity assessment results.

Input-based budgeting process for shorter-term capacity development actions and strategies may be used in costing capacity development strategies. Input-based budgeting is based on known, quantifiable inputs, e.g., number of consultant-days, number of consultation sessions, translation costs, capacity development pilots, etc. Based on its assessment, costing and available funding, the team may need to revisit its capacity development strategies.

A team should strive to define indicators that are SMART: Specific, Measurable, Attainable, Relevant, and Time-bound. The challenge is to go beyond monitoring and evaluation that is project- or programme-based and viewed in terms of inputs and outputs, but rather to one that is viewed in terms of outcomes.

Less straight-forward is the process for determining or projecting costs required for longer-term capacity development. Here it is important to recognize the dimension of imputed costs, and the separation of sectoral capacity development costs versus cross-cutting capacity development costs. There are costs still that may be “uncostable”. If an assessment team feels that these costs cannot be accurately projected, it is suggested that this costing exercise be limited to an actual costing of inputs in order to avoid any issues of credibility or legitimacy.

### Monitoring Change in Capacity and Evolving Capacity Development Impact

The capacity assessment exercises need not be a one time activity – it is designed in fact to be introduced at any particular stage of a programme or project, and should be conducted regularly (e.g., every two years, five years, etc.) to monitor changes, whether positive or negative, in capacity of the clients as a result of the introduced capacity development strategies. The quantitative approach to the indicator systems allows the ‘tracker’ to compare easily the capacity change over time.

The monitoring and evaluation of capacity development is a complex task. One reason for this is that many factors influence the outcome of capacity development efforts, for example recession, war or natural disasters, which are beyond the control of governments and aid agencies and are not readily anticipated in the design of capacity development strategies. However, where the capacity assessment indicates that the overall context is not conducive to capacity development, the design of the strategy and

interventions should take this into account and should focus on feasible and achievable capacity development objectives.

Monitoring and evaluation is also complex because much of the post hoc assessment of capacity will inevitably involve qualitative rather than quantitative judgement. For example, the quality of policy-making includes the quality of the process through which policies are made, the degree to which consensus building is sought, and hence the acceptability of the policies themselves.

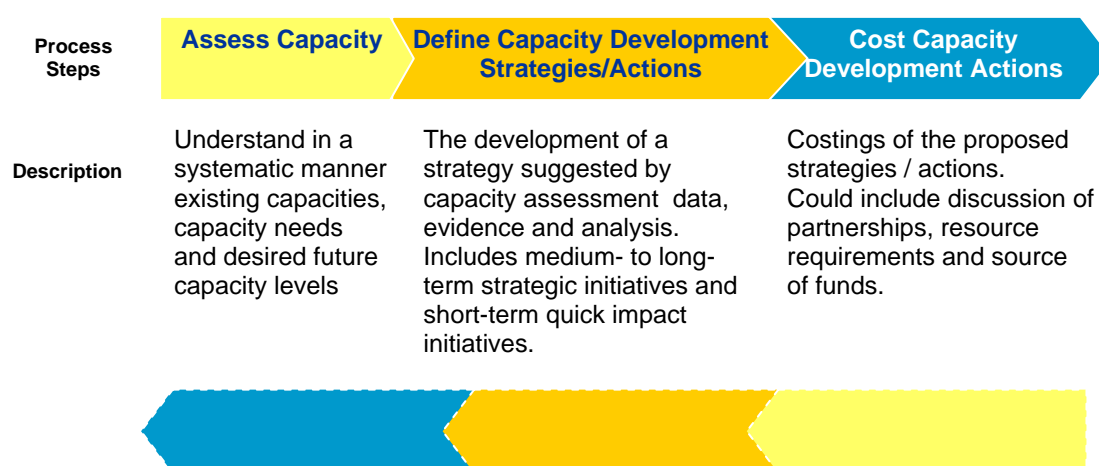
Benchmarks for monitoring and evaluation will be developed at the design stage, reflecting the priorities selected for interventions, based on the analysis of critical constraints. It is important, however, that the monitoring process is as broad as possible in examining progress or lack of progress since achievements may be hindered by constraints that were not adequately addressed at the design stage. The monitoring process will provide an opportunity to reorient interventions accordingly.

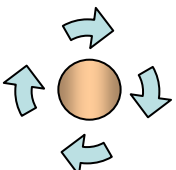
Even where functions are defined narrowly and involve the action of only one organization or organizational unit, performance is likely to involve the coordinated activities and interactions of many organizations. Therefore, monitoring and evaluation must encompass the task network, which, as discussed above, may involve private as well as public sector organizations.

Monitoring and evaluation are themselves important functions for which capacity may need to be developed, and should be included in the specification of functions at the design stage.

Figure 4 below consolidates the CA steps.

Figure 5. Steps in capacity assessments



<b>Training Guide</b>	
Day 1: Introduction to Capacity Development and Capacity Assessment	

## Session 6

### Simulation Exercise #1 – Working Group/Individual Exercises on Capacity Assessment

#### *Session Objective*

*The objective of this session is to provide the participants with a hands-on feel of the capacity assessment approach and methodology, through a simulation exercise. It is suggested that the participants use one of their existing projects/programmes for the exercise, to allow them to work on a situation that they are familiar with. Alternatively, a case study is likewise presented below.*

#### **Mechanics**

Participants will be divided into groups of six. Specific roles will be allocated to individual group members. Please make sure that you read, understand and play your respective roles. The time allocated for this first simulation exercise is 2 hours and 45 minutes.

Each group will be given a total of 30 minutes for each participant (2-3 minutes each) to present and share with the group a particular project or case study that he/she is working on and where a capacity assessment could be applied. At the end of all individual presentations, the group should agree on one project or case study that all group members will use as the subject of their capacity assessment simulation. While it is highly encouraged that participants use existing information through background documents and materials about the project or organization that will be assessed, the group may also come up with their own assumptions to address information gaps.

Such assumptions should be clearly articulated in the assessment report.

At the end of 2.45 hours, each group is expected to have completed the following capacity assessment inception report:

1. Primary client/s identified and objective/s of the capacity assessment defined
2. Scope of the assessment clarified (e.g., capacity assessment team established and individual responsibilities clarified, organizations to involve, internal staff members to consult, external partners to interview if any, preliminary workplan and duration of the assessment)
3. Core issues and functional capacities to assess identified; driver clarified.
4. At least one assessment worksheet for each cross-section developed with appropriate indicators.

Each group will also identify a group member who will make a 5-minute presentation of the group outputs under Session 7 in Day 2.

## Case Study: Capacity Assessment for Poverty Reduction

The Department of Local Government (DLG) within the Ministry of Interior has been tasked to facilitate and monitor the achievement of national development targets at the local level. The national government has prioritized poverty alleviation as one of its key targets – reducing the poverty rates by 25% from 2002 to 2010. The government has likewise initiated by 2003 new policies to generate local income, including lower interest rates for small business loans, providing a local investment fund managed by local government executives for small-scale enterprises, and allocated a bigger budget to the Department for Enterprise Development (DED).

However, by 2005 results showed the following trends:

- Of 32 provinces and 120 municipalities, only 22 provinces and 72 municipalities have shown marked improvement, with an average of 10% reduction in poverty rates. Other provinces have either no available data/statistics, or have shown no significant improvements.
- An analysis of leading provinces and municipalities showed the following: a) poverty reduction was directly correlated with increased local investments in small scale livelihood enterprises, tourist attractions, and infrastructure development; b) the income gap between men and women have been increasing; and c) seasonal fluctuations of income particularly in agriculture-dependent municipalities, causing disruption in education of children.

The Department for Enterprise Development (DED), under the Ministry of Science and Technology, has been tasked to introduce income generating technologies at the local level through local governments, and was given a higher budget allocation by the government to improve its own research and promotion activities. However, many local government executives complained that the technologies being introduced were not adapted to local resources and skills, often difficult to sustain, require financial investments that they have no access to at the local level, and in many cases

adequate technology transfers were not effected. Some of these were echoed by the business sector and local communities, who were mostly unaware of DED's initiatives. When interviewed by the media, the DED Director rejected these complaints, suggesting that their technologies been piloted and tested, and worked well in other countries and selected provinces/municipalities in the country. She countered that the decentralization policy of the country, which has given local governments full authority and autonomy to design and implement local development plans, should be revisited, citing that many local officials do not have the technical competencies to manage and develop their local jurisdictions. She further mentioned that many local government officials are not very cooperative, had their own priority investment targets or had initiated enterprise development activities, many of which had been unsuccessful or, even when successful, were not sustained when new local officials were elected. While showing this public face, it is known that the DED Director has internally and quietly mobilized her staff to address some of these issues, and is very keen on allowing private investments and bringing in new technology to modernize enterprises in the country. She however is not sure how to proceed further given that policies are not very clear.

DED and DLG have a history of conflict. In 2003, DED contended that DLG's role in issuing timber processing licenses and taxing timber at farmgate prices, with part of the earnings going to the local government where the timber are sourced as part of local revenue generation, raises the cost and erodes viability of small-scale tree plantations and timber processing industries at the local level. The Ministry of Environment has likewise noted that the DLG-led policy on small-scale tree plantations and timber processing industries is not environmentally-friendly, and that illegal loggers are taking advantage of policy loopholes.

No formal mechanisms exist for stakeholders (small businesses, local NGOs, community members, etc.) to dialogue with DED or DLG. Both DLG and DED have no local offices and have to rely on local councils to introduce, manage and monitor their local development initiatives. The Ministry of Interior however has received complaints from the Association of Local Government Executives (ALGE), citing that that DLG Director, has been unresponsive to their needs and suggestions, often sending a junior representative with no decision-making authority to meetings organized by local

government executives. Inside information about DLG indicates staff disgruntlement and internal dissatisfaction with the strict, authoritarian management style in the office, and the inflexible work demands imposed by the DLG Director on staff to achieve the targets set by the national government.

DED and DLD Directors meet every month in the Regional Inter-Ministry Coordination Committee Meeting on Poverty Alleviation, which is chaired by the Ministry of Economic Planning. However, technical implementation and coordination issues are rarely discussed in these meetings, which often focus on the government's political agenda at the national and local levels.

Given this scenario, some guide questions are presented below. You do not need to answer these questions but you may use them to initiate your group discussions.

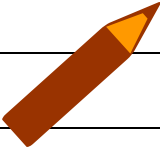
- What are the key development issues that can be gleaned from the case study?
- Are there policy/enabling environment, institutional, and individual capacity issues that need to be addressed? What functional capacity issues constrain the effective achievement of the targets set by the national government at these levels?
- What will be the scope of the capacity assessment for this case study? Please describe a possible capacity assessment approach to address the issues that you have identified.
- What potential capacity development strategies can you recommend for the national governments, relevant ministries, the DLG, DED, and other stakeholders?
- Please note and justify any assumptions that you may have made in analyzing the case study and in suggesting CD response strategies.

Capacity Assessment Simulation 1  
Hand out #1: Scoping the Capacity Assessment

Primary Client:

Capacity Assessment Objective/s:

Capacity Assessment Team:

Name	Organization/ Affiliation	Designation and responsibilities within the team
		

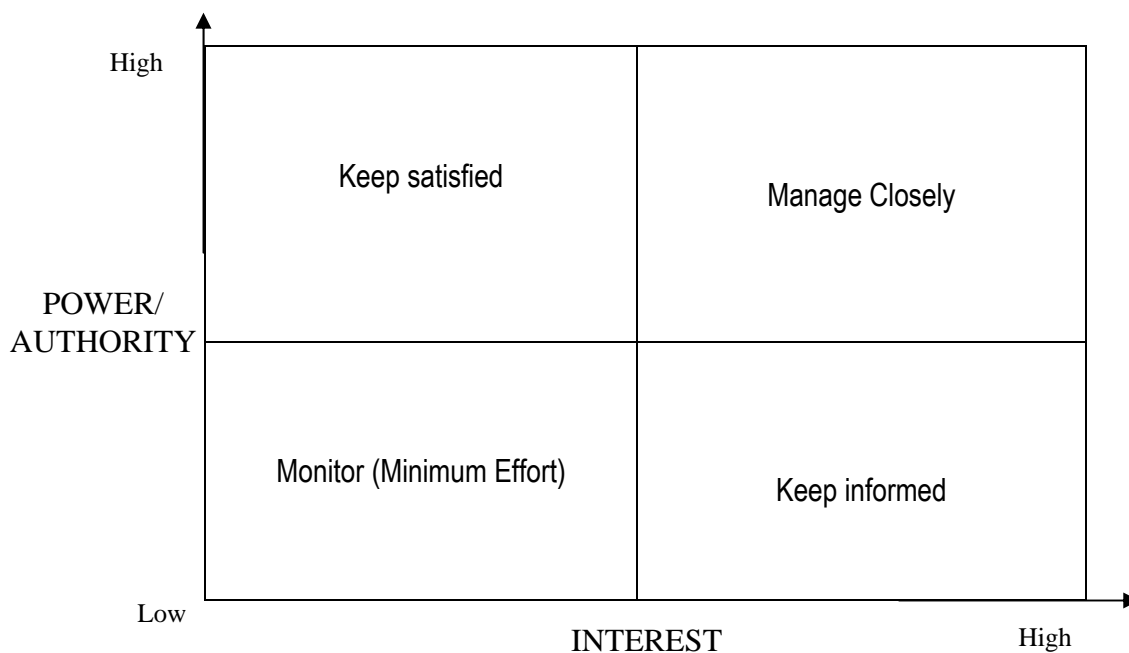


## Stakeholder Mapping : Potential matrices for identifying stakeholders, participation and impacts

Matrix 1:

Stakeholder	Potential Interest(s) in the Project	Potential Project Impact (+/-)	Potential Strategies for Obtaining Support or Reducing Obstacles

Matrix 2:

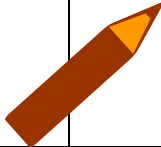


Notes:

- **High power, interested people:** these are the people you must fully engage and make the greatest efforts to satisfy.
- **High power, less interested people:** put enough work in with these people to keep them satisfied, but not so much that they become bored with your message.
- **Low power, interested people:** keep these people adequately informed, and talk to them to ensure that no major issues are arising. These people can often be very helpful with the detail of your project.
- **Low power, less interested people:** again, monitor these people, but do not bore them with excessive communication.

Source: [http://www.mindtools.com/pages/article/newPPM\\_07.htm](http://www.mindtools.com/pages/article/newPPM_07.htm)

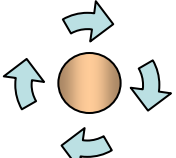
## Identification of Core Issues and Functional Capacities

Core Issues	Functional Capacities				
	Engaging Multi-Stakeholder Dialogues	Assessing a Situation and Creating a Vision and Mandate	Formulating Policies and Strategies	Budgeting, Managing and Implementing	Monitoring and Evaluation
Institutional Development					
Leadership					
Knowledge					
Mutual Accountability					

## Template for Capacity Assessment Worksheets

Functional Capacity: _____ Development Issue: _____ Description: (optional; see CA User Guide for sample descriptions)  <u><i>Desired capacity level/statement:</i></u> _____							
Please indicate a capacity rating for each guide statement: 1. 2. 3. 4. 5.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; width: 15%;">Rating</th> <th style="text-align: center; width: 85%;">Strengths</th> </tr> </thead> <tbody> <tr> <td style="height: 300px;"></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>Areas for Improvement</u></td> </tr> </tbody> </table>	Rating	Strengths				<u>Areas for Improvement</u>
Rating	Strengths						
	<u>Areas for Improvement</u>						
<u>Evidence</u>							
<b>Score/Rating:</b> 1 Very Low <u>No evidence</u> of relevant capacity 2 Low <u>Anecdotal</u> evidence of capacity 3 Medium <u>Partially</u> developed capacity 4 High <u>Widespread</u> , but not comprehensive, evidence of capacity 5 Very High <u>Fully</u> developed capacity							
Write Average Rating/Score that Best Reflects Current Capacity for ( <i>cross-section</i> )	Write Rating/Score that Best Reflects Expected Capacity (in <i>year</i> ) for ( <i>cross-section</i> )						

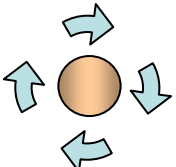


<b>Schedule</b>	
Day 2: Lessons Learned and Capacity Development Strategies	

## Day 2

TIME	EVENT	CONTENT	FACILITATORS
09:00	Session 7: Presentation of Working Group Outputs from Simulation 1		
10:45	Tea Break		
11:00	Session 8: Simulation 2 – Developing Capacity Development Strategies	<ul style="list-style-type: none"> <li>• Prioritizing capacity needs: individual, institutional enabling environment</li> <li>• Developing a capacity development plan to address priority capacity needs</li> </ul>	
13:00	Lunch		
14:00	Session 9: Presentation of Simulation 2 Outputs		
15:30	Tea Break		
15:45	Session 10: Rolling out capacity assessments	<ul style="list-style-type: none"> <li>• Role of Focal Points in the Pacific</li> <li>• Learning Resources</li> <li>• Support from RCB and CDG</li> </ul>	
16:45	Session 11: Closing		



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<p>Day 2: Lessons Learned and Capacity Development Strategies</p>	

# Session 7

## Presentation of Working Group Outputs from Simulation 1

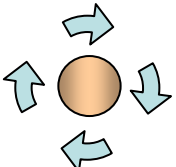


### *Session Objective*

*During this session, each group will make a presentation of their outputs from Simulation 1. A representative from each group will present the group output for five (5) minutes, to be followed by an open forum.*





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# Session 8

## Simulation 2 – Developing Capacity Development Strategies



### Session Objective

*For Simulation 2, the groups will re-convene and use their outputs from Simulation 1. The objective of this session is to bring forward the capacity assessment tool developed in Simulation 1, to the actual prioritization of capacity needs and the development of capacity development response strategies.*

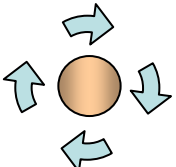
### Mechanics

Using the developed capacity assessment worksheets, each group will produce the following:

- A rating sheet of capacity indicators
- A summary sheet showing the priority capacity needs based on the developed indicators and indicator ratings
- A list of capacity development strategies to address the identified capacity needs.
- A capacity development plan indicating CD strategies at the societal/enabling environment, organizational, and/or individual levels including a monitoring and evaluation plan, responsible persons, timelines, and resources required (including clear budget estimates for the developed workplans.

Printed and electronic copies of the templates for the above will be available during the training course.



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## Session 9

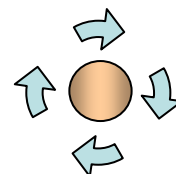
### Presentations of CD/CA Plans; Q&A



#### *Session Objective*

*During this session, each group will make a presentation of their outputs from Simulation 9. A representative from each group will present the group output for ten (10) minutes, to be followed by an open forum.*





# Session 10

## Rolling out Capacity Assessments



### Session Objective

*During this session, country delegations will identify capacity development focal points from the countries that are represented in the course, particularly among UNDP country offices. The rationale for establishing a network of focal points from UNDP Country Offices is to further engage*

*them in capacity development discourses, and continue to enhance their capacities to mainstream capacity development in country office programming efforts.*

### UNDP Offer of Services

#### UNDP Capacity Development Services

UNDP offers CD support services in the areas of norms and standards; advocacy and advisory services; programme support; and knowledge exchange.

#### ➤ Norms and Standards:

- Providing a “default” methodology for capacity assessment based on review of good practice methodologies
- Analysis and application of capacity indicators and measures, based on international norms and standards (where such exists) and ground evidence

#### ➤ Advocacy and Advisory Services:

- Capacity development policy positioning at global, regional and country levels for capacity development approaches and integration into development planning, management and services

#### ➤ Programme Support:

- Facilitation of capacity assessment exercises
- Costing of CD investments and activities
- Formulation of capacity development strategies
- Facilitation of partnerships for investments in, and implementation of, CD strategies
- Monitoring and evaluation measures for progress on CD

#### ➤ Knowledge Exchange (Know Who - Experts) :

- Facilitation of capacity development learning, knowledge management and networking (analysis of case evidence; methodology development; knowledge products on CD applications)
- Global and local partnering and exchange, through CD information and learning networks
- Conducting training and learning sessions (regional workshops, Virtual Development Academy, UN staff college) for staff and clients

➤ Knowledge (Know What and Know How)

As previously mentioned, the key provisions of UNDP corporate documents on capacity development and capacity assessment can be found on the following websites:

- UNDG Position Statement on Capacity Development  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6133>
- Practice Note on Capacity Development  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6003>
- Practice Note on Capacity Assessment  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6004>
- UNDP Capacity Assessment User's Guide and Supporting Tool

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6022>

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6021>

- Supporting Capacity Development: the UNDP Approach  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6211>
- 2007 CCA/UNDAF Guidelines  
<http://www.undg.org/?P=226>
- 2007 Triennial Comprehensive Policy Review (TCPR) of Operational Activities of the UN Development System  
<http://www.undp.org/execbrd/word/UN%20COORDINATION%20SECTION%2028-6-07.doc>
- 2008-2011 UNDP Strategic Plan  
<http://www.undp.org/execbrd/pdf/UNDP-SP-decision.pdf>

Additional Learning Resources on Capacity Development are listed hereunder

*Guides:*

- Guide on UNDP Role In A Changing Aid Environment: Direct Budget Support, SWAp, Basket Funds  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5600>

- UNDP Results Management Guide  
<http://content.undp.org/go/userguide/results>

*Technical Reviews and Research:*

- Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development?, UNDP, 2003  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5015>

- Developing Capacity Through Technical Cooperation: Country Experiences, UNDP, 2002  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5016>

- Capacity for Development: New Solutions to Old Problems, UNDP, 2001

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5017>

- Development Policy Journal, Special Issue on Technical Cooperation, Vol. 2, UNDP 2002  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=3892>

*Guides and Toolkits:*

- UNDP Capacity Assessment Methodology: User's Guide  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5848>

- UNDP Capacity Assessment Supporting Tool  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5849>

- CD Toolkit for Domestic Private Sector Development  
<http://www.undp.org/psd-toolkit/>

- CD Guide: Leadership and Human Development  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5614>

- CD Guide: Toolkit for Localising the Millennium Development Goals

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5669>

► CD Guide: Applying a Human Rights-Based Approach to Development Cooperation and Programming

► Review of Aid Management Systems

► Local Sustainable Development Planning: Manual for Local Sustainable Development Strategy Formulation

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5193>

► Capacity Development: Lessons of Experience and Guiding Principles

<http://magnet.undp.org/Docs/cap/CDPRIN1.htm>

► Capacity Assessment Methodologies and the Programme Approach: Feasible Entry Points

<http://magnet.undp.org/cdrb/CAPLEV1.htm>

### *Catalogues:*

► CD Catalogue: A Review of Selected Capacity Assessment Methodologies

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5850>

► CD Catalogue: A Brief Review of 20 Tools to Assess Institutional Capacity

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5464>

► CD Catalogue: Measuring Capacities: An Illustrative Guide to Benchmarks and Indicators

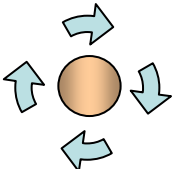
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5509>

► CD Catalogue: Resource Catalogue on Capacity Development

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5456>





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## Session 11

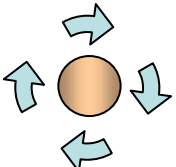
### Closing of the Training



#### *Session Objective*

*A training evaluation form will be distributed to training participants. Feedback from the participants will inform the further adaptation and enhancement of the training.*



<b>Annexes</b>	
Capacity Development and Capacity Assessment Training Course	

Annex 1 - A suggested format for a capacity assessment report

Annex 2 – Key provisions of UNDP corporate documents on capacity development and capacity assessment

- UNDG Position Statement on Capacity Development  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6133>
- Practice Note on Capacity Development  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6003>
- Practice Note on Capacity Assessment  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6004>
- UNDP Capacity Assessment User's Guide and Supporting Tool  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6022>  
<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6021>
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<http://daccessdds.un.org/doc/UNDOC/GEN/N07/457/79/PDF/N0745779.pdf?OpenElement>
- 2008-2011 UNDP Strategic Plan  
<http://www.undp.org/execbrd/pdf/UNDP-SP-decision.pdf>  
<http://documents-dds-ny.un.org/doc/UNDOC/GEN/N07/317/07/doc/N0731707.DOC?OpenElement>

**Annex 1. A suggested format for a capacity assessment report –  
With Leadership Development as CD Strategy**

Training Need	Objectives	Modality	Potential Training Content/Module	Remarks
Leadership Development	Strengthen leadership skills of key and relevant staff	Combination of training, exercises, direct applications, and evaluations	<ul style="list-style-type: none"> <li>Negotiation and conflict resolution</li> <li>Strategic Planning</li> <li>Policy Formulation</li> <li>Leadership Styles</li> </ul>	UNDP Regional Centre in Bangkok (RCB) and Regional Centre in Colombo (RCC) developing leadership development programmes for young leaders in governance, etc.
Monitoring and evaluation systems, tools and applications	Expose staff to various approaches and tools for results-based, participatory M&E	Combination of training, exercises, and direct applications	<ul style="list-style-type: none"> <li>Defining evaluation and monitoring needs and objectives</li> <li>M&amp; E Process Management</li> <li>Stakeholder participation in M&amp;E and 360 Feedback Systems</li> </ul>	Potential resources:
Performance management	Expose staff to concepts of performance mngt. for improved working environment and productivity	Interactive two-day training exercise	<ul style="list-style-type: none"> <li>Performance planning and monitoring</li> <li>Rewards, promotions and incentive systems</li> <li>Staff development</li> </ul>	Potential Resource:
Effective Decision Making and Business Communications	Provide staff with communication skills to facilitate internal communications and external advocacy	Interactive 1-2 day training course	<ul style="list-style-type: none"> <li>Change and decision making (Pareto Analysis)</li> <li>Decision trees and prioritization: valuing options</li> <li>Ethics in decision making</li> <li>Consensus building in decisions: Delphi Technique</li> </ul>	Potential Resource:
HR Management	Orient Operations and HR staff on good practices in HR management	4-5 day intensive training course	<ul style="list-style-type: none"> <li>HR management systems in the public sector</li> <li>Staffing and Recruitment</li> <li>Performance Management</li> </ul>	Potential Resource:
Roster Management	Equip staff with adequate IT management skills to develop and manage experts roster	Intensive training course on database development, mngt. and applications	<ul style="list-style-type: none"> <li>TOR formulation</li> <li>Database management (MSExcel, MSAccess)</li> </ul>	Prior to the training, staff must be to define and commit to a clear approach, scope and objectives for its database management need.