

United Nations Development Programme

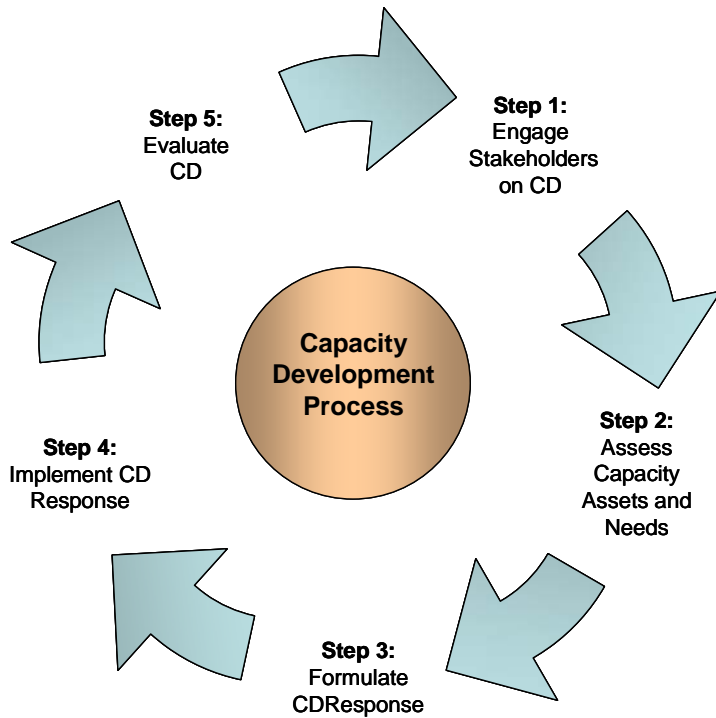
Supporting Capacity Development

THE UNDP APPROACH



Capacity Development Group
Bureau for Development Policy
United Nations Development Programme

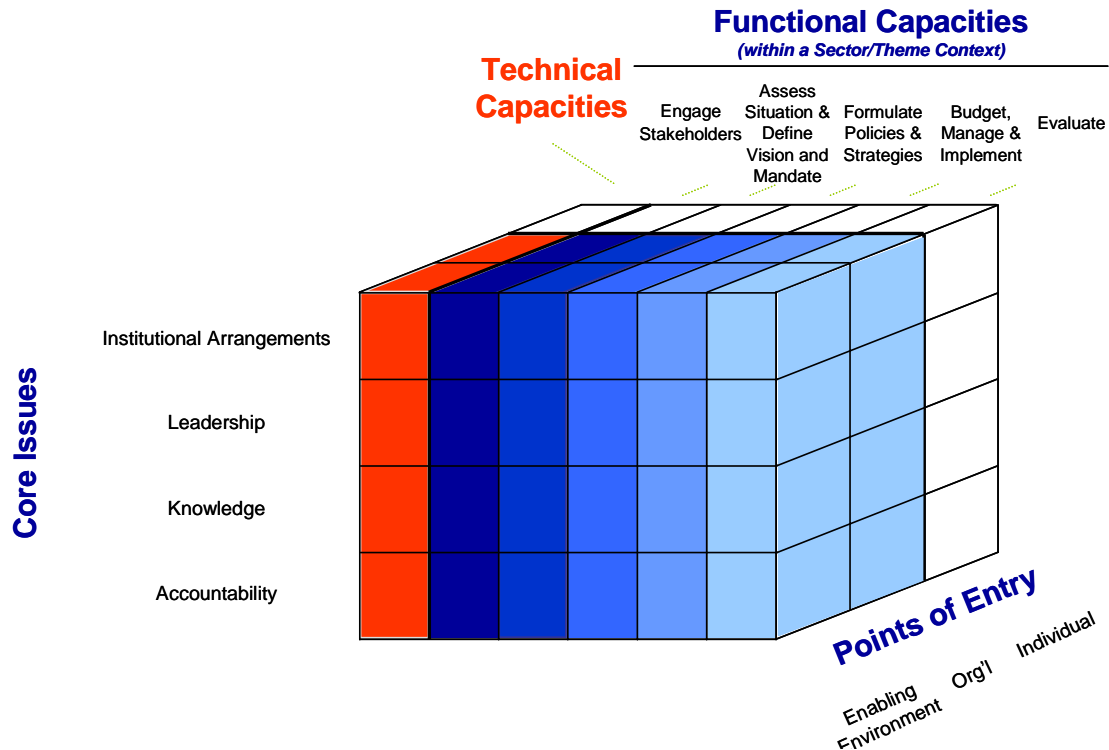
New York, March 2008



UNDP defines capacity development as *the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.*

For UNDP, the capacity development process consists of five steps that are embedded into a programming process.

A capacity assessment is *an analysis of current capacities against desired future capacities; this assessment generates an understanding of capacity assets and needs leading to the formulation of a capacity development response.* The figure below depicts the UNDP capacity assessment framework. This is composed of three dimensions: 1) points of entry; 2) core issues; and 3) functional capacities.



...[C]apacity development is much more than supporting training programmes and the use of national expertise - these are necessary and on the rise, but we must include response and support strategies for accountable leadership, investments in long-term education and learning, strengthened public systems and voice mechanisms between citizen and state and institutional reform that ensures a responsive public and private sector that manages and delivers services to those who need them most.

... [I]t is our collective responsibility and response to capacity development that gives meaning and shape to the principle of national ownership, and translates it into more sustainable and meaningful development outcomes.

*UNDP on behalf of the UNDG Executive Committee.
11 July, 2007 ECOSOC Operational Activities Segment.*

I. Introduction

The success of development efforts hinges on the availability of sufficient in-country capacity. Financial resources alone, including ODA, are not enough to promote human development in a sustainable manner. Without an enabling environment, well functioning organisations and a well performing human resource base, countries lack the foundation needed to plan, implement and review their national and local development strategies.

Supporting capacity development helps to strengthen and sustain this foundation. For UNDP, it starts from existing capacities and supports efforts to extend and retain these. This is a process of endogenous transformation, based on nationally determined priorities, policies and results, and cannot be driven from the outside.

The UNDP Strategic Plan 2008 - 2011 positions capacity development as the organisation's core contribution to programme countries. In placing capacity development at the heart of its mandate and functions, UNDP is responding to growing country demand for support, at both national and sub-national levels.

This brochure presents the UNDP approach to capacity development and the policy statements and services that it supports. These are backed by ongoing, systematic research and analysis of capacity development theory, methodologies and applications across various capacity development strategies.

A list of additional UNDP knowledge resources on capacity development is provided at the end.

II. Basic Premises of Capacity Development

The UNDP approach to capacity development brings together a value base, a conceptual framework and a methodological approach:

A Value Base

- It does not assume away the 'soft side' but embraces it head on. It builds upon respect and self-esteem. It is not power-neutral and involves relationships, mind sets and behaviour change.
- It involves trade-offs between shorter-term, externally driven results and more sustainable, locally driven ones. It requires staying engaged under difficult circumstances and cannot be rushed.
- It emphasises the importance of motivation as a driver of change.

A Conceptual Framework

- It links the enabling environment, the organisational level and the individual, promoting a three-tiered interdependent approach. It moves beyond a singular focus on individual skills and training to address broader questions of institutional change, leadership, empowerment, and public participation.
- It places a premium on functional capacities (the “how”) that are applied across sectors and thematic areas (the “what”).

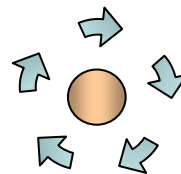
A Methodological Approach

- It emphasises the use of national systems, beyond the use of national plans and expertise. It questions the use of stand-alone implementation units; if national systems are not strong enough, they should be reformed and strengthened, rather than bypassed.
- It demands adaptation to the local reality. There are no blueprints. It must start from the specific capacity requirements and performance expectations of the environment, sector or organisation it supports.
- It demands a link to a broader set of reforms, such as education reform, wage reform and civil service reform, to be effective. There is little value in designing one-off capacity development initiatives, or in isolation.
- It results in unplanned (capacity) consequences that must be kept in mind during the design phase and should be valued, tracked and evaluated.
- It provides a systematic approach to measuring capacity development, with the use of ‘good practice’ indicators, case evidence and available data analysis. It also brings together quantitative and qualitative data to give grounding and objectivity to perceptions and judgments on capacity assets, needs and progress.

III. The UNDP Approach to Capacity Development

For UNDP, the capacity development process consists of five steps that are embedded into a programming process:

- 1) Engage stakeholders on capacity development;
- 2) Assess capacity assets and needs;
- 3) Formulate a capacity development response;
- 4) Implement a capacity development response; and
- 5) Evaluate capacity development



UNDP supports the capacity development process through a combination of advocacy and policies; methodologies and tools; knowledge services; programme support and partnerships.

More specifically, at each step of the capacity development process, UNDP offers a number of services underpinned by policy statements. These are detailed below.

1. Engage Stakeholders on Capacity Development***Policy Statements***

- Taking an inclusive and participatory approach can help reach agreement on capacity development priorities and can help gain sponsorship and commitment to moving the capacity development agenda forward. It can also help strengthen ownership of the capacity development process and responsibility for its results.

- If all actors have the capacities and commitment to engage effectively, stakeholder involvement can help stimulate transparent and inclusive decision-making, strengthened stakeholder networks, accountability, and a sense of empowerment. This creates conditions for trust-building among all involved and can ensure mutually acceptable solutions and win-win situations.
- Investing in stakeholder engagement is especially important at the beginning of the capacity development process when buy-in needs to be created, but it should be part of each of the other capacity development steps as well.

Services

1. Advocacy for the importance and value-added of engaging stakeholders on capacity development.
2. Facilitation of multi-stakeholder processes and dialogues as part of the capacity development process.
3. Support to key national counterparts to strengthen their dialogue and negotiation capacities and to familiarise them with relevant dialogue tools and techniques.

2. Assess Capacity Assets and Needs

Policy Statements

- Capacity assessments are essential to a more rigorous and actionable application of capacity development initiatives within national and local development strategies.
- Integrating capacity assessments and their findings into national and local development plans and budgets is at the heart of an efficient and sustainable capacity development response.
- The UNDP Capacity Assessment Methodology provides a systematic approach and an objective process for conducting a capacity assessment. Local players must adapt its content to suit their needs. Gender and human rights capacity issues should be incorporated in the assessment and the response.
- Key local stakeholders must be engaged in scoping a capacity assessment and in analysing its findings. They are best placed to manage trade-offs in the prioritisation of capacity needs, responses identified, and investments recommended.
- Capacity development responses and investments that are not grounded in a rigorous capacity assessment are often limited to training. While often necessary, training is not sufficient for sustained results.

Services

1. A UNDP Capacity Assessment Methodology, including a User's Guide and Supporting Tool, for use by UNDP staff and national partners. This offers a standard for UNDP engagement in this area.
2. Engagement in capacity assessment scoping exercises and support to full capacity assessments, including adaptation of the capacity assessment methodology to specific contexts.
3. Engagement in the analysis of capacity assessment findings and the formulation of a capacity development response.
4. Engagement in bringing out complementarities between the UNDP capacity assessment methodology and other assessment frameworks, such as Harmonised Approach to Cash Transfers (HACT), Human Rights-Based Approach (HRBA), Post-Conflict Needs Assessments and the UNDG assessment framework, in cases in which countries choose to use more than one methodology; and facilitation of such combined assessments.
5. Facilitation of capacity assessment learning sessions at global, regional and country levels, for UN/UNDP staff and national partners.

3. Formulate a Capacity Development Response

The findings of a capacity assessment are the starting point for the formulation of a capacity development response. A capacity development response can draw from the four capacity development strategies that, the evidence suggest, are most effective in addressing capacity issues across sectors and themes. These strategies can be thought of as collections of potential actions to address capacity issues related to the four core issues in the capacity assessment framework. Since the four strategies mutually reinforce each other, a capacity development response is likely to be a combination of elements from one or more of the following: *institutional reform and incentive mechanisms; leadership development; education, training and learning; and accountability and voice mechanisms.*

a) Institutional Reform and Incentive Mechanisms

Policy Statements

- Motivation is an important driver of sustained institutional reforms. Motivation can be fostered through a combination of hard incentives (e.g., merit-based pay and performance systems) and soft incentives (e.g., well defined training, fellowships and work-life policy). The “right” enabling environment, e.g., public safety, availability of basic services and the rule of law, can provide a strong non-monetary incentive.
- Addressing corruption is a strong motivator for institutional reform. Clean leadership and systems for regulation, monitoring and review are essential to developing and retaining capacity in-country.
- Effective institutional reform at local levels can be measured by the ability of sub-national actors, both state and non-state, to deliver cost-effective and quality services to the poor.
- Salary reform, if harmonised and backed by political support, will help attract and retain capacities, particularly in transition and post-crisis situations.

Services

1. Visioning exercises and sensitisation efforts to make the case for investing in change.
2. Facilitation of organisational capacity assessments, including attention to the enabling environment in which the organisation functions.
3. Facilitation of organisational change management exercises, with attention for ethics and values.
4. Advocacy and engagement in the design of national monetary and non-monetary incentive systems.
5. Advisory services on national programmes to retain (and attract from Diaspora) capacities in-country.

b) Leadership Development

Policy Statements

- Leadership can be a catalyst for change, whether internally initiated or externally driven.
- Leadership is never exercised in isolation, but is a function of the complex interactions and relationships that guide and shape it, and is always grounded in a set of values. Leadership development should therefore be approached holistically: it needs to go beyond the individual to include the organisational and the enabling environment level.
- Leadership development programmes should not be used as stop-gap measures. They should be based on action-learning and promote a continuous learning process, rather than be a one-off exercise. Linking leadership support to development activities, including revenue-generation, demonstrates immediate concrete results and will allow sustainable change in the long run.

Services

1. Provision of opportunities for (young) leaders to interact with each other, across localities and regions (e.g., a space for dialogue, platforms of action, and access to information and networks).
2. Provision of access to peer coaching and mentoring support to leaders through leadership exchange initiatives and south-south cooperation.
3. Facilitation of leadership development through appropriately adapted (training) initiatives, based on action-learning principles.

c) Education, Training and Learning

Policy Statements

- Greater investments must be made in in-country education systems, including in post-secondary education and technical institutions of learning. Only well-resourced systems can become the long-term foundation of national capacity.
- The vision and content of post-secondary education should be more directly focused on affecting the development outcomes and reform agenda of the country.
- Access to continued learning (through professional training and education opportunities) is an essential non-monetary incentive for the retention of capacity and must hence be invested in.
- The study of ethics and values, including respect for human rights and gender equality, should be a formal part of the curriculum in education and public administration training.
- Access to data and knowledge (through public information services and statistical literacy strategies) is highly capacitating and should be incorporated and costed into national development strategies and organisational business plans.

Services

1. Engagement with university leadership in the formulation of the national development agenda and support to efforts to incorporate the (local) development agenda into curriculum reform.
2. Facilitation of partnerships for investments in tertiary and technical education reform and continued learning initiatives (through professional training and education).
3. Advocacy and engagement in the design of training strategies to suit client needs.
4. Facilitation of capacity assessments in the education sector in the context of the formulation and implementation of national development or poverty reduction strategies.
5. Facilitation of change management exercises with universities and technical training institutions.
6. Support to knowledge fairs and the facilitation of global, regional and national capacity development knowledge networks.

d) Accountability and Voice Mechanisms*Policy Statements*

- Corruption undermines and erodes capacity and long-term development and must be addressed through legal, institutional and educational means.
- Accountability between the state and communities should be given priority. This will promote mutual engagement on achieving development results.
- Accountability between donors and countries for development finance calls for a transformation of aid relations and aid coordination mechanisms. This will enable greater national leadership, multi-stakeholder engagement and transparency in aid relations.
- The deliberate and sustained engagement of civil society in national policy and budget dialogues is critical to the success of national development and poverty reduction strategies.

Services

1. Support to the design and tracking of mutual accountability mechanisms (e.g., peer review mechanisms), monitoring mechanisms and client voice mechanisms (e.g., client surveys, citizen's audits and social watch mechanisms).
2. Support to the design of systems that provide communities access to the information they need to engage in (mutual) accountability mechanisms.
3. Facilitation of multi-stakeholder engagement in visioning, planning and participatory monitoring, and training in these methodologies (such as "group" techniques).
4. Providing training and expertise to establish and sustain community mechanisms to track and measure development progress and policy implementation.

4. Implement a Capacity Development Response*Policy Statements*

- A capacity development response must be implemented in the context of the objectives and requirements of the programme in which it is embedded, and of the environment, sector or function it addresses.
- To strengthen sustainability, implementation should be managed through national systems and processes, rather than parallel systems like Project Implementation Units.
- Because the implementation of a capacity development response involves change (and "winners and losers"), political dynamics and relationships should be addressed.
- Indicators for monitoring progress should include consideration of both capacity and performance improvements, and should continue beyond implementation of the capacity development response to ensure that these are sustained.

Services

1. Support to change management in the implementation of a capacity development response.
2. Advisory services to review and suggest appropriate monitoring indicators for capacity development, and to conduct monitoring.

5. Evaluate Capacity Development

Policy Statements

- Capacity development can be evaluated at three levels: the output level (capacity development response); the outcome level (capacity development) and the impact level (development).
- UNDP focuses on evaluating its contribution at the output and the outcome level. At the 'impact' level, the question of attribution makes it difficult to draw a direct link between UNDP's support and development results achieved.
- The evaluation of capacity development (responses) should serve three purposes: accountability, performance management and learning.
- Indicators at output and outcome levels should be incorporated into a national or an organisation's standard M&E framework, and should not require a separate system.

Services

- Provision of an evaluation framework for capacity development, including illustrative indicators for capacity development responses and select application contexts.
- Provision of illustrative indicators for capacity development (responses) and select application contexts.
- Training and support to national counterparts in using and adapting an evaluation framework.
- Advocacy for the integration of evaluation indicators into national and organizational M&E frameworks.

UNDP Capacity Development Resources

Theoretical and Case Study Publications

- Capacity for Development: New Solutions to Old Problems
- Developing Capacity through Technical Cooperation
- Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development?
- Action Brief on Capacities for Integrated Local Development
- Action Brief on Brain Gain
- Action Brief on Ethics and Values in Civil Service Reforms

Practice Notes

- Practice Note on Capacity Development
- Practice Note on Capacity Assessment

Concept Notes on Capacity Development Strategies

- Institutional Reform and Change Management: Managing Change in Public Sector Organisations
- Incentive Systems: Incentives, Motivation and Development Performance
- Leadership Development: Leading Transformations at the Local Level
- Knowledge Services and Learning
- Mutual Accountability Mechanisms: Accountability, Voice and Responsiveness
- Multi-Stakeholder Engagement Processes

Practice Notes on Capacity Development Applications

- Practice Note on Supporting Capacities for Integrated Local Development
- Practice Note on Capacity Development during Periods of Transition

Concept Notes on Capacity Development Applications

- Capacity Development and Aid Management
- Procurement Capacities

Resource Guides and Tools

- UNDP Capacity Assessment User's Guide and Supporting Tool
- A Review of Selected Capacity Assessment Methodologies
- UNDP Procurement Capacity Assessment User's Guide and Supporting Tool
- Guide on UNDP's Role in a Changing Aid Environment: Direct Budget Support, SWAp & Basket Funds
- Leadership for Human Development
- Toolkit on Localising the MDGs
- Toolkit on Private Sector Development
- UNDP-LEAD Leadership Modules
- Resource Catalogue on Measuring Capacities: An Illustrative Guide to Benchmarks and Indicators
- Resource Catalogue on Capacity Development
- Manual for a Local Sustainable Development Strategy Formulation
- CSO Capacity Assessment Tools
- Applying a Human Rights-based approach to Development Cooperation and Programming

Networks

- Capacity Development Network and Community of Practice
- UNDP-Wide Expert Roster: <http://www.capacity.undp.org/roster>

Capacity Development Websites/Knowledge Spaces

- External Website: <http://www.capacity.undp.org>
- Internal Workspace: <http://content.undp.org/go/topics/capacity>
- Capacity.Org: <http://www.capacity.org>

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