



# Capacity Development PRACTICE NOTE

May 2008

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## ACRONYMS AND ABBREVIATIONS

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<b>BDP</b>	<b>Bureau for Development Policy</b>
<b>CCA</b>	<b>Common Country Assessment</b>
<b>CDG</b>	<b>Capacity Development Group</b>
<b>DAC</b>	<b>Development Assistance Committee</b>
<b>MDG</b>	<b>Millennium Development Goal</b>
<b>NEPAD</b>	<b>New Partnership For Africa's Development</b>
<b>OECD</b>	<b>Organisation for Economic Cooperation and Development</b>
<b>TCPR</b>	<b>Triennial Comprehensive Policy Review</b>
<b>UN</b>	<b>United Nations</b>
<b>UNDAF</b>	<b>United Nations Development Assistance Framework</b>
<b>UNDG</b>	<b>United Nations Development Group</b>
<b>UNDP</b>	<b>United Nations Development Programme</b>

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### Contact Information:

Editor: Kanni Wignaraja, [kanni.wignaraja@undp.org](mailto:kanni.wignaraja@undp.org)

Website: [www.capacity.undp.org](http://www.capacity.undp.org)

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 United Nations Development Programme  
 304 East 45<sup>th</sup> Street  
 New York, NY 10017 USA

## EXECUTIVE SUMMARY

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### Purpose of this Note

Achievement of the Millennium Development Goals and other international and national development targets, hinges on capacities of individuals, organisations and societies to transform, in order to reach their development objectives. While financial resources, including official development assistance, are vital to success, they are not sufficient to promote human development in a sustainable manner. Without the right enabling environment, well-functioning organisations and a high-performing human resource base, countries lack the foundation needed to plan and implement their national and local development strategies.

Capacity development helps to strengthen and sustain this foundation. Defined as the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time, it is the “how” of making development work better and is at the heart of UNDP’s mandate and functions. The [UNDP Strategic Plan 2008 – 2011](#) positions capacity development as the organisation’s core contribution to development. The [2007 UN Triennial Comprehensive Policy Review \(TCPR\)](#) demands an effective and common approach to capacity development by the United Nations development system. An increasing number of national development strategies also emphasise the prominence and essential place of capacity development in achieving a country’s development objectives.

This Practice Note aims to introduce UNDP staff and other development practitioners to the UNDP approach to supporting capacity development. This approach is rigorous yet flexible, and can be adapted to suit different contexts and needs. It builds on a rich body of conceptual papers, case studies, methodologies and tools that UNDP has developed over the years. It also draws from an analysis of what works and what doesn’t for capacity development, based on examples and evidence from UNDP and a large number of national and international development partners. As such, the Note provides a common point of reference for UNDP practitioners and domestic and external partners engaged in country-level collaboration on capacity development. The Practice Note is complemented by a number of other resources, including the [UNDP Practice Note on Capacity Assessment](#), the capacity development services brochure [Supporting Capacity Development: the UNDP Approach](#), the [UN Development Group \(UNDG\) Position Statement on Capacity Development](#), and the [OECD/DAC “good practice” paper on capacity development](#), to which UNDP actively contributed.

Section I of the Note introduces the key concepts underlying the UNDP approach to supporting capacity development. It discusses the three levels of capacity and distinguishes between technical and functional capacities. Section II presents the basic principles underlying the UNDP approach to supporting capacity development and introduces the five steps of the capacity development process. In Section III, each of the five steps is discussed in more detail. Section IV looks at the four capacity development strategies that UNDP prioritises and that its analysis of the evidence shows to have an impact on the development and retention of capacity across sectors and themes. Section V explores some policy and programme implications for UNDP, including what it takes to programme for capacity development and to mainstream it within sectors and themes. Section VI answers some frequently asked questions on capacity development that distil key messages for communicating on capacity development.

Additional resources on capacity development, from UNDP and others, are provided throughout the Note and in Section VII.

## I. CAPACITY DEVELOPMENT BASICS

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

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

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

### 1. Introduction

Achievement of the Millennium Development Goals and other international and national development targets hinges on capacities of individuals, organisations and societies to transform, in order to reach their development objectives. From the UNDP initiatives [Rethinking Technical Cooperation](#) (1993) and [Reforming Technical Cooperation for Capacity Development](#) (2001 – 2003), to the more recent [OECD/DAC “good practice” paper on capacity development](#), reviews of development effectiveness invariably show that the development of capacity is one of the most critical issues for donors, development organisations and countries alike, be they least-developed or middle-income. The reports of the UN Millennium Project, the Commission for Africa and the New Partnership for Africa’s Economic Development (NEPAD) reach a similar conclusion: while financial resources, including official development assistance, are vital to success, they are not enough to promote human development in a sustainable manner. Without the right enabling environment, well-functioning organisations and a high-performing human resource base, countries lack the foundation needed to plan and implement their national and local development strategies.

Capacity development helps to strengthen and sustain this foundation. It is the “how” of making development work better and is at the heart of UNDP’s mandate and functions.

The [UNDP Strategic Plan 2008 – 2011](#) positions capacity development as the organisation’s core contribution to development. The context for this is provided by the [2007 UN Triennial Comprehensive Policy Review \(TCPR\)](#), which states that “capacity development and ownership of national development strategies are essential for the achievement of the internationally agreed development goals, including the Millennium Development Goals”, and which calls upon “United Nations organizations to provide further support to the efforts of developing countries to establish and/or maintain effective national institutions and to support the implementation and, as necessary, the devising of national strategies for capacity-building.”<sup>1</sup> Within the context of the wider UN system, the [UN Development Group \(UNDG\) Position Statement on Capacity Development](#), the [United Nations Development Assistance Framework \(UNDAF\) Guidelines](#) and the [UNDG Capacity Assessment Methodology](#), all call for a unified approach at the country level in advocating for and taking action on capacity development. An increasing number of national development strategies also emphasise the prominence and essential place of capacity development in achieving a country’s development objectives, as well as the need to resource it adequately over the long-term.

### 2. Capacity Development: Dealing with Complex Realities

Addressing capacity needs, by strengthening skills, processes and systems, will not hold the promise of sustainable results if it does not take into account the inherently political and complex realities of the environment in which it evolves, and pro-actively address the question of “winners” and “losers”. Whether

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<sup>1</sup> TCPR 2007, Paragraphs 27 - 32.

intended or not, capacity development can lead to changes in roles and responsibilities, which can be most unsettling to vested interests and established power structures and which involve shifting behaviour, norms and values. It therefore requires appropriate political and social incentives and strong political ownership and commitment at all levels to succeed and be sustainable.

This political commitment often emerges from pressures for better government, new economic opportunities or social changes. Timing is everything. Windows of opportunity for change tend to open and close with changes in leadership, and shifts in priorities and resource commitments. Consequently, the challenges of investing in capacity are often about managing trade-offs: focusing on “quick wins”, often with smaller but immediate returns, to ensure political support for long-term capacity investments, or investing in initiatives with the potential to promote broader change but with a longer gestation period and that are harder to “sell”, such as tertiary education or language policy reform. Promoting effective and continued participation, public access to information (that gives voice to the people, particularly the disadvantaged), civic engagement and accountability for results, can help shift the balance towards longer-term capacity investments. Such participation, in turn, can strengthen governance processes, thereby creating a virtuous cycle of engagement.

While development cooperation can facilitate and support local change processes, unless carefully managed, it can end up undermining ownership and capacity. For example, the UN system’s evaluation of the international response to the 2004 tsunami in Asia found that the early response had often sidelined existing national and local capacities and had in some cases even depleted such capacities. This reflects broader challenges related to aid relationship dynamics. Each side of the development “partnership” comes to the table laden with its own ideological and political preconceptions. Although stated objectives are often more or less shared in nature, underlying them are misperceptions, vested interests and power differentials that hamper balanced engagement. Ownership only has meaning if priorities are nationally determined and are carried by a broad group of actors.

Driven by the Paris Declaration on Aid Effectiveness, there is a strong focus today on improving aid practices in ways that are more conducive to addressing capacity development challenges. This includes harmonizing and aligning external support and identifying roles, approaches and delivery systems that allow external partners to add value to national and local capacity development processes that are endogenously driven. It is difficult to generalize about the roles external partners may play in this respect, since what is needed is contingent on a country’s demands. What becomes clear, though, is that external partners will increasingly play a facilitative rather than an interventionist role.

### **3. Defining Capacity Development**

UNDP defines capacity development as: the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time. Stated simply, it starts from the question: “Does a country have the capacity to get to and go beyond its development goals?”

As discussed in Box 1 below, over the past ten years, the development literature and inter-governmental agreements have often used the terms capacity development and capacity building interchangeably. Although the two are related, they have different connotations. It is therefore important to clarify the concepts and to use them as appropriate to a given context.

UNDP generally prefers to use the broader term capacity development since this best reflects its approach: starting from capacities that exist and supporting national efforts to enhance and retain these. This is a process of endogenous transformation that is based on nationally determined priorities, policies and objectives and cannot be driven from the outside.

### Box 1. Capacity Development or Capacity Building?

- Capacity development is commonly used to refer to the process of both creating and building capacities, as well as the (subsequent) use, management and retention of capacities. It is seen as endogenously driven and recognises existing national capacity assets as its starting point.
- Capacity building is used to refer to a process that is less comprehensive than capacity development. It focuses only on the initial stages of building or creating capacities and assumes that there are no existing capacities to start from. In its “good practice” paper, the OECD/DAC writes that “[t]he ‘building’ metaphor suggests a process starting with a plain surface and involving the step-by-step erection of a new structure, based on a preconceived design. Experience suggests that capacity is not successfully enhanced in this way.” Capacity building is more relevant to crisis or immediate post-conflict situations where much of the existing capacity has been lost due to capacity destruction or capacity flight.

The entry point for thinking about capacity issues tends to be perceptions or concerns about performance. This works both ways: when a system or organisation is seen to be under-performing, attention is drawn to the inadequacy of capacity, while good performance is usually associated with adequate and efficiently used capacity. However, capacity does not automatically translate into improved performance or, ultimately, better development results. To illustrate: the engine of a bus may have all the components to allow it to run smoothly, but the bus would still sit idle without fuel and a driver. By the same token, capacities may be in place, but appropriate incentives and resources need to be present to put them in high gear and in motion toward the desired development destination.

Also, a lag usually exists between any investment in capacity development, the emergence of new capacities and their translation into performance improvements. Indeed, the development of individual competency takes many years, while societal transformation may take generations. Capacity development should therefore be seen as a long-term process, whose outcomes cannot be expected to evolve in a controlled and linear manner.

## 4. Levels of Capacity

The UNDP definition of capacity development reflects the viewpoint that capacity resides within individuals and also at the level of organisations and within the enabling environment. In the literature on capacity development, variations on the basic distinction among these three levels can be found. For example, the organisational level is sometimes referred to as the institutional level and the enabling environment is sometimes referred to as the institutional or societal level<sup>2</sup>.

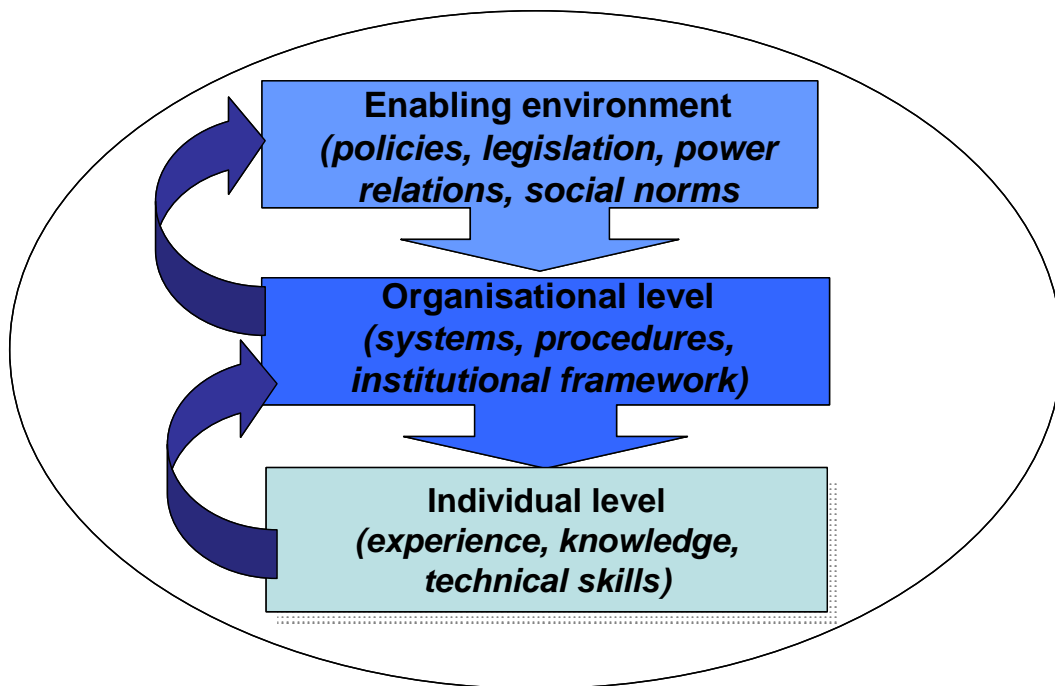
While these differences in language can reflect nuances in how capacity is perceived, it is commonly understood that irrespective of the terminology used, capacity exists at different levels that are inter-related and complementary and that combine to form an integrated system. This implies that any effort to assess or develop capacity necessarily needs to take into account capacity at each of these levels if it wants to prevent efforts from becoming skewed or ineffective. For example, what may seem an individual-level issue, such as the management capacities of a department head, turns into an issue at the organisational level when looked at from the perspective of the management systems and procedures in place. Often attention also needs to be paid to global developments and trends that may influence capacities, such as migration or international trade agreements.

<sup>2</sup> Douglass North defines organisations as “made up of groups of individuals bound together by some common purpose to achieve certain objectives. Organisations include political bodies (political parties, the Senate, a city council, regulatory bodies), economic bodies (firms, trade unions, family farms, cooperatives), social bodies (churches, clubs, athletic associations), educational bodies (schools, universities, vocational training centers).” North distinguishes organisations and institutions by stating that 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.” UNDP has chosen to use the term “organisation” to refer specifically to an entity, and “enabling environment” to indicate the system beyond the single organisation, which comprises more than institutions.

The three levels of capacity are the following:

- **Enabling environment** - Individuals and organisations do not function in isolation but are part of a broader system, which facilitates or hampers their existence and development. This system is referred to as the enabling environment and constitutes the first level of capacity. This level is not easy to visualise, but it is extremely important to the understanding of capacity issues. Capacities at this level include the policies, legislation, power relations and social norms, all of which govern the mandates, priorities, modes of operation and civic engagement across different parts of society. These factors determine the “rules of the game” for interaction between and among organisations.
- The second level of capacity is the **organisational level**. This comprises the policies, procedures and frameworks that allow an organisation to operate and deliver on its mandate and that enable individual capacities to connect and achieve goals. If these are well aligned, an organisation’s capability to act will be greater than that of the sum of its parts.
- At the **individual level**, capacity refers to the skills, experience and knowledge that are vested in a person. Each and every person is endowed with a mix of capacities that allow us to perform, whether at home, at work or in society at large. Some of these are acquired through formal training and education, others through learning-by-doing.

Figure 1. Levels of Capacity: a Systemic Approach



## I. THE UNDP APPROACH TO SUPPORTING CAPACITY DEVELOPMENT

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Over the years, UNDP has invested significant effort in conducting research and analysis of capacity development theory, methodologies and applications to identify what works and what doesn't for capacity development. The organisation has also been taking concrete steps to translate its findings into an evidence-based and systematic approach to supporting capacity development that is being mainstreamed into its policy and programme support, across the different UNDP Bureaus and Groups.

Experience and research have yielded increasingly clear insights on what is conducive or detrimental to capacity development. These suggest a “best fit” rather than a “best practice” approach that steers away from a one-size-fits-all formula that could represent an operational recipe or blueprint. Instead it calls for a number of action-oriented basic principles for capacity development<sup>3</sup> that can serve as signposts and safeguards to help keep development efforts focused on capacity outcomes. These principles could apply to most situations, bearing in mind that country and culture specific situations vary widely. Operational variations are likely to be most pronounced in particularly vulnerable and fragile states and countries in transition.

### 1. Basic Principles Underlying the UNDP Approach to Supporting Capacity Development

The UNDP approach to supporting capacity development brings together a value base, a conceptual framework and a methodological approach. It is underpinned by the following basic principles:

- It gives tangible expression to the concept of **national ownership**, which is about the capabilities of making informed choices and decisions.
- It is not **power-neutral** and involves **relationships, mind sets and behaviour change**. It therefore emphasises the importance of **motivation** as a driver of change.
- It is a **long-term process** and can be promoted through a combination of shorter-term, often externally driven results and more sustainable, locally driven, longer-term ones.
- It requires **staying engaged** under difficult circumstances.
- It links the **enabling environment, the organisational level and the individual level**, promoting an interdependent approach.
- It moves **beyond a singular focus on training** to address broader questions of institutional change, leadership, empowerment, and public participation.
- It emphasises the use of **national systems**, beyond the use of national plans and expertise. It questions the use of stand-alone implementation units; if national systems are not strong enough, they should be reformed and strengthened, rather than bypassed.
- It demands **adaptation to the local reality**. There are **no blueprints**. It must start from the specific capacity requirements and performance expectations of the environment, sector or organisation it supports.
- It demands a **link to a broader set of reforms**, such as education reform, wage reform and civil service reform, to be effective. There is little value in capacity development initiatives that are designed as one-offs or in isolation.
- It results in **unintended (capacity) consequences**. This must be kept in mind during the design phase and should be valued, tracked and evaluated.
- It provides a **systematic approach to measuring** capacity development, with the use of “good practice” indicators, case evidence and available data analysis. It also brings together quantitative and qualitative data to give grounding and objectivity to perceptions and judgments on capacity assets, needs and progress.

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<sup>3</sup> For an elaboration of some of the operational implications of the default principles, see the Executive Summary of the UNDP publication: Ownership, Leadership and Transformation – Can we do better for Capacity Development?

## 2. Technical and Functional Capacities

UNDP supports the development of technical and functional capacities (see Box 2 below) across the three levels of capacity. Evidence shows that attempts to address just one level, without taking into account the others, are likely to result in developments that are inefficient and in the end unsustainable. Sustainable results also call for a well-targeted response that is embedded in a national development strategy, sector plan or thematic programme, and clearly addresses “capacity for why”, “capacity for whom?” and “capacity for what?”.

### Box 2. Two Types of Capacity: Inter-related yet Distinct

- **Technical capacities** are the most familiar and straightforward. They are the capacities associated with particular areas of expertise and practice in specific sectors or themes, such as climate change, HIV/AIDS, legal empowerment or elections. As such they are closely related to the sector or organisational context in focus.
- **Functional capacities** are “cross-cutting” capacities that are relevant within and across the enabling environment, organisations, sectors and individuals and are not associated with any one particular sector or theme. They are the management capacities required to formulate, implement and review policies, strategies, programmes and projects. As such, functional capacities have proven to be of key importance for successful capacity development regardless of the application area, as they focus on getting things done. The five functional capacities that UNDP emphasises are:
  1. **Capacity to engage stakeholders, e.g.:**
    - a. Identify, motivate and mobilise stakeholders
    - b. Create partnerships and networks
    - c. Promote the engagement of civil society and the private sector
    - d. Manage large group processes and open dialogue
    - e. Mediate divergent interests
    - f. Establish collaborative mechanisms
  2. **Capacity to assess a situation and define a vision and mandate, e.g.:**
    - a. Access, gather and disaggregate data and information
    - b. Analyse and synthesise data and information
    - c. Articulate capacity assets and needs
    - d. Translate information into a vision and/or a mandate
  3. **Capacity to formulate policies and strategies, e.g.:**
    - a. Explore different perspectives
    - b. Set objectives
    - c. Elaborate sectoral and cross-sectoral policies
    - d. Manage mechanisms for prioritisation
  4. **Capacity to budget, manage and implement, e.g.:**
    - a. Formulate, plan and manage projects and programmes, including the capacity to prepare a budget and to cost capacity development
    - b. Manage human and financial resources and procurement
    - c. Set indicators for monitoring and monitor progress
  5. **Capacity to evaluate, e.g.:**
    - a. Measure results and collect feedback to adjust policies
    - b. Codify lessons and promote learning
    - c. Ensure accountability to all relevant stakeholders

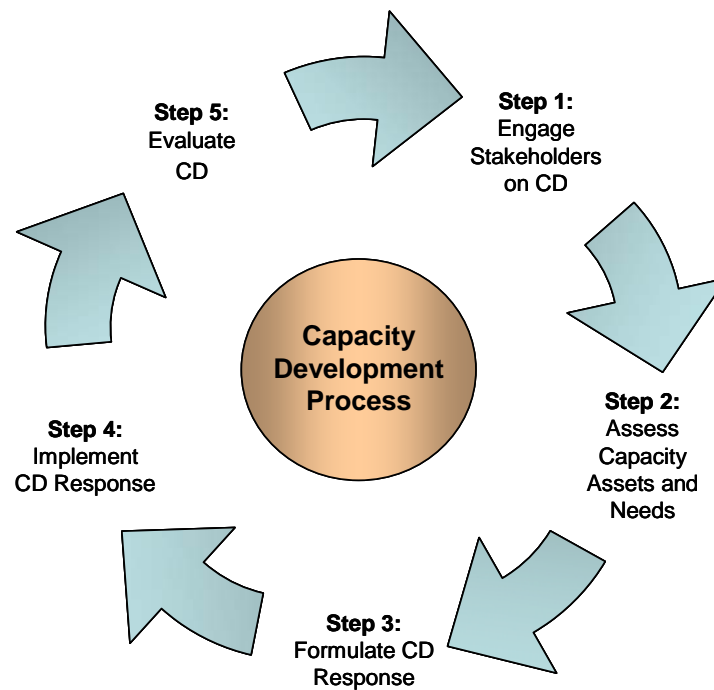
### 3. The Capacity Development Process

For UNDP, capacity development is not a one-off intervention, but a cyclical process that comprises five steps. These steps broadly coincide with the steps of a programming cycle. While not a blueprint, approaching capacity development through this process lens has shown to bring rigour and a systematic method to supporting its development, and to improve the consistency, coherence and impact of UNDP's efforts. It also helps promote a common frame of reference for a programmatic response to capacity development.

The five steps of the capacity development process are<sup>4</sup>:

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

Figure 2. The Capacity Development Process

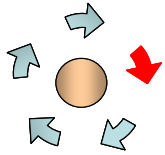


These steps are consecutive, but need not be completed within a specified timeframe or within the confines of a single programme or project. The length of the cycle will depend on a large number of factors, such as the breadth and depth of the programme or project, the complexity of the capacity assessment and the capacity development response and the time lag between any two steps of the process, for example, the end of implementation and the start of an evaluation.

UNDP may support the entire cycle or parts of it in partnership with other national and international development actors. For example, it may be possible that a capacity assessment is conducted by a national research institution or that an evaluation of a UNDP-supported capacity development response is carried out by an independent evaluation team.

<sup>4</sup> The five functional capacities and the five steps of the capacity development process are closely linked. This is not a coincidence. Representing the management capacities needed to formulate, implement and review any strategy, policy or programme, the functional capacities are important drivers of an effective capacity development process.

### III. THE FIVE-STEP CAPACITY DEVELOPMENT PROCESS



#### 1. Engage Stakeholders on Capacity Development

Ensuring an effective capacity development process requires building political commitment to and sponsorship of capacity development among key stakeholders, and embedding capacity development in broader national development priorities.

The starting point for such a dialogue may involve a PRSP, a national development plan or strategy that provides a common reference point for a mutual review of planned priorities and results. At sector or thematic level, programme-based approaches such as Sector-wide Approaches (SWAps) offer an equivalent framework for engaging different stakeholders on capacity development. While external partners may play a role in promoting such national frameworks, it is important to avoid parallel decision-making and consultative forums that reinforce upward and accountability at the expense of local processes and downward accountability.

Stakeholder engagement should be promoted right from the outset of the capacity development process, with full input from all relevant actors, and ownership of both process and content. Hence it is depicted as the first step of the cycle - but should always be an integral aspect of the other steps as well. Engaging stakeholders includes a mapping of key partners to involve in the capacity development process, a discussion on development priorities, and consensus-building on the need to establish capacity development as a political priority.

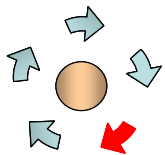
#### Box 3. Malawi: Engaging Stakeholders to Assess Capacities

In 2007, the Ministry of Irrigation and Water Development in Malawi initiated discussions regarding its capacities for programme implementation and service delivery, to ensure successful implementation of the National Water Development Programme II. The Ministry invited the UN Country Team to share its assessment approach and help scope a capacity assessment.

These discussions triggered a broader agenda between the Government of Malawi and UNDP for the improvement of public sector management and service delivery to support the roll-out of the Malawi Growth and Development Strategy 2006/2007 – 2010/2011. As a first step towards a comprehensive capacity development response, it was agreed to conduct capacity assessments and analyses of the water ministry as well as the three remaining key service delivery ministries (agriculture and food security, education and health) and of common service institutions, covering functions of human resource management, financial management, information technology, audit, and project management. In parallel, capacity development plans for procurement were discussed with the Office of the Director of Public Procurement.

The responsibility for coordinating this government-wide assessment was placed in the hands of the Office of the President and the Cabinet. In an effort to build support among relevant stakeholders for the process, the Office facilitated a series of meetings with stakeholders in line ministries to exchange ideas on the capacity assessment and clarify roles and responsibilities. The line ministries, in turn, organised similar meetings with their internal departments. A meeting with all stakeholders was organised to officially launch the assessment exercise. During the engagement phase, there were also discussions with UN agencies in Malawi and all development partners engaged in capacity development activities to ensure that the initiative would not overlap with current or planned activities.

*Source: UNDP/BDP/CDG Capacity Development Strategies and Diagnostics Annual Report 2007*



#### 2. Assess Capacity Assets and Needs

As stated before, the complexity of capacity development challenges resists the use of blueprints to support it. What works well in one situation, may not work in another. Asking “capacity for why?”, “capacity for whom?” and “capacity for what?” will yield different responses depending on the local context and the specific priorities and issues at stake.

The level of existing capacity and desired future capacities will also differ in each case.

Conducting a capacity assessment helps determine which capacity investments to prioritise. Defined as an analysis of desired future capacities against current capacities, it offers a systematic way of gathering critical knowledge and information on capacity assets and needs.

This is used as the basis for formulating capacity development responses that address those areas where capacities could be strengthened, or that optimise existing capacities that are strong and well placed.

The [UNDP Practice Note on Capacity Assessment](#) offers a comprehensive discussion of the concept and the UNDP Capacity Assessment Methodology and presents a range of examples. This Note only provides an introduction to this step of the capacity development process.

a. When to Conduct a Capacity Assessment?

Conducting a capacity assessment could happen at the beginning of a programme cycle, or mid way through, depending on the primary intent of the exercise, as such opens up space for dialogue and feedback around mutual interests, provides rigour to design and helps determine which capacity investments to prioritise. Ideally, a capacity assessment would always be an integral component of any planning or programming cycle whether at the national, local or programme level. It can be used, for instance, when preparing national development strategies, conducting a Common Country Assessment (CCA), elaborating a United Nations Development Assistance Framework (UNDAF) or a UNDP Country Programme, or drafting individual development programmes and projects. If a capacity assessment was not conducted during programme formulation, it can be used when managing the (annual) review process.

b. Why Conduct a Capacity Assessment?

Capacity assessments can serve a number of different purposes in the context of any one of the situations described above. They can, for example, act as a catalyst for action, help build political support for an agenda or offer a platform for dialogue among stakeholders to get them on the same page. Capacity assessments can also be used to understand operational hurdles, or to unblock a programme, by identifying capacity gaps that prevent it from moving forward as planned and by providing a starting point for the formulation of capacity development responses.

c. UNDP Capacity Assessment Methodology

Like the UNDP approach to supporting capacity development, the UNDP Capacity Assessment Methodology provides a systematic framework and a logic for assessing capacities, while demanding adaptation to suit different contexts and needs. The UNDP Capacity Assessment Methodology consists of: the UNDP Capacity Assessment Framework; a process and a supporting tool. These are discussed in more detail in the UNDP Practice Note on Capacity Assessment.

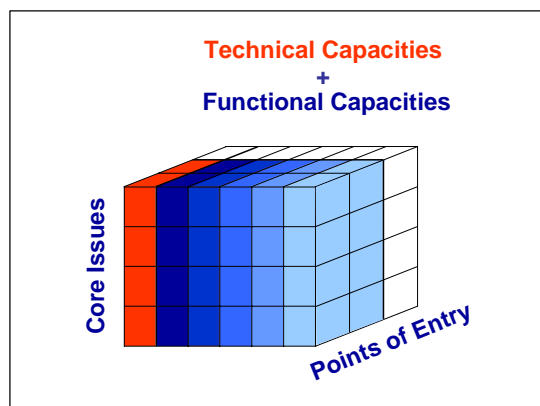
UNDP Capacity Assessment Framework

The UNDP Capacity Assessment Framework (as shown in Figure 3 below) can be used in its totality – i.e. for a comprehensive coverage of all cross-sections of points of entry, core issues and capacities - or to drill down on select cross-sections.

*Points of Entry*

While each of the three levels of capacity can be taken as the point of entry for a capacity assessment, the UNDP Capacity Assessment Framework focuses on the enabling environment and the organisational level. The point of entry is important because it provides initial focus to the assessment, but it does not limit the assessment to just one level. Because of the complementarity between the different levels of capacity, depending on the point of entry an assessment will generally “zoom in” and “zoom out” across the three levels.

**Figure 3. UNDP Capacity Assessment Framework**



### *Core Issues*

For each point of entry, one or more core issues can be explored: institutional arrangements; leadership; knowledge; and accountability. These issues represent the development challenges that UNDP sees most commonly encountered across different sectors, themes and levels of capacity. These issues need not all be covered in an assessment, but simply provide a comprehensive set of issues from which an assessment team can choose as it defines the scope of the assessment. Depending on the context, the list may be expanded to include other critical issues.

### *Functional and Technical Capacities*

The third dimension of the UNDP Capacity Assessment Framework consists of the functional and technical capacities, which were introduced in Box 2 above. These capacities can be assessed for any combination of point of entry and core issue selected.

#### **Box 4. Kazakhstan: Assessing Capacities at Oblast and Rayon Level**

In 2007, the Deputy Akim and Head of the Social Protection Department for Shymkent Oblast in south Kazakhstan requested UNDP to conduct a capacity assessment at the Oblast and Rayon level, focusing on the social protection system. The primary purpose was to assess the capacity assets and needs of the Department of Coordination of Employment and Social Programmes at and provide forward-looking recommendations for mid and long-term capacity development responses.

The assessment team facilitated stakeholder consultations in five Rayons. At the enabling environment, the assessment identified several capacity challenges, including the complexity of the legal framework at the Oblast and Rayon levels (over 19 laws, decrees, and programmes covering the provision of social assistance), which made it difficult to be enforced; the reactive and supply-driven nature of the social assistance system; the complexity of the process to apply for benefits, as well as the myriad of organisations and government units involved in providing assistance. At the organisational level, key findings included the need for: a more robust and innovative human resources management system; a capacity development and incentive system that would motivate civil servants to enhance their ability to provide quality social services; improved internal and external accountability mechanisms.

*Source: UNDP/BDP/CDG Europe & CIS Annual Report 2007*

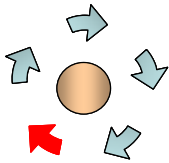
### UNDP Capacity Assessment Process

The capacity assessment process consists of three key steps:

1. *Mobilise and design*: clarifying objectives and expectations with primary clients; identifying and engaging stakeholders; adapting the UNDP Capacity Assessment Framework to local needs; determining how the capacity assessment will be conducted (team composition, timeframe); and costing the capacity assessment process.
2. *Conduct the capacity assessment*: defining desired future capacities; defining the level of desired future capacities; and assessing existing capacity levels.
3. *Summarize and interpret results*: analysing and synthesizing data, validating findings and communicating with key stakeholders.

Following these steps helps deepen local engagement and dialogue around the capacity assessment process and facilitates consensus on its results. The [UNDP Practice Note on Capacity Assessment](#) provides a more detailed discussion of each of the steps.

### 3. Formulate a Capacity Development Response



UNDP uses the term capacity development response to refer to an integrated set of deliberate and sequenced actions that are embedded in a programme or project to address “capacity for why?”, “capacity for whom?” and “capacity for what?”. These actions are identified and prioritised by the capacity assessment team and relevant stakeholders to build on existing capacity assets and address the capacity needs identified by a capacity assessment.

A capacity development response supported by UNDP consists usually of a combination of the four capacity development strategies detailed in Section IV below. These four strategies are linked to the four core issues in the capacity assessment framework.

Core Issue	Capacity Development Strategy
Institutional Arrangements	Institutional Reform and Incentive Mechanisms
Leadership	Leadership Development
Knowledge	Education, Training and Learning
Accountability	Accountability and Voice Mechanisms

The idea behind this is that a capacity assessment will help identify the capacity assets and needs within various cross-sections of level of capacity, core issue and capacity, and that the corresponding strategy will allow a capacity assessment team to identify the appropriate actions to address them.

#### a. Define a Capacity Development Response

For UNDP, defining a capacity development response involves identifying and combining actions from the four capacity development strategies that strengthen existing capacity assets or address capacity needs identified by conducting a capacity assessment. Because the four capacity development strategies are complementary, combining actions from more than one strategy will increase the effectiveness of the response. For example, it may make sense to incorporate incentives for good leadership in a human resources system, or to link a functional review to support for accountability mechanisms.

Similarly, evidence has shown that addressing a capacity issue across different capacity levels will help ensure the sustainability of the results. For example, a functional review of the Procurement Office of the Ministry of Health, which addresses the organisational level, may need to be complemented by a revision of the Government’s procurement guidelines, which addresses the enabling environment.

There are a number of other considerations to bear in mind. For example, when defining a capacity development response, it may be less threatening to many stakeholders to start from capacity assets, rather than capacity needs. Also, to build momentum for the capacity development process, it may be important to design a combination of quick-impact initiatives (less than one year) and short- to medium-term (one year or longer) initiatives. This will build the foundation for ongoing capacity development and continued stakeholder engagement.

Ideally a capacity development response should be integrated in existing national budget structures to ensure continued funding beyond the potential involvement of UNDP and other external partners. Keeping sustainability considerations at the forefront also involves addressing the question of exit strategies. This implies, for example, strengthening the base of local experts and consultants, and involving national, regional or local educational and training institutes.

#### b. Define Progress Indicators for a Capacity Development Response

As in any well-defined project, indicators should be set to monitor implementation of the capacity development response, and for each indicator, a baseline and target need to be established as well.

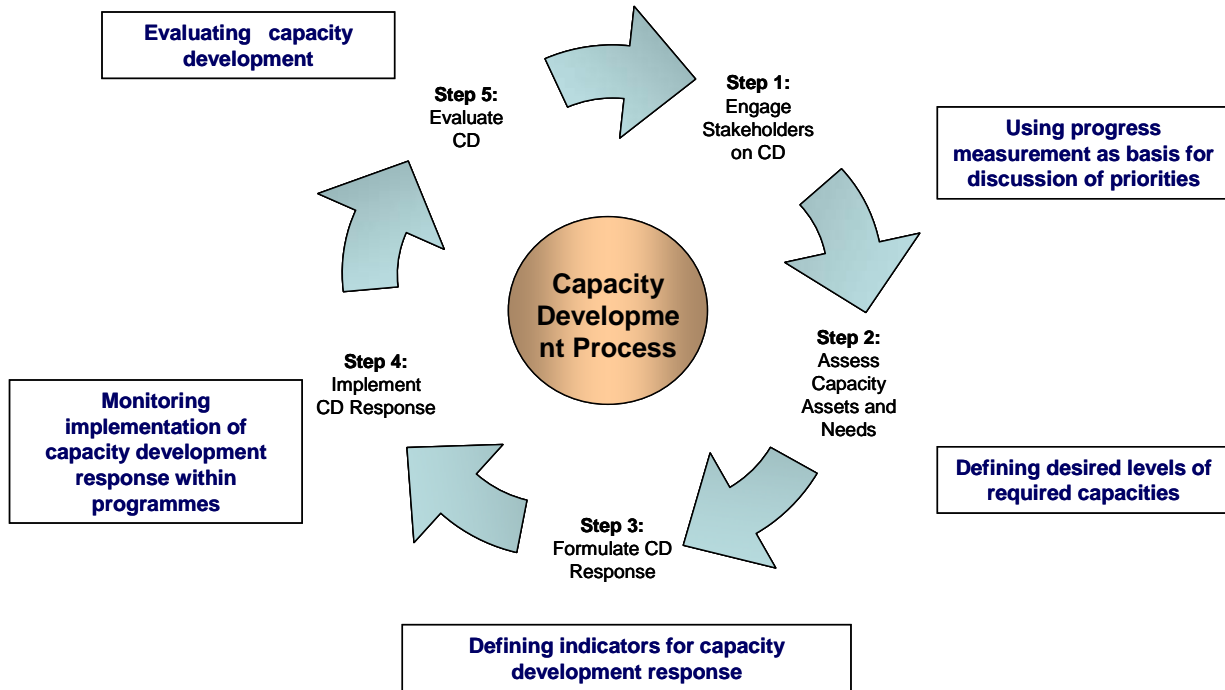
As illustrated in Figure 4 below, these indicators are related yet different from those identified as part of the capacity assessment.

Indicators for the capacity development response measure “**output**” or whether activities are being implemented as foreseen. There will be one or more indicators for each of the capacity development strategies that combine to form the capacity development response. These indicators are similar to those that could be used to monitor the output of any type of project, and are not necessarily capacity development-specific. It is not necessary to create a separate monitoring system for the capacity development response; just like the capacity development response is incorporated into an overall action plan, so should indicators for the capacity development response be integrated into the overall monitoring framework.

Indicators identified as part of the capacity assessment measure “**outcome**” or the change in capacity to which the capacity development response should contribute. There can be indicators for each of the cross-sections of functional capacity and core issue, at each capacity level covered by the capacity assessment. The Capacity Assessment Methodology User’s Guide provides suggestions for potential indicators for each cross-section of the Capacity Assessment Framework.

The baseline data are used as the starting point against which to measure progress; the targets may be either short- or long-term with interim milestones. The process of monitoring progress should allow for refinement of a capacity development response and potentially the design of new initiatives to address evolving needs.

Figure 4. Indicators in the Capacity Development Process































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