



# DOES CAPACITY MATTER?

CAPACITY DEVELOPMENT GROUP REPORT 2009





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Photo: Adam Rogers/UNCDF/Benin

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## DIRECTOR'S ESSAY

### CAPACITY DEVELOPMENT 'IN THE TIME OF CHOLERA'<sup>1</sup>

UNDP's value proposition is its commitment to a bigger and more sustainable Human Development footprint. And this cannot diminish during a global economic crisis, local warring tensions, or a natural disaster. In fact, where more people fall back into poverty, where women cannot access justice, as capacities flee from ethnic strife, as forests and waters recede and as contagions spread, this human development footprint needs to grow. UNDP's position must be steadfast and unwavering in arguing for the smart strategic and policy choices, the right investment decisions and the institutional transformations that need underpin a country's resilience to meet and overcome these challenges.

We have just five years left to meet the Millennium Development Goals (MDGs). There is a lot to learn from countries or localities that have achieved and surpassed the goals, so they can share both their capacities and their solutions. Building and strengthening 'capable institutions' are at the heart of ensuring that individuals, their organizations and communities organize and work together towards achieving their development goals. Providing policy analysis, technical know-how, access to new knowledge and lower-cost technologies, strategic leadership and innovative institutional arrangements, and a public that holds institutions to account – these make for the capacity investments that lead to change, so that institutions perform more effectively, can do so consistently and are able to adjust and adapt better to shocks over time.

Capacity development can be a short-term measure to motivate young women leaders, to protect fragile local skills bases with special incentive measures, or to provide a quick infusion of management systems to enable an institution to prioritize, plan and partner better to take on a more complex mandate. However, it cannot be a one-off effort. Capacity change involves trade-offs and power and relational shifts. It is therefore an inherently political process that requires a sustained political commitment to change. So while continuing to support shorter-term measures, UNDP's policy voice and programme support must continue to support those underlying longer-term reforms that are fundamental to systemic change for better human development - investments in education reform and access to knowledge, in leadership development, in new institutional arrangements to meet new complex challenges, and in public accountability mechanisms that truly embed an engaged and capable public into policy, planning and oversight.

UNDP's policy and capacity development engagement is based on an understanding of and support to nationally owned and prioritized development strategies and policy choices. Countries provide a mixed canvas. Going forward, their development trajectories will not be determined by single-tone, static typologies. Some remain capacity strong, others are continuously 'capacity-in-flux' states, and others are capacity weakened. Those that are capacity strong in given areas have much to offer others, and this country-to-country exchange, particularly as a south-south solutions driver, is a growing but not fully utilized source of capacity development learning and practices. India's and the Republic of Korea's investments in tertiary education, Botswana's sustained commitment to leadership and public management capacity investments, Malaysia's rapid upgrading of civil service capacities, Chile's reforms in social protection and the enabling local institutional environment to implement such, the Philippines and Bangladesh's space for local NGOs and communities to hold government to account, Malawi's focus on capacities to ensure food security, and China's and Brazil's strengthening of regional and local capacities for production and service delivery, are but a few such stories. And there are many, many more.

The development dividend, on which the achievement of the MDGs depends, is only as good as the national capacities upon which it rests. Bold decisions, be it on human development policy or on institutional transformations, do not always have to break new ground. But the two should go hand-in-hand. Capacity investments in human development are suc-

<sup>1</sup> With apologies to Gabriel Garcia Marques and his 'Love in the time of Cholera', a masterpiece.



*Photo: UN Photo/Evan Schneider/Dili, Timor-Leste*

successful in achieving results when they are timely, encourage innovation, and they have learnt from what has worked and what has not, during good times and bad. A powerful lesson learnt across countries and cultures, institutions and communities, is never to underestimate the capacity for change. .

*Khignaraja*

**Kanni Wignaraja**

*Director*

*Capacity Development Group*

*December 2009*

## I. FINE-TUNING THE CAPACITY DEVELOPMENT AGENDA

*“UNDP’s activities across the Strategic Plan’s four goals all have in common a strong focus on capacity development. This is what we do best: under the principle of national ownership, we support countries to articulate development priorities, and we invest in the abilities of their people, institutions, and communities to advance human development and achieve results.”*

Helen Clark, Administrator, UNDP,  
in her first speech to the Executive Board, May 2009

### THE RELEVANCE OF THE HOW: IT IS STATE BUSINESS

While the finish line of a self-imposed set of development goals is fast approaching, a somnolent global economy is threatening to reverse a great deal of the development gains of the past decades. Countries that have struggled even during historic heights of prosperity now face the twin challenges of multiplying needs and dwindling resources. For states dependent on volatile commodity markets, or ODA resources, national authorities are challenged to respond quickly and swiftly to the needs of a growing number of unemployed and unprotected, to weave social safety-nets to stop the most vulnerable and marginalized from falling too deep and too fast below the poverty line. Responding effectively to worsening conditions needs a robust underlying backbone of capacities.

For capacity development practitioners, years of learning and experience suggest that one of the fundamental flaws beleaguering development effectiveness around the world is the varying weak state of institutional capacity. Effective capacity ought to reside in institutions that make national policies, institutions that deliver services, institutions that nurture and oversee markets, institutions that administer justice and provide security, and institutions that protect the rights of all people. Where this state capacity is effective, the largest numbers of people benefit over time from development, economies grow, and societies engage in the democratic process and enjoy a degree of security. Yet, countries over the world are struggling to do these crucial things well and with speed.

Recognizing this, UNDP has moved capacity development to the forefront of its agenda, aided by an expansion and up-scaling of the services offered by its Capacity Development Group (CDG). The recognition of capacity development as UNDP’s core contribution to development has been definitively codified in the UNDP Strategic Plan, the main policy document guiding UNDP interventions and engagement with its partners. This is a call to enhance investments in leadership and knowledge, in the strengthening of institutions and in the





Photo: Adam Rogers/UNCDF/Vietnam



*An Egyptian woman cultivating crops.  
Photo: Philip R. Archer*



opening of the space for civil society to meaningfully and effectively provide feedback and inputs to state institutions on policies and service delivery, as a way to raise the developmental trajectory. .

### **BACK TO BASICS, AND BUILD BACK BETTER**

Capacity development, in the form promoted and supported by the United Nations system and its partners, has been steadily shifting the focus over time away from technical assistance ‘fixes’ and supply-driven assistance to an approach that is demand-driven, outcome-based and, most importantly, nationally owned. For UNDP this paradigm shift has meant the emphasis on the smart strategies and policies, investment decisions and underlying institutional reforms that enable and retain a positive change in capacity. Reinforcing national capacities for planning and developing strategies, for implementing programmes and budgeting, for monitoring and evaluating are posited as the minimum requirements – the functional capacities – of all institutions private or public, delivering water or health, justice or legislation. These capacities also stand countries in good stead at times of adversity and ‘shocks’, be they in the form of economic downturns, conflicts or natural disasters. At its most effective, the capacity development approach can bolster the ability of institutions to do the basics better by making them more effective, accountable and responsive; by empowering citizens to lead and to ensure that their needs and demands are met by those charged with serving them; by fostering leadership; and by expanding access to knowledge and information. In other words, there is a definitive accent on doing the basics right.

The current economic (and some have argued, human development) crisis affords an opportunity to build back better, to learn from the past and to apply the lessons to the future.

CDG supported learning initiatives on capacity development both internally, for UNDP practitioners, and with partners in the field. These initiatives stimulated not only the demand for more in-depth, customized learning, but also an accelerated stream of requests for supporting capacity development responses. With the increasing integration of capacity development principles and practice into the United Nations Development Assistance Frameworks (UNDAF), Country Programme Documents (CPDs) and programmes, UNDP is now seizing the momentum generated by its knowledge and outreach efforts to shift the discourse up a notch and engage policy makers and leaders on the question of making planned investments and long-term reforms that scale-up and sustain capacity development results for achieving the MDGs by 2015.



*Woman watering maize garden that used organic fertilizers from manure that community women composited in Mtandile, Malawi.  
Photo: Lizzy Chung, UNDP/CDG/PPPSD*



## II. UP-SCALING SUPPORT TO CAPACITY: RESPONDING TO NEW IMPERATIVES

### STEADYING PROGRESS IN UNCERTAIN TIMES

So, if the focus is on institutional capacity and allied policy reform, where have energies been focused? The priority has been in shoring up resilience and responsiveness to an increasingly complex and unpredictable range of challenges by supporting bedrock institutions of state, such as civil services, parliaments, ministries of justice, human rights commissions and other ‘lynchpin’ institutions for planning, human security, and services delivery; as well as by facilitating citizen–state interactions, increasing access to, and quality of, knowledge and fostering leadership.

This has called for the grounding of capacity development responses on a growing body of research and evidence and for adapting capacity assessments to suit different contexts and demands. Over the past two years, UNDP has invested resources in refining its tools and in developing a more systematic understanding of what it takes to make individuals, organizations and societies transform to achieve their development objectives. Through a set of policy advisories, supporting diagnostics, sharing of good practices and a learning–by–doing approach, the organization facilitates the tracking and evaluating of changes in capacity as well as at designing capacity development responses within various contexts.

The practical impact of these refinements has been evident in a number of country initiatives supported by CDG over the past two years. In **Palestine**, the drive to scale up capacity to deliver basic services and respond to the crisis has taken on a new urgency in the light of the recent challenges. Over the reporting period, the Arab States regional team for capacity development has collaborated with colleagues from the Asia regional team in assessing the capacity of the Prime Minister’s Office and the Ministry of Planning and Administrative Development to formulate policies for the delivery of public services. CDG has since been approached with capacity assessment requests from the Prime Minister’s Office, Ministries of Foreign Affairs, , and of Economy and Labour, as well as the General Personnel Council. The Ministry of Planning has also requested support for developing an overarching strategy for assessment to be applied uniformly to all ministries.

In the Region of Europe and the Commonwealth of Independent States (CIS), the regional capacity development team has been supporting countries aspiring to **European Union (EU)** membership to access pre-accession funds earmarked to prepare for membership through improvements in public service delivery. UNDP, through its Country Offices and supported by CDG, reviews and advises on institutional strengthening to absorb domestic and international funding including the EU Instrument for Pre-Accession Assistance (IPA).

The methodology assesses not only the ability to access funds, but also the ability to use them to achieve medium and long term goals of the municipality, region or country – including improved service delivery for citizens. Capacities of municipalities for strategic planning, project design and implementation, and monitoring and evaluation are assessed for identifying areas that require strengthening for optimal use of IPA resources. The methodology, in accord with the EU benchmarks of social protection and inclusion, has been widely applied in the region and continues to be in high demand especially for countries in the Western Balkans and the UN- administered territory of Kosovo<sup>2</sup>. The regional team has targeted the IPA-related programmes as a priority area for the year ahead.

Across Europe and the Commonwealth of Independent States, decentralization has transferred many responsibilities to the local level, and yet, many municipalities lack the capacities to deliver these services effectively. Population changes, migration, and urbanization – trends across the region – mean an increased challenge for municipalities to deliver reliable, quality services that meet the needs of all citizens, including those vulnerable to social exclusion. A methodology to assess the capacity of municipalities to deliver basic services such as drinking water supply, waste management, health-care and primary education is being applied in Western Balkan countries, Kosovo, Uzbekistan, Kazakhstan and Georgia.

### ADDRESSING COMPLEX VULNERABILITIES AT THE CROSS ROADS

The immediacy of today's challenges calls for bold solutions. Until recently, **climate change** was everybody's problem but nobody's responsibility. Now, inertia is giving way to action that empowers those likely to be affected earliest and hardest. The CDG team has collaborated with the UNDP's Environment and Energy Group on two initiatives to strengthen national capacity for dealing with climate change. One initiative focuses on strengthening capacity to develop policy options for addressing climate change issues across different sectors and economic activities. Recognizing the nexus of climate, poverty and vulnerability, CDG has worked with UNDP's Poverty Group and the Environment and Energy Group to come up with a package of offer that includes changes in the way institutions will need to operate and manage services to society, and also therefore the policy shifts that will usher in this new generation institutions and institutional arrangements. The initiative also supports national capacity for participating and negotiating in the United Nations Framework Convention on Climate Change (UNFCCC) process. As one of the key drivers of capacity, investments in knowledge in the area of climate change and for broadening access to that knowledge represent the main pillars of the programme strategy. Countries participating in this initiative include Algeria, Bangladesh, Dominican Republic, Ecuador, Gambia, Liberia, Namibia, Nepal, Niger, Paraguay, Peru, Togo and Turkmenistan. CDG also supported the preparation of the Environment and Energy Group's Climate Change Adaptation in Africa programme. This \$92 million facility is the result of a partnership with the Government of Japan, which supports 21 countries in Africa to develop their capacity to plan, implement and monitor long-term climate change adaptation strategies. Through this facility UNDP will strengthen the capacity of African countries to address the adverse impact of climate change and protect the most vulnerable to climate-induced shocks. The 21 participating countries include, among others, Burkina Faso, Cameroon, Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mozambique, Morocco, Namibia, Niger, Nigeria and Senegal.

### DOING MORE FOR THE MDGS

The economic crisis and the ominous prospects of shrinking ODA are driving governments to do more with less. The crisis has underscored the value of enhancing the capacity of states to improve the marginal utility of domestic and aid resources. The need to strengthen national capacities and to develop national systems to manage aid better has been underscored time and again, particularly in times of crises and in the aftermath of conflicts and natural disasters, such as in Aceh and in Sri Lanka in the recovery rush that followed the Asian tsunami. Against this background, recent international conferences, such as the Accra HighLevel Forum, the MDG High-level event, the Doha Financing for Development Review Conference and the Poznań climate change discussions, have called for a new spirit of multilateralism and reinforced the

<sup>2</sup> Hereinafter referred to as Kosovo



*Women in the Jabal Al-Hoss region of Northern Syria  
Photo: UNDP Syria*

urgency of addressing national capacities to respond to these globally interconnected challenges and related financing commitments.

A growing number of countries have been turning to UNDP for support in addressing capacity constraints to manage aid better, align results, harmonize management and information systems, and improve accountability for greater impact of development assistance. In over 90 developing countries, UNDP is supporting national capacities to attract and better manage resources (both public and private, domestic and external), including ODA through aid effectiveness and management programmes. Programmes have also been designed to strengthen national capacities to negotiate, manage and regulate large-scale investment contracts.

In **Djibouti and Syria**, the Arab States regional capacity development team helped bring together local stakeholders to develop national action plans for the implementation of the Paris Declaration.

In **Tanzania**, UNDP partnered with the Development Gateway Foundation to support the government to launch an online aid information management system to track official development assistance allocations and link them to MDG-related results. With advisory support from CDG, the system has made the pursuit of the MDGs in Tanzania a more transparent, collaborative process, allowing anyone with an interest to review and assess the impact of resource allocations. The initiative was officially launched at the Third High-Level Forum on Aid Effectiveness held in Accra in 2008.

At the corporate level, the UNDP Executive Board is heeding CDG's recommendation of adapting practices to country context. In 2008, the Board approved the piloting of Sector Budget Support and pooled funding as instruments to enhance aid effectiveness. This will allow UNDP to better support national capacities to negotiate, design and manage



*UNDP in Kazakhstan is supporting public administration reform - helping to strengthen the capacities of oblasts in the areas of integrated planning and development, quality service delivery and achievement of the Millennium Development Goals.  
Photo: UNDP Kazakhstan*



direct budget support for development effectiveness. Under the pilot, UNDP may under certain circumstances (e.g., during transition periods) step in at the request of national partners to manage a sector or programme-based pooled fund. Under these circumstances, the primary focus of the pooled funds would be national capacity development.

The 2007 triennial comprehensive policy review (TCPR)<sup>3</sup> emphasizes that national systems and structures should be used and supported to the fullest extent possible. The practice of establishing parallel implementation units outside national and local institutions is to be avoided wherever possible (paragraph 39). To allow countries to easily access advice and support to develop their national procurement capacity, and to track progress against aid effectiveness indicators set out in the Paris Declaration, the **UN Procurement Capacity Development Centre** launched an online database in 2008, the result of a partnership between UNDP and the Danish International Development Agency (DANIDA). The web-based platform provides an interactive library of resources for strengthening public procurement capacities and serves as a clearing house for practical guidance in implementing solutions. Members – from government, the private sector, civil society groups, educational institutions and other organizations – assist partner countries both remotely and through direct engagement in the field. As the first web-based forum dedicated to sharing knowledge on improving public procurement in the developing world, the platform has recorded thousands of visits since its launching. By offering public access to instruments such as the standard bidding and tender documents and procurement policies for countries including Ethiopia, Jordan, Papua New Guinea and Sierra Leone, the site promotes transparency in the use of public resources and empowers citizens to hold leaders accountable.

Doing more with less also means providing support to empower local communities to more efficiently use resources received from governments and donors. In this respect, CDG has been supporting capacity assessments and the design of capacity development responses to strengthen the capacity of villages across northern Ghana in the area of sustainable livelihoods. Working with local representatives and village development committees, CDG has supported the UN country team in Ghana to adapt the capacity assessment tools – adjusting terminology and definitions, translating and reflecting cultural nuances – for application in the local context. The project will be piloted in one of the poorest parts of the country to demonstrate the value of the methodology for developing implementation capacity of local communities for multi-donor investment programmes.

### THE ROAD TO CAPACITY IS PAVED WITH KNOWLEDGE

As the foundation of capacity, knowledge is key to deepening national capacities. It contributes to moving national systems to a higher trajectory of performance and stability. UNDP promotes investments in knowledge and makes

<sup>3</sup> Operational activities for development: triennial comprehensive policy review of operational activities for the development of the United Nations system, 14 March 2008



*Photo: UN Photo/Tim McKulka/El Fasher, Sudan*

available to countries a gamut of services to support them in their efforts to generate, acquire, share and utilize knowledge. Investments in knowledge can take different shapes and forms, and the knowledge base of an individual, institution or a country can be broadened in many different ways: through education, both formal (at first, secondary and post-secondary level) and informal, training and experience. Where a knowledge base exists and a backbone of information, experience and technology is already available and ready to be tapped into and used, broadening access to that base and putting in place the right infrastructure, legislative framework and enabling policies becomes an imperative.

Knowledge networks and local knowledge capture mechanisms are effective and sustainable instruments for knowledge sharing – available to all, even at the community level – for increasing access to context-relevant information and new technology applications, discussing developing problems, and sharing innovative development solutions and policy experiences. A major virtue of knowledge networks is their capacity to at once shrink distances and widen exposure. Upon joining a network, members residing in remote corners of a country, region or the world gain the capacity to communicate with one another and to independently evaluate one another's experiences. In cases where 'off-line' channels of information are part of the network structure, widespread Internet access becomes a helpful but not essential factor.

The Sustainability, Education and the Management of Change in Africa (SEMCA) was launched in 2007 as a Community of Practice aimed at enhancing the capacity of Africa's tertiary educational institutions to produce graduates and research relevant to poverty reduction in rural communities. Supported by UNDP, SEMCA is an online network of over 800 practitioners representing African universities, rural communities, policymakers, development institutions and others. Its main objective is to cultivate a pool of change agents with the will and capacity to drive development over the long term. SEMCA supports learning and knowledge exchange through an online platform (<http://www.iln-africa.net/index.php/semca>) used by networks members to share updates on tertiary education reform in Africa, case studies and good prac-

tices. In the face of the recent food crisis, SEMCA's focus of transforming agricultural education, research and promoting reforms will strengthen countries' response capacities over time.

In **Uganda**, UNDP has supported the Africa 2000 Network, a regional NGO, to make use of local-level information and knowledge to improve the livelihood of small-holder farmers. The initiative set up village information centres, which facilitate information and knowledge sharing on food security, income generation, health and education, participatory development management and leadership. This initiative also supports the development of village profiles for assessing local assets and providing baseline data to village committees for planning activities. The demand for village information centres has been so high that in one sub-county, 19 centres – 15 more than the four that had originally been planned – had to be established. The popularity of this initiative attests to the value of capturing and analyzing communities' knowledge and needs and of disseminating information in a widely accessible, user-friendly format.

UNDP has also been working with the **University of Makerere** in Uganda to develop its agricultural curricula to respond to the development needs of rural communities. By facilitating access to tertiary education to members of rural communities, this initiative aims at producing a new cadre of graduates with the skills and the knowledge required to implement rural development programmes and achieve development goals set at the national level. The community members participating in this scheme are required to return to their villages of origin after completing their study programmes to put their knowledge and experience into practice in their community.

### THE POWER OF INCENTIVES FOR INNOVATION

'Status-quo' is equivalent to comfort zone, which institutions, much like individuals, rarely tend to abandon. When new visions are forged or new leaps made, it is usually strong leadership that drives it. Incentives systems, not necessarily monetary, can promote innovation and risk-taking towards new and effective solutions to development issues.

In the Philippines, a system of non-cash recognition awards for the most innovative Local Government Units has ushered in a host of capacity development actions in support of the MDGs. Led from the front by dynamic Mayors, these incentives have created the space for a whole host of capacity development strategies to come into play, which, in turn, have impacted performance towards achieving the MDGs at the local level. In 2007, the regional team in Asia partnered with the **Galing Pook Foundation**, a local NGO, to support the national President's Award competition, which acknowledges and awards the best innovations at a high-profile annual ceremony. The accompanying prestige and media attention generated by the President's Awards stimulate competition across local government units for the experimentation and introduction of innovative governance solutions and their replication across the country. Some of the innovators have since been invited to present their experiences at international conferences on change management and local efforts to achieve the MDGs.

### MAKING INSTITUTIONS STRONGER

As the finish line of the MDGs approaches, the task of pulling people out of poverty is not happening fast enough. Achievement of the MDGs hinges on capacities of individuals, organizations and societies to transform their current level of capabilities to reach their development objectives. While increased financial resources are indeed critical, there is little point in having well funded, planned and budgeted programmes if there are inadequacies in leadership, institutional and systemic vision, knowledge, know-how and technical skills to implement them. Such capacity limitations are cited by least developed and middle-income countries alike as one of the biggest hurdles they face in delivering on their human development promise. Institutions are the building blocks of the state apparatus; for states to function well, to be 'smart', to be able to manage the business of the executive for better delivery of services, to distribute justice fairly and to legislate equitably, institutions need to be strengthened.

CDG has been increasing its support for institutional change management initiatives driven by larger strategies for strengthening national and local capacities to stay responsive to populations' needs under rapidly changing, often unpredictable, conditions. To open a dialogue on the issue of institutional change, an international consultation on institutional reform and change management was convened by the Asia capacity development team in early 2007. The event brought together institutional development and change experts and practitioners to share experiences, analyze success stories and identify new challenges.

To support institutional capacity development, the Asia team served a number of partner countries in the region, each reflecting urgent national priorities. In **Sri Lanka** a capacity assessment exercise was extended to pilot district administrations and divisional secretariats (local level decentralized administrative units) to gather information necessary for the development of a capacity development response to strengthen local service delivery for the achievement of the MDGs. In Viet Nam, institutional capacity development support was provided to institutions providing services to ethnic minorities. Also in the Asian continent, CDG has been active in adapting the capacity assessment methodology to gauge the effectiveness of national human rights institutions across the region.

In **Brazil**, CDG trained national consultants in the UNDP capacity development methodology and worked with the Ministry of Planning to adapt the approach and tools for development of capacities for services delivery in health and education at the municipal level. It also defined the capacity parameters for a new Secretariat for Creation of Opportunities and Productive Inclusion, which will be housed within the Ministry of Social Development.

When the Inter-American Development Bank provided funding to the Government of **Haiti** to scale up environmental action, the government turned to UNDP for support to assess the capacity of the relevant institutions to deliver on the government's environment agenda. The assessment disclosed the need to re-engineer the way relevant institutions work, which included strengthening coordination between the Ministry of Environment and other relevant ministries (e.g., the Ministries of Planning and Agriculture), improving human resources management practices and changing communications infrastructure.

In Europe and the CIS, UNDP supported the Directorate for Anti-Corruption Initiative in Montenegro as it looked at its capacity to prevent corruption. In Croatia, UNDP supported the Croatian People's Ombudsman to assess capacities related to an expanded mandate, particularly affecting its work in areas pertaining to the rights of minorities and the mentally ill, and with broader human rights issues. In Turkey, capacities were assessed in the Ministry of Finance and its Department of Revenue Policy. National capacity development advisors were supported as they provided advice, coaching and mentoring support to





*A rice mill launched and operated by women in Panama has boosted income and confidence in the village of Santa Librada.  
Photo credit: Elio Rujano/UNDP Panama*

Provisional Institutions of Self-Government in Kosovo. The capacity development team in Europe and the CIS worked closely with experts from the Democratic Governance Practice.

### IN THE SPIRIT OF PARTNERSHIP

In some of the world's poorest countries, it is often the private and informal sectors that prove to be the most dynamic engines of innovation in efficient provisioning of basic goods and services to poor communities. **Private-public partnerships** are an effective and sustainable response to the need for increasing access and improving the quality of services for poor and remote communities.

When the Government of **Namibia** was partnering with local private companies to share responsibilities for delivering municipal public services, the Africa CDG team provided support for the development of a set of rules and principles to guide local services delivery. The rules emphasized that the services offered should be affordable and focused on poor and marginalized groups. The CDG regional team and the UNDP country office extended their joint support to assessing the relevant capacities of all involved – the government counterparts overseeing the exercise, the local businesses offering services and the community representatives articulating needs and setting service delivery standards – and helped devise appropriate capacity responses. The public-private partnership is now a mainstay of government planning and a locus of UNDP's work in Namibia.

### RE-BUILDING NATIONS TRANSITIONING FROM CRISIS

While some countries have enjoyed a smooth and seamless development trajectory, following a development continuum which began, for most, in the post-colonial period, the journey for others has been less even and challenged with obstacles, including conflicts, natural disasters, periods of political instability and other hindrances which have had a negative impact on institutions including that some have been decimated. Under such circumstances, state building is onerous and requires a government's commitment to swiftly and vigorously invest in capacities to re-build long-lasting and sustainable institutions; to focus on knowledge and education to nurture the flourishing of social and human capital to benefit future generations; to welcome leadership that can offer a vision for the future for disrupted lives; and to forge new alliances with societal groups drawing on strength from the power of social cohesion. Faithful to this commitment, a growing number of governments in countries transitioning out of conflict or emerging from natural disasters or other crises have been quick to embrace the UNDP approach to capacity development. Many have been proactive in making capacity development a central pillar of their reconstruction efforts.

After a period of instability, two civil wars and a repressive regime, **Liberia** began a new journey towards stability and reconstruction in 2003, now signposted by a ten-year national capacity development strategy and action plan, which was developed in 2007 with the support of UNDP. Recognizing the value of engaging civil society from the earliest stages of reconstruction, the new government has shown strong political will in making the national capacity development agenda an exercise in national collaboration, unity and pride after decades of conflict. The inclusive approach encourages people in all sectors of society to think about capacity not as an abstraction but in terms of practical benefits to their own lives and interests. Such an approach heralds Liberia as a possible model for other countries emerging from crisis.

The decade-long trajectory of the Liberian strategy reflects the incremental, long-range planning recommended under the UNDP capacity development approach. Experience at the country level suggests that development can be best sustained, even through periods of complex challenges by cultivating, over time, a diverse set of state and civil society capacities, which include those of leading, planning, managing and delivering better on national development plans. In the case of **Timor-Leste**, another country transitioning from a troubled past, UNDP is supporting a multi-tiered strategy that aims at addressing a series of long-term challenges facing the new government as it manages the continuing development of the public sector. The strategy calls for responding to urgent capacity needs as the institutional foundation

is being established for a functional civil service capable of managing its resources efficiently and responding to the demands posed by the mostly rural and impoverished Timorese population. CDG has been supporting the Country Office in Dili throughout this entire process in partnership with the Democratic Governance Group.

### DEVELOPING TOMORROW'S LEADERS TODAY

Navigating change and adapting to new challenges, making bold decisions and seeing them through, and casting a vision for the future of millions of people calls for strong and effective leadership. The UNDP capacity development approach supports leadership development by nurturing leaders who are responsive and visionary and by promoting ethics and a culture of accountability in the management of public affairs.

In Asia, the **Asia Young Leaders in Governance** project has been working to nurture the capacities of young leaders engaged in governance issues in various sectors and countries in the region. With the support from the United Nations Democracy Fund and in collaboration with the regional Gender and Governance teams respectively the regional CDG team in Asia has adapted training modules in developing leadership skills to the Asian context. The modules reflect the priorities of the region: systems thinking; conflict resolution and negotiation; cross-cultural communications; and value-based modules on ethics and anti-corruption, capacity development, indigenous peoples, and gender and leadership development. Over the reporting period, a cadre of Leadership Fellows from East and Southeast Asia were trained using the adapted curriculum. The participants, selected from a pool of over 100 applicants, hailed from Cambodia, China, Indonesia, Lao PDR, Malaysia, Mongolia, the Philippines, Sri Lanka, Thailand, Timor-Leste and Viet Nam with backgrounds in government, international and civil society organizations, and the private sector. Following the training, the Leadership Fellows were invited to submit proposals for piloting their new skills within their respective communities or sectors. The winning proposals are currently being implemented. The project has generated enthusiasm among regional development partners, some of which have been nominating their own staff members to participate in the course.

A similar youth leadership initiative was undertaken through 2007-2008, facilitated jointly by UNDP, the United Nations Population Fund and the League of Arab States. The Arab States regional capacity development team helped articulate a vision for youth participation in socioeconomic decision-making. Over 100 young leaders benefitted from the initiative, representing youth-related governmental and national committees and councils from all Arab countries, international and non-governmental organizations, and cultural and academic institutions.

### III. STRENGTHENING OUR OWN CAPACITY TO DELIVER

*“If the financial and food crises have taught us anything, it has to be: ‘heed the warning signs’. Together, we have an opportunity here to change how development is done”*

Olav Kjørven, Director, Bureau for Development Policy, UNDP

As the ‘how’ of the human development approach that UNDP practices and promotes, capacity development is the road map to meeting development targets, including the MDGs. While significant financial resources remain an essential requirement for countries to continue along their development trajectory, these would not take countries a long way without harnessing the capacities of people, organizations and societies to realize their development objectives and transform their own lives for the better.

Starting from the premise that ‘capacity begins at home’, and assigned, in 2002, with the responsibility to sharpen the UNDP approach and methodology to supporting capacity development, CDG has concentrated its energies over the reporting period on ensuring that the capacity development community of practitioners, including policy advisers, programme officers and managers across UNDP, gain facility in advocating and applying the capacity development approach. This has called for the large-scale dissemination of CDG knowledge and policy documents to serve practitioners in integrating capacity development throughout UNDP programmes, projects and policies.

At the same time, the group has leveraged the heightened prominence of the capacity development methodology to amplify its body of case evidence on the practice of designing, executing, adapting and evaluating capacity applications in the real world. CDG has been actively involved in capturing these experiences and engaging with partners both within and beyond the United Nations system, even as an ever-widening community of practitioners adopts its approaches.

#### CAPACITY DEVELOPMENT BEGINS AT HOME

The UNDP 2008-2011 Strategic Plan positions capacity development as the organization’s core contribution to countries. The relevance of the ‘how’ of development and its centrality across UNDP work has been echoed by the wider United Nations system: the United Nations Development Group (UNDG) explicitly calls for and supports a teamed United Nations approach at the country level, in advocacy and action on capacity development. The 2006 UNDG Position Statement on Capacity Development, the United Nations Development Assistance Framework guidelines and the UNDG Capacity Assessment methodology and tool are all testimony of the commitment of the UN system to collaborate and jointly support countries to emerge as better and ‘smarter’ states.





Photo: Ashley Palmer/CDG Asia/Kachin State, Northern Myanmar



*Photo: UN Photo/Marco Dormino/Port au Prince, Haiti*



Widespread recognition of capacity development as the 'how' of development, has, in turn, stimulated an increase in the demand for CDG's services. During the reporting period, CDG has fine-tuned the UNDP approach to capacity development and updated the practice notes on capacity development, capacity assessment, and the user guide for capacity assessment and supporting tools.

Building on these foundational resources, CDG has gone on to develop an expansive database of knowledge products. The catalogue includes everything from one-page 'snapshots' on capacity assessments conducted in all parts of the globe, to detailed country case studies examining capacity development strategies in the Philippines and Singapore, to responses to frequently asked questions and practical advice in the daily tasks of conducting a capacity assessment scoping mission.

A new online course on capacity assessment draws on these materials to nurture the capacity development community of practice. Available to all UNDP staff as part of the organization's Virtual Development Academy, the course offers an introduction to the UNDP approach to supporting capacity development and detailed guidance on using the capacity assessment methodology.

### **THIS IS WHAT WE DO: THE 'HOW' AND THE 'WHAT'**

UNDP remains at the forefront of the response to an increasingly complex array of global challenges with solutions that aim to enhance state capacity to manage and deliver sustainable human development. To support these endeavors, CDG has been working to ensure that activities in all UNDP practice areas are geared toward developing capacity at individual, societal and organizational levels.

In some contexts, this demands an adjustment of the platform of services that UNDP provides to its partners. In 2007, for example, the regional team in Africa held a cross-practice training to help the country office in **The Gambia** to develop the new country programme. The CDG Africa team mission to The Gambia was the first in a series of cross-practice initiatives aimed at helping colleagues working at the country level to better understand the corporate capacity development approach and to mainstream it into the new country programme document. Similarly, in 2008 the Arab States regional team helped shape the strategic framework for the interventions of the **UNDP Programme of Assistance to the Palestinian People** for the coming biennium.

Responding to the growing demand for mainstreaming capacity development across all UNDP practices, CDG is actively collaborating with other UNDP practice areas to ensure that capacity development is reflected in policy documents and practiced in the implementation of programmes and projects. CDG has been collaborating with the **Poverty Group** on the inclusive globalization agenda and in initiatives supporting the MDGs to enable UNDP to deliver more impactful capacity development results. The UNDP Capacity Assessment Meth-

odology has been adapted to respond to the specific needs of the area of trade, and conducting Human Development Impact Assessments (HDIA).

Results in the mainstreaming of capacity development are noticeable in the area of **HIV/AIDS**. Here CDG, in collaboration with the Poverty Group, has adapted the capacity assessment methodology and tools to respond to the particular needs of the HIV/AIDS epidemic. The seminal work of this adaptation exercise was a joint CDG-HIV/AIDS Group e-discussion on HIV/AIDS and capacity development, in which a wide community of practice, including UNDP colleagues, national and international NGOs and other development practitioners working in the areas of capacity development and HIV/AIDS, actively participated and shared insights on capacity challenges faced in planning, implementing and evaluating responses to HIV/AIDS.

During the reporting period, collaboration between CDG and the **Democratic Governance Group** has focused on looking at capacities for local level services delivery and publishing a practice note on Supporting Capacities for Integrated Local Development. The two groups also teamed up in the Europe-CIS region for a major assessment of institutional capacities of municipalities in Kosovo. The assessment examined coordination and institutional arrangements of government institutions at local and central levels and identified capacity gaps that needed to be addressed in Kosovo's lead up to independence. Moreover, the assessment laid the foundation for an overarching capacity development strategy for Kosovo.

A multidisciplinary collaboration between CDG, the Bureau for Crisis Prevention and Recovery, the Democratic Governance Group, the Gender Group and the UN Peace-building community of practice facilitated a joint e-discussion on *supporting state and governance capacities in post-conflict countries and countries in transition*. The e-discussion was launched to share insights into how UN agencies and other partners provide support for good governance in post-conflict situations and, in particular, on efforts to bolster the capacity of the state and civil society at the central and local level.

CDG has collaborated with the Bureau of Crisis Prevention and Recovery on matters in which capacity for countries in transition – the wherewithal to bridge the gap between immediate humanitarian assistance after a crisis and the longer phase of recovery to follow thereafter – is of crucial importance. The Groups jointly published a practice note on **Capacity Development during Periods of Transition**, which outlines UNDP's position and strategies for providing capacity development services in countries transitioning from crisis. In the Asia region, CDG is working with the Crisis Prevention and Recovery team to adapt the capacity assessment tool for **disaster management** platforms according to the Hyogo Framework for piloting in tsunami-affected countries. The regional team is also supporting countries in Asia, including **Lao PDR**, to strengthen their disaster management capacity. In 2007, collaboration with the Bureau of Crisis Prevention and Recovery in Nepal was instrumental in supporting the government to develop a capacity development strategy for the newly established Ministry of Peace and Reconstruction.

Recent reforms across the United Nations development system have emphasized the need to support countries' efforts to **empower women** and achieve **gender equality**. Responding to this call, over the reporting period CDG increased its focus on women's empowerment and gender equality, particularly in the Arab States region. CDG integrated gender into the capacity development approach first in Yemen in 2008. The dimension of women's empowerment and gender equality featured prominently in capacity development training initiatives carried out in countries like Iraq, Jordan, Syria and Palestine.

CDG has been actively engaged in integrating capacity development into the **Legal Empowerment of the Poor** agenda. UNDP's commitment and investments for broadening poor people's access to the justice system and protection of their property, business and labor rights – all critical elements in empowering people to build better lives for themselves – is being supported by a commensurate effort to build the corresponding capacities of relevant institutions. Focusing on



*Just outside Rustavi, Kvemo Kartli region, Georgia, where capacity development efforts are coming full circle – Capacity development responses are currently being implemented, following assessments in all seven municipalities and the Regional Office of the Governor in the Kvemo Kartli region. For example, municipalities addressed the need for strategic planning by formulating local development strategies for the next five years.*

*Photo: Capacity Development Practice, Europe and CIS*

strengthening critical capacities for the poor to voice concerns and for national governments to respond effectively, CDG has initiated the adaptation of the capacity development approach and integration into legal empowerment of the poor agenda. The coming year will see an expansion of policy advice and programme support in this area at the country and regional levels.

### **AT THE CORE OF HUMAN DEVELOPMENT**

The capacity development approach is also gaining prominence as an analytical tool in **human development reports**. The 2008 **Albania** National Human Development report takes a holistic look at the country's capacity development process, at the set of successful policy choices and specific capacity investments, with a focus on the role of investments in knowledge, human resource development, decentralization, and corporate governance and public accountability. For **Panama**, the 2008 National Human Development Report makes the case for strengthening institutional capacity as a means of sustaining development progress. Panama's report makes the case for a renewed focus on capacity at all levels for greater human development achievements. Likewise, the capacity development approach was integrated into the most recent Regional Human Development Report for the Europe-CIS region, **Living with HIV in Eastern Europe and CIS – the Human Cost of Social Exclusion**. The approach was tailored to examining specific capacities related to HIV/AIDS: development planning and integration; governance of AIDS responses; law, human rights and gender; and public health and development partnerships. The regional team is currently collaborating with the HIV/AIDS Practice on a series of case studies examining the role of local authorities in responding to HIV/AIDS and the capacity constraints they have

## IV. PARTNERING ACROSS THE UNITED NATIONS SYSTEM

Capacity development is a continuous process of investing in the abilities of individuals, their organizations and their communities to make their development results achievable, sustainable and repeatable. It is the ‘how’ of human development. Just as the process of capacity development occurs simultaneously at many levels, so must support for the process be the collective responsibility of all development partners.

In the 2007 triennial comprehensive policy review (TCPR)<sup>4</sup>, the United Nations system was called upon to harmonize capacity development efforts and related activities. Member States urged “all organizations of the United Nations Development system to intensify inter-agency sharing of information at the system-wide level on good practices and experiences gained, results achieved, benchmarks and indicators, and monitoring and evaluation criteria concerning their capacity-building and capacity development activities”<sup>5</sup>. They have specifically encouraged the United Nations development system to provide capacity development support through coordinated programmes, to lower transaction costs and to increase joint work at the country level (such as in connection with missions, analytical work, evaluations, training and lessons learned). Against this call, UNDP is committed to continue supporting a harmonized role of the United Nations development system in systematic, sustained support to state institutions for capacity development.

### RE-WIRING THE SYSTEM

Through CDG, UNDP has been taking this commitment through and partnering with other United Nations organizations to provide partner countries with coordinated and harmonized capacity development support for developing national capacity. This work has commenced with the preparation of policy documents, the revisiting of approaches and methodologies, and the development of tools and guidelines. The collaboration between UNDP and the **United Nations Capital Development Fund** led to the development of a practice note, which provides practitioners from both organizations with a common frame of reference on key policy and strategic issues in their work at local levels. Published in 2007, the practice note has since been revised to reflect a shared stronger emphasis on local ownership of capacity development processes, as well as other lessons emerging from the rollout of the approach.

In the continuous pursuit for greater harmonization across the United Nations system on capacity development, in May 2008 CDG invited 20 United Nations organizations to participate in a workshop to share approaches for supporting

<sup>4</sup> Operational activities for development: triennial comprehensive policy review of operational activities for the development of the United Nations system, 14 March 2008.

<sup>5</sup> Paragraph 47





*Photo: Adam Rogers/UNCDF/Timor-Leste*

various elements of the capacity development process. The meeting generated a number of concrete actions to address the increasing demand from national partners for a system-wide collective response. May 2008 also saw the launch by the UNDP Administrator of the **UNDG Capacity Assessment Methodology User's Guide**, which was finalized by CDG. This tool offers detailed, step-by-step guidance to UN Country Teams for applying the capacity assessment methodology in preparation for conducting Common Countries Assessments and preparing United Nations Development Assistance Frameworks, or in designing specific programmes and projects.

In 2007, CDG assisted in the review of the Department of Early Warning and Assessments of the **United Nations Environmental Programme**, which focused on the department's capacity development approach. Based on the results of the review, a dedicated capacity development division was established within the department to support the re-definition of capacity development processes and methodology in order to move away from a one-off training approach towards the adoption of a more systematic capacity development approach. To this end, the department's staff have been re-orientated, and knowledge management and learning functions have been revised.

### TO KNOW BETTER WHAT WE DO BEST

Capacity development lies at the core of the United Nations development system mandate(s)<sup>6</sup>; however, do we all know it? To broaden a United Nations system-wide understanding of capacity development, CDG has been working closely with the **United Nations System Staff College** to update online course materials on capacity development. CDG has also been exploring the viability of a United Nations system-wide capacity development network.

CDG teams in all regions have been reporting an increase in demand from **United Nations Country Teams** (UNCTs) for training on capacity development. In addition to global and regional workshops for orienting UNCTs on the broader UN capacity development agenda, CDG has provided targeted support for integrating capacity development into UNDAF so that programmes can better serve national development priorities. Country teams have also turned to CDG for a capacity development approach to be applied to explicit areas, including aid effectiveness, women's empowerment and gender equality, and public-private partnerships.

UNDP has teamed up with partners from the UN system to respond to specific development challenges heightened by the economic crisis. A 2008 training co-facilitated by UNDP, the **United Nations Human Settlements Programme** and the **International Labour Organization's** International Training Centre looked at ways to promote public-private partnerships to alleviate urban poverty. Politicians, municipal officials, NGO representatives and other interested parties from developing countries convened to examine the benefits and constraints of partnering with private service providers and closely look at successful models from around the world.

### TOGETHER ON THE GROUND

Reorienting development support to enhance capacity at the country level is one of the main objectives of the **'Delivering as One'** initiative of UNDG. Growing the United Nations system's support to capacity development is as a key objective for each of the 'Delivering as One' pilot offices. In Albania, Egypt and Libya, regional CDG teams have supported UNCTs in sharpening the capacity development focus of their respective programmes. In other countries, CDG has been providing support in making capacity development the bedrock of CPDs and Common Country Assessments (CCAs). CDG teams have joined scoping missions focusing on these specific areas, with their recommendations being translated into action by UN Country Team and local and national governments.

<sup>6</sup> Guided by TCPR 2007, capacity development constitutes the common thread in the strategic plans of UNDP, UNICEF, UNFPA and WFP, often defined as the core or overarching contribution of these funds and programmes. The primacy of this approach is reflected in the recent *UNDG statements for the Accra High Level Forum on Aid Effectiveness* and the *Doha International Follow-Up Conference, 2008*.



*The Government of Liberia is leading the 10-year national CD strategy development process which adopts UNDP's CD approach.*

*Photo: Clara Landeiro/CDG Africa/Liberia*

In the same vein, UNDP and the **United Nations Economic and Social Council for Asia and the Pacific** (ESCAP) jointly supported a session at the World Urban Forum dedicated to the push to develop capacities to turn development challenges into business opportunities. The session, which took the form of a networking event, aimed to raise awareness among local and municipal authorities of the importance of enlisting the private sector as a partner for development. Participants shared ideas on removing barriers to partnership to allow for broader, more comprehensive involvement in planning and executing service delivery systems that could effectively serve all segments of the population.

At the request of the Government of Malawi, CDG worked with the Malawi country office and the **United Nations Children's Fund** (UNICEF) to provide support to the government in assessing capacities across fifteen ministries and other government institutions with various responsibilities in the water sector. The capacity assessment exercise benefited from the complementarities of the work of UNDP and UNICEF, with UNDP focusing on the assessment of functional capacities (planning, implementation, budgeting, stakeholder engagement, monitoring, visioning and others) and UNICEF taking the lead for assessing technical capacities. National staff members participated in all stages of the assessment, enhancing local capacity to conduct similar exercises in the future. The exercise resulted in a strategy to improve capacities in water sector management and effective services delivery. The strategy is currently under implementation in Malawi.

## V. SERVING THE WIDER CAPACITY DEVELOPMENT COMMUNITY

As the community of capacity development practitioners continues to expand, one of the most valuable services offered by CDG is its network of partners. CDG's online knowledge resource base lists over twenty portals and partner sites, including those of national, regional and thematic capacity development networks.

Through the work and active involvement of CDG, UNDP has been founder, active member and contributor of the **Learning Network on Capacity Development (LenCD)**, an informal network aimed at supporting the emerging capacity development global community of practice and at integrating lessons and country-level experiences into capacity development policies and practice. With the support of UNDP and other members of the network, LenCD is active in promoting concrete change of practice on the ground, distilling and disseminating lessons, and bringing relevant knowledge back to inform policy decisions.

CDG has partnered with the **World Bank Institute** and the German organization **InWEnt** on an initiative looking at the effectiveness of international development training. In this connection, CDG prepared an issues paper on the effectiveness of training for capacity development for presentation at a global retreat held in Berlin in June 2008. Following the event, CDG along with other development partners joined a working group of development training institutes that is responsible for developing a shared approach to defining and measuring the results of development training programmes. Such a shared approach would focus due attention on the quality of evaluation, results, impact and effectiveness of learning programmes, and on improving uniformity of standards and practices among development training institutes. UNDP is contributing to the network's research agenda with a study on national and regional training institutes. This activity will be the focus of UNDP's engagement with the network during 2009.

### NETS FOR FISHING KNOWLEDGE: THE POWER OF COMMUNITIES OF PRACTICE

The principles of capacity development can sometimes seem forbiddingly conceptual, even abstract. It is in the Communities of Practice that these ideas are ushered into the realm of the practical.

CDG launched a global Community of Practice on capacity development in February 2007. The community is one of the few UNDP-hosted networks that are open to external membership. Today the community is over 1,300 strong, comprised of UNDP staff and professionals from other UN agencies, governments, donors, non-governmental organizations, civil society organizations, private sector, academic institutions and others. Through the UNDP e-mail network known as **Capacity-Net**, members can exchange comparative experiences on capacity development, provide peer support throughout all stages of the capacity development process, share information and knowledge resources, and offer quick expert referrals.

**Regional Communities of Practice** have since sprung up in Africa, the Arab States, and Europe and the CIS. There are communities dedicated to specific capacity development application areas, such as aid effectiveness and local services delivery. Discussions address core capacity development issues, including leadership, knowledge, accountability and institutional arrangements.

Originally conceived as question and answer platforms, the communities have transformed into a dynamic peer advisory network, with discussions often anticipating questions that practitioners may not have thought – or dared – to ask. Out of these discussions have emerged real-world applications, such as an agenda for how to improve local services delivery to speed up achievement of the MDGs, practical advice on how to adapt capacity development techniques to better respond to HIV/AIDS, and responses to capacity development challenges in countries emerging from conflict.



Photo: UN Photo/Eskinder Debebe/National Tapajos Forest, Brazil

## VI. THE WAY FORWARD

*“The UN must continue to support capacities of the state as an enabler and facilitator of non-state capacities, to ensure that civil society, the private sector and international development partners contribute to the country’s development agenda.”*

**Kemal Dervis, former Administrator, UNDP**

The world is already a markedly different place from that in which CDG first scaled up operations at the start of 2007. At the time, while political and civil unrest and environmental degradation were pointing to the case for a sharper focus on capacity development, the financial, commodities and food crises were still storm clouds gathering on the horizon. Today, however, those crises have converged to thwart development gains and hinder progress toward achieving national priorities, including the MDGs. The case for enhancing capacities to support the world’s most vulnerable to respond and adapt to increasingly complex challenges has become more urgent than ever.

The more the current global crisis escalates – and at this stage, few observers are inclined to forecast how or when it might end – the more capacity matters. How will UNDP be called upon to serve its partners? And what will it mean for CDG? Where will capacity development go from here?

The answer, by all appearances, is to move full speed ahead.

### STRONGER ENGAGEMENT ON THE FRONTIERS OF DEVELOPMENT

Capacity is transformative power. For the UNDP approach to remain effective, it must be responsive and adaptable to changing realities. In the year ahead, CDG will continue to fine-tune its methodologies and tools towards the front-line development challenges. These include issues such as responding to climate change, reducing disaster risk, empowering women and supporting gender equality, responding effectively to HIV and AIDS, achieving the MDGs, curbing corruption, enduring respect for human rights and expanding access to justice, and protecting the legal rights of the poor.

At the same time, CDG will survey its growing knowledge base to support with evidence, capacity development responses that can address the capacity issues of least developed, middle-income and post-crisis countries, as well as countries aspiring to joining the European Union. This is more than an academic exercise: the goal is to provide more effective support to enhance state capacity to empower ordinary citizens.





Photo: Ashley Palmer/CDG Asia/Kachin State, Northern Myanmar



*Providing community-based social services in Bulgaria – UNDP supported the development of a new social service system included developing capacities of community-based service providers, helping to mitigate some of the negative effects of those most affected by unemployment. Activities complemented a change process, which was entirely driven by Bulgarian institutions, and work on the policy framework was complemented with capacity development activities for municipalities and NGOs, as well as employment creation for the once unemployed.*

*Photo: UNDP Bulgaria*

Responding to the mandate given to the United Nations development system by member states, and building on the track record in the area of promoting aid effectiveness for development effectiveness, the coming year will see enhanced aid effectiveness support across UNCTs to national partners' capacities to receive, manage and use aid as one of the instruments at their disposal to achieve development objectives – and to exert a stronger impact on the global aid effectiveness agenda.

The strategy will be to help enact at local levels international commitments on aid quality, such the Accra Agenda for Action and related UN commitments. Through country, regional and global interventions, the project will seek to strengthen country ownership and capacities to manage ODA, while also improving internal United Nations capacity to deliver better, more cost-effective and efficient support to its partners.

### DEEPER INTEGRATION INTO UNDP PRACTICE AREAS

The push to integrate capacity development into programming and policy has yielded some demonstrable successes over the reporting period. Going forward, CDG will build on those successes, with broader cross-practice collaboration at regional and national levels.

In terms of programming, collaboration will focus on adapting the capacity assessment methodology at the country level. Special emphasis will be placed on supporting scaled-up MDG achievement strategies. One priority in this regard

will be bolstering national capacities to measure the impact of initiatives to improve accountability and transparency.

As the capacity development approach gains prominence in UNDP's work, the need to implement and evaluate response strategies is expected to grow accordingly. An important dimension of these efforts will be developing standardized quality control criteria and feedback mechanisms to gauge satisfaction among partners, as well as change management support to help country offices bring about smooth transitions.

The programming support will be undergirded by a broader range of training and advisory support: thematic case studies; thematic practice notes that combine focus areas; specialized training materials; and more training opportunities at the country level.

### **MORE STRATEGIC PARTNERSHIPS**

As a catalyst in the service of national development objectives, UNDP is in the business of assembling the right partners around particular goals. Perhaps the greatest validation of the UNDP capacity development approach, then, would be for the principles it espouses to outgrow their origins and come to be seen as a matter of development convention.

Indications are that this is already starting to happen, and momentum should continue to build in the coming year. United Nations system partners will be at the forefront of the dissemination with an increase in joint programming. The joint initiatives will allow UNDP to address aspects of capacity development that are common to many government agencies in the countries where it serves (e.g., e-governance, strategy development and planning), while the partner organization focuses on areas directly related to its technical skills (e.g., HIV/AIDS planning, education reform) as determined by national priorities and needs.

Meanwhile, system partners will continue to reorient their services in favor of capacity development. For example, plans are under way to incorporate aid effectiveness principles into UNDG tools and instruments. CDG will continue to provide direct support as system partners apply the approach in their work.

More broadly, CDG will continue to drive capacity development support beyond the boundaries of the United Nations system. It will support efforts to create institutions and strengthen infrastructure for capacity development and assessment exercises, joining forces with a range of partners in the process: universities, think tanks, civil society organizations and public institutions.

## VII. CAPACITY DEVELOPMENT GROUP: HOW WE DELIVER

CDG supports UNDP in responding to the growing demand from governments, civil society and other partners for capacity development interventions. Building on existing national capacities, UNDP helps enhance the skills, knowledge and experience needed to improve peoples' lives according to nationally determined priorities and policies.

UNDP integrates capacity development support into all its work on democratic governance, poverty reduction and achievement of the MDGs, crisis prevention and recovery, and environment and sustainable development. Most of this support is provided under the lead of the UNDP country office in question and, increasingly, through UNCTs.

CDG's support to countries is through advocacy, policy advisory and implementation services. The following is an indicative list of capacity development services that UNDP offers to countries:

- Engaging with stakeholders in capacity development processes;
- Integrating capacity development into national development frameworks;
- Designing and implementing capacity assessments through the application and adaptation of the UNDP capacity assessment methodology and supporting tools or other assessment frameworks;
- Analyzing findings and formulating capacity development responses;
- Growing and deploying a pool of national and regional capacity development experts, to provide sustained support in the design and application of capacity assessments and capacity development responses;
- Measuring change in capacity through the provision of evaluation methodologies and indicators for capacity development responses in different sectors and contexts.

The Group is composed of Policy Advisers, Policy Specialists and Research Analysts located in New York, Copenhagen, and at the six Regional Service Centres, in Bangkok, Cairo, Bratislava, Dakar, Johannesburg and Panama City. See Map 1 below.





MAP 1: WORLD MAP WITH UNDP LOCATIONS

**A SNAPSHOT OF CDG IN DATA  
AND NUMBERS, 2007-2008**

## ANNEX 1: CALENDAR OF KEY EVENTS

DATE	TITLE	LOCATION	
2007	23-24 January	International consultation on institutional reform and change management	Bangkok, Thailand
	16-22 April	MDGs localization: local efforts, global impact, SNV-UNDP workshop	Nairobi, Kenya
	03-04 June	Arab States regional meeting on accountability and voice mechanism	Jordan
	June	Capacity development awareness workshop in Brazil	Brazil
	9-11 July	Capacity Development for Sustainable Growth and Human Development, regional workshop	Slovakia, Bratislava
	9-11 July	Sub-regional workshops on aid information management systems for French-speaking Africa	Cotonou, Benin
	September	Training workshop for moderators of the Local-level	Kampala, Uganda
	Integrated Information System	Kampala, Uganda	Dakar, Senegal
	September	Africa regional consultative and orientation workshop on Gender and Capacity Development for public-private partnership for Local Service Delivery	Dakar, Senegal
	08-10 September	Leadership capacities - provision of space for dialogue, platforms of action	Egypt
	17-22 September	Southeast and East Asia sub-regional leadership course	Vientiane, Lao PDR
	October	Latin America & Caribbean regional capacity development awareness workshop	Santiago, Chile
	October	Capacity development training workshop for national consultants in Brazil	Brazil
	01-02 November	Capacity development/capacity assessment training for UNDP Pacific Country Offices	Apia, Samoa
	26-27 November	Learning by doing: capacity development approaches at the local level, Asia regional workshop	Bangkok, Thailand

<b>DATE</b>	<b>TITLE</b>	<b>LOCATION</b>
<b>February</b>	From capacity assessments to capacity development strategies in Arab States, regional workshop	<b>Damascus, Syria</b>
<b>30 April - 01 May</b>	United Nations Development System - a Collective response to supporting capacity development	<b>New York, USA</b>
<b>05-06 June</b>	Regional preparatory consultations for Latin America and the Caribbean on the High Level Forum on Aid Effectiveness	<b>Santa Marta, Colombia</b>
<b>9-10 June</b>	UNDP Capacity Development Seminar 'Delivering on the Capacity Development Agenda'	<b>New York, USA</b>
<b>08-11 July</b>	Leadership development - Arab youth leaders workshop entitled "Activating Youth's Participation in Arab Developmental Efforts"	<b>Egypt</b>
<b>September</b>	Regional procurement capacity development workshops for 20 East African and Asian Countries	<b>Copenhagen, Denmark and Manila, Philippines</b>
<b>29-30 September</b>	ECIS regional capacity development community of practice meeting	<b>Sofia, Bulgaria</b>
<b>October</b>	First global UNDP Aid Effectiveness community of practice meeting	<b>Jordan</b>
<b>01-02 October</b>	ECIS regional training on developing capacities for accountability and voice	<b>Sofia, Bulgaria</b>
<b>07-10 October</b>	Third community of practice meeting on local service delivery	<b>Dakar, Senegal</b>
<b>16-18 December</b>	Africa community of practice launch meeting on capacity development	<b>Dakar, Senegal</b>

2008

## ANNEX 2: CAPACITY DEVELOPMENT GROUP EXPENDITURES

TABLE 1: EXPENDITURE BY FOCUS AREAS, 2007-2008

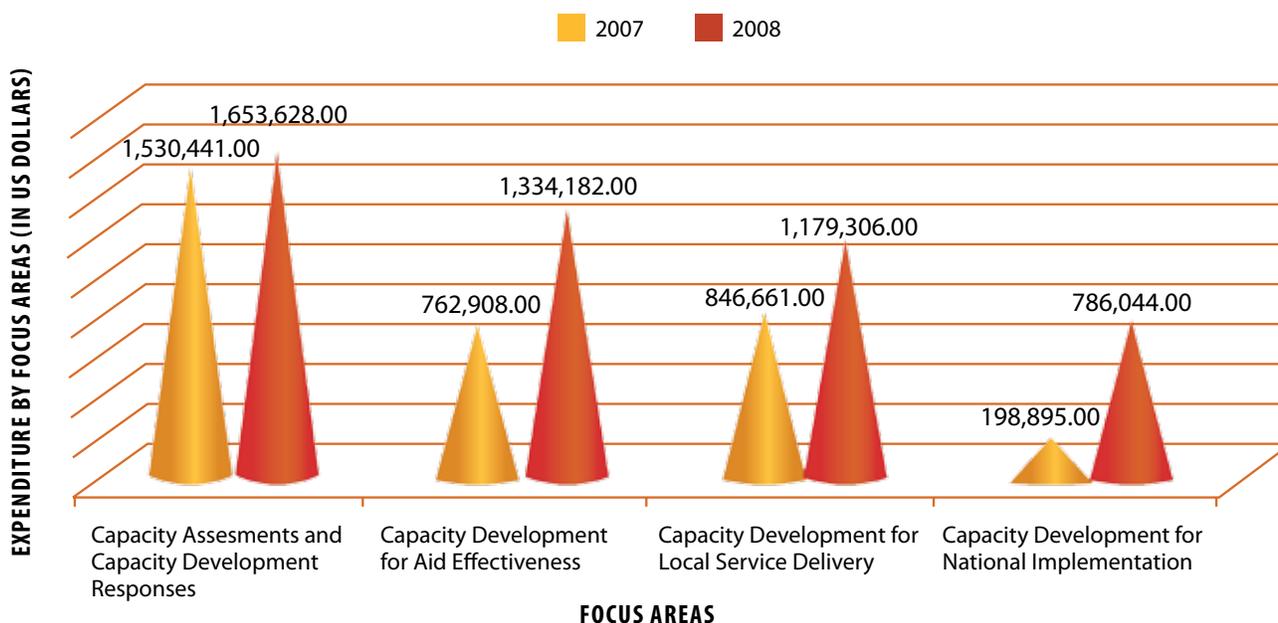


TABLE 2: EXPENDITURE BY REGION, 2007-2008

REGIONS	2007	2008
Africa	802,144.00	1,199,486.00
Arab States	97,395.00	133,881.00
Asia & Pacific	358,692.00	907,911.00
Europe & CIS	81,261.00	485,492.00
Latin America & the Caribbean	214,548.00	120,005.00
Global	2,326,829.00	2,937,615.00
TOTAL	3,880,869.00	5,784,390.00

## ANNEX 3: CAPACITY DEVELOPMENT GROUP DEMAND/SERVICE LOG 2007-2008

REGION	YEAR	SERVICES DEMANDED AND PROVIDED*			MATERIAL PRODUCED*
		CD TECHNICAL ADVISORY	CD/CA TRAINING	CAPACITY ASSESSMENT & RESPONSE	
Africa	2008	62	21	8	28
	2007	67	21	8	55
Arab States	2008	21	30	52	n/a
	2007	59	16	13	74
Asia	2008	17	8	15	11
	2007	16	6	11	8
Europe & the CIS	2008	41	11	8	n/a
	2007	25	10	7	n/a
Latin America & the Caribbean	2008	11	5	n/a	14
	2007	14	5	5	9
Global	2008	1	2	n/a	10
	2007	n/a	n/a	n/a	10

\* Denotes the number of countries services demanded from and provided to and the number of material produced

## ANNEX 4: CENTREFOLD BLURBS

### AFRICA

**Liberia:** New government teams up with UNDP/CDG to put together a ten-year capacity development strategy, and encourages the population to think in concrete terms about which capacities to develop and how – making the national capacity development agenda an exercise in national collaboration, unity and pride after decades of conflict.

**Malawi:** All government units sharing responsibility for water service delivery undergo an assessment of essential cross-cutting capacities. Local authorities participate in all stages of the assessment, gaining expertise for future exercises. A strategy for improving public sector management results from the experience.

### ARAB STATES

**Palestine:** Amidst active conflict, the Office of the Prime Minister and Ministry of Planning complete assessments of their capacity to deliver basic public services. The experience drives other ministries to push for an overarching capacity development strategy using the UNDP approach.

**Yemen:** The first pilot for integrating gender and women's empowerment into capacity development programming and policy is rolled out. Other countries in the region raise the gender profile in their advocacy and training activities.

### ASIA

**Asia Young Leaders in Governance:** Competitive regional programme to cultivate leadership skills among youth draws Leadership Fellows from ten countries. Their proposals to transform their sectors and communities are being implemented, with growing interest and support from the private sector.

**Philippines:** A project to capture locally derived capacity innovations in governance and development garners national attention. The ten best innovations win national awards, and the innovators go on to present their ideas at international conferences.

### EUROPE AND CIS

**Regional Human Development Report:** Latest regional report, Living with HIV in Eastern Europe and CIS – the Human Cost of Social Exclusion, addresses specific capacities related to HIV/AIDS. UNDP uses the document to advocate for a capacity development approach to the issue.

**Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Montenegro, Serbia and Kosovo:** UNDP/CDG uses a new methodology to assess capacities to absorb funds available under the Instrument for Pre-Accession Assistance, provided by the EU to help candidate and potential candidate countries improve public service delivery. The project is slated as a priority for the forthcoming reporting period.



*Solid waste management project in Namibia. The PPPSD Team together with the UNDP Country Office in Namibia supported the capacity development and the development of partnership framework among government, local private sector and community.*

*Photo: Municipality of Gobabis, Namibia.*

## LATIN AMERICA AND THE CARIBBEAN

**Brazil:** CDG helps define capacity parameters for a new Secretariat for Creation of Opportunities and Productive Inclusion, and trains national consultants in the UNDP capacity development methodology. The Ministry of Planning adapts the tools to enhance municipal health and education service delivery.

**Haiti:** UNDP/CDG helps Ministry of Environment improve coordination with Ministries of Planning and Agriculture, to optimize funding available from the Inter-American Development Bank. The project establishes a legal and political framework for future environmental initiatives.

## ANNEX 5: CAPACITY DEVELOPMENT APPLICATION AREAS

CDG's work is broadly categorized into four cross-cutting application areas: aid effectiveness; national implementation capacities; local services delivery; and support to national and sector capacity development strategies. Taken together, they help structure UNDP capacity interventions in ways that enhance sustainability and support the growth of capacities at the country level.

- 1. Aid and Development Effectiveness Capacities (CD-Aid):** to support national aid management and coordination, capacities to manage DBS and SWApS, south-south and triangular cooperation. This service area is rooted firmly in the spirit of fulfilling the AAA and also fosters a strong South-South and triangular learning component through the use of regional aid effectiveness platforms. Three regional capacity development platforms – Asia, Africa and Latin America – will form the core of this South-South learning and Aid Effectiveness strategy.
- 2. National Implementation Capacities and use of Country Systems (CD-NIC):** to support capacity development for national procurement, human resources management, performance and results management, monitoring and evaluation capacities. This window is strongly positioned to support and enhance the use of country systems as enshrined in the AAA. It will have significant advocacy and technical support components aimed at donor and partner countries respectively to foster the engagement of the former in national systems, and to correspondingly support the development of capacity of national systems, for the latter.
- 3. Capacity Development for Local Service Delivery (CD-LSD):** to support the integration of capacity development into local, sector and thematic service delivery strategies, with special emphasis on the capacities of non-state actors in public-private partnerships for local services delivery. Services delivery and the involvement of non-state actors is a key priority in the AAA and this work-stream will draw upon UNDP's considerable experience in this area and its strong country presence to deliver services engaging all productive sectors.
- 4. National and Sector CD strategies (CD-NAS):** to support the policy choices and investment options on national and sector capacity development strategies, their respective costs and benefits, facilitation of design through cross-country evidence and proof of concept. This work-stream builds on UNDP's strong track record in supporting national and sectoral planning frameworks, and increasingly developing corresponding capacities for sector budget support. The key offering under this window will be the design and technical support for national capacity development strategies and sectoral capacity development strategies and the setting up of context specific capacity development facilities by theme or geography.

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