



**CAPACITY DEVELOPMENT:**  
A UNDP PRIMER



## CAPACITY DEVELOPMENT: A UNDP PRIMER

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### PURPOSE

This primer addresses the basic elements of the UNDP approach to capacity development. It provides a simple, cogent and accessible illustration of the UNDP Capacity Development Approach for the benefit of development practitioners both within and beyond the UN development system – a real-world guide to real-world applications to strengthen and contribute to national capacities for development. It focuses in on smart institutions, visionary leadership, access to knowledge and public accountability mechanisms as the drivers of capacity change, and draws from evidence and policies from across regions, synthesizing country-led experiences and institutional lessons with global research. The Primer refers, and offers ready access, to these resources, but it does not purport to capture all knowledge, views and practice in this extensive field. However, we hope it provides a convincing and enticing initiation into an area of development knowledge and practice that is at the heart of what makes human development results sustainable over time.





## INTRODUCTION

### AN EVOLVING APPROACH TO DEVELOPMENT

There is now emerging agreement in the development community that capacity development is the engine of human development. In the face of the current economic, climate and food crises, developing state and societal capacities to design and implement strategies that minimize the impact posed by these crises will remain critical for sustaining progress towards achieving development objectives including the MDGs<sup>1</sup>.

Capacity development starts from the principle that people are best empowered to realize their full potential when the means of development are sustainable – home-grown, long-term, and generated and managed collectively by those who stand to benefit.

But what exactly do we mean by capacity development? Confusion around the term seems to have grown along with its popularity. For some, capacity development can be any effort to teach someone to do something, or to do it better. For others, it may be about creating new institutions or strengthening old ones. Some see capacity development as a focus on education and training, while others take a broad view of it as improving individual rights, access or freedoms.

### CAPACITY DEVELOPMENT: THE WAYS TO THE MEANS

For UNDP, capacity development contains elements of all of the above. UNDP sees capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.

Simply put, if capacity is the means to plan and achieve, then capacity development describes the ways to those means.

An essential ingredient in the UNDP capacity development approach is **transformation**. For an activity to meet the standard of capacity development as practiced and promoted by UNDP, it must **bring about transformation that is generated and sustained over time from within**. Transformation of this kind goes beyond performing tasks; instead, it is more a matter of changing mindsets and attitudes.

### QUESTION TO CONSIDER WHILE READING THIS PRIMER:

*Based on your own personal experience, have you ever wondered why certain government institutions perform better than others?*

<sup>1</sup> The Millennium Development Goals (MDGs) are eight goals to be achieved by 2015 that respond to the world's main development challenges. The MDGs are drawn from the actions and targets contained in the Millennium Declaration that was adopted by 189 nations—and signed by 147 heads of state and governments during the UN Millennium Summit in September 2000.

## CAPACITY /S DEVELOPMENT!

Capacity development is about transformations that empower individuals, leaders, organizations and societies. If something does not lead to change that is generated, guided and sustained by those whom it is meant to benefit, then it cannot be said to have enhanced *capacity*, even if it has served a valid *development* purpose. Compare the examples below..

| CONVENTIONAL APPROACH TO DEVELOPMENT   | MOVING TO A CAPACITY DEVELOPMENT APPROACH TO HUMAN DEVELOPMENT   | WHAT DIFFERENCE DOES IT MAKE?  |
|--|--|--|
| Training in how to use the latest technology available on the market   | Training, as an integral part of a comprehensive programme addressing capacity issues, on how to use the most readily available technology best suited to the organization's goals embedded in a personnel development plan; with build-in incentives to apply the new skills; empowering/enabling trainees to train others in using the technology; clearly articulating the benefits to personnel development and the linkage of personal performance to team performance and overall organizational efficiency and ability to fulfill its mandate | No stand alone, one-off interventions; new skills and competences developed responding to specific (individual and organizational) needs; incentives to apply the newly acquired skills and improve workplace performance; learning strategies to address future training needs; personnel development recognized as a necessary means to improve organizational performance |
| A foreign expert hired to work in a ministry to perform needed functions (gap filling)   | A foreign expert who coaches local staff in the ministry for a limited period of time. Institutional twinning, coaching and mentoring programmes are integral parts of the public service  | Transfer of knowledge and expertise, independence from outside expertise in the long-run, personnel development  |
| A project team provided by an international donor, housed within a local body but reporting to and using the mechanisms of the donor | A project team funded by an international donor (with local contracts issued by local body), within a ministry and using local mechanisms to implement the project, with a clear strategy to strengthen the capacities of the national system and ideally move towards complete integration within the ministry system (inclusion in budget, establishment of posts, enrolment on payroll, etc)  | No separate parallel system but integral to existing system consequently strengthening the capacity of the national/local system to manage similar tasks (project) in the future as part of their mandate and day-to-day work  |
| A donor agency procuring/providing goods and services from international market on behalf of a government ministry                   | Support the establishment of a procurement process that is transparent, accountable and responsive to national needs and uses national systems   | Development of national procurement system that is effective and meets international standards   |



### *Why Capacity Matters*

*“The old model has been based on [the] mistaken assumption ... that it is possible simply to ignore existing capacities in developing countries and replace them with knowledge and systems produced elsewhere—a form of development as displacement, rather than development as transformation.”*

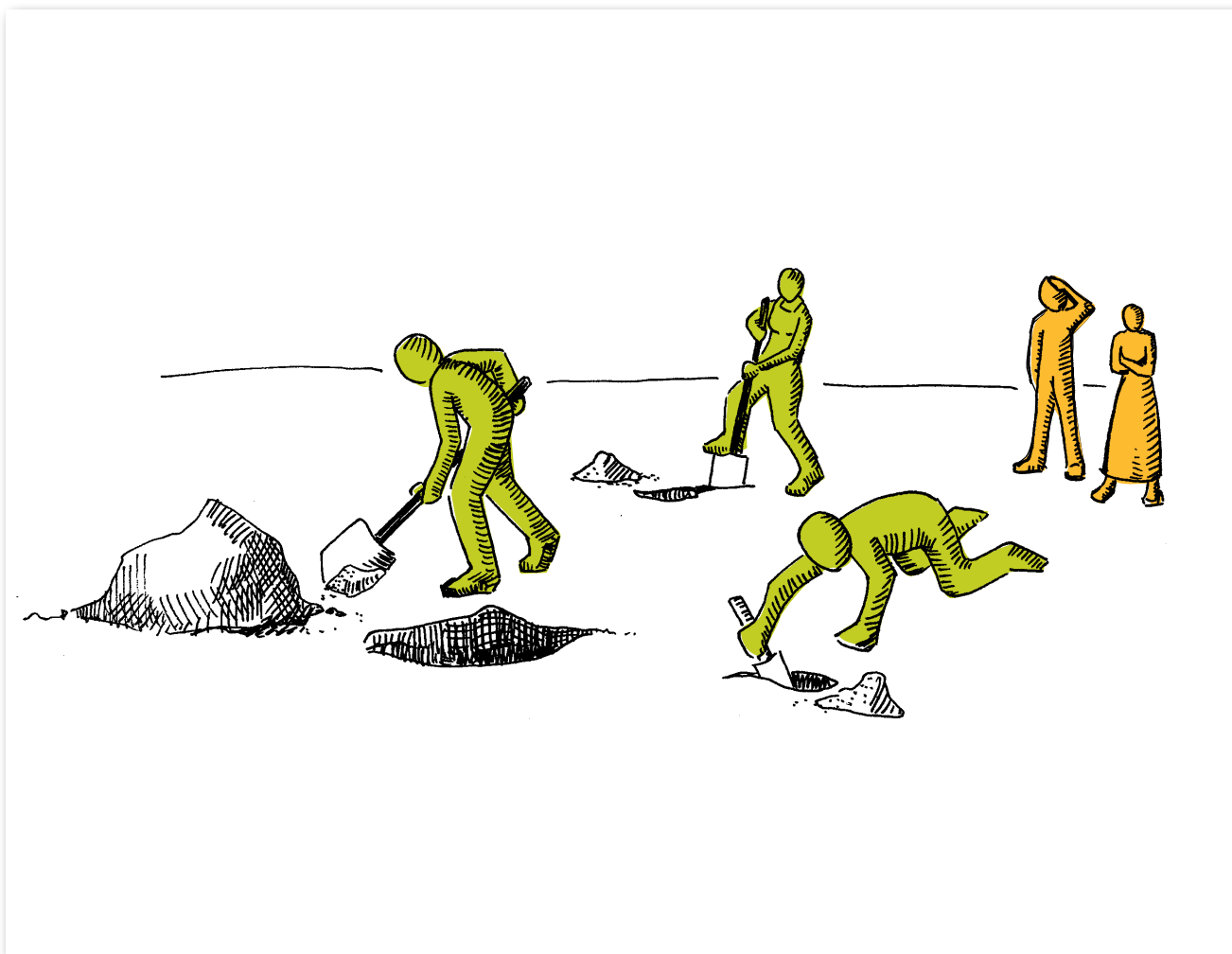
*Capacity for Development: New Solutions to Old Problems*

So, we now recognize that capacity is development. How did we arrive at this thinking? Some might say that the development community took the scenic route:

## THE EVOLUTION OF UNDP'S CAPACITY DEVELOPMENT APPROACH

|               | THE ASSUMPTION...   | THE PRACTICE...   | THE RESULT...   |
|---------------|---|---|---|
| FIRST         | 'Developing countries need money.'  | <b>Development Aid</b><br>developed countries lend or grant money to developing countries   | <ul style="list-style-type: none"> <li>• Greater focus on investment and reporting than on results</li> <li>• Mounting debt</li> <li>• Dependence on foreign aid</li> <li>• Projects end when money runs out</li> </ul>   |
| THEN          | 'Developing countries should just model themselves after the developed ones.'                   | <b>Technical Assistance</b><br>foreign experts come in to operate their own projects, which they expect to yield similar results to those seen in developed countries | <ul style="list-style-type: none"> <li>• Projects launched, but disconnected from local goals or priorities</li> <li>• Assumes few or no resources available locally</li> <li>• Dependence on foreign experts</li> <li>• Expertise not always transferred from foreigners to locals</li> <li>• The externally driven model may ignore local realities</li> <li>• Idea of 'assistance' highlights unequal relationship between developed and developing countries</li> </ul>   |
| FOLLOWED BY   | 'Developing countries should partner with developed ones'                                       | <b>Technical Cooperation</b><br>greater emphasis on training, transferring knowledge, based on national policies and priorities                                       | <ul style="list-style-type: none"> <li>• Local expertise enhanced</li> <li>• Projects somewhat more in line with local priorities and goals</li> <li>• Driven by outside forces, opportunities missed to develop local institutions and strengthen local capacities</li> <li>• Expensive</li> </ul>   |
| AND CURRENTLY | 'Developing countries should own, design, direct, implement and sustain the process themselves' | <b>Capacity Development</b><br>A focus on empowering and strengthening endogenous capabilities  | <ul style="list-style-type: none"> <li>• Makes the most of local resources – people, skills, technologies, institutions – and builds on these</li> <li>• Favours sustainable change</li> <li>• Takes an inclusive approach in addressing issues of power inequality in relations between rich and poor, mainstream and marginalized (countries, groups and individuals)</li> <li>• Emphasizes deep, lasting transformations through policy and institutional reforms</li> <li>• Values 'best fit' for the context over 'best practice'; as one size does not fit all</li> </ul> |





Decades of experimenting with development models have confirmed the value of local ownership and capacity. While financial resources are vital, they alone cannot sustain human development. Technical cooperation may be appropriate in some instances to address short-term needs, but tends to be donor-driven and expensive, and to rely unduly on foreign expertise while distorting national priorities.

Strong capacity, locally generated and sustained, is essential to the success of any development enterprise. Without it, the integrity of development achievements can be compromised and progress can remain rootless and illusory, separated from the capacities that already exist and vulnerable to the increasingly severe and complex challenges facing the world today.



## AN INTEGRATED SYSTEM

What are the barometers of capacity development? UNDP identifies three points where capacity is grown and nurtured: in an enabling environment, in organizations and within individuals. These three levels influence each other in a fluid way – the strength of each depends on, and determines, the strength of the others.



### *The enabling environment :*

is the broad social system within which people and organizations function. It includes all the rules, laws, policies, power relations and social norms that govern civic engagement. It is the enabling environment that sets the overall scope for capacity development.



### *The organizational level :*

refers to the internal structure, policies and procedures that determine an organization's effectiveness. It is here that the benefits of the enabling environment are put into action and a collection of individuals come together. The better resourced and aligned these elements are, the greater the potential for growing capacity.



### *At the individual level :*

are the skills, experience and knowledge that allow each person to perform. Some of these are acquired formally, through education and training, while others come informally, through doing and observing. Access to resources and experiences that can develop individual capacity are largely shaped by the organizational and environmental factors described above, which in turn are influenced by the degree of capacity development in each individual.



## A LOOK INSIDE THE ENGINE

There are **four core issues**<sup>2</sup> that seem to have the greatest influence on capacity development at the different levels described above. These core issues are picked up from empirical evidence and UNDP's first-hand experience and it is in these four domains that the bulk of the change in capacity happens. They cover many contexts, and much of the work of UNDP and its partners fits naturally into one or more of these categories.

The four core issues are:



**INSTITUTIONAL ARRANGEMENTS** the policies, practices and systems that allow for effective functioning of an organization or group. These may include 'hard' rules such as laws or the terms of a contract, or 'soft' rules like codes of conduct or generally accepted values.

To better understand institutional arrangements, think of the rules that govern a sports game. These tend to be a combination of formal written rules, for example on what constitutes a goal, and unwritten codes of conduct, such as good sportsmanship.

### Country applications

Chile is celebrated as one of the least corrupt countries in the world and among some of the **institutional changes** espoused in Chile include 'a new law on Government remuneration and spending that regulates salaries for high-level officials and caps their discretionary budgets; a new legislation that requires the government to maintain a registry of all individuals, institutions and companies who receive public funds; a new public administration bill to create a civil service in Chile's overly politically dependent bureaucracies; and finally, a new law on political party and campaign financing that has brought the issue of money and politics to the forefront of debate in Chile'<sup>3</sup>. There are also countries that have carried out **selective reforms to improve institutional frameworks** for long-term economic development. For instance, China recorded the most dramatic reduction in poverty in the early 1980s, before international trade became a major force in that country's development efforts. Comprehensive land reform initiatives and the growth of local agricultural markets has led to reduction in rural poverty that fell from 76 percent in 1980 to 23 percent in 1985.<sup>4</sup>

<sup>2</sup> Please see Annex I for detailed description of outputs and indicative activities under each core issues.

<sup>3</sup> Cristóbal Aninat, John Landregan, Patricio Navia, and Joaquín Vial (2006) Political Institutions, Policymaking Processes and Policy Outcomes in Chile. Inter-American Development Bank. Washington DC.

<sup>4</sup> "Rivera-Batiz, Francisco L. (2008) Development and the World Economy: Theory and Evidence. Columbia University".





**LEADERSHIP** Leadership is the ability to influence, inspire and motivate others to achieve or even go beyond their goals. It is also the ability to anticipate and respond to change. Leadership is not necessarily synonymous with a position of authority; it can also be informal and be held at many levels.

Although leadership is most commonly associated with an individual leader, from a village elder to a country's prime minister, it also exists within the enabling environment and at the organizational level. Think of a government unit that takes the lead in pushing for public administration reform, or of large social movements that bring about change at the more systemic level.

### *Country applications*

In explaining the success of the East Asia miracle, many point to the role of effective leadership that was committed and able to forge strategic coalitions around the principle of shared growth. Beyond setting the national vision, the leaders of these East Asian countries introduced specific reforms and institutional mechanisms that drastically increased opportunities to share the benefits of growth, which was particularly critical to win the support of non-elite groups. These mechanisms, albeit the possible variations from country to country, did include education (almost in all these countries); land reform (in Japan, Korea, and Taiwan, China); support for small and medium-size industries (Hong Kong, Japan, Korea, and Taiwan, China); and government provision of such basic amenities as housing and public health services (Hong Kong and Singapore). In choosing wealth sharing strategies, these leaders have favored those that increase opportunities for upward mobility. This in turn served as a powerful incentive for individuals and families to study more, work harder, and save more, which accelerated the growth of these economies<sup>5</sup>.



**KNOWLEDGE** Knowledge, or 'literally' what people know, underpins their capacities and hence capacity development. Seen from the perspective of our three levels (identified above), knowledge has traditionally been fostered at the individual level, mostly through education. But it can also be created and shared within an organization, such as through on-the-job training or even outside a formal organizational setting through general life experience, and supported through an enabling environment of effective educational systems and policies.

### *Country applications*

**Investing in technical and tertiary education** has significant impact on national capacities. The far more potent result is that countries that invested in their post-secondary education systems developed capacities that have borne fruit over a much longer period of time. The data from India and the Republic of Korea are clear in this respect, showing high returns to their investments in their Institutes of Technology and in their Agricultural Universities.

<sup>5</sup>WB (1993) *The East Asian Miracle: Economic Growth and Public Policy*. The World Bank Policy Research Report. Oxford University Press. World Bank. Washington DC.; Jose Edgardo Campos and Hilton L. Root (1996) *The Key to the Asian Miracle: Making Shared Growth Credible*. The Brookings Institution. Washington, DC.



**ACCOUNTABILITY** accountability exists when rights holders are able to make duty bearers deliver on their obligations. From a capacity development perspective, the focus is on the interface between public service providers and its clients or service providers and oversight bodies. More specifically, it is about the willingness and abilities of public institutions to put in place systems and mechanisms to engage citizen groups, capture and utilize their feedback as well as the capacities of the latter to make use of such platforms.

Imagine a water company providing a town with clean drinking water. By signing up for its services, clients promise to pay the company for the water they consume. The company, in turn, agrees to service the needs of its clients, meaning that it will provide water that is clean and available when needed. By entering into this agreement, the water company and its clients become accountable to each other. The effectiveness (in terms of responsiveness and client orientation) of the water company is determined by its capacity to obtain information on the performance, coverage and quality of water being provided, plan and implement corrective actions to improve services and communicate them with its clients.

Why is accountability important? It allows organizations and systems to monitor, learn, self-regulate and adjust their behaviour in interaction with those to whom they are accountable. It provides legitimacy to decision-making, increases transparency and responsiveness, and helps reduce the influence of vested interests.

### *Country Examples*

**A shift from vertical accountability<sup>6</sup> to public accountability** gives a big boost to capacities in state institutions. Those that have greater and direct access to client feedback, respond faster, adjust better during crises and are supported more by the public during such downturns. The creation of citizen charters in important public services, legislation to facilitate the public's right to information, and experiments in e-governance in sectors and departments serving business and citizens in general were among the initiatives taken by India to promote public accountability. The Philippines investment in local government units also shows the government's effort to improve the effectiveness of these units in providing and managing local public service.

<sup>6</sup> Vertical accountability refers to the direct relationship between citizens and their representatives holding public office while public accountability relates to the obligations of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them, and to report to those that have conferred these responsibilities (Boncondin, E. T., 2007, "Citizen Engagement in Budgeting and Public Accountability" paper presented at the 6th Session of the United Nations Committee of Expert on Public Administration. April 10-14, 2007, United Nations HQs, New York)

## TELLING CAPACITY DEVELOPMENT AS A STORY: HOW TO BUILD A WINNING TEAM FOR THE WORLD CUP



Imagine a situation where a new coach is tasked with transforming a perennially poor-performing national women football team, which has never qualified for the World Cup, into a winning squad that earns a spot in the 2011 tournament in Germany. There are many things that s/he can do. The coach may begin by taking stock. What types of players are on the team—age, speed, strength, agility, ball-handling skills, etc.? By global standards, it is an average team. The players are relatively young and fast, and they are good at dribbling, passing, trapping and shooting the ball. They also have a sound knowledge and understanding of the game and league rules. By building on existing technical skills—through individual and group drills—and strengthening tactical ones—through daily practices that enhance teamwork, the coach can therefore improve the team’s ability to win.

Talent alone, however, is not enough to win games. Why? Because there a number of other key factors that must also be in place to create a competitive team. For example, the coach must ensure that her/his players know and are happy with their respective roles and responsibilities on the field. The rules of the game and referee decisions must also be lucid and fairly implemented. Another area that the coach must focus on is whether the right incentives are in place. This could include a system of awards and bonuses connected to team results—and not individual performance, transparent and commonly agreed upon principles dictating how players join and leave the team, access to physical fitness and training facilities, and medical support as needed. Furthermore, it is vital to develop and agree on a game plan or strategy for each opponent, which includes clearly defined roles and expectations for all team members. Combined, these constitute the institutional arrangement, which ultimately determines the team’s performance and ability to win.

Apart from the institutional arrangement, the coach must analyze the leadership structure of her/his football squad. A winning team needs a focused and motivated captain who not only inspires when the team is losing by a goal, but who also maintains the momentum and continues to fight even when the team is ahead. In addition to the captain, it is important that other players assume leadership roles as needed. For instance, when facing a corner kick or a free kick, is the goalkeeper able to effectively position her teammates to defend? Are there clear lines of communication between the coach and the captain, the coach and the players on the field, the captain and the players? And what if the captain is suddenly injured?

Accountability is yet another critical element in building a winning team. Are feedback mechanisms in place among the players, management and fans and supporters? Do they all have a voice in the major decisions that affect the team, such as resource allocation, picking new players, developing younger players, and supporting community events? Within the team itself, it is imperative that the coach establish a system to gather feedback and suggestions from the players and act on those.

This brief scenario has outlined some of the core issues that impact the success of a football team. Of course, beyond the control of the coach and players or fans are contextual issues such as injuries, weather, field conditions, 'magical' moves, etc. that might affect the outcome of a given game. However, within a reasonable timeframe that enables these basic changes to take root, the coach has a much better chance to see her/his team in Germany for the World Cup.







## II. ELEMENTS OF THE UNDP APPROACH TO CAPACITY DEVELOPMENT

### ASKING THE RIGHT QUESTIONS

Capacity is not developed in a vacuum. To be of use, it must be rooted in a broader development objective – in a national development strategy, a plan for economic or social empowerment, or an initiative with a particular theme.<sup>7</sup>

For UNDP, effective capacity development responses begin with three fundamental questions. It is the answers to these questions that shape the design of each capacity response according to the specific priorities and issues at stake.

The questions are:

**TO WHAT END** do we need to develop this capacity? What will be its purpose?

**WHOSE** capacities need to be developed? Which groups or individuals need to be empowered?

**WHAT KINDS** of capacities need to be developed to achieve the broader development objectives?

Is there a specific moment in time when ‘capacity’ can be said to have ‘developed’ with respect to a given situation? When does, say, an engineering student actually become an engineer? Is it when she first understands the principles of engineering? When she passes the final exams? When she graduates? When she builds her own project? Or does she become an engineer at some point in between?

Perhaps inconveniently for our era of precision measurements, capacity development rarely produces such a photo finish. Instead, capacity development is a **perpetually evolving process** of growth and positive change.

At the heart of this transformation, driving the process, is a set of skills known as **functional capacities**. These are the essential management skills that allow for planning, implementing and monitoring and evaluating initiatives for growth.

<sup>7</sup> For more on how capacity development is mainstreamed into programmes, see annex II

UNDP has identified five functional capacities that are so central to determining the outcome of development endeavours that the entire UNDP process is based around them. They are:



1

*Capacity to engage stakeholders*



2

*Capacity to assess a situation and define a vision*



3

*Capacity to formulate policies and strategies*



4

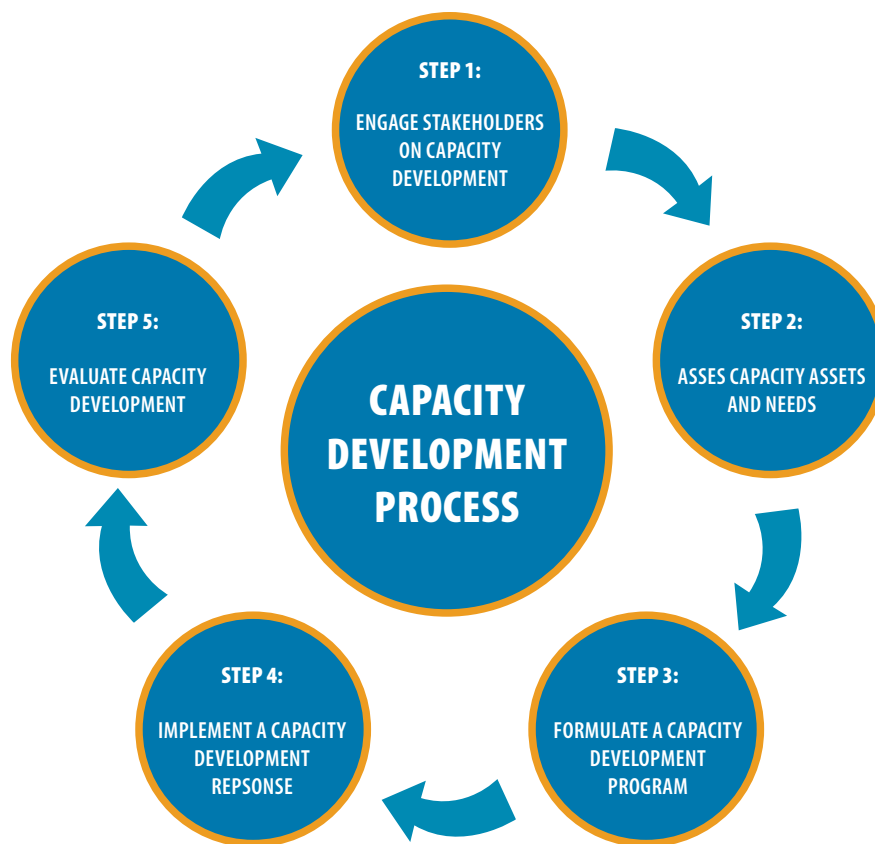
*Capacity to budget, manage and implement*



5

*Capacity to evaluate*

We will take a closer look at each of these functional capacities, and how they interact with each other, in the next section.



### THE FIVE STEPS OF THE CAPACITY DEVELOPMENT CYCLE

Supporting the functional capacities that help to guide development outcomes are technical capacities – those related to a given area of expertise. Whereas functional capacities may be described as all-purpose skills, technical capacities arise in context and are always associated with particular practice areas such as climate change, HIV/AIDS, legal empowerment, or elections).

As we have seen, developing capacity is a process of growth and evolution. It is useful to imagine the flow of that process as an **upwardly spiraling cycle** of events.

The UNDP capacity development process uses a five-step cycle to organize programming work. The specific circumstances of a given situation determine the prominence of each step in the process. As a simple illustration of how the capacity development process might unfold, consider the following hypothetical situation:



### STEP 1. ENGAGE STAKEHOLDERS

Capacity development begins with people talking and listening to each other. The first step is to get a dialogue going among all those who stand to benefit from the enhanced capacity. The aim should be to get everyone committed to the process, and personally invested in its success. This is what we mean when we speak of **ownership**.

Ownership is best achieved when it comes about organically, rather than when it is imposed from an outside source. Using local methods of consultation and decision-making from the start, and allowing everyone to contribute to the design and content of the process, help to situate an initiative within national development priorities.

It is also important early on to establish **accountability**: who will do what, who will ensure that it gets done, and what will the consequences be if it doesn't? Accountability should flow both upward and downward through clearly stated goals and responsibilities. External partners should avoid creating parallel systems that undermine or compete with the local systems.



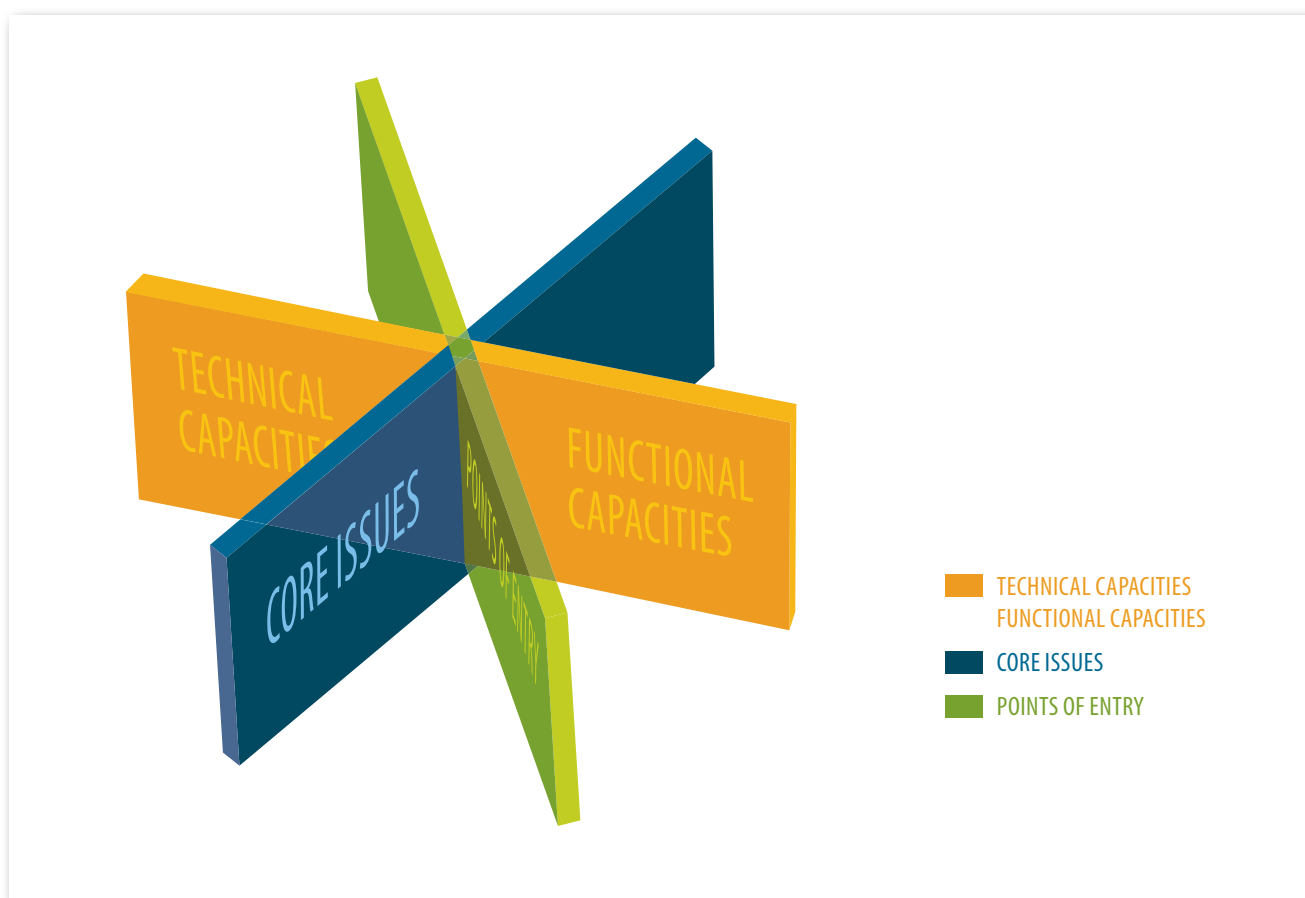
## STEP 2. ASSESS CAPACITY

The UNDP methodology for capacity assessments is the result of years of experience from around the world. It is not a 'one size fits all' blueprint – it is meant to be adapted to suit various situations. However, in every case, its ultimate goal is to move from analysis to action, with clear indicators for measuring progress. This step should help establish the baseline from which that progress should be measured, through identifying existing capacity assets as well as the desired level of capacity anticipated to achieve development or organizational objectives.



## WHY ASSESS CAPACITY?

- develop a comprehensive view of issues that could be addressed
- bring rigor and a systematic method to determining future capacity needs and assessing existing capacity assets
- create a common language of discussion among potentially disparate parties
- provide a structure for discussion about the scale and scope of the capacity assessment exercise and about expectations of the capacity development effort more generally
- provide a method for generating quantitative as well as qualitative data to support the development of a capacity development action plan
- make sense of complex development situations, when it is not always obvious where best to intervene to promote capacity development
- improve consistency, coherence and impact
- increase the ability to share experiences



The UNDP capacity assessment framework reflects the interplay among three dimensions – the three levels<sup>8</sup> at which capacity is nurtured, the five functional capacities that we have identified, and the four core issues – in an analysis that aims to examine capacity challenges in a comprehensive, integrated manner.

### THE CAPACITY ASSESSMENT PROCESS

The capacity assessment process consists of three steps:

- mobilization and design;
- conducting the process; and
- summarizing and assessing the results.

<sup>8</sup> Individual, organization and enabling environment levels

***Mobilize and design:*** A capacity assessment should start from the assumption that there are existing capacities that can and should be built upon.

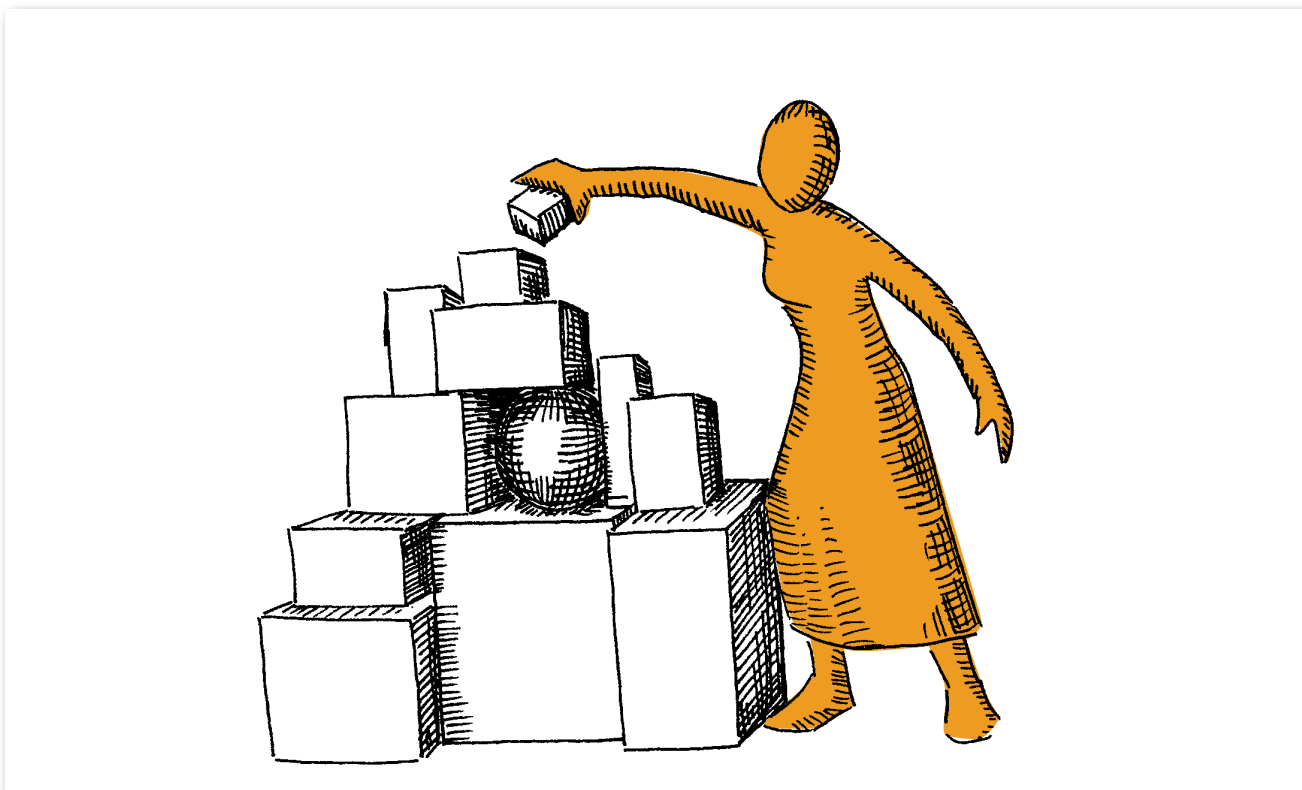
In Liberia, for instance, the government used the capacity assessment stage as an opportunity to tap the skills of Liberians both at home and abroad. The range of skills available allowed the government to design a strategy, with a mix of short-term, visible ‘quick wins’ and longer-term projects. The exercise helped instill a sense of national unity after a long period of civil conflict, and offered Liberians a chance to shape the course of their country’s development.

***Conduct the assessment:*** The capacity assessment compares desired capacity against existing capacity. People may be tempted to set the level of desired capacity at the highest level attainable. Therefore, it is important to define a realistic goals with a realistic timeframe for developing capacities.

Several countries preparing for accession into the European Union have been using capacity assessment process to show their eligibility for ‘pre-accession’ funds that are available to help bring public service delivery in line with European Union standards. They measure their existing capacities for managing public service projects from start to finish – planning, designing, implementing, monitoring and evaluating – to show that they can absorb the funds effectively. The assessment also points out capacity gaps that the funds can be used to address.

***Summarize and interpret results:*** Comparing desired and existing capacities provides insights for the formation of capacity development responses. When interpreting the results of the assessment, the assessment team will be able to discern patterns in capacity gaps to identify whether a gap is consistently large across a core issue or across a specific capacity. It is important to gather a variety of perspectives and take into account different points of view.

When the Palestinian Ministry of Planning undertook an assessment of its capacity for services delivery, the results underscored the importance of coordinating capacity strategies to work together across several ministries at once. This element was particularly important in the Palestinian context, as the assessment revealed that such linkages were essential to maintain effective service delivery in unpredictable conditions.



### STEP 3. FORMULATE A CAPACITY DEVELOPMENT RESPONSE

A good capacity development response builds on existing capacity assets to address the gaps identified in a capacity assessment. Most stakeholders prefer to play to their strengths – their capacity assets – and use what they are doing right to do other things better.

Because the four core issues reinforce each other and are highly contextual, the effectiveness of the response will increase if it combines actions across core issues and levels of capacity based on the local situation. For instance, an assessment of the procurement office of a ministry of health (organizational level) may need to be complemented by a revision of the government's procurement guidelines (enabling environment). Similarly, procurement officers may need to be trained in applying these guidelines and an incentive system put in place to encourage procurement officers to use the new system and guidelines.

Sometimes it may be important to define quick win/short-term activities to help shore up support while the foundation is being laid for longer-term capacity development initiatives. The design of a capacity development response should therefore contain a combination of quick-impact initiatives (less than one year) and short- to medium-term (one year or longer) initiatives. This is particularly critical in post-crisis and transition situations.

## QUICK WINS OR GRADUAL PROGRESS? FOR TIMOR-LESTE, BOTH

When I was working in UNDP Timor-Leste the case for capacity development was quite obvious. When Timor-Leste voted for independence in 1999 the state and its main organs existed only nominally without a legal framework, staff, or even offices or equipment. The state was built from scratch. With heavy support from the UN and the international community, Timor-Leste quickly made impressive progress in building the foundations of a functioning state, passing critical legislation, putting systems and processes in place and training staff.

Timor-Leste was being described as a post-conflict success and a UN success story. The UN mission was phasing out while development projects were decreasing. But consensus on the institutions' strength was suddenly tested in 2006, when violence broke out, institutional structures and chains of command broke down, and people began seeking solutions outside of the legal framework. The fragility of the state institutions became clear.

The crisis was proof, if any, that despite the heavy support of the international community to capacity development in the country, the state institutions remained fragile. Building and developing the capacity of state institutions is about systems and processes, skills and knowledge – but also attitudes and behaviour. All these are long-term processes and could not have been possibly achieved in six years. It was therefore quite clear that the quick wins in building basic features of state institutions during the early years of independence were important, but far from sufficient – and that institutional capacity development is a long-term endeavour.

The Timorese story demonstrates an important risk of quick wins: successful quick wins can lead to an equivalent quick withdrawal of support. Quick wins in developing institutional capacity should not be considered as substitute for capacity development. It is important to recognize at the outset that capacity development is a long-term endeavour requiring long-term support. What this story tells us is that the most precious resource for capacity development is time.

*Noura Hamladji, Deputy Resident Representative, UNDP Azerbaijan*

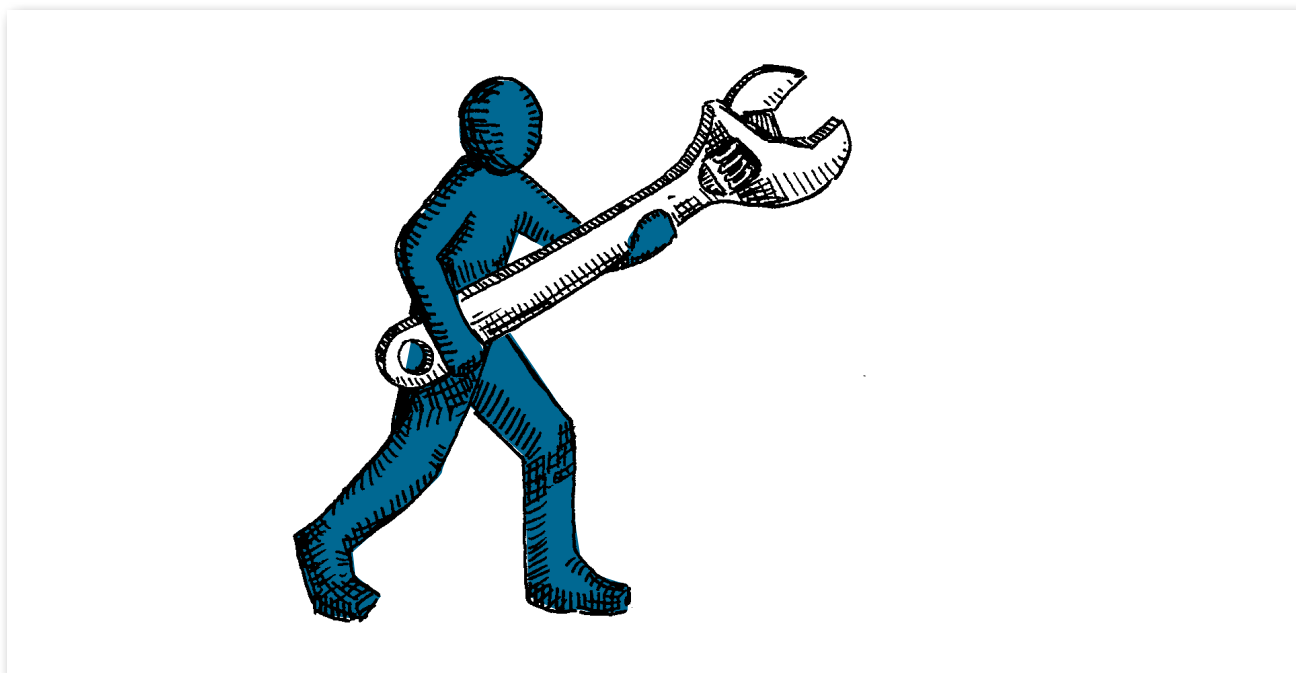
Indicators should be set to monitor progress in implementation. The process itself of defining progress indicators is useful as a way of generating policy discussion, enhancing monitoring and evaluation and as a learning exercise.

Ideally, a capacity development response should be integrated into existing national budget structures, to help ensure continued funding beyond the involvement of UNDP or other external partners.

The cost of a capacity development response should be clearly calculated, since it encourages a realistic estimate of the funding required. If the budget proves too small to cover all proposed actions, it's time to prioritize activities or find alternatives, based on the findings of the capacity assessment.

Since the process of setting priorities is inherently political, it should be managed carefully and transparently, with the involvement of all relevant stakeholders; otherwise those that stand to lose out may withhold support during implementation.





#### STEP 4. IMPLEMENT A CAPACITY DEVELOPMENT RESPONSE

The implementation phase is where the real action occurs. This is the point where all the thinking, planning, assessing, analyzing and designing is tested in the real world. For the most sustainable long-term results, implementation should be managed through national systems and processes rather than through the parallel systems of external partners. The very fact of using national systems can help strengthen essential capacities such as project management and procurement. Partner countries feel a strong sense of ownership of initiatives when their own systems and procedures are used for implementing programmes and projects. It is therefore important to help strengthen these systems.

The importance of investing in and using national systems cannot be exaggerated. National systems, for UNDP, ranges from systems of planning and strategy development, all the way to delivery and evaluation. Every initiative should include an 'exit strategy' that allows external partners to effectively hand over management of the programme or project to national counterparts.

There are instances where this is easier said than done. For instance, when countries are in transition, donors often respond to political pressure on new governments to deliver quickly by bringing in external organizations and consultants to carry out urgent tasks that could and should be done by national organizations. External expertise may be absolutely necessary and appropriate in some cases. However, if there is no clear exit strategy, the external presence may become counter-productive: not only might it compromise the accountability of government to the public it serves, since the externals may be seen – for better or worse – as the real change agents; but it might also cause valuable opportunities to be missed for enhancing local capacities in such areas as governance and basic service delivery.

## MAKING A GRACEFUL EXIT

Experience has shown that external expertise can be most useful in enhancing local capacity by taking the following steps:

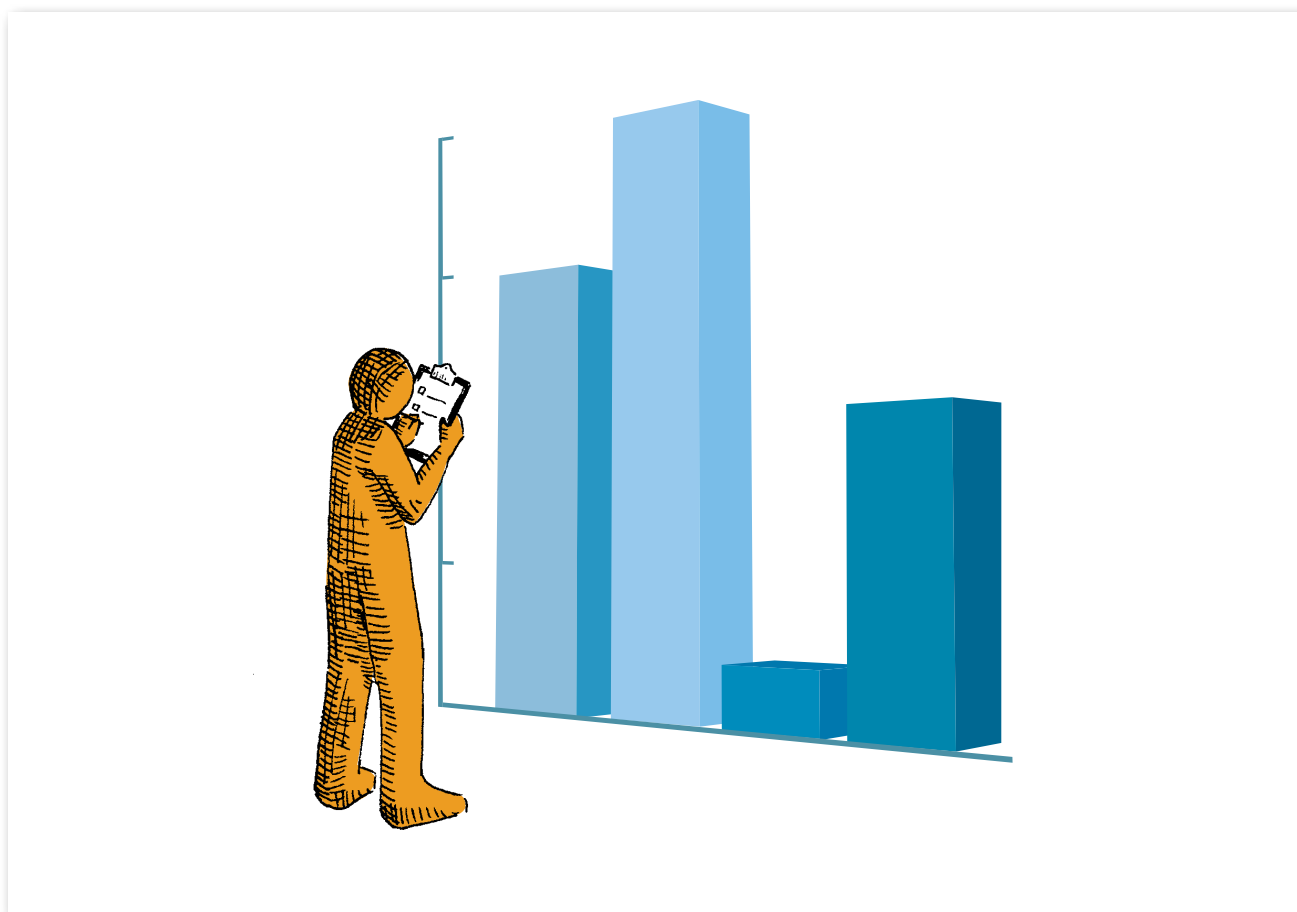
- Offering direct support for services and management based on an assessment of existing capacity and gaps. The assessment can be quick and partial, but should provide an objective starting point for bringing in external expertise.
- Making support to develop in-country ability to manage large flows of foreign aid a mandatory clause in letters of agreement and service agreements with external suppliers.
- Negotiating clear strategies and timeframes for exit from the very beginning, and making sure they are included in any legal agreements. Where relevant, link exit strategies to peace agreements or Security Council resolutions, and to planning instruments that tie national priorities to international action (e.g. transition results frameworks in post-conflict settings).
- Making sure programmes and project contracts, as well as the contracts of individual experts, include exit clauses, and link exit strategies to performance measures, monitoring systems and incentives.
- Including coaching and mentoring as part of the hand-over before experts depart.
- Monitoring performance in capacity development to ensure that phasing out of external expertise and systems is done in a professional and mutually-beneficial manner, with minimum disruption.
- Making monitoring the exit strategy itself, and dealing with the consequences of any problems (risk analysis, and political and management response) part of the project and/or partnership agreement.

*Source: Capacity Development During Periods of Transition, Practice Note, May 2008*

## PROGRAMMING CAPACITY DEVELOPMENT <sup>9</sup>

| DO  | DON'T   |
|---|---|
| <p><b>...engage with national systems and integrate your work in existing national processes</b></p> <p><b>...leverage capacity development to integrate efforts from other development partners and in building consensus</b></p>  | <p><b>...set-up parallel structures and mechanisms to implement programmes and projects</b></p>   |
| <p>In the programming process, at the analytical and design stage, an engagement with key national partners, and with national systems and processes is fundamental. Are there existing national processes, institutions, studies, etc available that can be built upon? Are there other initiatives done by other partners that are relevant for the result we are supporting? etc.</p>  |   |
| <p><b>...integrate capacity development systematically in all programming efforts upfront starting from the analysis and then into all programming instruments and tools</b></p> <p><b>...make time and effort to define capacity development actions and indicators and integrate them in the monitoring and evaluation framework</b></p>  | <p><b>...treat capacity development as an afterthought in programme and project development</b></p> <p><b>...treat capacity development as a stand-alone initiative but integrate it into the 'DNA' of how you do programming</b></p> <p><b>...limit or retrofit capacity development to activities – for example a training workshop</b></p> |
| <p>For capacity development to be effectively integrated into the programmes, this integration should start at the analysis stage and continue throughout the entire programming process through programme development, implementation, monitoring, and evaluation. It should be part of a systematic support to national capacities for reaching development results, and not limited to inputs/activities.</p> <p>If capacity development is not measured, it is less likely it will take place ('what get's measured get's done'). Therefore, the monitoring and evaluation framework should integrate measures of the capacity level, of the system's/institution's performance and of the end development condition being addressed.</p> |   |
| <p><b>...think sustainability and exit strategy upfront – focus on designing programmes and projects that leaves something behind</b></p>   | <p><b>...think that sustainability is something that will occur automatically, it needs to be planned</b></p>   |
| <p>Question the sustainability of the development programme or project in its design. Think through what can be done to make the effort 'stick', ex through policy changes, incentives.</p>   |   |

<sup>9</sup> Contributed by Thomas Eriksson: Policy Adviser & Team Leader, UNDP Programming Policies: Capacity Development Group, Bureau for Development Policy, UNDP: thomas.eriksson@undp.org



### STEP 5. EVALUATE CAPACITY DEVELOPMENT

Measurement of capacity development success cannot be reduced to an increase in input resources such as human, financial, or physical resources. Availability of input resources does not guarantee their contribution to development objectives.

Progress and results are reflected by changes in performance, which can be measured in terms of improved efficiency and effectiveness. But all these outcomes are less easy to capture than outputs, which is why it can be tempting to focus on such elements as funds disbursed, number of workshops conducted or number of people trained. The link between capacity development and impact is also challenging to evaluate because it depends on the dynamics at work among several factors over time – of which a change in capacity may be only one.<sup>10</sup>

In the end, an evaluation framework is only useful to the extent that its findings are absorbed and applied. The challenge is in designing a framework that is comprehensive enough to capture the key issues, but that continues to be manageable (see annex for checklists).

<sup>10</sup> For more on measuring capacity development, please see annex III.

## MEASURING CAPACITY DEVELOPMENT: A COMMON SENSE APPROACH

How can one sense that capacity has been developed? What does it sound, look, feel like?



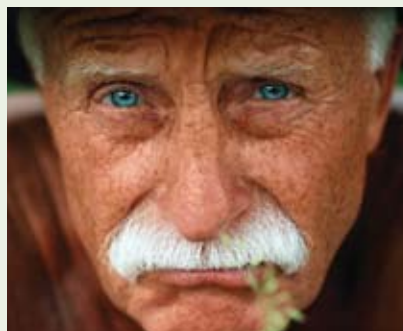
### WHAT DO CAPACITY DEVELOPMENT RESULTS...

#### SOUND LIKE...

The whirr of efficient operations

#### TASTE LIKE...

Clean water and sufficient and safe food



#### LOOK LIKE...

Transparent, motivated teachers and kids in school

#### SMELL LIKE...

Clean and green

#### FEEL LIKE...

Invigorating, liberating and inspiring







### III. CAPACITY DEVELOPMENT IN ACTION

*“Chance favours the prepared mind.”*

*Louis Pasteur*

#### FROM ART TO SCIENCE

As we have seen, applying the UNDP capacity development approach is as much an art as a science. When it comes to applying the fundamental principles, not only does one size not fit all, but no two situations are identical. The ‘distortions’ inherent in development processes – be they economic, social, political or environmental – affect each stage of the cycle in unique, often unpredictable ways.

Nonetheless, the effort continues to transform the capacity development art into science, by harvesting valuable lessons from a growing body of experiences around the world. In the constantly evolving cycle of the process, mistakes are as useful to learning as successes, and the particulars of both must be scrutinized carefully to determine what can be replicated, what can’t, and why.

#### WHAT WORKS

##### 1. A FAVOURABLE TAILWIND

Development is about innovation. When people are empowered to bring good ideas to fruition, everybody wins. But think of all the good ideas that have gone missing amidst cumbersome administrative processes, unduly restrictive regulations, high costs, and adherence to unconstructive practices or ways of thinking.

When development strategies focus on clearing pathways to innovation, they create favourable ‘tailwinds’ that allow ideas to take flight. These strategies must be piloted by strong leaders with the courage, commitment and integrity to enable the individuals they serve, the organizations they oversee and the societies they govern to transform.

#### WELCOME HOME: THE ALBANIA BRAIN GAIN EXPERIENCE

A growing number of ‘brain gain’ initiatives around the world are managing to attract back talents lost due to migration to participate in national development strategies. The most successful of these rely on a combination of measures, including creating an enabling legal, policy and administrative environment, and providing monetary and non-monetary incentives designed to ease reintegration or retention.

The return of highly qualified migrants has become an integral part of Albania’s strategy to effectively engage the Diaspora in the country’s scientific, administrative and economic development. The government’s brain gain programme is creating policies and incentives to encourage skilled people to remain in Albania, to return after university, or to come on a short-term basis to engage in specific projects. Partnerships with Albanian lecturers and researchers working in Western universities and research institutions have been key.

Expertise is also being sought for the Albanian public administration. The government is focused on creating policies that allow for the return of talented professionals as well as for keeping the expertise of Albanians already in the country. This includes a critical analysis of the current laws and practices in the public administration that promote or prevent the attraction of those that have graduated overseas with public administration degrees and allied fields.

A database for collecting information that tracks the skills and qualifications of the Diaspora is used to identify Albanian scholars, policy makers, graduate students and professionals suitable for the programme. Interested Albanians can sign up via a user-friendly website, and provide information about their education, work experience and ways in which they wish to contribute to development.<sup>11</sup>

## 2. SUSTAINABILITY OVER SPEED

Experience has shown the value of investing in the institutions and processes that lead to lasting social change. The incremental pace of developing sustainable capacity often finds itself at odds with the pressure to demonstrate progress quickly to beneficiaries and donors. However, there are countries with a forward-looking development agenda that have invested in their human capital over a long period of time enjoying sustainable progress.

### TRANSFORMING THE PUBLIC SECTOR: THE SINGAPORE STORY

The economic success of Singapore recorded in the 1980s and 1990s was partly due to the government's ability to cultivate a competent, efficient and motivated civil service. The country has also succeeded in having one of the least corrupt governments in the whole world, ranking fourth only behind Denmark, Finland and New Zealand in 2007. Then, what were some of the policy measures that enabled Singapore to have the best talents in the public sector ready to drive the country forward?

- One, the government follows a business-like approach within the civil service, continuously analyzing the service delivery needs of the country and the emerging global trends, reforming the civil service according to such needs and trends, and utilizing the knowledge available from the vast business and educational sector and industries that are present in the country.
- Second, the government through its Public Service Commission (PSC) has continuously played a very active role in identifying, nurturing and grooming promising young talents for civil service leadership positions, including providing scholarships for local and foreign universities, and continuing development programmes.
- Third, public servants in Singapore receive very competitive salaries, rivalling those of the private sector. This is complemented by a merit-based personnel assessment system that supports civil service performance management and provides incentives, including promotion and performance bonuses, for good performers. Economic performance is likewise linked to civil service rewards, i.e., civil servants could receive bonuses of up to twice their monthly salaries during periods of good economic performance.
- Fourth, in addition to providing a relatively high salary structure for the civil service, the government has exhibited strong political will to combat corruption through the introduction of stringent administrative and legal measures to support the anticorruption law, empowering the independent Corrupt Practices Investigation Bureau (CPIB) to prosecute corrupt officials, and promote ethical leadership by example. Importantly, successful prosecution of cases against public officials, whose cases are also displayed publicly in the CPIB website, have also bolstered public support for the government's anticorruption drive.<sup>12</sup>

<sup>11</sup> Brain Gain Albania, <http://www.braingain.gov.al/default.asp>

<sup>12</sup> This case study is written by Robert Bernardo, UNDP Regional Service Centre in Bangkok serving the Asia Pacific, ([robert.g.bernardo@undp.org](mailto:robert.g.bernardo@undp.org))



### 3. SPRINTS AND MARATHONS

Investing in capacity is often about managing trade-offs. On the one hand, there are 'quick wins' with smaller but immediate returns – the 'sprints' – that can help ensure political support for long-term capacity investments. On the other hand, there are initiatives that can promote broader change, but take longer to produce results and are therefore harder to 'sell'. These are the 'marathons'. If beneficiaries remain engaged and committed to the process, encouraged by the visible short-term successes of the sprints, then the balance can shift towards longer-term marathon investments over time.<sup>13</sup>

#### IDENTIFY A FEW VITAL PRIORITIES FOR EARLY ACTION

When the Government of Afghanistan assessed the systemic and institutional capacity of its ministries, departments and agencies, it had a dual purpose in mind: to identify areas for improvement across all areas of operations; and to identify a few vital priorities for initial development that could quickly establish a credible platform to spearhead further, longer-term improvements.

The assessment scored performance and achievement standards against international good practice criteria. More tactically, it also produced several strategic initiatives and potential quick impact actions. Finally, it produced areas for improvement, which were then translated into high-potential priorities and consolidated into a capacity development programme for short- and medium-term implementation.<sup>14</sup>

### 4. HOMEMADE REMEDIES

Capacity needs to be developed using existing local knowledge, structures and processes. The external role can facilitate and trigger learning, innovation and knowledge. Evaluations have found disappointing long-term results from traditional technical assistance, in which an expert 'parachutes' in to teach a specific skill and then leaves. Making the most of resources available at home, and then building on those resources, goes a long way toward sustainability. This becomes particularly critical when a change process is faced with a long-standing organizational tradition or value system. Devising an approach that is sensitive to and takes into consideration local customs and resources could make a big difference in moving the reform agenda forward.

#### TARGETING TECHNICAL ASSISTANCE: THE BOTSWANA EXPERIENCE

In Botswana, integrating technical assistance into the public service establishment has helped put the government in the driver's seat. Human resource planning and budgeting for technical assistance are integral parts of the national planning process. Technical assistance requirements are considered from the perspective of sectoral and institutional needs, with experts assigned to established posts rather than to project or advisory posts. Technical experts are contracted by, and answerable to, the government.

<sup>13</sup> UNDP's service offering for short- and medium-term capacity development needs in complex situations is given in annex IV

<sup>14</sup> Capacity Assessment Practice Note, CDG/BDP/UNDP 2008

Botswana's approach to aid management has helped ensure that technical assistance makes a real contribution to strengthening local institutional capacities and respects the country-driven agenda and the principle of national execution. There is broad political and administrative ownership of externally funded projects and programmes.

Stand-alone projects and parallel structures such as project implementation units have been largely avoided. The country has been able to avoid building multiple sets of donor procedures, accounting requirements and uncoordinated activities.<sup>15</sup>

## 5. INVESTING IN NATIONAL PRIORITIES

Capacity investments should align with strong political ownership and leadership at the highest levels, with wide participation, transparency, and accountability.

In Rwanda, for instance, the government is aiming for middle-income status by the year 2020, transforming from an agricultural to an information economy, driven by a focus on ICT. Rwanda has set a goal to become the 'Silicon Valley' of East Africa. National spending on information and communication technology is on par with Western figures, well above the African average. The government has even managed to break new ground while saving costs by using video conferencing to conduct its business. To ensure that these gains are widely enjoyed and supported, a new project is under way to get more computers into the school system and to accelerate e-learning in secondary and tertiary education.

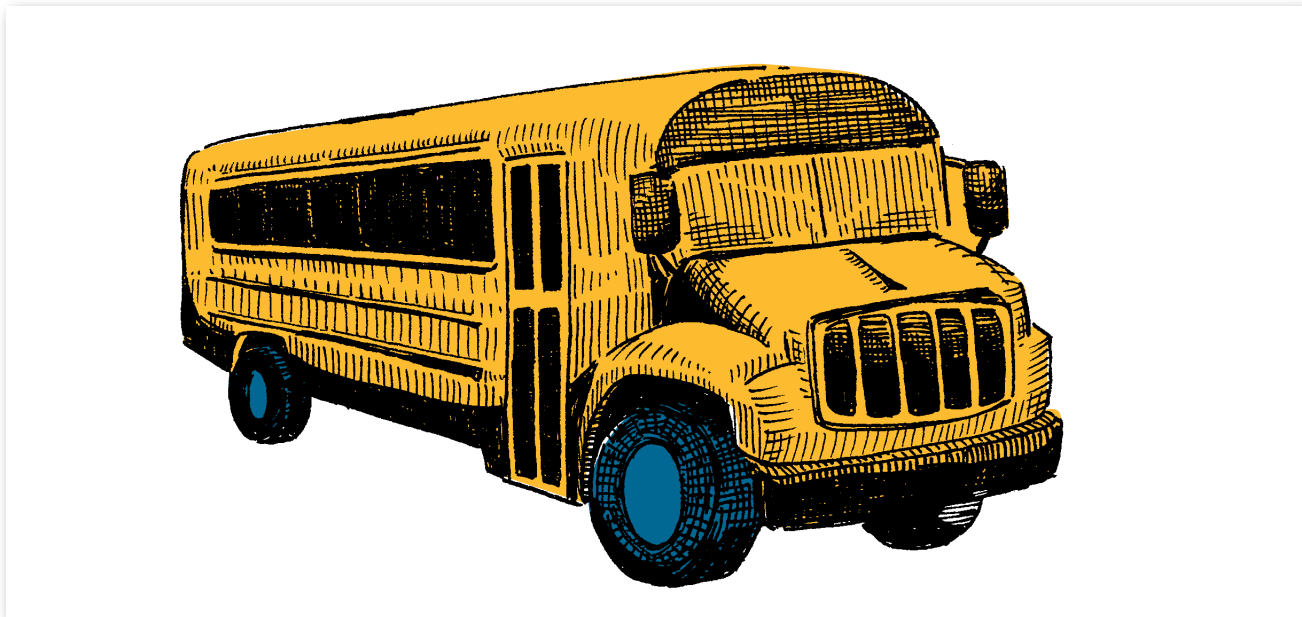
Leadership matters. The right policy choices and institutional reforms make the difference as to whether capacity grows or diminishes, stays or flees, is de-motivated or returns.

*Based on your own personal experience, have you ever wondered why certain government institutions perform better than others?*

Perhaps because of...

- competent and motivated staff.
- competitive and meritocratic recruitment practices.
- visionary and inspiring leadership.
- shared sense of purpose and positive attitude.
- effective communication strategies and feedback mechanisms.
- use of state-of-the-art technology.
- effective learning and training system.

<sup>15</sup> Baser, H. and P. Morgan, Harmonizing the Provision of Technical Assistance: Finding the Right Balance and Avoiding the New Religion



## A WINDING ROAD

### THE PROBLEM

Milagros was fed up. Not because her crop had failed. On the contrary, it sat piled high in the storehouse. The problem was that there was no way to get to the market to sell it or to buy supplies for the next planting season or anything else for that matter... all because the village bus had broken down... again.

Because Milagros and her family lived in a small village far from town, everyone relied on a single bus to cover long distances. Whenever it broke down, as was often the case, the entire village was virtually cut-off from the outside world. Nobody could get to school or work, and external suppliers and service providers couldn't make scheduled deliveries. On top of that, floods and landslides made the roads to town impassable during the rainy season.

Milagros had had enough. She stormed down the hill to Geraldo, who was head of the farming collective.

'What are we supposed to do?' she fumed. 'We can't just sit here watching our hard work go to waste. We need to fix this once and for all!'

Geraldo knew it was time to act. He telephoned the district commissioner to file a formal complaint and request a new bus.

### A MEETING AND A QUICK FIX

Antonio, an investigator from the transport office in the capital, peered over his glasses at the large crowd assembled in the village square. Clearly the unreliable bus was a major issue affecting everybody.



His orders from the district commissioner were clear. While a mechanic examined the bus in town, Antonio was to document the complaints to demonstrate that the government was being responsive.

Antonio stood up to open the meeting, and the crowd fell silent. Following some introductory remarks, he posed a general question, 'What seems to be the problem?'

The villagers erupted in a wave of loud chatter.

'I'll tell you what's wrong!' Milagros bellowed above the fray. 'It's Luis! He takes the corners too fast and slams on the brakes as if they were unbreakable. One day we were transporting a goat on the roof of the bus. Luis veered around a corner so hard that we were all sure it had flown off! Good thing it was a mountain goat and knew how to keep its balance!'

The crowd murmured in agreement as Antonio scribbled: *driver, corner, brakes, goat, balance.*

When the meeting was over, Antonio headed to town to check on the bus at the garage. When he arrived, the mechanic was inspecting the bus under the skeptical gaze of Luis, the driver.

'The bus is in decent shape, but the brakes are worn down,' the mechanic reported. 'It's an easy fix. Let me just replace the brake pads, and we can be on our way.'

'But,' Antonio flipped through the case file, 'isn't this exactly what was done about ten months ago?'

'Well, either way, the brakes need to be replaced,' replied the mechanic.

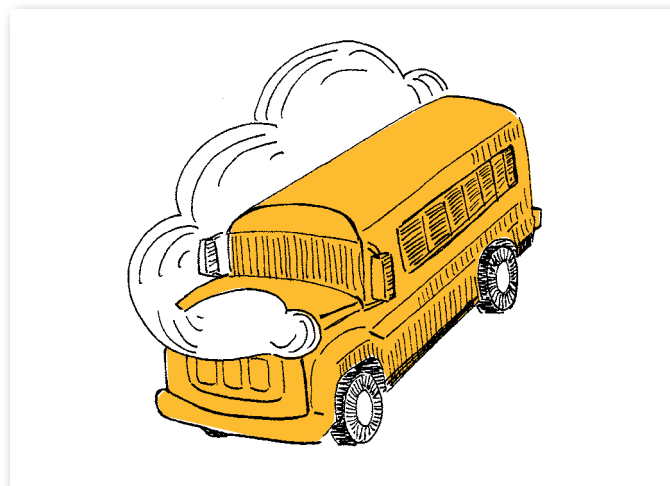
Antonio stared at Luis. He then thought of his boss—the district commissioner—who would be pleased with the news that there would be no need to spend money on a new bus.

An idea unexpectedly entered his head. 'Luis, what would you say about taking some training?'

'Are you saying that I can't drive?'

'No, of course not! Just an informational course on these new high-technology brakes that came out a few months ago... and maybe some practice sessions on maneuvering big vehicles on winding roads?'

'What do you mean, practice with winding roads? I've known these roads my entire li--'



'You'd be in the capital, maybe for a week, in a hotel with all expenses paid.'

'Hm. Well... all right. I suppose I could see what the fuss is all about over these new brakes.'

Back in the capital, Antonio triumphantly wrote up a report for his boss. Soon after, Luis proved to be a diligent trainee, made friends with drivers from other provinces, and returned home with new skills.

All of the villagers considered the matter resolved.

A few months later, however, the bus broke down again...

### LOCAL SOLUTION

Since the previous bus troubles, a young mechanic—Paulina—had moved back to the village after learning the trade in a technical institute.

When Antonio found out about this, he rejoiced as he mentally calculated the potential savings of using a local mechanic. He immediately phoned Paulina and told her to stay put until he arrived at her garage.

'Look,' she said. 'I can fix the brakes, no problem. But I'd rather not have to do it every few months because the villagers deserve a decent bus that doesn't break down so frequently. In fact, this is the same bus that I used to ride as a little girl!'

Antonio's jaw dropped. 'Then... you think it's time for a new one?'

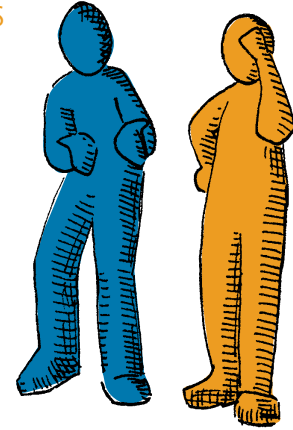
'Probably.'

'And if we can't afford it right now...?'

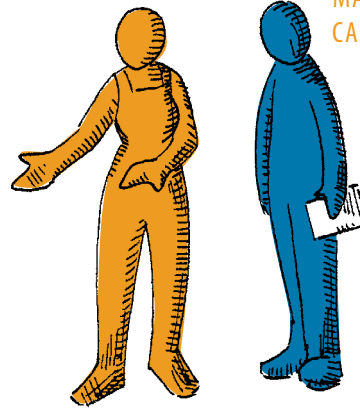
Paulina smiled. 'Then we should do what you would do with your own car: maintain it. Put it on a proper service schedule. We shouldn't wait for something to happen because, if we do, something always does. And that's as certain as the sun rising tomorrow morning.'

'Great idea!' Antonio blurted out. In his notes, he crossed out *new bus?* and etched in *scheduled maintenance!* He circled it three times.

DESIGN A RESPONSE...BUT IS  
IT THE RIGHT RESPONSE?



MAXIMISE LOCALLY EXISTING  
CAPACITY ASSETS INCLUDING  
LOCAL EXPERTISE



## ANNEX - RESOURCES

### I. CAPACITY DEVELOPMENT CORE ISSUES AND ACTION AREAS <sup>16</sup>

The UNDP capacity development approach identifies four core issues representing the domains where the bulk of changes in capacity take place most frequently. These action areas under each core issue symbolize programme outputs, with indicative activities that can be supported. They provide a comprehensive set of issues from which a capacity assessment team can choose as it defines the scope of an assessment and against which to check the issues already identified. They can also drive the formulation of a capacity development response. Not all four issues or action areas will necessarily need to be analyzed in any given assessment but the assessment team should at least consider all of them as it defines the scope of the assessment. The four core issues are not necessarily distinct as they spill over and reinforce one another. They can be amended based on the needs of the client and the situation.

| CORE ISSUE                           | PROGRAMME OUTPUTS <sup>17</sup>                | INDICATIVE ACTIVITIES   |
|--------------------------------------|--|---|
| <b>A. Institutional Arrangements</b> | <b>1. Functional Clarity</b>                   | a. Mandate and role clarifications<br>b. Streamlined business processes<br>c. Enforcement and compliance mechanisms   |
|                                      | <b>2. Effective Human Resources Management</b> | a. Knowledge access and skills development<br>b. Predictability and types of monetary and non-monetary incentives<br>c. Ethics and values interventions, attitudinal change interventions   |
|                                      | <b>1. Robust Coordination mechanisms</b>       | a. Horizontal/peer coordination convened by an apex agency<br>b. Vertical coordination between central and local state bodies<br>c. Convening authority and capacity of coordination bodies |
|                                      | <b>4. Monitoring and Evaluation systems</b>    | a. Integrated M&E framework<br>b. Independent and peer review mechanisms<br>c. Feedback loops and feedback mechanisms   |
|                                      | <b>5. Partnerships for services delivery</b>   | a. Public-Private Partnerships for service delivery<br>b. National Implementation and procurement capacity<br>c. Public interface for services delivery                                     |

<sup>16</sup> Source: UNDP (2008) Capacity Development Practice Note. UNDP/BDP/CDG

<sup>17</sup> Outputs are the products and services that result from the completion of activities within a development intervention.

| <b>CORE ISSUE</b>    | <b>PROGRAMME OUTPUTS</b>   | <b>INDICATIVE ACTIVITIES</b>   |
|----------------------|--|--|
| <b>B. Leadership</b> | <b>1. Clarity of vision</b>  | <ul style="list-style-type: none"> <li>a. Joint visioning exercises –systems thinking</li> <li>b. Setting priorities; sequencing &amp; strategic planning techniques</li> <li>c. Advocacy &amp; communications</li> </ul>  |
|                      | <b>2. Coalitions management services</b>                             | <ul style="list-style-type: none"> <li>a. Process facilitation</li> <li>b. Identification &amp; support to champions and change agents</li> <li>c. Negotiations techniques</li> <li>d. Cross-cultural and gender modules; confidence building modules</li> </ul>   |
|                      | <b>3. Transformation and risk management skills and services</b>     | <ul style="list-style-type: none"> <li>a. Decision-making skills</li> <li>b. Risk assessment &amp; analysis</li> <li>c. Ethics and values</li> <li>d. Executive/technocratic management skills</li> </ul>  |
|                      | <b>4. Leadership attraction and retention systems and mechanisms</b> | <ul style="list-style-type: none"> <li>a. Coaching &amp; mentoring</li> <li>b. Experimental learning</li> <li>c. Incentives</li> <li>d. Succession planning</li> <li>e. Brain gain strategies</li> </ul>   |
| <b>C. Knowledge</b>  | <b>1. Education reform strategy</b>                                  | <ul style="list-style-type: none"> <li>a. Linking issues of learning and knowledge needs to access and into educational reform</li> <li>b. Advocacy, voice and support to coalitions that look at increased investments in, and improving quality of, education.</li> <li>c. Mapping of human skills, institutions and investments that support CD</li> <li>d. PPPs in education sector</li> </ul> |
|                      | <b>2. Methodologies for continued learning</b>                       | <ul style="list-style-type: none"> <li>a. Expertise on training and learning methodologies</li> <li>b. Bringing the CD approach into in-service civil service training and incentives.</li> </ul>  |
|                      | <b>3. South-South learning solutions</b>                             | <ul style="list-style-type: none"> <li>a. Linking to regional education networks and institutions - facilitation and supporting to learning networks</li> <li>b. Brain gain and retention strategies</li> <li>c. Institutional twinning arrangements</li> </ul>  |

|                          |   |  |
|--------------------------|---|--|
|                          | <b>4. Domestic knowledge services, knowledge management mechanism and knowledge networks</b>            | <ul style="list-style-type: none"> <li>a. Seeding a pool of local talent/national expertise; local consulting market</li> <li>b. Supporting local knowledge capture mechanisms in a more robust, systematic and concerted manner.</li> <li>c. Local Community of Practice and local networks.</li> </ul> |
| <b>D. Accountability</b> | <b>1. Clarity of accountability systems</b>   | <ul style="list-style-type: none"> <li>a. Checks and balances:<br/>Result-based management</li> <li>b. Horizontal accountability</li> <li>c. Regulatory and oversight capacity of public institutions</li> </ul>   |
|                          | <b>2. Stakeholder feedback mechanisms and systems (also mentioned under institutional arrangements)</b> | <ul style="list-style-type: none"> <li>a. Developing monitoring capacities of both for state and non-state</li> <li>b. Independent partner review mechanisms</li> <li>c. Identifying and strengthening feedback loops, to enhance institutional responsiveness and enforcement mechanisms</li> </ul>     |
|                          | <b>3. Voice mechanisms</b>  | <ul style="list-style-type: none"> <li>a. Promoting participatory monitoring processes and instruments</li> <li>b. Institutionalizing participation frameworks, methods and tools</li> <li>c. Advocacy on literacy and civic education</li> <li>d. Language reforms and access to information</li> </ul> |

## II. CHECKLIST FOR QUALITY PROGRAMME AND PROJECT FORMULATION

Given that UNDP identifies capacity development as its overarching contribution to development, the programmes and initiatives it supports should contribute to sustainable national/local capacities. The following key considerations are extracted from the generic programming checklist to show case capacity development mainstreaming into the programming process. It serves as a reference in the preparation of country/regional/global programme documents, in project design, in appraisals of the programme or project.

| QUESTIONS  | YES | NO | COMMENTS |
|--|-----|----|----------|
| <b>Process considerations for mainstreaming capacity development</b>   |     |    |          |
| a. Has a review of existing capacity assets, lesson learned and relevant experiences of other development institutions within and outside the programme country been undertaken?   |     |    |          |
| b. Does the intervention contribute to capacity development, by which individuals, groups, organizations, and communities develop their abilities to perform functions, solve problems, and set and achieve outcomes?  |     |    |          |
| c. Does the programme or project provide opportunities for UNDP to work closely with the UN Development system and other partners to support capacity development efforts through: (a) engaging stakeholders; (b) capacity assessments, (c) formulating capacity development response, (d) implementing capacity development responses, and (e) evaluating capacity development? |     |    |          |
| d. Does the programme or project support the strengthening of national capacity to implement a human rights-based approach to national development programmes and policies?  |     |    |          |
| e. Have the different dimensions of capacity at the systems, organization and individual levels been assessed in defining most promising operational strategy?   |     |    |          |
| f. Is the choice of implementation modality adequately justified in terms of capacity of the national agencies and/or CO concerned?  |     |    |          |
| g. Have programme or project management capacities been reviewed, and can capacity development measures for management be improved?  |     |    |          |
| h. Do elements crucial to ensuring the sustainability of the programme or project results exist, for example: <ul style="list-style-type: none"> <li>• Enabling policies;</li> <li>• Financial support and mechanisms;</li> <li>• Individual and institutional capacities to carry on;</li> <li>• Sustainable resource management.</li> </ul>                                    |     |    |          |

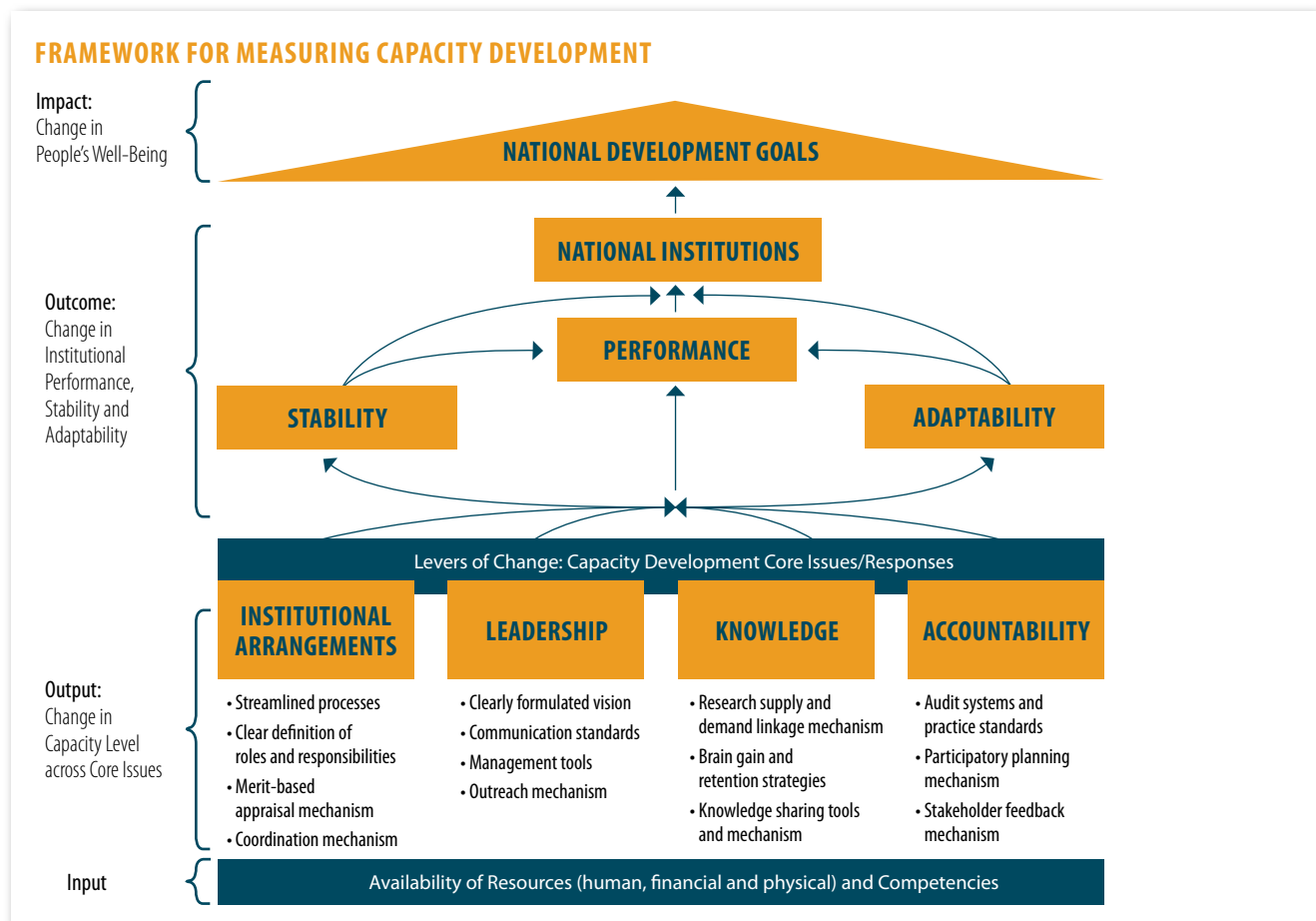


| QUESTIONS  | YES | NO | COMMENTS |
|--|-----|----|----------|
| i. Does the programme or project document build national capacity in one or more of UNDP's practice areas and to follow-up on UN conference agreements?  |     |    |          |
| j. Is national capacity to manage, monitor and evaluate being developed?   |     |    |          |
| <b>Effective Aid Management (includes relevance, alignment and harmonization):</b>   |     |    |          |
| a. Does the programme or project contribute to the alignment of aid flows with national priorities and strategies and the reduction of transaction costs for the programme country?  |     |    |          |
| b. Do the proposed management arrangements have a positive impact in terms of the UN's adherence to the alignment principle of the Paris Declaration?  |     |    |          |
| c. Is the program or project part of a harmonization effort with other UN agencies, Bretton Woods Institutions and/or bilateral donors?  |     |    |          |
| d. If the project and program is not part of a harmonized approach with UN agencies and bilateral donors, have opportunities for aid coordination been explored?   |     |    |          |
| e. Are the country programme or project outcomes fully aligned to national priorities identified through national development strategies?  |     |    |          |
| f. Do the CP, Country Programme Action Plan (CPAP) and UNDAF demonstrate alignment?  |     |    |          |
| g. Has the programme or project context—including social, economic, political and environmental dimensions, problems and root causes—been properly analysed and understood?  |     |    |          |
| h. Are relevant the outcomes and outputs in relation to the comparative advantages of UNDP (as described in the UNDP strategic plan) and the UN as a whole in the targeted country and focus area of intervention?                                     |     |    |          |
| i. Are relevant the outcomes and output in relation to the comparative advantage of UNDP and the UN in the targeted country and focus area of intervention and within the context of the UN's follow-up to the Paris Declaration on Aid Effectiveness? |     |    |          |
| j. Are relevant the outcomes in relation to aspirations and needs of the target groups and the UNDP mission in line with the strategic plan?   |     |    |          |

### III. MEASURING CAPACITY DEVELOPMENT <sup>18</sup>

One of the pertinent challenges in the field of capacity development is measuring change and results in concrete terms. Viewing capacity development in a 'system' or 'institution' context helps to understand complex interventions involved in transforming incentive systems, leadership, knowledge, accountability systems, value systems, and other levers of change. Formal and informal entities perform functions and produce products and services that make development possible. All institutions in the public sector, civil society and private sector have a purpose. They use inputs such as human, financial and physical resources to convert inputs to outputs such as policies, public service delivery, enforcement of regulations, or knowledge products in order to achieve outcomes such as improvements in public health or increase employment. Hence, capacity development can be measured by changes in the performance (efficiency and effectiveness), stability (risk mitigation and institutionalization) and adaptability (investment for growth and change and contentious improvement) of a given institution (see the framework below).

The objectives of capacity development programmes should be based on a clear vision of success, rather than vague language such as "improve, enhance, strengthen, or increase capacity". Likewise the measurement of success should be based on clear evidence of actual changes relevant to the development agenda rather than anecdotes or measures of the completion of training activities, procuring tools or augmenting staff.



<sup>18</sup> UNDP (2009) Measuring Capacity Development Practice Note (draft), UNDP/BDP/CDG

## GENERIC CHECKLIST FOR RESULT INDICATORS<sup>19</sup>

### OUTCOME CHECKLIST

- Is the outcome specific? Explicitly state what should happen, where and to whom as a result of what.
- Is the outcome measurable? To determine if the outcome is measurable, ask questions like is it possible to achieve 50% of the outcome? Is it possible to distinguish 50% from 10%?
- Is the outcome realistic? One needs to know if it is possible to reach the outcome, are there enough resources? Is there political will? An outcome is not a wish; it is a tangible objective to be reached.
- Is the outcome relevant to the overall development goals? Achievement of the outcome should bring us closer to realizing the development goals.
- Is the outcome limited to a specific time period?
- Does the outcome clearly specify the system (organization(s)/group(s)/ individuals) that require capacity development?
- Has the effect of the change process been sufficiently specified in terms of the outputs of the target system?
- Has the effect of the change process been sufficiently specified in terms of improve productivity, stability or sustainability of the target “system”?
- Are the productivity/stability/sustainability targets resulting from the CD process realistic as well as reasonably ambitious compared to historical records of performance of the target “system”?

### OUTCOME INDICATOR CHECKLIST

- Are the indicators clear and easy to understand?
- Do the indicators measure changes that are correlated to the desired change specified by outcome?
- Are there indicators to capture key unintended changes?
- Are data easily available for each indicator?
- Is the information source likely to produce high quality data over a number of years?
- Is the data source and data collection mechanism credible to stakeholders?
- Are there corresponding baseline (current) data for each indicator?
- Is there realistic and specific target for specified timeframe for each indicator?
- Can the indicator be disaggregated by gender, sex, ethnic origin, social condition when possible?

<sup>19</sup> Programming for Capacity Development ([link](#))

### OUTPUT CHECKLIST

- Are the output is a new product or service, new skill or ability that can be developed and/or delivered by the programme?
- Is the output linked to one outcome and does not repeat the outcome statement?
- Is each output stated using change language, and in the form of a deliverable, that will be completed in the programme cycle?
- Is the scale or scope of the output intuitively, within the control or influence of Programme managers?
- Is there obvious or intuitive causality between the output and outcome to which it contributes?
- Does the output describe a product or service beyond activities being completed (e.g., Not training conducted; Workshop completed; Survey done – these are activities)?
- Is there proper costing of the outputs? Are the outputs or their effects utilized/serve their purpose after the end of the programme?

## IV. CAPACITY DEVELOPMENT SERVICE PACKAGES

### CAPACITY DEVELOPMENT SERVICE PACKAGES TO SUPPORT A COMPLEX CRISES RESPONSE

Governments around the world often faced with the challenge of responding to immediate or emergency crises situations while trying to promote national human development through investing on medium to long term capacity development strategies. There are both short-term and medium/long-term capacity development service packages that UNDP offers to partner countries. These are:

#### 1. THE SHORTER TERM CD SERVICE PACKAGE IN RESPONSE TO THE ECONOMIC, FOOD AND CLIMATE CHANGE CRISES, FOCUSES ON:

- More effective institutional arrangements to deliver development programmes, including a delivery and results tracking system
- A review of monetary and non monetary incentive systems for the public service, from salary supplements to performance management
- Supporting transparent and fast acting aid management and procurement systems
- Training for local service delivery agents and strengthened public-private partnerships to improve service delivery
- Ensuring quick knowledge access and technical expertise and CD solution-sharing across countries
- Facilitating capacity assessments
- Providing 'good practice' design and support of inter-ministerial coordination and response mechanisms to address the national response to complex crises (ala 'situation rooms' or 'crisis coordination councils')
- Facilitating local capacities and systems for public communication and feedback mechanisms
- Design of quick impact UNDP initiatives to support the above.

## 2. A MEDIUM TO LONGER TERM CD PACKAGE FOR SUPPORTING THE ACHIEVEMENT OF THE MDGS, FOCUSES ON:

- Investing in capacities of specific national systems, from human resources management to M&E systems, in 'lynchpin' state institutions
- Facilitating brain gain strategies
- Design support to national capacity development strategies
- Engaging and supporting local policy and training institutes for continued training and learning support
- Supporting a stronger management culture through leadership programmes and civil service mentoring and coaching
- Supporting aid-to-MDG tracking and coordination systems
- Advocating for reforms in tertiary education and in technical training institutes, to invest in a transformative leadership and management culture and to improving productive capacity and job creation
- Peer and partner review mechanisms to monitor/measure CD performance and results
- Opening up vertical accountability to public accountability mechanisms
- Providing an evidence base of the policies and reforms and investments that worked to strengthen and retain national/local capacities
- Review of UN/UNDP UNDAFs and country programmes to integrate CD support, and design of UNDP/One UN CD initiatives to support national and sector strategies

## V. 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 Brain Gain
- Action Brief on Ethics and Values in Civil Service Reforms
- Action Brief on Capacities for Integrated Local Development
- Action Brief on Non-Monetary Motivators for Civil Service
- Action Brief on Supporting Local Service Delivery Capacities
- Action Brief on Training Effectiveness in the Public Sector
- Action Brief on Technical Assistance and Capacity Development: the use of external experts

### PRACTICE NOTES

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

### CONCEPT NOTES ON CAPACITY DEVELOPMENT RESPONSES

- Institutional Reform and Change Management: Managing Change in Public Sector Organizations
- 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, SWAs & Basket Funds
- Leadership for Human Development
- Toolkit on Localizing 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>



## CAPACITY DEVELOPMENT GLOSSARY <sup>20</sup>

| TERMS                                 | DEFINITIONS  |
|---------------------------------------|--|
| <b>Accountability</b>                 | Exists when two parties adhere to a set of rules and procedures that govern their interactions and that are based on a mutual agreement or understanding of their roles and responsibilities vis-à-vis each other.   |
| <b>Accountability - Horizontal</b>    | Refers to accountability relations – between the executive, the legislature, the courts, and special agencies of restraint – through which different state institutions hold each other to account on behalf of the people.  |
| <b>Accountability - Vertical</b>      | Refers to the direct relationship between citizens and their representatives holding public office.  |
| <b>Action Learning</b>                | An educational process whereby the participant studies their own actions and experience in order to improve performance.   |
| <b>Adult Education</b>                | The offering of learning opportunities in professional and vocational development, personal development, and social development to adults.   |
| <b>Aid Coordination</b>               | The process by which a recipient government integrates and plans international assistance in support of national goals, priorities and strategies.   |
| <b>Aid Management</b>                 | The process by which a recipient government integrates external and internal resources in the implementation of its development programmes and activities.   |
| <b>Authority</b>                      | The ability to influence decision-making and resource allocation.  |
| <b>Benchmark</b>                      | A standard, or point of reference, against which things can be compared, assessed, measured or judged.   |
| <b>Brain Drain</b>                    | A loss suffered by a country as a result of the emigration of trained professionals and technicians.   |
| <b>Brain Gain</b>                     | An increased in the number of trained and highly skilled foreign-born professionals entering a country to live and work where greater opportunities are offered and those returning to and/or contributing to the development processes in their countries of origin |
| <b>Budgeting</b>                      | Refers to the process whereby an organisation will plan for its future financial activities.   |
| <b>Business Process Reengineering</b> | Encompasses the envisioning of new work strategies, the actual process design activity, and the implementation of the change in all its complex technological, human, and organizational dimensions  |
| <b>Capacity</b>                       | The ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner  |

<sup>20</sup>This glossary draws on existing UNDP, UNSTATS, UNESCO, ILO, WHO and OECD resources.

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| <b>Capacity - Functional</b>           | Refers to management capacities needed to formulate, implement and review policies, strategies, programmes and projects   |
| <b>Capacity - Individual</b>           | Refers to the skills, experience and knowledge that are vested in people.   |
| <b>Capacity - Enabling Environment</b> | Describes the broader system within which individuals and organizations function and that facilitates or hampers their existence and performance.   |
| <b>Capacity - Organizational</b>       | Comprises the internal policies, arrangements, procedures and frameworks that allow an organization to operate and deliver on its mandate, and that enable the coming together of individual capacities to work together and achieve goals. |
| <b>Capacity - Technical</b>            | Capacities associated with particular areas of expertise and practice in specific sectors or themes, such as climate change, HIV/AIDS, legal empowerment or elections.  |
| <b>Capacity - Adaptive</b>             | The ability of a system to adjust to change, to take advantage of opportunities, or to cope with the consequences.  |
| <b>Capacity Assessment</b>             | Defined as an analysis of desired capacities against existing capacities and offers a systematic way of gathering critical knowledge and information on capacity assets and needs.  |
| <b>Capacity Assets</b>                 | Refers to capacity that exist in a given system, organization or unit that can be strengthened, built up on and optimized.  |
| <b>Capacity Attraction</b>             | The process of attracting capacity from outside of the target organization/system or country through providing for instance incentives or offering key positions.   |
| <b>Capacity Building</b>               | A process that supports only the initial stages of building or creating capacities and assumes that there are no existing capacities to start from.   |
| <b>Capacity Development</b>            | Refers to the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.  |
| <b>Capacity Development Response</b>   | An integrated set of sequenced actions embedded in a programme or project to address one or more capacity development core issues.  |
| <b>Capacity Retention</b>              | Refers to the maintenance of capacity once developed and strengthened in the same organization or unit.   |
| <b>Capacity Utilization</b>            | The effective use of existing and new capacities for achieving development results  |
| <b>Career Development</b>              | The continuous planning carried out to advance a person's career based on experience and on any training undertaken to upgrade qualifications or to acquire new ones.   |

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| <b>Change Agent</b>              | Somebody or something that brings about, or helps to bring about, change   |
| <b>Change Management</b>         | A systematic approach to dealing with change, both from the perspective of an organization and on the individual level.  |
| <b>Civil Service</b>             | Refers the permanent, professional branches of state administration, excluding military and judicial branches and elected politicians.   |
| <b>Civil Society</b>             | Non-state actors whose aims are neither to generate profits nor to seek governing power.   |
| <b>Coaching</b>                  | A method of directing, instructing and training a person or group of people, with the aim to achieve some goal or develop specific skills.   |
| <b>Coalition Building</b>        | Is an alliance among individuals or groups, during which they cooperate in joint action, each in his own self-interest, joining forces together for a common cause.                                    |
| <b>Communities Of Practice</b>   | Groups that share a concern, a set of problems or a passion about a topic and deepen their knowledge and expertise in this area by interacting on an ongoing basis.                                    |
| <b>Continued Education</b>       | A comprehensive term referring to all forms and types of education pursued by those who have left formal education at any point and who have entered employment and/or assumed adult responsibilities. |
| <b>Coordination</b>              | A technique of social interaction where various processes are considered simultaneously and their evolution arranged for the optimum benefit of the whole.   |
| <b>Core Issues</b>               | Represent areas where capacity change happens most frequently within and across a variety of sectors and themes.   |
| <b>Corruption</b>                | Active or passive misuse of the powers of public officials (appointed or elected) for private financial or other benefits.   |
| <b>Corruption – Political</b>    | The misuse by government or political officials of their governmental powers and resources for illegitimate, usually secret, private gain.   |
| <b>Cost-Benefit Analysis</b>     | A technique for deciding whether to make a change through comparing the values of all benefits from the action under consideration and the costs associated with it.                                   |
| <b>Country System</b>            | Refers to public financial management including accounting and auditing, procurement, results frameworks and monitoring.   |
| <b>Decentralization</b>          | Dispersion or distribution of functions and powers from a central authority to a local authority or community.   |
| <b>Development Effectiveness</b> | The extent to which development processes produce results that are pro-poor and promote equity.  |

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| <b>Direct Budget Support</b>  | Joint donor/government mechanisms to permit external resources to be channeled directly through national budgets, using national allocation, procurement and accounting systems, to supplement public expenditure on nationally agreed priorities  |
| <b>Education</b>              | Represents all deliberate and systematic activities designed to meet learning needs  |
| <b>Education - Basic</b>      | A broader concept than primary schooling, comprising early child education, adult literacy programmes, and a range of nonformal activities for children, young people and adults.  |
| <b>Education - Tertiary</b>   | Refers to education at the third level (levels 5, 6 and 7) such as universities, teachers colleges and higher level professional schools requiring as a minimum condition of admission the successful completion of education at the second level or evidence of the attainment of an equivalent level of knowledge.   |
| <b>Education - Technical</b>  | Formal education designed to provide knowledge and skills underlying production processes with a wider connotation than vocational education at secondary or higher level.   |
| <b>Education - Vocational</b> | Formal education designed to prepare for skilled occupations.  |
| <b>Efficiency</b>             | A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.  |
| <b>Effectiveness</b>          | The extent to which a programme or project achieves its objectives.  |
| <b>Empowerment</b>            | Enabling individuals or communities to take charge and make full use of their knowledge, energies and judgment.  |
| <b>Entry Points</b>           | Refer to the levels where capacity resides - the enabling environment, the organizational, and the individual.   |
| <b>Evaluation</b>             | A time-bound exercise that attempts to assess systematically and objectively the relevance, performance and success of ongoing and completed programmes and projects.  |
| <b>Evidence</b>               | Any type of proof which tends to establish or disprove a fact material to the case. It includes, but is not limited to, oral testimony of witnesses, including experts on technical matters, documents, electronic, audio, video records and photographs.  |
| <b>Exit Strategy</b>          | The plan for phasing out UNDP country office support to national execution, including capacity development measures.   |
| <b>Feedback</b>               | Feedback as a process, feedback consists of taking information from monitoring and evaluation activities and using it for decision-making and promoting learning in an organization. Feedback as a product refers to the information generated through monitoring and evaluation, which may include findings, conclusions, recommendations, and lessons from experience. |

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| <b>Government Intervention</b>    | Government measures to influence the functioning of a country's economy through legislation, monetary, fiscal and tariff policy, state aid, nationalization of strategic sectors, etc.   |
| <b>Human Capital</b>              | Is productive wealth embodied in labour, skills and knowledge.   |
| <b>Human Development</b>          | A process of enlarging people's choices: focuses on both the formation of human capabilities - improved health, knowledge and skills - and the use people make of their acquired capabilities, for work or leisure.  |
| <b>Human Resource Development</b> | Refers to all management decisions affecting the nature of the relationship between the organization and its employees, i.E. Its human resources.  |
| <b>Impact</b>                     | The result of a programme or project in relation to the development objectives or long-term goals. They are the changes that the intervention helped bring about.  |
| <b>Incentive</b>                  | Are external measures that are designed and established to influence motivation and behaviour of individuals, groups or organizations.   |
| <b>Incentive - Monetary</b>       | Encompasses financial benefits to motivate individuals, which could be direct (salary, pension, insurance, bonuses, allowance, etc.) Or indirect (subsidized meals, clothes or housing).   |
| <b>Incentive - Non-Monetary</b>   | Refers to non-financial motivators such as gifts, rewards, travel, work flexibility, recognition of one's work, etc.   |
| <b>Indicator</b>                  | A signal that helps to measure change in terms of quantity, quality and timeliness.  |
| <b>Informal Sector</b>            | Is broadly characterized as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned.   |
| <b>Input</b>                      | The personnel, goods and services used to carry out programme or project activities.   |
| <b>Integrated Development</b>     | Development taking into account a range of factors characteristic of the human condition.  |
| <b>Institution</b>                | An institution constitutes humanly devised constraints that structure human interaction. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behavior, conventions, and self imposed codes of conduct), and their enforcement characteristics. |
| <b>Institutional Arrangement</b>  | Refers to the policies, procedures and processes that countries have in place to legislate, plan and manage the execution of development and the rule of law, to measure change and to oversee other functions of state.   |

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| <b>Joint Programming</b>             | Is the collective effort through which the UN organizations and national partners work together to prepare, implement, monitor and evaluate the activities aimed at effectively and efficiently achieving the Millennium Development Goals (MDGs) and other international commitments arising from UN conferences, summits, conventions and human rights instruments.   |
| <b>Knowledge</b>                     | Refers to the creation, absorption and diffusion of information and expertise towards effective development solutions.  |
| <b>Knowledge-Based Economy</b>       | An expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors.  |
| <b>Knowledge Management</b>          | Development of new knowledge or absorption of existing knowledge, its organization and diffusion with the overall aim of optimizing results.  |
| <b>Knowledge - Traditional</b>       | Body of facts developed and maintained by a distinct cultural group as a result of direct observation and practice, including the distinctive perspective and ideas inferred from these facts.  |
| <b>Leadership</b>                    | The ability to influence, inspire and motivate people, organizations and societies to achieve – and go beyond – their goals.  |
| <b>Leadership - Transformational</b> | Style of leadership in which the leader identifies the needed change, creates a vision to guide the change through inspiration, and executes the change with the commitment of the members of the group.  |
| <b>Learning</b>                      | Defined as any improvement in behaviour, information, knowledge, understanding, attitude, values or skills  |
| <b>Learning Organization</b>         | One capable of continuous adaptation to the changing external environment.  |
| <b>Lessons Learned</b>               | Learning from experience that is applicable to a generic situation rather than to a specific circumstance.  |
| <b>Life Skills</b>                   | The ability and readiness to face and solve demands and challenges of everyday life.  |
| <b>Management</b>                    | Use in connection with three main tasks: supervision of and responsibility for the work of others; allocating labour, material and capital to produce a high return; and decision making.   |
| <b>Mentoring</b>                     | A process for the informal transmission of knowledge, social capital, and the psychosocial support perceived by the recipient as relevant to work, career, or professional development; mentoring entails informal communication, usually face-to-face and during a sustained period of time, between a person who is perceived to have greater relevant knowledge, wisdom, or experience and a person who is perceived to have less. |

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| <b>Mindset</b>                               | A fixed mental attitude or disposition that predetermines a person's responses to and interpretations of situations.  |
| <b>Monitoring</b>                            | A continuing function that aims primarily to provide programme or project management and the main stakeholders of an ongoing programme or project with early indications of progress or lack thereof in the achievement of programme or project objectives.   |
| <b>Motivation</b>                            | Refers to the initiation, direction, intensity and persistence of behaviour.  |
| <b>Motivational System</b>                   | Refers to the set of such motivators, more or less persistent in nature, in place at any given time.  |
| <b>Motivation - Social</b>                   | Derives from the fact that people tend to identify with others and have a sense of belonging to groups.   |
| <b>National Ownership</b>                    | The effective exercise of a government's authority over development policies and activities, including those that rely – entirely or partially – on external resources. For governments, this means articulating the national development agenda and establishing authoritative policies and strategies.                                      |
| <b>Official Development Assistance (Oda)</b> | Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount).   |
| <b>Opinion Survey</b>                        | A sample survey which aims at ascertaining or elucidating opinions possessed by the members of a given human population with regard to certain topics.  |
| <b>Organization</b>                          | Organizations are made up of groups of individuals bound together by some common purpose to achieve certain objectives.   |
| <b>Outcome</b>                               | The intended or achieved short-term and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions, which occur between the completion of outputs and the achievement of impact.   |
| <b>Output</b>                                | The products and services, which result from the completion of activities within a development intervention.  |
| <b>Oversight</b>                             | The general process of review, monitoring, evaluation, supervision, reporting and audit programmes, activities, policy implementation, and results of the organization. This is to ensure organizational, financial, operational and ethical accountability, effectiveness of internal controls, and the prevention of fraud and malpractice. |
| <b>Partnership Building</b>                  | The practice of building alliances between people and/or organizations for the purpose of achieving mutually-agreed objectives.   |



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| <b>Performance</b>                        | Refers to the effectiveness and efficiency with which inputs get converted to productive use.   |
| <b>Performance Assessment</b>             | Assessment against a set of predetermined criteria of the economy, efficiency and effectiveness with which an organization or an individual carries out a particular activity or range of activities.   |
| <b>Performance Management</b>             | Is a system of regularly measuring the results (outcomes) of public sector programs, organizations, or individuals, and using this information to increase efficiency in service delivery.  |
| <b>Private Sector</b>                     | The private sector comprises private corporations, households and non-profit institutions serving households (NPISHs).  |
| <b>Procurement</b>                        | The process of obtaining goods, services or works of the right quality, in the right quantity, at the right price, from the right source at the right time by various means such as purchase, donation or hire.   |
| <b>Project</b>                            | Is a time-bound intervention that consists of a set of planned, interrelated activities aimed at achieving defined objectives. In the context of UNDP cooperation, a separately identified development undertaking of one or more governments and assisted by UNDP. |
| <b>Policy</b>                             | A corporate, national or other course or plan of action that directs the operations in a certain domain or sector; it consists of strategic goals and guidelines on how they are to be achieved.  |
| <b>Policy Reform</b>                      | A process in which changes are made to the formal “rules of the game” – including laws, regulations and institutions – to address a problem or achieve a goal such as economic growth, environmental protection or poverty alleviation.                             |
| <b>Public Sector</b>                      | Comprises the general government sector plus all public corporations including the central bank.  |
| <b>Public-Private Partnership</b>         | Arrangements whereby the private sector provides infrastructure assets and services that traditionally have been provided by government, such as hospitals, schools, prisons, roads, bridges, tunnels, railways, and water and sanitation plants.                   |
| <b>Quality Assurance</b>                  | A planned and systematic pattern of all the actions necessary to provide adequate confidence that a product will conform to established requirements.   |
| <b>Research And Development (R&amp;D)</b> | Creative, systematic activity intended to increase the stock of knowledge and the use of this knowledge to devise new applications.   |
| <b>Resilience</b>                         | Refers to the capacity of a natural system to recover from disturbance.   |
| <b>Responsiveness</b>                     | Refers to the way in which development agents with a pro-poor mandate – public or private – perceives the needs and responds to the demands of particular groups, such as the poor.   |

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| <b>Result</b>                  | A broad term used to refer to the effects of a programme or project. The terms outputs, outcomes, and impact describe more precisely the different types of results at various levels of aggregation.   |
| <b>Risk</b>                    | Factors outside the control of the parties responsible for undertaking a programme or project that may adversely affect implementation.   |
| <b>Risk Analysis</b>           | A systematic process for assessing and integrating professional judgments about probable adverse conditions and/or events.  |
| <b>Sector-Wide Approach</b>    | All significant donor funding support a single, comprehensive sector policy and independent programme, consistent with a sound macro-economic framework, under government leadership.                   |
| <b>Seminars</b>                | Meetings of a group of students engaged in research or advanced study under the direction of one or more leaders to discuss problems of mutual interest.  |
| <b>Skill</b>                   | An acquired and practiced ability to carry out competently a task or job, usually of a manual nature.   |
| <b>Social Capital</b>          | Is defined as the norms and social relations embedded in the social structures of societies that enable people to co-ordinate action to achieve desired goals.  |
| <b>Stakeholders</b>            | An individual, group, institution, or government with an interest or concern in a particular measure taken or a proposal made by an organization.   |
| <b>Stakeholder Analysis</b>    | A mapping of key stakeholders and their position vis-à-vis an entity's objectives (degree of support, power etc.). It can be used to identify which stakeholders to include in the capacity assessment. |
| <b>Success</b>                 | A favourable programme or project result that is assessed in terms of effectiveness, impact, sustainability and contribution to capacity development.   |
| <b>System</b>                  | Refers to a set of elements interconnected in a complex whole fulfilling a function.  |
| <b>Technical Cooperation</b>   | Transfer of skills and provision of advice to developing countries in various fields: administrative, scientific, professional, and technical.  |
| <b>Training</b>                | Systematic educative process by which one learns new skills.  |
| <b>Training - In-Service</b>   | Training acquired during employment.  |
| <b>Training - Professional</b> | Special instruction to develop skills needed to improve job performance of professional personnel; usually short term and job specific.   |
| <b>Training - Vocational</b>   | Training aiming at providing the skills, knowledge and attitudes required for employment in a particular occupation, or group of related occupations, in any field of economic activity.                |

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| <b>Training Needs Assessment</b> | Collection and analysis of organizational, occupational and individual competencies critical to performance. analysis of desired versus existing performance leads to the definition of training programmes responding to the gap between the two. |
| <b>Transparency</b>              | Refers to a process by which reliable, timely information about existing conditions, decisions and actions relating to the activities of the organization is made accessible, visible and understandable.  |
| <b>Trend</b>                     | A long-term movement in an ordered series, say a time series, which may be regarded, together with the oscillation and random component, as generating the observed values.  |
| <b>Validation</b>                | A continuous monitoring of the process of compilation and of the results of this process.  |
| <b>Voice</b>                     | Refers to the strength of the impetus that decision makers or duty bearers receive from rights holders.  |
| <b>Vulnerability</b>             | Is a measure of the extent to which a community, structure, service or geographical area is likely to be damaged or disrupted, on account of its nature or location, by the impact of a particular disaster hazard.                                |
| <b>Vulnerability Analysis</b>    | Is the process of estimating the vulnerability to potential disaster hazards of specified elements at risk.  |
| <b>Workshop</b>                  | Meetings of individuals with common interests and problems, usually with experts, to exchange information and learn needed skills or techniques.   |





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