



Session 19

Capacity Development and the MDGs

**UN Regional Workshop on MDG-Based
Planning, Pro-Poor Policy and Budgeting
Framework
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**Aidan Cox
UNDP Regional Centre in Bangkok**

Objectives of Presentation

- What role has Capacity Development to play in achieving the MDGs?
- How can I use a Capacity Needs Assessment to identify priority capacity development interventions?
- What combination of Capacity Development Strategies will fit my national context?
- What sort of resources and tools are available?
- What follows draws extensively on work of Niloy Banerjee and his colleagues in the Capacity Development Group of BDP (niloy.banerjee@undp.org)
 - IPS Cap Dev team: Mr Ken Afful and Ms Maneka Weddikkara

UNDP Definitions Related to Capacity

Capacity: the ability of individuals, institutions, and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.

Capacity Development: the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time.

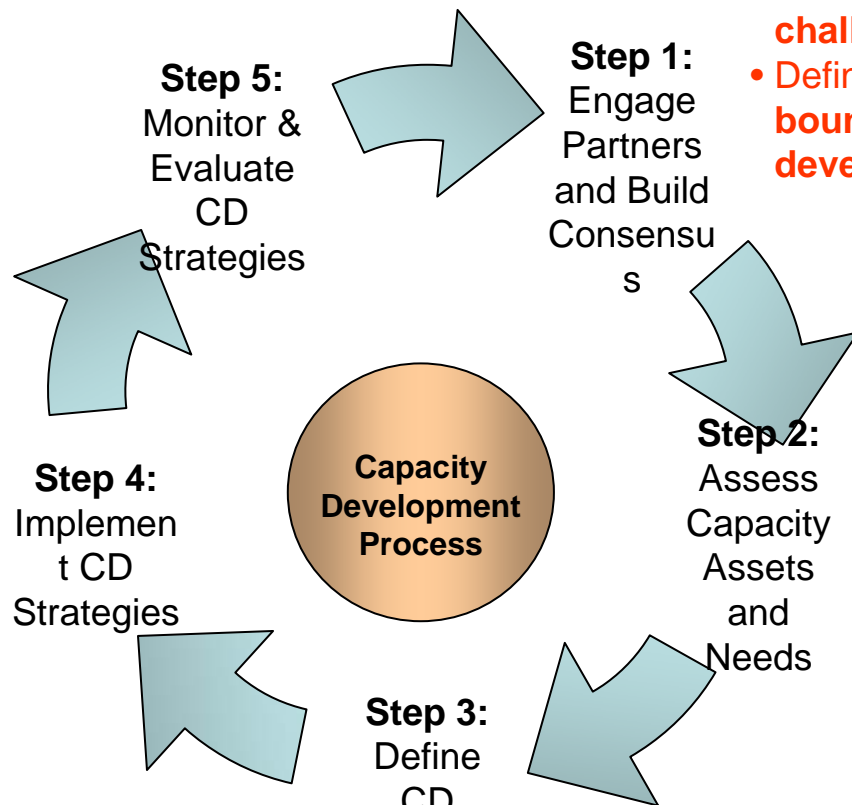
Capacity Assessment: an analysis of current capacities against desired future capacities; this assessment generates an understanding of capacity assets and needs which in turn leads to the formulation of capacity development strategies.

MDG Costing must factor in CD

- The costing of the NSDS Strategies needs to take account of cost of associated Capacity Development measures:
 - Additional investments required to achieve the MDGs themselves demand a commensurate **boost in capacities for planning, budgeting, implementing and monitoring.**

Capacity Development Process

- Monitor based on CD progress indicators
 - Ensure feedback loop
 - Conduct impact evaluations
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- Establish programme and advisory teams
 - Facilitate institutions and networks to perform their functions
 - Introduce techniques for efficient operational and financial management



- Discuss and reach agreement on **what the development challenges are**
- Define areas of focus and **boundaries for capacity development**

- Mobilize and design
- Conduct the capacity assessment
- Summarize and interpret results

- Define capacity development strategies
- Define progress indicators
- Cost capacity development strategies and capacity development

* Focus of this presentation.

Step 2: Capacity Needs Assessments

- A Capacity Needs Assessment can be a useful tool in answering 4 questions where are central to achieving MDGs:
 - What **agencies and institutions** are key for delivering on the MDGs?
 - What is their current **capacity development baseline**?
 - What **additional capacities** do these agencies require?
 - What combination of **capacity development strategies** best fits your context?

Step 2. Assess Capacity Assets and Needs

Benefits

- Brings **rigor and a systematic method** for assessing existing capacity assets and future needs
- Provides a **structure for discussion** about the scale and scope of the capacity assessment exercise and about expectations of the capacity development effort more generally
- Generates **quantitative & qualitative data** to support the preparation of a capacity development action plan
- **Makes sense of complex development situations**, when it is not always obvious where best to intervene to promote capacity development

Operational Considerations

- Understand that capacity assessment is a **set of activities, not a solution**
- The framework is **flexible** and **needs to be adapted** by the assessment team to suit its specific needs/context
- **Define desired capacities** first - before undertaking the assessment, as they do not emerge from a capacity assessment
- **Do not necessarily expect “surprises”** from the assessment, but rather **confirmation and consensus**
- Leave **prioritization of CD strategies** until after assessment of capacities is complete
- Consider capacity assessment as a **dynamic, ongoing process**... not a one-time event

2a. Mobilising & Designing a Capacity Assessment

It is important to promote **ownership of the exercise** from the start, for the right **stakeholders to be identified and engaged appropriately** – thereby providing the **political and administrative momentum** needed to ensure good **follow-through**.

- Clarify **objectives and expectations** with primary clients
- **Identify and engage national/local stakeholders** throughout the process – design, assessment, interpretation and dialogue – to ensure ongoing success
- **Adapt UNDP Capacity Assessment Framework** to local needs
 - Define the scale and scope of the capacity assessment by selecting point of entry, core issue(s) and functional capacity(ies)
 - Determine data collection and analysis approach
 - Review existing sources and knowledge
- Determine **how the assessment will be conducted** (team, location)
- **Cost the capacity assessment exercise** (based on team composition, duration and depth)

3 Dimensions of Capacity Assessment

- Points of entry
 - enabling environment, organisation, individual

- Core Issues
 - leadership, policy/legal Framework, accountability, human resources, financial resources, etc

- Functional Capacities
 - Formulate Policy & Strategy, Budgeting, M&E, etc

UNDP Capacity Assessment Framework: Points of Entry

Capacity exists at different levels – enabling environment, organisation and individual – and needs to be assessed across these levels. A capacity assessment team selects one level as its point of entry (and may “zoom in” or “zoom out” from that level as needed). Having a clearly articulated purpose for a capacity diagnostic helps define the point of entry.

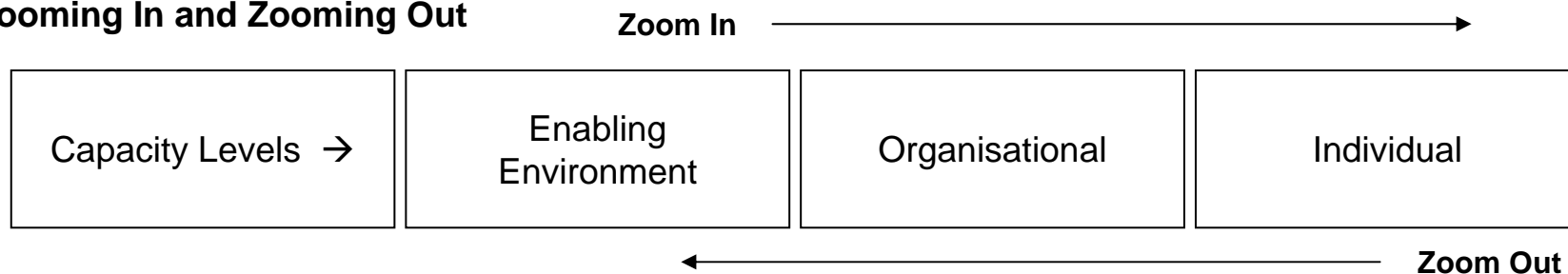
Point of Entry	Description
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Enabling Environment: Variety of elements that can facilitate or constrain the development of capacity: eg **overall policies, rules & norms, priorities, modes of operation**, etc. within and across sectors. Such elements create incentives or constraints that determine the “rules of the game” for interaction between them and can affect the performance of individual and sector organisations. Alternatively known as the societal or institutional level; it is not necessarily synonymous with the national level.

Organisational: Generally focuses on the **internal workings of an organisation** in order to establish or improve specific capacities. Rarely, if ever, sufficient to explore capacity issues at this level alone.

Individual: Generally conducted within the context of an organisational assessment, carried out through **performance management systems** and are the responsibility of the countries concerned.

Zooming In and Zooming Out



UNDP Capacity Assessment Framework:

Core Issues

Not all of the core issues below will necessarily be analysed in any given assessment, but they provide a comprehensive set of issues from which a capacity assessment team may choose as it defines its scope.

Core Issue	Description
Leadership	Capacity to foster ownership; manage relationships with key external stakeholders , including the ability to negotiate ; develop, communicate & give direction on vision, mission & values; develop & implement a system for overall management; & create an environment that motivates and supports individuals
Policy and Legal Framework	Capacity to develop and sustain a policy and legal framework that is independent, impartial and fair – a system that is critical to the alleviation of poverty and achievement of the MDGs
Mutual Accountability Mechanisms	Capacity to ensure accountability through prevention and enforcement; strengthening of national integrity institutions ; increasing public participation; and building coalitions; and working with the international community
Public Engagement	1) Capacity for inclusion, participation, and empowerment of individuals ; and 2) mobilization, access and use of information and knowledge

Core Issue	Description
<p>Human Resources</p>	<p>Capacity for development of recruitment and promotion policies; performance assessment and management mechanisms; incentives (monetary and non-monetary); monitoring and evaluation mechanisms; and training</p>
<p>Financial Resources</p>	<p>National and local capacities to negotiate, manage, utilize and monitor internal financial resources as well as DBS in ways that best support the human development agenda and achieve the MDGs, including capacities for the management of development finance and development cooperation</p>
<p>Physical Resources</p>	<p>Capacity to build, maintain and manage physical resources; does not include accounting of the number of bridges but the capacity to construct and provide continuing services necessary to keep them operational</p>
<p>Environmental Resources</p>	<p>Capacity to manage environment and natural resource and energy sectors, to integrate environmental and energy dimensions into poverty reduction strategies and national development frameworks, and to strengthen the role of communities in promoting sustainable development</p>
<p>Human Rights</p>	<p>Capacities regarding promotion and protection of human rights, including gender rights, and the application of a human-rights-based approach to development planning and programming; creation of sustainable institutional systems; the application of human rights in law and reality; effective systems for societal monitoring of human rights enforcement; transparent mechanisms to correct human rights violations; and specific measures for affirmative action for addressing structural issues that perpetuate inequality and discrimination</p>

UNDP Capacity Assessment Framework:

Functional Capacities

Specific functional capacities are necessary for the successful creation and management of policies, legislations, strategies and programmes. The functional capacities below exist at all three points of entry (Enabling Env, Org, Individual) and for all core issues.

Functional Capacity

Description

To Engage in Multi-Stakeholder Dialogue

Capacity to engage and **build consensus among all stakeholders**, including relevant public and societal agents, as well as external partners. Specific skills include the ability to identify, motivate and mobilize stakeholders; create partnerships and networks; raise awareness; develop an **enabling environment that engages donors, civil society and the private sector**; manage large group processes and open dialogue; mediate divergent interests; and establish collaborative mechanisms

To Assess a Situation and Create a Vision

Abilities to effectively access, gather, analyze and synthesize data and information, and translate it into a vision for the future. Specifically, it includes the ability to define the state of current capacities, and assess those against a desired future state, thus articulating the capacity needs that can lead to capacity development strategies

Functional Capacity

Description

To Formulate Policy and Strategy

Abilities to analyze a range of development parameters that may affect needs and performance in a given area; explore different perspectives; conduct long-term strategizing; and set objectives

To Budget, Manage and Implement

Process management capacities essential in the implementation of any type of policy, legislation, strategy and programme, including **budget formulation; programme and project implementation**; mobilization and management of human, material and financial resources; selection of technologies; and procurement of equipment

To Monitor and Evaluate

Abilities to monitor progress, measure results and codify lessons, for learning and feedback to ensure accountability to partners and the ultimate beneficiaries of development. It also covers results-based management and monitoring and evaluation systems, as a means of reporting to donors.

2b. Conduct the Capacity Assessment

Viable capacity development strategies nurture and reinforce existing capacities. The capacity assessment uses existing capacities as the starting point, and throughout the process, identifies capacity needs against pre-determined desired capacities.

- Define desired capacities and capacity levels
- Fine tuning the questions to understand existing capacity assets
- Assess capacity level

2c. Summarize and Interpret Results

Once the assessment has been completed for the selected dimensions, the assessment team **compares the assessment results against the desired level of capacity**, as determined during the Mobilize and Design phase. This comparison helps the team determine the level of improvement required, which in turn will provide direction in terms of which areas to focus capacity development strategies

- Summarize results
- Compare against desired level of capacity and interpret findings

ILLUSTRATIVE

Example Case Study: Designing a Capacity Assessment

Considerations to be kept in mind

1. Use the UNDP Capacity Assessment Framework as a framework for discussion
2. Define **scope and scale** of capacity assessment by selecting **point of entry, core issue(s)** and cross-cutting **functional capacity(ies)**
3. Focus efforts on a **handful of the most critical dimensions** (issues and capacities)

those that cover a majority of the scope and scale; although a capacity assessment may feasibly include all issues and capacities

Example

Strategic Planning Capacities

“During the process of developing its NSDS, the Government expresses concern that it has a capacity gap related to integrating MDGs into its NSDS.”



Scope of Assessment

Point of Entry	<i>Organisational</i> Level (ministry) with “zoom in” to <i>Individual</i> Level to capture capacities to dialogue around the strategy
Core Issues	Leadership, Mutual Accountability Mechanisms
Functional Capacities	Formulate Policy and Strategy taking account of localised MDGs, budget & implement
Possible Approach	Assess the capacities of central agencies (eg ministries of finance and planning), and then a sample of 3 line ministries. Could draw on different UN agencies to support the assessment in different areas: e.g., UNDP manages Leadership, Policy & Legal Framework and Mutual Accountability Mechanisms; UNICEF manages Public Engagement; and UNEP manages Environmental Resources

Example: Articulating Capacity Assessment Questions

ILLUSTRATIVE

Considerations

1. Adapt questions in User Guide to assessment objectives: modify, add to, delete questions as necessary

Example: Strategic Planning Capacities

<p>Overall Question (from the User's Guide)</p>	<ul style="list-style-type: none"> • Do authorities have the capacity to develop integrated policies and plans linked to resources?
<p>Additional Questions (from the User's Guide)</p>	<ul style="list-style-type: none"> • Do authorities have the capacity to formulate policies, legislations, strategies and programmes?
<p>Revised Questions</p>	<p>“Unbundle” questions above Consider additional questions: Do authorities have the capacity to:</p> <ul style="list-style-type: none"> • Identify weaknesses of existing plans (areas that need improvement)? • Link strategies to the budget process? • Identify dependencies across sectors? Develop policy that addresses these dependencies?

Illustration: Assessing the Capacity Level

ILLUSTRATIVE

Considerations

1. Ensure **consensus on what each capacity level means**
2. Determine how to assign levels... or how will the questions be answered
 - a. Identify appropriate indicators
 - b. Find data, e.g., from policy documents, reports, statistics, interviews, observable practices
3. **What will be done with results?** – will they be used to compare across entities (e.g., ministries, districts, communities)
4. Will **qualitative information** be captured as well?

Levels

1	No evidence of relevant capacity
2	Anecdotal evidence of capacity
3	Partially developed capacity
4	Widespread, but not comprehensive, evidence of capacity
5	Fully developed capacity

Illustration: Interpreting the Results

ILLUSTRATIVE

Considerations


1. **Review results** against desired capacity levels
2. **Is the capacity level sufficient?** Or does it need improvement?
3. Use comparison as a way to **focus resources on the most important areas for capacity development**... important as team moves to next step (define capacity development strategies and actions)

Illustration: Interpreting the Results


Results

Core Issues/ Functional	<i>Formulate Pol & Strat</i>	<i>Budget</i>	<i>Implement</i>	<i>Total</i>
Leadership	3.4	3.0	3.2	3.2
Mutual a/c Mechanisms	1.3	1.7	1.5	1.5

Implications

- 
1. Leadership is relatively strong across all Functional capacities assessed
 2. Mutual accountability capacities are far less strong

Core Issues/ Functional	<i>Formulate Pol & Strat</i>	<i>Budget</i>	<i>Implement</i>	<i>Total</i>
Leadership	2.0	4.0	4.3	3.4
Mutual a/c Mechanisms	1.2	3.3	3.4	3.0

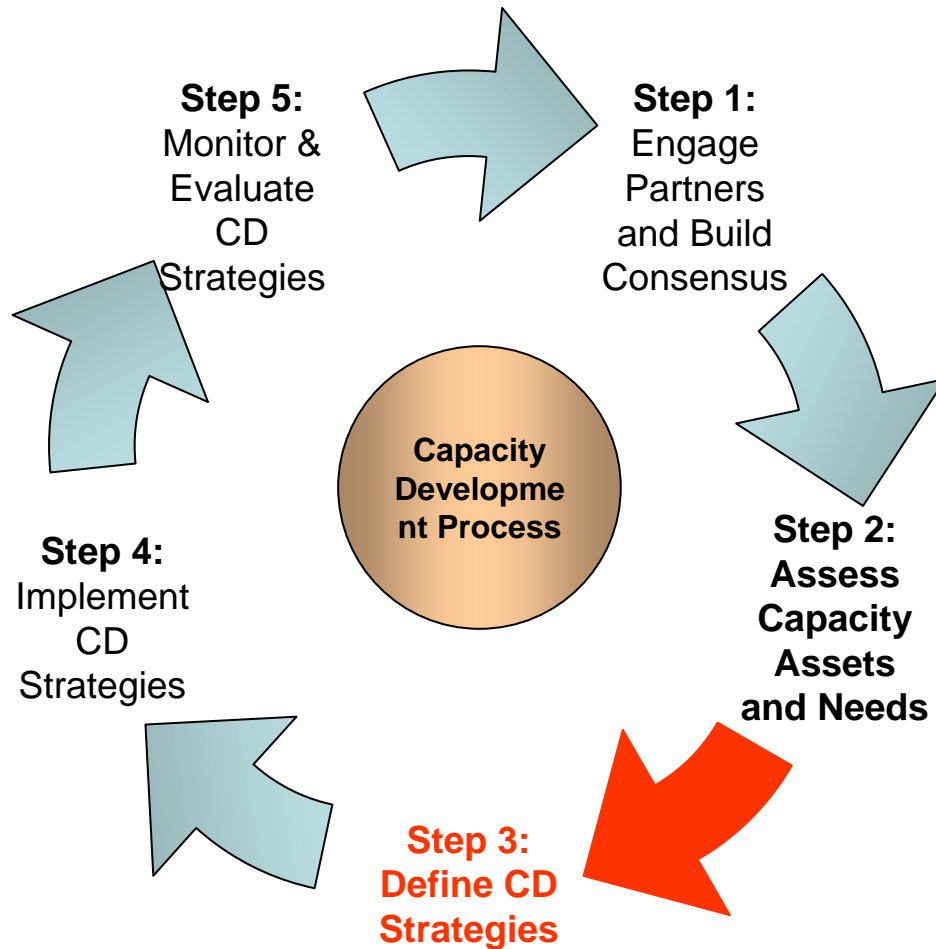
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1. Capacity to budget and implement is strong across both Core Issues (Leadership & accountability)
 2. Capacity to formulate policies & strategies is weak – both in terms of Leadership and accountability

Existing level of capacity needs to be compared against desired level of capacity to determine area of focus going forward

Good Practices

- Consider capacity assessments as a **normal part of good management** that can assist stakeholders in enhancing capacity and improving performance and that can add value to the processes of needs identification, planning, implementation, monitoring and evaluation, rather than treating them as stand-alone activities
- Ensure that any assessment is **nationally and/or locally led**, although **external facilitation** is the most effective way to make the assessment as objective as possible
- **Engage stakeholders from the outset** to ensure appropriate design and buy-in, and where appropriate, to encourage self-assessment
- **Budget for capacity assessments** as an ongoing part of institutional reform and change management process.
- Use capacity assessments to **galvanize interest for change** and to promote organisational learning and empowerment
- Encourage an **open and honest assessment** process to ensure fairness and acceptance of the assessment's procedures and results

Capacity Development Process – Step 3. Define Capacity Development Strategies



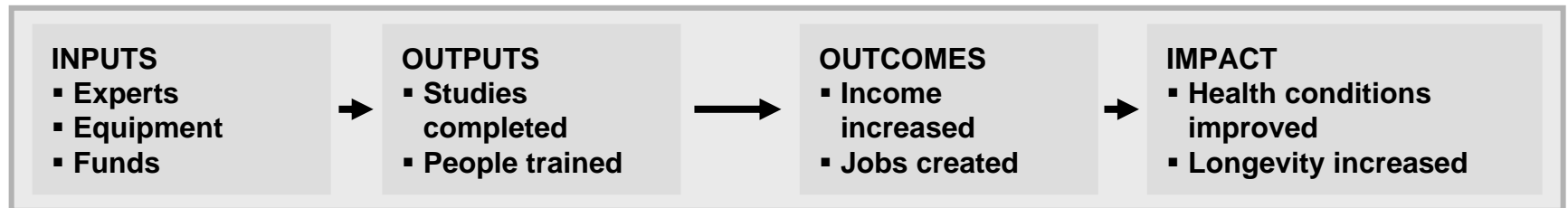
3a. Define Capacity Development Strategies

- Examples of Capacity Development Interventions
 - Skill development and training – using multiple modalities:
 - traditional training;
 - mentoring and coaching;
 - monetizing a portion of technical assistance in favor of tertiary education (if receive 100 units; use 90 and monetise 10)
 - leadership development: eg *Young Leaders for Governance* scheme
 - Institutional Reform and Change Management
 - Capacity for accountability mechanisms: includes reinforcing parliamentary oversight; work with CSOs.
 - Many case studies available (though Samoa's is closer to home; also PNG recent experience in building aid management capacity)

3b. Define Progress Indicators

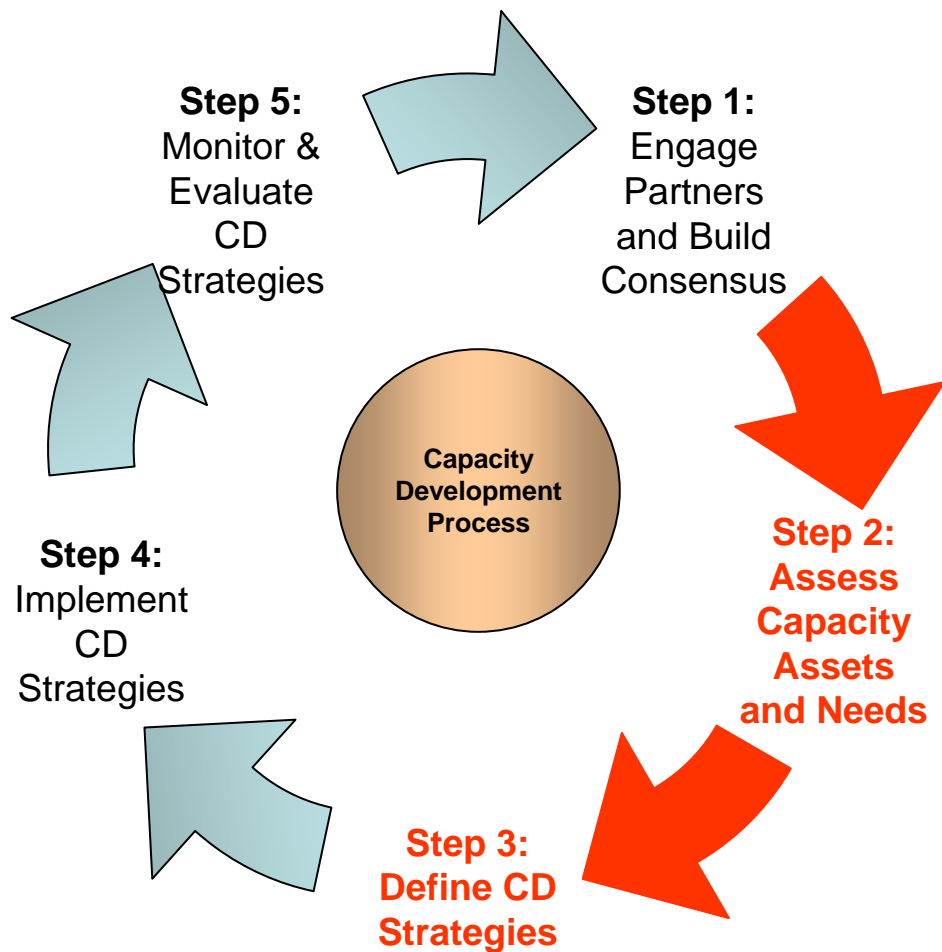
Capacity development should be accompanied by indicators against which to measure progress.

- Define indicators for capacity development strategies = output
- Define indicators for capacity development = outcome
- Determine baselines and set targets for each indicator

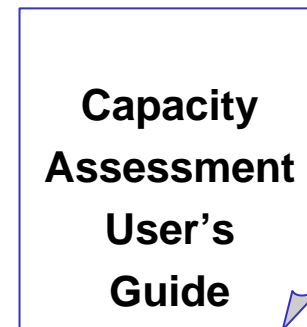


TYPE	WHAT IS MEASURED	INDICATORS
CD Strategies <i>(Output Level)</i>	Effort, or products and services generated by Capacity Development projects and programmes	Implementation of activities
Capacity Development <i>(Outcome Level)</i>	Development effectiveness, or results in terms of access, usage and stakeholder satisfaction from products and services generated by projects and programmes	Use of outputs and sustained production of benefits

Capacity Development Process: Resources available



User's Guide



Supporting Tool for Guide

User's Guide

A step-by-step guide to **conducting a capacity assessment**

Includes **illustrative questions and indicators** for each dimension of the framework (cross section of point of entry, core issue and functional capacity)

Contents

1. Overview and Key Operational Considerations
2. Assess Capacity Assets and Needs
3. Define Capacity Development Strategies and Actions
4. Questions and Indicators by Core Issue
5. Annexes

Supporting Tool for Guide

An excel spreadsheet to support a capacity assessment, including separate worksheets for each step of the assessment and an overall summary

Core Issue	
Leadership	
Point of Entry	
Enabling Environment	
Summary Rating	
1.70	
Cross-Section Capacity Questions	
Cross-Cutting Capacity	Questions
Engage in Multi-Stakeholder Dialogue	
	Do authorities have the capacity to manage relations with domestic and external stakeholders inclusively and constructively?

UNDP Capacity Development Resources

Books and Case Studies

- **Capacity for Development: New Solutions to Old Problems**
- Developing Capacity through **Technical Cooperation**
- **Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development?**
- **Capacity Development Strategies: Let the Evidence Speak (A Case Book)** (forthcoming)

Policy and Practice Notes

- Practice Note on **Capacity Development**
- Practice Note on **Capacity Assessment**
- Practice Notes on **Aid Management, Procurement Capacities, Private Sector Development** (forthcoming)
- Practice Note on **Localizing the MDGs** (forthcoming)

UNDP Capacity Development Resources (cont.)

Resource Guides and Tools

- UNDP Capacity Assessment **User's Guide and Supporting Tool**
- UNDP Guidelines on **Direct Budget Support**, SWAps & Basket Funds
- Guide on **Leadership** for Human Development
- Toolkit on **Localising the MDGs**
- Toolkit on **Private Sector Development**
- UNDP-LEAD **Leadership** Modules
- CD Resource Catalogue On **Measuring Capacities: An Illustrative Guide to Benchmarks and Indicators**
- A CD Guide on Applying a **Human Rights-Based Approach**
- Toolkit for CD in **South-South Cooperation** (forthcoming)
- **CSO Capacity Assessment** Tools (forthcoming)

UNDP Capacity Development Resources (cont.)

Capacity Development Expert Roster

- Database of external consultants, organisations, and agencies with CD expertise
- www.capacity.undp.org/roster

Capacity Development Websites

- www.capacity.undp.org
- www.capacity.org
- <http://topics.developmentgateway.org/mdg>
- www.capacity.undp.org/roster

- Capacity Development Adviser at UNDP's Regional Centre in Bangkok
 - Niloy.Banerjee@undp.org

- Thank you!