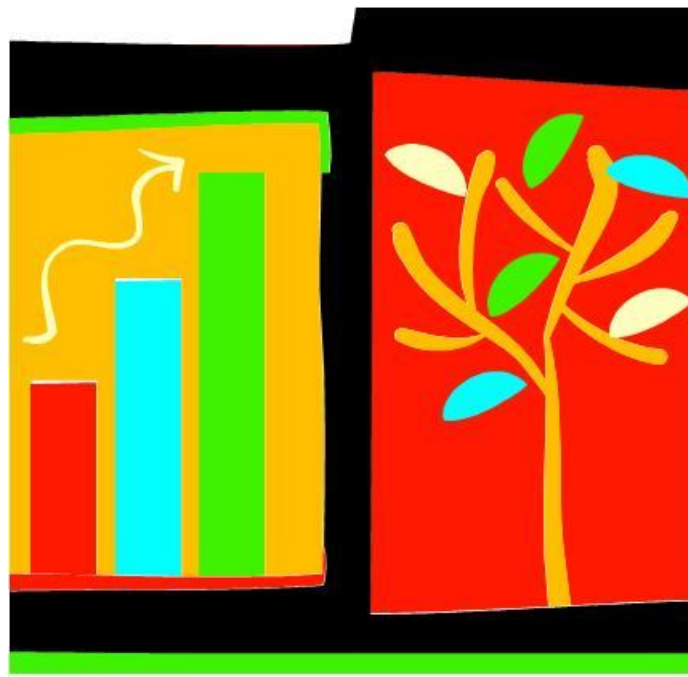


UNDP Global Capacity Development Facility



***GOING FOR SCALE
GOING FOR SUSTAINABILITY
GOING FOR QUALITY***

Capacity Development Group
Bureau for Development Policy
United Nations Development Programme
New York, January 2009



Capacity is Development

SUMMARY

The Setting

There is little to being timid or risk-averse at this moment in time. It is a time to ensure that development investments and programmes bring the best human development value to the largest number. During times of economic, food and climate change crises, the focus must be back on the fundamentals of development, and doing them right. Global events of significance have happened, on Aid Effectiveness at Accra, on Financing for Development at Doha, and on Climate Change at Poznan. The UN is challenged to respond to these multiple crises; and mandated by the UN General Assembly's Triennial Comprehensive Policy Review (TCPR), 2007, that capacity development must be the core offering of the UN development system.

There is a renewed call to revisit and understand the policies and investments that impact on national capacity development. There is urgency to the analysis, assessment and measurement of change in capacity. There is a growing acknowledgement of south-south solutions in a possible response. UNDP convened a Capacity Development marketplace - Let the Evidence Speak - in 2006, in Madrid, Spain. Three years later, UNDP hopes to bring together the ideas, lessons and results capture, in a convening global event at the end of 2009. A process of campaigns and learning events, knowledge fairs and partnered initiatives, evidence gathering and policy reviews are underway. They focus on what works - what exactly grows, motivates and retains capacity. Have the approaches changed, what has been tried and tested in current contexts, and what can we learn that will help address the complex crises faced by many countries today. States, non government actors and communities look to capacities that will help mitigate, manage and overcome these 'shocks', both in the short term and over the long haul for the achievement of the MDGs and human development.

The Response

The response in support of national capacity development can neither be *ad hoc* nor event driven. UNDP proposes to support a three-year (2009–2011) Global Capacity Development Facility to translate the evidence gathered and lessons learned into practical support for capacity development actions. These results are neither easy to capture, nor to attribute. And yet they are the essence of good development. The Facility will leverage learning among development practitioners and the energy created by the Accra Agenda for Action, to be: a) a diagnostic resource and evidence pool – capacity development know 'how' and know 'who'; b) a 'one-stop shop' and center of excellence for the programme support, technical advice and solutions exchange for localised applications on capacity development; c) a support to and partnership platform for, global, regional and national institutions for capacity development programmes and investments; and d) a quality assurance point, to provide standards and measures, and an independent review of capacity development results.

The Results

The Facility will provide three levels of services: a 'policy stimulus' package, a 'pre-investment' package, and a 'quality assurance' package. By doing so, it aims to contribute to:

- An increase in the number of countries that have integrated capacity development into their national and local development strategies or have national capacity development strategies;
- Increased national capacity and south-south solutions, to conduct capacity assessments, to formulate, implement and review capacity development interventions, and to evaluate results.
- Increased national capacity for the effective delivery of development finance through programmes and services that achieve the MDGs.



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I. The Global Development Context

The Political Economy Case

Even as the finish line of a self-imposed set of development goals approaches, the task of pulling people out of poverty is not happening fast enough. Development delivery, as it were, has stalled. In the last half-decade, if all the symptoms that have beleaguered development effectiveness were to be aggregated, two major culprits begin to emerge: the varying weak status of institutional capacity all over the world; and the new global shocks emerging in complex combination— food crisis, climate change, financial crisis, pandemics. Achievement of the Millennium Development Goals (MDGs) hinges on capacities of individuals, organizations and societies to transform in order to reach their development objectives.

Capacity development¹ is the ‘how’ of making development work. While increased financial resources are important, there is little point in having well funded, planned and budgeted programmes if there is insufficient institutional and systemic muscle or ability and knowledge to implement them effectively. 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. Similar is the challenge of capacity retention due to lack of incentives or space for motivated performance, and capacity depletion due to ongoing crises or disasters. Capacity is never constant, and hence nor can be the capacity development response.

National capacity development strategies are emerging in Liberia, Ethiopia, Bhutan and Laos to underpin development plans. State institutions in Mozambique, Afghanistan, Yemen and Brazil are revisiting institutional arrangements that make them function more effectively. Local governments in Serbia, Indonesia, Chile and Nepal are investing back in fundamental capacities to manage and deliver on development services. Civil services are being upgraded and incentivized to perform better in Tanzania, Georgia and Bangladesh. Community groups in Philippines, Colombia and Ukraine are growing innovative state-citizen watch mechanisms. It is time to focus on the policy and investment choices that make most sense for sustainable capacity, and design services and programmes that invest in national capacity development.

An inclusive multilateralism and the Accra Agenda for Action

The United Nations Development Programme (UNDP) and the United Nations (UN) development system have six years to make a contribution to developing countries in their drive to achieve the MDGs. The demand for capacity development is being expressed clearly and insistently through the TCPR, Accra Agenda for Action and in regular dialogue at country level. To not repeat the mistakes of the technical assistance era, inclusive and impartial platforms are needed that move with, but beyond bilateral action. The climate change challenge, global epidemics and persistent poverty are not the concerns of specific interest groups – they are a part of the global public goods (and ‘bads’) that belong to all. A new spirit of multilateralism

¹ Capacity development is ‘the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time’ (UNDP, 2004).



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must be sought that can drive rapid and responsive climate change adaptation and mitigation, a responsible market response, social safety nets and emergency employment, and a crisis response that includes prevention. It is a call for a more comprehensive approach to support the capabilities required to sustain and grow human development. This is a call to the UN development system to respond vigorously, publicly and predictably to strengthen national capacities to undertake this complex agenda.

The Triennial Comprehensive Policy Review (TCPR), 2007, and the Accra Agenda for Action (AAA), 2008, both articulate this decisive trend. They provide a clear, principled and consistent line on the expectations that member states, both north and south, have of the UN system to deliver on strengthening national capacity development.²

Box 1. Capacity Development priorities emerging from the Accra Agenda for Action (AAA)

- Capacity development in the context of national, sector, and thematic strategies: ensuring proper integration of capacity development priorities in key national, sub-national, sector and thematic strategies.
- Country systems: assessing, strengthening and promoting the use of country systems to implement policies and manage public resources - incl. procurement, public financial management, results, statistics, and information systems.
- Enabling environment: addressing the systemic impediments to local capacity development.
- Technical co-operation: working towards demand-driven efforts in technical co-operation and promoting the use of local and regional resources, including through South-South arrangements.
- Civil society and private sector: enabling local civil society and the private sector to play their role in capacity development.
- Fragile situations: tailoring, phasing and coordinating capacity building and development in situations of fragility, including countries emerging from conflict.

Source: OECD-DAC; 2008

With the demand for sustainable capacity development in partner countries coinciding with the need for a renewed multilateralism, the UN system is being squarely challenged to develop a response that is bold, visionary and effective in fostering human development. The call is clear - the nature and scale of the current challenge is such that a fundamental re-investment in core local and national capacities needs to align, sans vested interest, and focus on developing strong systems and institutions to deliver on human development and the MDGs.

² Paragraph 27, TCPR 2007, states “that capacity development and ownership of national development strategies are essential for the achievement of the internationally agreed development goals, including the Millennium Development Goals.” And “calls upon United Nations organizations to provide further support to the efforts of developing countries to establish and/or maintain effective national institutions and to support the implementation and, as necessary, the devising of national strategies for capacity-building.”



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II. A UNDP Call to Action

The Strategic Plan 2009-2011

The call for a capacity development paradigm is resonating for UNDP through the growing demand for capacity development support at both national and sub-national levels. Over and above the mandate from member states and the international community, this demand is made of Country Offices, of the capacity development teams located in UNDP Regional Service Centres, as well as through UNDP thematic teams. For example, a rising demand is for UNDP to support the development of national capacity development frameworks – strategic plans and attendant roadmaps for capacity development over a long term horizon - for countries. There is a rising demand for capacity development support to bedrock institutions of state, such as civil services and planning ministries. There is a rising demand to support the facilitation of citizen-state interface platforms; and so on.

The UNDP Strategic Plan (2008-2011) positions capacity development as the organisation's core contribution to programme countries. Within the context of the wider UN development system, the UN Development Group (UNDG) Position Statement on Capacity Development (Dec 2006), the United Nations Development Assistance Framework (UNDAF) guidelines (rev. Feb 2007), and the UNDG Capacity Assessment methodology and tool (Apr 2008) all call for and support a teamed UN approach at the country level, in advocacy for and action on capacity development.

The past four years have seen a strategic shift in the UNDP approach to capacity development. Rather than seeing it as a general principle of doing business, UNDP has invested in developing a more systematic understanding of what it takes to make individuals, organizations and societies transform in order to achieve their development objectives. Through a set of focused policies, assessment tools, the exchange of good practices, and a learning-by-doing approach, it has created methodological frameworks to design, track and evaluate capacity development with greater care and clarity and has developed a solid body of ground evidence to support its practices. These frameworks are being applied within various contexts, e.g., early recovery, climate change, HIV/AIDS, and so on as development practitioners answer the key questions: "capacity for whom?" and "capacity for what?"

The Experience and the Partnerships

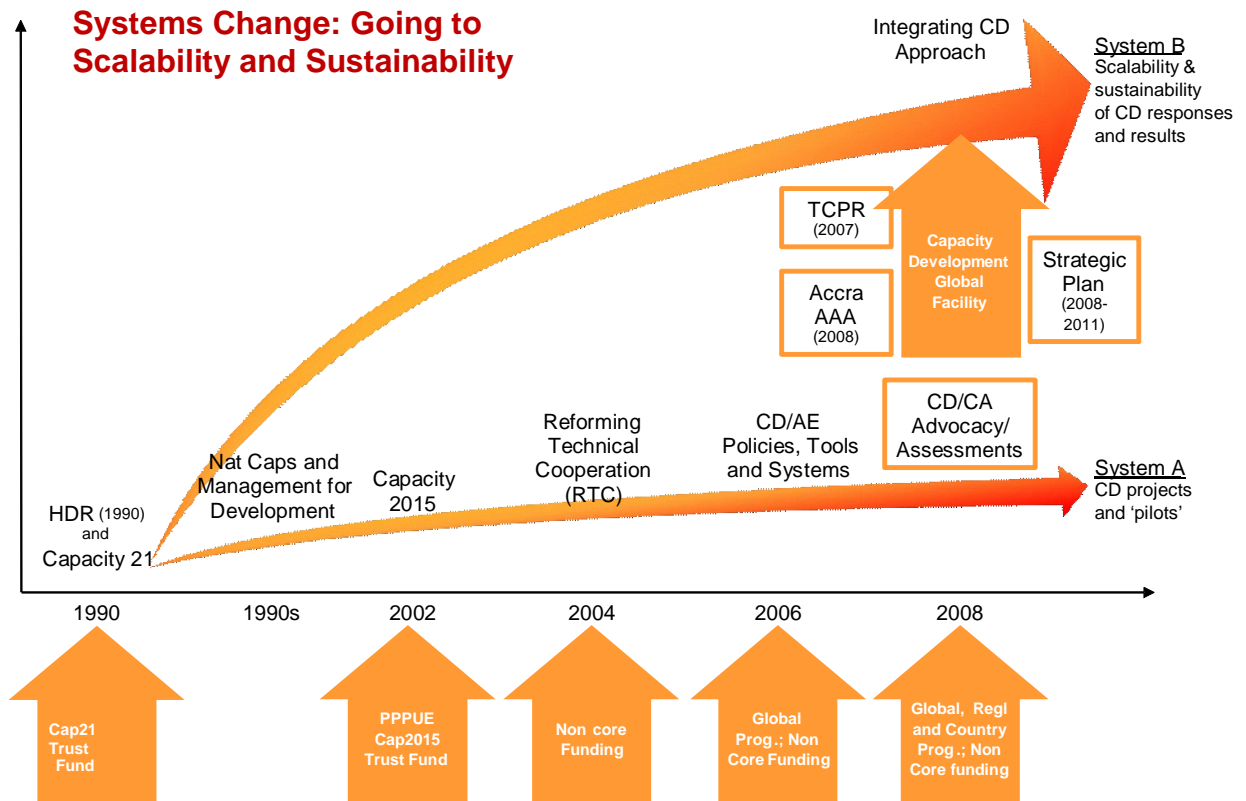
There a solid foundation. The programme and partnership experience through Capacity 21 and Capacity 2015 (*see graphic in next page*), as well as the body of applied research and policy analysis done under the UNDP Reforming Technical Cooperation project all attest to a solid track record of engagement in capacity development. More recently, the global conference on Capacity Development (Madrid, 2006) brought together policy makers and practitioners across regions to review capacity development strategies and lessons learnt. Efforts at strengthening national capacities for aid effectiveness, for capacity development knowledge networks (such as LenCD and capacity.org), and for national implementation capacities have gained ground. None of this work would have been possible without the spirit of true collaboration and the key contributions of partners to a joined effort. Many international partners contributed to, and



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continue to support, these global initiatives, including, DFID, Denmark, France, Italy, Japan, Spain, Sweden, the Netherlands (including SNV) and the United States. Figure 1 demonstrates the 'partnership factor' that makes a difference. Annex 4 provides details on the contributors.

Figure 1. The Partner Contributions and Systems Trajectory



Box 2. SNV-UNDP in the Asia & Pacific

In the Philippines, UNDP and SNV have worked together to institute a system of non-monetary incentives for Local Governments that have adopted and continuously demonstrated, expanded, replicated and/or institutionalized capacity development approaches and innovations in the areas, for instance, of statistics and information gathering and analysis (i.e. citizens' views on specific issues, citizens' feedback on service delivery and others), mentoring and coaching and peer-to-peer learning, partnership for learning, institutional arrangement strategies, stakeholders engagement and others. This has set in motion a ripple effect where local governments have adapted to MDG agenda in large numbers creating a shift in the landscape of how local government's make policy, design programs, projects, undertake process or organizational intervention, and contributed to specific development.



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With the UN development system

The proposed Capacity Development Facility will enable UNDP to continue to strengthen the role and capacities of the UN Resident Coordinator system in the implementation of international and national commitments, keep its commitments on capacity development and aid quality, and to assist the UN Country Teams in the delivery of better, timely, cost-effective and efficient support to programme countries.

UNDP will continue to support and contribute as a primary partner to the UN Development Group (UNDG) efforts on capacity development and aid effectiveness and the broader development finance context. The UNDG has a common position and approach on its support to national capacity development. UNDP has been tasked to lead the Capacity Development Task team on capacity development, and along with UNFPA, the follow-up work-stream on aid effectiveness. This effort will focus on strengthening internal harmonization efforts to deliver better capacity development results at country level. This is of particular importance in the 'One UN' countries, and underpins the UN platform of support in these contexts. In addition and with particular relevance to addressing the broader development finance context, UNDP will continue to work closely with the United Nations Department for Social and Economic Affairs (UNDESA) on the ECOSOC Development Cooperation Forum.

The inclusion of direct budget support within the spectrum of aid modalities is seen as a further step towards strengthened country systems and capacities as well as increased rationality and cost-effectiveness in the management of development assistance, for example through joint monitoring and reporting. UNDP's main contribution in all this will be capacity development support to countries to negotiate, set up and manage attendant arrangements. In cases where direct budget support is not desired or not – yet – feasible, UNDP will support the broad spectrum of funding mechanisms through tailored capacity development interventions. Lessons learnt and best practices will be documented, and new emerging aid modalities will be closely followed. South/South and peer learning will be encouraged as a means of sharing best practice.

Box 3. Capacity Development for EU accession in Europe & CIS

In the Europe and CIS region, UNDP has been supporting countries aspiring for European Union (EU) membership to apply pre-accession funds earmarked to prepare for membership through a package of capacity development support aimed at improvements in public service delivery. UNDP has developed a new methodology for assessing capacities of aspiring and potential countries to obtain and apply the funds disbursed under the EU Instrument for Pre-Accession (IPA), in pursuit of municipal, regional and national goals. Capacities for strategic planning, project design and implementation, and monitoring and evaluation are assessed for their potential to maximize absorption of IPA resources.



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III. Why a Global Facility and what will it deliver?

UNDP is proposing a **Global Capacity Development Facility** that addresses the need for a dedicated and expanded response to the demand for capacity development support. UNDP's current support to national and local capacity development is promoted and resourced to the extent possible by existing core resources and staffing, but efforts remain constrained. To respond fully to the demand to go to scale with the current capacity development services, and to ensure greater sustainability and quality of results over time, a more robust resource base is required. Without this, the demands of the AAA, the expectations detailed in the TCPR 2007, delivering on the UNDP Strategic Plan, and the UNDG Position Statement on Capacity Development, remain challenging prospects.

Country investments in capacity development are still *ad hoc*, and often plays out as an afterthought when leaders and operating managers come across implementation bottlenecks and make a determination that 'capacity needs to be developed'. Or, when project managers feel a degree of frustration due to a lack of decisive impact of projects they oversee. *A priori* budgetary allocations for capacity development are almost unheard of. And when national governments ask UNDP for support to capacity development innovations and testing scalable approaches, resources are hard to come by for such. There is the need for a more systematic, 'service' provision way of supporting capacity development that is not *ad hoc*, splintered or top down.

A One Stop Shop with Four (+) Work Streams

The Global Capacity Development Facility will be a 'one-stop-shop' for advisory services and technical support on the 'how' - knowledge and solutions distilled across countries of what works, and what does not to maintain and grow capacities. The Facility will 'seed' innovative ideas, test applications, and promote global and regional 'public goods' and south-south partnerships in Capacity Development. It will deliver services through (initially) four globally established work streams, roughly corresponding to the Accra priorities. These are:

1. **Capacity Development for Aid and Development Effectiveness (CD-Aid)**: to support national aid management and coordination, capacities to manage DBS and SWAs, south-south and triangular cooperation.
2. **Capacity Development for National Implementation Systems and use of Country Systems (CD-NIC)**: to support capacity development for national procurement, performance and results management, monitoring and evaluation capacities.
3. **Capacity Development for 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.



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4. **Capacity Development for Services Delivery (CD-SD):** 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.
- 4+ These work-streams are supported by a support stream of **Research and Diagnostics, (CD-RED)** that collates, analyses and shares current and past evidence, provides and facilitates capacity assessment and measurement methodologies, across all four above.

Figure 2: Windows in the Global Capacity Development Facility



Mainstreaming Capacity Development

This collaborative operating model is of particular importance in mainstreaming capacity development at the global, regional and country levels, for a number of reasons:

- It promotes consistency and quality in the application of a unified capacity development approach based on a common set of methodologies and tools.
- Drawing as it will from a pooled and tested ‘bank’ of ideas, experiences and tools, it provides the flexibility to tailor specific responses to specific situations.
- It allows for increased efficiency in formulating, implementing and reviewing capacity development interventions. It leverages research, analysis and learning across a variety of applications to strengthen capacity development strategies and creates platforms for learning and sharing. It also avoids duplication of effort by making these resources broadly available leaving sector and thematic practitioners free to focus on the adaptation of materials to their specific contexts.
- It is ‘solutions-oriented’ and will therefore keep a critical mass of expert resources handy to provide high quality advice and hands-on technical support where required.
- It addresses ‘critical gap funding’ for emergent capacity development needs at country level.
- It funds research and development of key capacity development concepts and measures, allowing practitioners to provide “ahead of the curve” value-added to national counterparts
- It addresses areas of critical importance to international development agencies and their development partners in the context of the Paris Declaration and Accra Agenda for Action, bringing international agreements and standards together with national experience, knowledge and realities.



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Box 4. Africa National Capacity Development Strategies

An increasing number of national development strategies emphasize capacity development as essential for a country's successful development. As a result, many countries have produced/are producing national capacity development strategies, plans, and mechanisms to drive achievement of their national development goals. Evidence shows that successful national capacity development strategies are those that are strongly tied to national plans, incorporated into national budgets, and supported by the most senior-level leaders. Liberia, Rwanda, Sierra Leone and Ethiopia are pursuing this approach. UNDP supported the Government of Liberia in the formulation of its national capacity development strategy and action plan. The strategy emanates from and is closely aligned with, the country's (emerging) national vision and Poverty Reduction Strategy and address the enabling environment (e.g. security and rule of law) and the organizational level (focus on five key ministries and agencies). The national capacity development strategy is accompanied by a more focused human resource development strategy that is shorter in duration (10 years) and reflects a very immediate need to develop complementary capacity at the level of the individual. Throughout, effective leadership and ownership of the agenda at the highest political level has played a critical role and has been essential to the strategy's success to date.

The Government of Rwanda commissioned a capacity assessment of a range of sectors to understand needs and inform national priorities. The assessment revealed the need for capacity development both horizontally (across institutions and sectors) and vertically (from national to local levels). The breadth of the effort called for a comprehensive framework of assistance – a national capacity development strategy and accompanying investment plan – to avoid fragmentation of efforts and to ensure that all the capacity requirements for implementing the national strategy were met. Following a similar process, the Government of Sierra Leone created a Capacity Development Enhancement Framework for its PRS. In each of these cases, there is a clear link to a national development plan and strong support by senior leaders. Options for financing capacity development strategies are evolving. While it can be particularly effective to embed funding requirements in a national investment plan, common in many post-conflict situations is a national capacity development facility, specifically designed to pool resources and fund capacity development interventions in a programmatic way, underpinned by civil service reform, education and wage reform, and avoiding project scatter.

Capacity in Crisis or Flux

An increasing focus of UNDP's capacity development support has been to reinforce state and civil society capacities to withstand, manage and overcome 'shocks', be those through economic downturn, wars or natural disasters. The UNDP capacity development principle in these situations is to protect existing capacities and to 'build back better'. The 'capacity contexts' in which tailored CD responses are required can be elaborated as follows:

- Capacity-Strong States: Able to withstand and manage shocks, with short term downturns.
- Capacity-in-Flux States: Moves up and down along a capacity continuum, with shifts in the relevant mix of policy, institutional development and investment choices.
- Capacity-Deficit States: Subject to cyclical disasters and/or conflicts, persistent poverty, and systemic leadership and institutional deficits leading to inability to withstand shocks.



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Given the growing intensity of demand from crisis and post conflict countries, each work stream will also have a designated niche for fragile, post-conflict and transitional situations.

Box 5. A SMART and Capable State is:

- **A risk taker and risk absorber on ideas, policy, organizational and technology innovation**
- **A facilitator of sub national & non state capacities**
- **A regulator and assurer of national development standards and results**
- **An investor in knowledge, expertise, technologies, institutions**
- **A protector of rights, justice and equality for all its peoples**
- **A negotiator and player in global public 'goods' and 'bads' markets (trade, security, epidemics, migration, financial markets, climate change)**
- **An enabler of civil society and private sector roles and capacities to be empowered contributors to human development**
- **A voice and broker in the global-to-country engagement on inclusive multilateralism**

UNDP, Capacity Development Group, 2009

The Global Capacity Development Facility will serve as a centre of excellence on capacity development, supporting existing national capacities or facilitating the return or renewal of 'lost' capacities. The primary intent is of reinforcing sustainable systems and institutions and the qualified and motivated human resources to lead and manage them.

The Facility will match the growing demand for UNDP core engagement³ in national and local-level capacity development with the necessary non-core funding. It will give a qualitative and quantitative boost to UNDP and partners' support to the capacity development efforts of programme countries, especially with regard to the design, implementation and review of national and local capacity development strategies, and the coordination and management of development finance that supports them. It will support UNDP services to the UN development system, and will ensure that UNDP and UN efforts are systematically backed by rigorous analysis of what works and what does not – building a body of evidence for discussion and learning and, most important, updating existing methodologies and tools so that they work better. As such, it will underpin a scaled-up UNDP response to the persistent call for a coherent and coordinated UN approach to capacity development.

A quality and scalable response requires investing in a rigorous and ongoing analysis of what works and what does not for capacity development – deepening a body of evidence for discussion and learning, and most importantly, updating existing methodologies and tools so they work better. The Global Capacity Development Facility will support applied research and case analysis; adaptation and rollout of tools; learning modules and training of partner staff and government counterparts; and scaled-up rollout of capacity assessments and capacity development responses. As such, it will invest in the knowledge that underpins the "policy stimulus" and "pre-investment" package, in demanded thematic areas.

³ UNDP Country Programme TRAC2 allocations are underpinned by adherence to capacity development criteria.



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The Service Offerings

In order to meet the objective of providing a quality and scalable response to support national capacity development, the Facility will bring together the four work streams as the primary drivers for a coherent programmatic response, and provide the following package of services, based on the type of request and 'point of demand' from which it is emanating. The timeliness, quality and contribution of these services will be measures as the 'interim results' of the Facility.

Service Offering 1

- **A Policy stimulus package:** What policy choices drive successful capacity development? What investments are most effective? Why do some work... while others falter?
 - Policy analysis, backed by cross country studies, data and experiential learning.
 - Quality advisory services to governments on policy choices, implementation plans, resourcing plans when development is cast through the lens of capacity development.
 - 'Talk to the expert' functions; access to a large number of vetted experts and capacity development blogs, help desk and workspaces.
 - Partnered joint knowledge products on case evidence and analysis.

Service Offering 2

- **A Pre-investment package:** Technical support and seed funding, on demand, to:
 - Design strategies, plans, frameworks for capacity development.
 - Provide support for capacity assessments i.e. the mapping of baseline capacities.
 - Localised interventions on capacity development – what work best in what situations?
 - Help incorporate capacity development into existing sector/local plans and operations.
 - Design time bound dedicated capacity development initiatives, particularly for short term tangible gains in post crisis/transition situations.
 - Train government, non-government and UN country teams on the 'how to' of capacity development.
 - Seed funds for innovations, pilots and testing of new approaches.

Service Offering 3

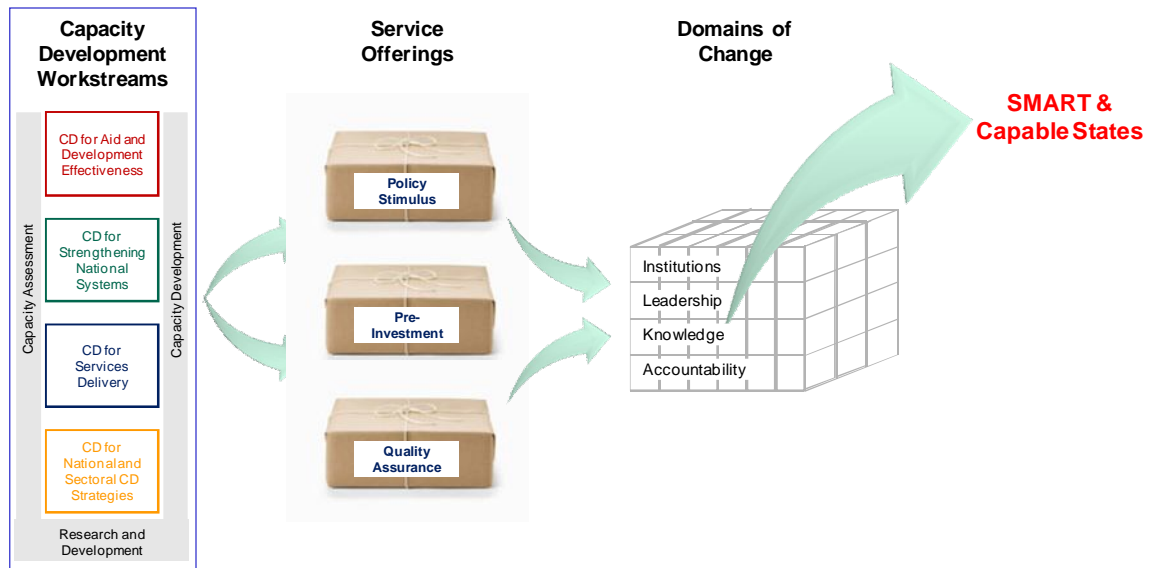
- **A Quality Assurance package:** Knowledge, evidence and bank of information on what has worked, what has not worked, lessons thereof, and using lessons from current successes.
 - Peer and partner monitoring and learning opportunities.
 - Help design and execute the measuring of change in capacity.
 - Provide quality assurance on capacity development strategy, programme design and special initiatives.
 - Collation and sharing of reviews and evaluative evidence of what works for capacity development.
 - Provide learning modules on capacity development policies, assessments and measurement.



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The following graphic captures the causal chain of capacity development services on offer and their link to the SMART and Capable State.

Figure 3. Capacity Development that reinforces SMART and Capable States



A snapshot of the typology of CD services to be provided is given in Table 1 below.



Table 1:	Policy Stimulus Package: <i>indicative list of services</i>	Pre-Investment Package: <i>indicative list of services</i>	Quality Assrnrc package <i>indicative list of services</i>
Capacity Development for Aid and Development Effectiveness (CD-Aid)	<ol style="list-style-type: none"> 1. Policy analysis on aid and development effectiveness, backed by cross country studies, data and experiential learning. 2. Quality advisory services to governments on policy choices in aid and development effectiveness, aid management plans, resourcing plans when aid and development management is cast through the lens of capacity development. 3. 'Talk to the expert' functions; access to a large number of vetted experts and AE/DE blogs, help desk and workspaces 4. Partnered joint knowledge products on case evidence and analysis 	<ol style="list-style-type: none"> 1. Design strategies, plans, frameworks for Aid management 2. Provide support for capacity assessments i.e. the mapping of baselines 3. Design context specific aid management, coordinatn, harmonization strategies 4. Help incorporate AE/DE principles into existing sector and local plans and operations 5. Design time bound dedicated aid management initiatives, for specific situations, such as during a peace building window. 6. Train government, non government and UN country teams on the 'how to' of aid management 7. Seed funds for innovations, pilots and testing of new approaches. 	<ol style="list-style-type: none"> 1. Peer and partner monitoring and learning opportunities 2. Help design and execute the measuring of change in capacity for AE/DE 3. Provide quality assurance on programme design, initiatives and results 4. Collation and sharing of reviews and evaluative evidence of what works for AE for Dev effectiveness. 5. Provide learning modules on AE policies, Aid management Systems, results capturing.
Capacity Development for strengthening National Systems (CD-NIC)	<ol style="list-style-type: none"> 1. Policy analysis on use of national and country systems, backed by cross country studies, data and experiential learning. 2. Quality advisory services to governments on policy choices in use of national and country systems in national implementation, resourcing plans when national implementation is cast through the lens of CD. 3. 'Talk to the expert' functions; access to a large number of vetted experts and National Systems (NS)/Country Systems (CS) blogs, help desk and workspaces 4. Partnered joint knowledge products on case evidence and analysis 	<ol style="list-style-type: none"> 1. Design strategies, plans, frameworks for using country systems 2. Provide support for capacity assessments - mapping baseline existing capacities in procurement, results reporting, M&E.... 3. Design context specific CD solutions for, procurement, performance and results management strategies 4. Help incorporate CD for country systems into existing sector and local plans and operations 5. Design time bound dedicated support for use of country systems, in given situations 6. Train government, non government and UN country teams on the 'how to' of use of internationally acceptable country systems 7. Seed funds for innovations, & testing new approaches. 	<ol style="list-style-type: none"> 1. Peer and partner monitoring and learning opportunities 6. Help design and execute the measuring of change in capacity for use of NS/CS 7. Provide quality assurance in programme design, initiatives and results including international benchmarks such as the DAC JV on Procurement 8. Collation and sharing of reviews and evaluative evidence of what works for use of NS/CS 9. Provide learning modules on NS/CS policies, Procurement and Project management systems, results capture.



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<p>Capacity Development for Services Delivery (CD-SD)</p>	<ol style="list-style-type: none"> 1. Policy analysis on capacities for planning, services delivery and monitoring backed by cross country studies, data and experiential learning. 2. Quality advisory services to governments on policy choices in institutional arrangements for planning, services delivery and monitoring. 3. 'Talk to the expert' functions; access to a large number of vetted experts and national/sub-national services delivery blogs, help desk and workspaces 4. Partnered joint knowledge products on case evidence and analysis 	<ol style="list-style-type: none"> 1. Design strategies, plans, frameworks for capacity development in planning, services delivery and monitoring 2. Provide support for capacity assessments i.e. the mapping of baseline status of existing capacities in planning, institutional arrangements for services delivery etc. 3. Design context specific capacity development solutions for strengthening planning capacity, capacities of services delivery agencies, monitoring agencies, etc. 4. Help incorporate capacity development principles into existing sector and local plans and operations 5. Design time bound dedicated initiatives for capacity development such as preparing national capacity development frameworks and designing capacity facilities 6. Train government, non government and UN country teams on the 'how to' of capacity development 7. Seed funds for innovations, pilots and testing of new capacity development approaches for local services delivery. 	<ol style="list-style-type: none"> 1. Peer and partner monitoring and learning opportunities 2. Help design and execute the measuring of change in capacity for planning, services delivery and monitoring 3. Provide quality assurance on programme design, initiatives and results 4. Collation and sharing of reviews and evaluative evidence of what works for services delivery 5. Provide learning modules on decentralization policies, financial devolution and how these impact institutional arrangements
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<p>Capacity Development for National and Sector CD Strategies (CD-NAS)</p>	<ol style="list-style-type: none"> 1. Policy analysis on capacity development options and choices, with evidence of costs and benefits of alternative scenarios backed by cross country studies, data and experiential learning. 2. Quality advisory services to governments on policy choices in capacity development approaches, resourcing plans when development management is cast through the lens of capacity development 3. 'Talk to the expert' functions; access to a large number of vetted experts and capacity development blogs, help desk and workspaces 4. Policy analysis, advice and technical backstopping for sectoral approaches as a capacity development strategy 5. Design of sectoral capacity development strategies 	<ol style="list-style-type: none"> 1. Provide hands on technical backstopping for designing capacity assessments and capacity development responses. 2. Conduct capacity assessments and prepare national and sectoral capacity development strategies 3. Design context specific capacity development solutions for, ministries, agencies, line departments 4. Help incorporate capacity development principles into existing national, sector and local plans and operations 5. Advocate for adequate investments in long term capacity development 6. Train government, non government and UN teams on the 'how to' of capacity development 7. Seed funds for innovations, pilots and testing of new approaches. 	<ol style="list-style-type: none"> 1. Rigorous evidence and databases 2. Peer and partner learning opportunities, secondments and global online courses 3. Methodological work and tutoring support for designing measurement of change in capacity 4. Provide quality assurance on programme design, initiatives and results 5. Collation and sharing of reviews and evaluative evidence of what works
<p>Capacity Development Research and Diagnostics (CD-RED)</p>	<p>Applied research, capacity assessment and measurement tools and indicators, lessons and evidence analysis for all of the above, is done through this underpinning work-stream.</p>		



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V. Organisational and Management Arrangements for the Global Facility

What will the Fund Arrangement look like?

UNDP, through the Capacity Development Group, will host the Global Capacity Development Facility and manage it through a multi-donor trust fund arrangement. The Global Capacity Development Facility will, therefore, have windows for the four given work streams. As per the principles of the AAA and Paris Declaration, the resources given to the Facility will be managed in one consolidated fund. The preference is for an un-earmarked contribution to the trust fund. However, if partner imperatives so require, funds donated can be earmarked for the purpose of results within one of the four windows. Given the service offerings that will draw on and engage all service areas, partners will be able to view all services and results across the windows and see progress for the Facility as a whole.

Who can access the funds and expertise through the Facility?

The Facility will function as a resource center that can be accessed by UNDP and UN partner agency global, regional or country teams to support the capacity development efforts of programme countries with greater depth, in a sustained manner and through teamed action, followed by a systematic application of capacity development products and services. The Facility will work in conjunction with UNDP, development partners and national governments, UN and multilateral thematic funds, to provide such cross-sector services and support.

How will it work with Global Thematic or One Funds?

This approach underscores the link between the horizontal Global Capacity Development Facility and vertical thematic or sector trust funds. The policy stimulus package, the “pre-investment” package and the “quality assurance” package, resourced through the Capacity Development Facility, will be applied across priority sector and thematic applications. The resourcing of long-term investments in that sector/theme areas is the responsibility of the thematic or vertical trust funds. The work underway with the Global Fund on Aids Tuberculosis and Malaria, the Democracy Fund and the One UN Fund in Tanzania exemplifies such mutually reinforcing collaboration.

How will it build on existing partnerships and networks?

The Facility will be a natural expansion of the \$96 million Capacity 21/2015 Trust Fund (1996-2006), which focused on strengthening capacities of local government and community organizations to better manage their development at local level. The lessons learnt and partnerships engendered will be built on and taken further forward.

The Facility will work in conjunction with existing UNDP, UN and other multilateral thematic funds, such as the Governance, Poverty Reduction, and Gender Thematic Trust Funds, the MDG Fund, the Global Fund for HIV/AIDS, TB and Malaria, Adaptation Fund, and One UN Funds, to provide complementary capacity development services and mainstreaming support to country and regional programmes that they support. It will also have strong ties with expert capacity development practitioners at large, through partners like GTZ, DFID, SNV, EC, WBI, OECD-DAC, Danida and others. These will be based on existing partnering underway. A strong focus of the



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partnership will include the current and increasingly greater engagement with a number of southern institutions, and deploying south-south solutions. Regional collaboration is underway with ESCAP, ADB, AfDB and the World Bank Strategic Partnership for Africa.

How will it scale up learning on capacity development?

Through the Global Capacity Development Facility, UNDP will step up its investment in the deepening of UNDP and UN Country Team capacity and national counterpart capacity, through face-to-face and online training and learning actions. In the period 2009 – 2011, it will train an internal core of 200+ UNDP staff and UN Country Teams, and over 1000 national counterparts, in the approaches to capacity development from policy, to design, measurement and evaluation. This support will be in addition to a training strategy that has instituted a revamped Virtual Development Academy⁴ (VDA) course on Capacity Development and Capacity Assessment in 2008/9. This VDA course rollout will be available to all UNDP staff and UN Country Teams and is intended for public roll out through the World Campus and TeamWorks to the interested development practitioner.

The Facility will further promote knowledge exchange through existing global and regional networks (e.g. LenCD, Capacity-net and Capacity.org) and will facilitate partnerships with other international organisations and regional and national research and knowledge institutes. Specific partnering collaboration events for 2009 are detailed in the Annex 2. These platforms will also function as a forum for consultation and substantive debate on capacity development between programme countries, donors and others. 'Teamworks', UNDP's knowledge platform based on a web 2.0 application, will provide the multimedia interface, the social networking space, the knowledge development and quality assurance spaces, and the accessible documenting and archiving of records.

Management Support

UNDP has been trusted by its programme country and donor partners to ensure the quality and depth of expertise required to facilitate and ensure a systematic and quality support to national capacity development. It cannot run this effort on a shoe string. Nor should it contract away its core contribution. To provide the scale of capacity development support needed to meet demand, and together with the continued investment in local, global and regional partnerships required, additional UNDP capacity at global, regional and national levels will be leveraged to support national capacity development strategies, programmes and investments. The Facility, by leveraging UNDP's existing and new staff expertise in capacity development and providing additionality to it, through an expert roster and partner base, will provide the knowledge, policy and programme expertise required. The core expertise pool will also help mobilize additional resources needed to deliver a quality response to the growing demand for capacity development support.

⁴ The VDA is a 9-month learning programme currently available to UNDP staff through the Learning Management System (LMS). It combines self-paced online courses with instructor-led online courses, case study work and an action learning project. Short, on line CD/CA courses will also be made available as a public offering, through UNDP's global CD knowledge space at www.undp.org/capacity, in 2009.

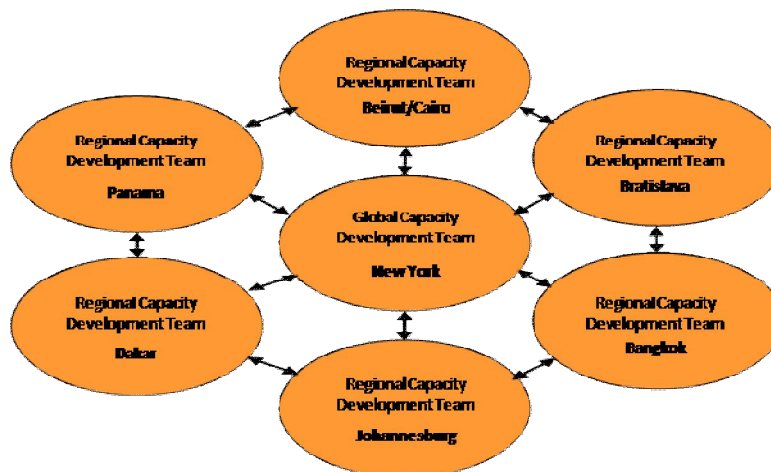


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And the Technical Teams

UNDP has geared its Global and Regional Programmes to ensure key support to its mandate and role in supporting capacity development challenges at the country level. Together they fund substantive expertise to backstop national capacity development services. These teams will provide the core management and oversight of the Facility's four work streams, in each region. These teams will also provide the service facilitation, assurance and review support demanded, and provided with some additional resourcing required in specific functional areas, such as institutional change management, to do so. UNDP's Capacity Development Group has a backbone in place for such a facility with a hub in NY and six regional Teams around the world. Building on this backbone will be a relatively resource-light process.

Figure 4. Capacity Development Regional Teams to backstop CD services



An Expert Roster

A roster of international, regional and national experts will be made available to provide additional support, if and when needed, such as for the design of national capacity development strategies as requested by governments, or to train local resources to facilitate district level capacity assessments of local service delivery agents. The Facility will enable UNDP to expand this roster and to continue promoting the development and use of national expertise and engage national institutions, which it can draw upon to support national CD efforts.

Standard Operating Procedures

All activities within the Facility will be managed according to UNDP Programme and Operations Policies and Procedures (POPP). The Facility will, therefore, have annual reviews of all activities and annual progress reporting, and a monitoring and evaluation schedule conducted as per standard UNDP programming procedures. Reporting from the Facility will be done in a consolidated manner and there will be one annual report per year for the Facility. In addition, an overall independent evaluation of the Facility will be conducted in 2010.



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Global Capacity Development Facility Board

This Board will oversee and guide overall strategic direction of the Facility. The Board will comprise representatives of Practice teams, UN agencies and programme country and donor partners. The overall management of the Global Capacity Development Facility will sit with the Capacity Development Group (CDG) in the Bureau for Development Policy (UNDP HQ, New York). CDG, who previously managed the Capacity 21/2015 Trust Fund, will provide the secretariat to the Board. The Capacity Development Group will be accountable for overall financial management, policy consistency and managing for results, in relation to the Facility.

Regional Capacity Development expertise residing in each Regional Service Centre to provide the more immediate policy and programme services to country level, will oversee the management and quality assurance of activities funded by the Facility in each respective region. These teams that will work across priority sector and thematic concerns, will have access to draw on the UNDP Practice teams and UN agency expertise for that region.

VI. Time frame and Resource Requirements

The timeframe for the Facility is aligned to the UNDP Strategic Plan and the fourth UNDP Global Programme (2009-2011)⁵. The regular resource financing detailed in the next section requires an additionality to be provided by non-core resources to assure such scalability and sustainability of capacity development support at country level. It is estimated that a budget of \$14.73 million will be required 2009-2011, to ensure the quality and depth of services demanded across approximately one hundred programme countries and , to ensure that the core global, regional and country programmes work better for capacity development. This includes 7% GMS and 5% technical support costs to ensure management and technical support services provided. Total non-core resource requirement, 2009-2011: \$14.73 million.

⁵ It is possible that the UNDP Board may extend this period for a further period (1-2 years) to line up with the Country Programme cycle, and align with other UN funds and programmes.



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Box 5: Why invest in a Global Capacity Development Facility?

- UNDP invests a significant amount of its core resources in supporting national capacity development, through a core investment in expertise and programmes, through global, regional and country resources. However, there is a qualitative shift needed in capacity development support, to keep up with increased demand and to meet the spirit and letter of the Accra Agenda for Action. This is the additionality for 'scalability with quality' required at this time.
- With the onslaught of the economic, food and energy crises, and a shrinking resource base to deliver on the MDGs, 'making the money work better' has become central. Investing in core capacities, i.e. more efficient institutions and systems that use development resources more effectively towards human development ends, is a must. Institutions of the state, for example, need to have the capacities to plan, manage, procure and deliver services at the sub-national level. This is an investment in these fundamentals, and the national aid management capacities that contribute.
- Leaders are looking to new approaches and new financing mechanisms for development. A policy stimulus and diagnostics package that precedes capacity development investments, ensure that more can benefit from the global interlinking of ideas around new financing. Access to climate adaptation funds and carbon facilities illustrate this. The need for greater negotiation and absorptive capacities renews the link between policy, diagnostics and pre-investment capacities.
- Large-scale and complex crises have meant that new capacity interventions are required to be patched together rapidly. UNDP resources, being more long-term in their nature, are not easily amenable to rapid re-deployment. Some flexibility of response is required to meet these needs
- With globally obligatory mandates such as the AAA coming into play, there is a degree of standardization, quality assurance and reliable results reporting that is now essential. The demand for CD quality assurance is one that UNDP is unable to meet with its core resource commitment alone. This non-core resource enables the 'tipping point' that takes "the system" to another level - from System A to System B (refer Figure 1, page 5).



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Annex 1: Results and Resources Framework

A. The “policy stimulus” package:

This package provides systematically analysed and well articulated policy positions on what works for, and what limits, capacity development, both in the short and longer term.

Result Chain	
Action:	Enhance and increase advocacy and policy advice for: <ul style="list-style-type: none"> - the integration of capacity development into national and local development strategies and budgets; and/or - the design of national capacity development strategies
Outcome:	Increased number of countries that have integrated capacity development into their national and local development strategies and budgets, and/or have designed national capacity development strategies.
Impact:	More effective public policy (on capacity development) and policy choices made with an eye on the longer term, paving the way for the achievement of the MDGs and human development.

The Facility will:

- a) Advocate policy options on what works for CD in UNDP’s mandate areas, as well as for specific applications such as national capacities for aid management and coordination, post-crisis responses, climate change and energy services and local services delivery.
- a) Support common development partner advocacy and position statements that engender joint approaches across the UN development system and other bilateral and multilateral partners on capacity development strategies, irrespective of the organization or sector.

B. A “pre-investment” package of capacity development products and services:

This package can lay the foundations for the rollout of a PRSP, MDG-based strategy, direct budget support or SWAp, or for a particular public or private investment in specific organizations, sectors or after a crisis.

Result Chain	
Action:	Boost the quality and quantity of policy and programme support for: <ul style="list-style-type: none"> - capacity assessments at national and local levels - the design, implementation and review of capacity development interventions - the evaluation of capacity development efforts and results - National implementation (procurement, programme management) - Capacity development intervention for local services delivery
Outcome:	Increased national capacity to conduct capacity assessments, formulate, implement and review capacity development interventions like change management and knowledge capacity development and evaluate capacity development efforts.



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Impact:	More effective implementation of national (capacity) development strategies over the longer-term, contributing to higher rates of service delivery and the achievement of the MDGs and human development.
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The Facility will:

- a) Facilitate capacity assessments through: providing capacity assessment methodologies and tools; training of capacity assessment facilitators; quality control of capacity assessment exercises; adaptation of the capacity assessment methodology to different application areas.

- b) Offer design support for the formulation capacity development responses, and in post-conflict settings, capacity building interventions with the aid of advisory and technical support, case evidence on capacity development response areas; a global roster of technical experts; learning modules for staff and clients; knowledge networks and peer exchanges.

- c) Support the implementation of capacity development and, in post-conflict settings, capacity building interventions through: training and start-up support for national counterparts; the integration of capacity development indicators into national results-based management systems; project management tools and systems for national implementing agencies.

- d) Support the evaluation of capacity development results through measurable capacity development indicators; technical reviews; global and regional partnerships for learning and feedback; reporting on capacity development results.

- e) Provide tailored applications of capacity assessments and capacity development responses in thematic application areas.

C. The Quality Assurance Package

These will be provided primarily by demand emanating from the current set of crises such as the climate change and economic crises. It will also be used for post crisis capacity development and recovery planning.

Result Chain	
Action:	Boost the quality and quantity of UNDP and UN Country Team policy and programme support to the capacity development efforts of programme countries in specific application areas (e.g. climate change, disaster risk reduction), including: <ul style="list-style-type: none"> - Coordination and management of development finance
Outcome:	Increased national capacity for meeting emerging crises, and for the coordination and management of development finance.
Impact:	More effective use of public and private investments over the longer term for the achievement of the MDGs and human development.

The Facility will provide, as a facilitating mechanism, the mainstreaming of capacity development responses in these priority fields, as follows:



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- a) Advocate for capacity development policies to be integrated into national/sector plans and programmes based on the evidence of which policies work best.
- b) Facilitate knowledge and skills transfer initiatives, including on aid management capacities, negotiations skills, resources and partnership analysis skills which focus on national capacities to mobilize development finance through, for example, global funds, direct budget support, SWAps and other modalities.
- c) Review and support capacities for implementation to manage and deliver on development programmes in that sector/theme. This includes institutional change management exercises, leadership and management skills development initiatives, and review of business processes.
- d) Support UNDP Country Offices and UN Country Teams and teams of other development partners to design, implement and review programmes to support national capacities in these fields. This includes providing capacity development programming and monitoring guidelines along with learning workshops for Country Office staff so that they utilize these in programming against global benchmarks.
- e) Integration of capacity development progress into the evaluation of those development outcomes. This includes introducing measurable indicators that link capacity development change to broader development outcomes (impact).



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Annex 2: Calendar of Events *(living calendar)*

Date	Event	Venue
January	UNDP and UNDG consultations on use of national systems	New York
February	National Implementation Capacities Workshop	Johannesburg
February	Philippines Presidential awards for local capacity innovations	Manila
March	Capacity development for development effectiveness, global consultations	Manila
March	Working party on Aid Effectiveness	Paris
March	Regional capacity development learning initiative, LENCD	Bangkok
April 14-15	UNDP consultation meeting "reinforcing state capacities for development cooperation"	Bratislava
April	Economic empowerment of women and capacity development for local service delivery	Arab States
April	Capacity development in Middle Income Countries (MICs), South-South and Triangular Cooperation	Bratislava
April	Consultation on gender assessment and capacity assessment, common tools, approaches and methodologies	
April	High level ministerial dialogue on capacity development, what investments and policies work	Bangkok
April/May	National capacity development and assessment workshop	Tbilisi, Georgia
May	Kick-off of national observatory	Bogota, Colombia
May	Regional OCHA/CADRI/UNDP workshops on capacity for disaster risk reduction	Bangkok
May	Regional OCHA/CADRI/UNDP workshops on capacity for disaster risk reduction	Bratislava
May	Regional OCHA/CADRI/UNDP workshops on capacity for disaster risk reduction	Panama
May	National OCHA/CADRI/UNDP workshops on capacity for disaster risk reduction	
May	National OCHA/CADRI/UNDP workshops on capacity for disaster risk reduction	
May	OCHA/CADRI/UNDP workshops on capacity for disaster risk reduction	
May	Regional conference and knowledge fair on capacity development for quality service delivery in the Western Balkans	Sarajevo
May 25-27	5 th annual meeting of the development partners working group on local governance and decentralization	Bratislava
June	Regional learning initiative, LenCD	Panama
June	UN/DESA High level symposium on development cooperation forum	Vienna
June	International Aid Transparency Initiative, DFID & UNDP	London
June	Capacity development for climate change workshop with UNFCCC	Bonn
July	Working party on Aid Effectiveness, OECD/DAC	Paris
October	Regional learning initiative, LenCD	Bratislava
November 9-11	Capacity development global event	
December	Establishment of capacity development facility	



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Annex 3: Budget overview (estimated), 2009-2011

Line item description	Specific action items	Funding Source	
		UNDP resources in '000	Total resources in '000
a) Research and publication costs		75	200
b) Multimedia campaign and advocacy		260	150
c) Learning seminars and knowledge fairs		400	350
d) Partnership opportunities		500	750
e) Global culminating event: conference logistics, meeting preps and participation costs		250	350
f) CD Global facility Pre-investment seed funding for CD country programme actions			10,000
Sub-total			13,150
Management costs (GMS 7%)			920
Technical support costs (5%)			658
TOTAL		1,485	14,728



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Annex 4: Global CDG Non-Core Portfolio Partners 1993-2008

Donor	Capacity 21 1993 - 2006 (closed)	Reforming Technical Coopera-tion (closed)	Capacity 2015 2002 - 2008	Capacity Development for Aid Effectiveness 2006 -	National Implemen- tation Capacities
Austria	✓			✓	
Canada	✓			✓	
Denmark	✓			✓	✓
Finland	✓				
France	✓			✓	
Germany	✓			✓	
Italy	✓				
Japan	✓			✓	
Netherlands	✓	✓			
SNV AA2/AA4			✓		
New Zealand	✓				
Norway	✓				
Sweden	✓				
Switzerland	✓			✓	
United Kingdom	✓				✓
USA	✓				



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