



Capacity Development

PRACTICE NOTE

April 2006 (final draft)

CONTENTS

	Page
ACRONYMS AND ABBREVIATIONS	2
EXECUTIVE SUMMARY	3
I. Introduction	4
II. The Issue and its Dimensions	5
1. Capacity within the Enabling Environment	
2. Key Considerations Pertaining to Capacity Development	
3. Ten Default Principles for Capacity Development	
4. Capacity for Whom and for What?	
5. Core Issues	
6. Additional Areas for Analysis	
III. Policy and Programme Implications	11
1. Capacity to Engage in Multi-Stakeholder Dialogue	
2. Capacity to Analyze a Situation and Create a Vision	
3. Capacity to Formulate Policy and Strategy	
4. Capacity to Budget, Manage and Implement	
5. Capacity to Monitor and Evaluate	
IV. Capacity Development Strategies for Priority Capacity Investments	23
V. Partners and Resources	27
ANNEXES	28
1. Capacity Development – Case Experiences	
2. Bibliography	

ACRONYMS AND ABBREVIATIONS

CAP2015	Capacity 2015
CCA	Common Country Assessment
CD	Capacity Development
CDG	Capacity Development Group
CDI	Capacity development indicator
CDIF	Capacity Development Innovation Facility
CSO	Civil society organisation
DAC	Development Assistance Committee (of the OECD)
HD	Human development
HDV	Human development viewpoint
ICT	Information communications technology
ILN	Information and Learning Network
KM	Knowledge management
LDC	Least developed country
LenCD	Learning Network on Capacity Development
LLDC	Land-locked developing country
MDG	Millennium Development Goal
MDGR	Millennium Development Goal Report
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OPP	Operational Policies and Processes
PER	Public Expenditure Review
PIU	Programme implementation unit
PN	Practice note
PPP	Public-Private Partnerships
PPPUE	Public-Private Partnerships for the Urban Environment
PRS	Poverty reduction strategy
PRSP	Poverty reduction strategy paper
PSP	Private-sector partnership
RBM	Results-based management
RTC	Reforming Technical Cooperation
S&H	Simplification and Harmonization
SIDS	Small Island Developing States
SMEs	Small and medium-sized enterprises
SNV	Netherlands Development Organisation
SURF	Sub-regional resource facility
SWAp	Sector-wide approach
TCDC	Technical cooperation among developing countries
T21	Threshold 21
TTF	Thematic Trust Fund
UN	United Nations
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
WBI	World Bank Institute
WSSD	World Summit on Sustainable Development

EXECUTIVE SUMMARY

The Purpose of this Practice Note

This Practice Note provides UNDP staff and other development practitioners with a basic understanding of core capacity issues to focus on in a development context, why such capacities are important, and how external partners can support countries' efforts to further deepen and effectively utilise such capacities to achieve their development goals. It also proposes default principles for supporting capacity development and pointers for mainstreaming capacity development into programming and operations.

The audience for this Note includes UNDP practitioners and domestic and external partners engaged in country-level collaboration on capacity development and provides a common point of reference for those parties. The Practice Note is kept concise, as it is complementary to the OECD/DAC Good Practice Paper on Capacity Development¹ which UNDP was actively engaged in preparing.

The Premise

UNDP defines capacity as “the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.”² Capacity development (CD) is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. Capacity development is seen by UNDP as a primarily endogenous and domestically driven process. It is an inherently political and complex process that cannot be rushed, and outcomes cannot be expected to evolve in a controlled and linear fashion.

A Systematic Approach to Capacity Development

UNDP recognizes that a country's capacity resides at three levels: the enabling environment, organisational and individual. Within all three levels there are five types of cross-cutting capacities which involve the capacity to: 1) engage in multi-stakeholder dialogue; 2) analyse a situation and create a vision; 3) formulate policy and strategy; 4) budget, manage, and implement; and 5) monitor and evaluate. The UNDP capacity assessment framework³ calls for evaluating these capacities from a human development perspective. This Note also details the CD strategies that follow. These CD strategies may be applied to address needs in a variety of sectors, and are predicated on integrated approaches to development:

- Knowledge Services and Learning
- Incentive Systems
- Leadership Development
- Mutual Accountability Mechanisms
- Multi-Stakeholder Engagement Processes
- Institutional Reform and Change Management
- Capacity Diagnostics

Section I of this Practice Note provides an introduction to the key concepts in capacity development. Section II explores the issue and its dimensions introducing basic notions of capacity development. Section III considers operational implications structured around cross-cutting capacity areas. Section IV identifies main entry points for UNDP to promote capacity development. Users of this Practice Note will find key resources in Section V and the accompanying Annexes. Likewise, links are made to other UNDP Practice Notes that relate closely to this issue, such as those on [capacity assessments](#), leadership development and a human rights-based approach to development.

¹ OECD/DAC, [The Challenge of Capacity Development – Working Towards Good Practice, 2006](#)

² OECD/DAC definition: Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully.

³ Please see [UNDP Capacity Assessment Practice Note](#), April 2006 for more information.

I. INTRODUCTION

The United Nation's Development Programme is the UN's global development network. It advocates for change and connects countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.

UNDP mission statement

Capacity development (CD) is vital to development effectiveness and the achievement of the Millennium Development Goals (MDGs). More generally, the development of a country's capacity to formulate, implement and review policies and programmes is critical for long-term economic and societal development. Against the background of a global commitment to fighting poverty, and pledges to increase the volume of aid, the capacities to negotiate, manage, oversee and effectively utilise development finance for human development ends has acquired even greater urgency. The [Millennium Summit Declaration](#), [Paris Declaration on Aid Effectiveness](#) and the [Outcome Document of the World Summit](#) reflect this prominence.

UNDP recognizes that a country's capacity resides at the enabling environment, organisational and individual levels, and its policy, programme and implementation support addresses capacity assets and needs at all three levels. These in turn are embedded within a global framework and influenced by global trends. Experience shows that attempts to address capacity issues at any one level, without taking into account the others, are likely to result in developments that are skewed, inefficient, and in the end, unsustainable. Existing on all three levels are cross-cutting capacities, such as those relating to multi-stakeholder dialogue, situation analysis, policy formulation, programme implementation and results monitoring. These capacities, vital to development effectiveness, span the public, private and civil society sectors and complement technical or sector-focused capacities.

Support of capacity development requires more than attending to its "supply side;" it must also address the "demand side:" political, economic and social incentives that relate to mindsets, norms and values, as well as to issues of participation, voice and gender accountability. A set of core issues has been identified and any given capacity assessment may analyze some but not necessarily all of these. There are several additional areas for analysis that any capacity assessment should include; for example, globalization, and specifically aid effectiveness, is a function of capacity – without local institutions that perform efficiently, there is little external resources can do to fight poverty in a sustainable manner and to reduce country dependency on aid.

Over the last few years, it has become evident that a more rigorous approach to capacity development is required. Work in this area must be more evidence-based and systematic in application, and this includes taking concrete steps to mainstream capacity diagnostics throughout UNDP operations and into national processes, such as the preparation and monitoring of PRSs and national development plans, and translation of the results into practical capacity development strategies and resourced programmes for public sector reform, private sector development, education and other priority areas. UN agencies can "drill down" into sector-specific technical areas using the default UNDP Capacity Diagnostic Framework⁴ as a starting point and complement with their own diagnostic tools.

A capacity development approach pays particular attention to the organisations, incentive systems, education and learning opportunities, leadership and management measures and investments that need to come together to deliver on a country's development agenda over the long term. It links closely to UNDP's support for [democratic governance](#), gender equality and a [rights-based approach](#) to development that promotes improvements in the quality of life of all citizens in an equitable and fair manner. UNDP is committed to enhancing the quality of its support to capacity development and to remain a source of knowledge and leading practice in this domain.

⁴ See [UNDP Capacity Assessment Practice Note](#), April 2006, for a fuller discussion of the default UNDP Capacity Diagnostic Framework.

II. THE ISSUE AND ITS DIMENSIONS

A capable and accountable state supported by an effective civil society and private sector is essential for achieving the MDGs, as well as other national development objectives. It is fundamental to long-term sustainable development, and hence also critical to aid effectiveness. Without well functioning organisations and a well performing human resource base in both public and private sectors, there is little that financial resources alone—including ODA—can do to address poverty in a sustainable manner. Meeting the collective commitments to aid effectiveness and, most important, improved development results means putting the development of capacity at the heart of development co-operation.

This section spells out key notions for understanding capacity development as an endogenous process that is systemic in nature.

1. Capacity within the Enabling Environment

Capacity clearly resides within individuals and organisations: at the individual level, capacities are the skills and knowledge vested in people; and organisations provide a framework for individual capacities to connect and achieve collective goals. In human rights-based language, it is the capacity of duty bearers to guarantee rights and services and of rights holders to claim and use them. While capacity at these levels has been widely acknowledged and the prime subject of capacity development efforts in the past, a more difficult notion to grasp and address is capacity as it resides within larger systems or the enabling environment.⁵ Capacity at this level includes overall policies, rules and norms, values governing the mandates, priorities, modes of operation, civic engagement, etc. within and across sectors. These factors determine the “rules of the game” for interaction between and among organisations. Interdependencies tend to be more complex and less tangible, but a well functioning system or enabling environment is critical for individuals and organisations to perform and can be an important point of entry for understanding capacity challenges and addressing them.

It is important to note that, whatever the focus of analysis or action, all levels come into play. For instance, what may be an individual-level issue, such as the leadership of the Economics Minister, turns into an issue of enabling environment once looked at from the perspective of a sector organisation. Regulations for the economy, which are part of the enabling environment for the private sector, are also an organisational and perhaps even an individual capacity issue when administration of economy and finance is the focus. This implies that any effort to analyze or develop capacity necessarily needs to take into account capacities at these different levels, otherwise efforts risk becoming skewed or ineffective.

Furthermore, a country’s capacities on these three levels are embedded within a global framework and are influenced by global trends. Some trends greatly undercut capacity, such as migration of the highly skilled or the under-provision of global public goods, for example, antiretroviral drugs (ARVs) in the case of HIV/AIDS. Other trends have more potential to foster capacity. ICT, for example, has revolutionized access to knowledge, and some trade agreements serve human development, global conventions and standards reinforce local governance and new aid architectures emerge. Also, these global conditions shape incentive structures that influence performance and strengthen or diminish country capacities accordingly.

⁵ The literature distinguishes the levels by adding different emphasis and detail. There is general agreement that individual is the first level, followed by various combinations of organisation, inter-organisational, institutional, societal and enabling environment. The important point is to recognise that the levels, regardless of terminology, form a system in which they are interdependent. UNDP has chosen to use the term “organisational” to refer specifically to entity, and “enabling environment” to indicate the system beyond the single entity.

2. Key Considerations Pertaining to Capacity Development

In order to better understand what constitutes capacity development and how to support it, it is important to reflect on what drives and impacts it, and the contexts in which it thrives or withers away. It is fundamentally an endogenous and dynamic process that takes place in a context where capacity opportunities and challenges ebb and flow over time. Capacity development is a function of political economy, special interests and power relations. The use of capacity and its development require adequate incentives to lead to performance that creates opportunities and transformation. Finally, there are important implications for the way in which external assistance is provided, including the importance of aligning and harmonizing development cooperation around country processes.

Contextual, Endogenous Process and Opportune Timing

The development of a society's capacity is an ongoing endogenous process that involves attaining, strengthening, adapting and maintaining capacity over time, in response to emerging opportunities and challenges. The need for developing capacities often arises from (i) pressures for better government from the elite and leaders at the top, as well as citizens and clients at the bottom; (ii) new opportunities in the market place; or (iii) social challenges. In this sense, the task of capacity development is never done. Moreover, the process cannot be rushed, nor can it be expected to evolve in a controlled and linear fashion. A lag usually exists between any investment in capacity development, the emergence of new capacities and their translation into performance improvements. Indeed, the development of individual competency takes many years, while societal transformation may take generations.

Timing is everything. Windows of opportunity for change open and close with changes in leadership, which could bring with it a new look at development priorities, partnerships and resource availability. Sometimes, it is important to secure "quick wins" at the outset to mobilise political support and commitment to longer-term capacity investments. The ability of a country, an organisation or a community to avail of opportunities to better their human development depends on the capacity base it has built that enables adaptability and flexibility to manage risks and changes. The challenges in investing in capacities are often about managing trade-offs: making an investment that has an immediate return, or investing in initiatives that have a 5-10 year or longer gestation period, for example, investing in primary and secondary education for girls.

Political Economy

Addressing capacity needs by putting in place skills, systems and processes will not hold the promise of sustainable results if the process does not take into account the inherently political and complex realities in the environment. Political, economic and social incentives relate to mindsets, norms and values. Sustainable results require effective participation, public access to information that leads to voice of the people (particularly women and disadvantaged sections of society), civic engagement and accountability for capacity results. The change processes related to capacity development come with changes in roles and responsibilities that can be most unsettling to vested interests and established power structures. External partners inevitably become part of this process and the political economy.

Incentives and Performance

Perceptions and concerns about development performance usually provide the entry point for thinking about capacity issues. When a system or organisation is seen to be under-performing, attention is drawn to the inadequacy of capacity. The opposite is also true. Good performance is usually associated with an organisation or system managing and using capacities effectively. Yet, capacity does not automatically translate into improved performance and better development results. To illustrate: a car engine may have all the components to run smoothly, but it would still sit idle without fuel and a driver. By the same token,

capacities may be in place, but appropriate incentives need to be present to put them in high gear and in motion toward the desired development destination.

Sound governance practice is a critical enabler in any environment. Countries are more likely to develop and make use of available capacities when there is strong political ownership and commitment at the highest levels, wide participation, transparency and clear accountability. In turn, capacity development processes can contribute to enhancing participation and accountability and thus strengthen governance. An institution needs a supportive policy and legal framework, access to resources and the goods and services of other institutions, and the support of stakeholders in order to succeed. Similarly, a staff is motivated to apply its skills when it is adequately compensated for its efforts and when achievement is acknowledged and rewarded.

Quality of Engagement, Alignment and Harmonisation

Development cooperation has the potential to facilitate and promote local processes, but unless carefully applied, it can undermine ownership and local capacity. For this reason, it is critical to pay careful attention to aid relationship dynamics. Each side of the “partnership” comes to the table laden with its own ideological and political baggage. Aid relationships are affected by and contribute to shaping an influential political economy that has evolved in many countries to become a quite unwieldy, complex architecture. This architecture consists of stated objectives of a more or less shared nature but comprises equally misperceptions, vested interests and power differentials that feed an often vicious cycle of engagement. Breaking through the dynamics of engagement is not easy as it tends to involve changes in the aid systems that are usually induced by multiple competing parties. Changes and real transformation require genuine cooperation and collective responsibility.⁶

Thinking and Acting in Terms of “Best Fit”

Rather than “best practice,” it is “best fit” that often contributes most to sustainable change. These days, attention is focused on improving aid practices in ways that are more responsive to the capacity development challenge. This agenda includes harmonising and aligning external support around country strategies, systems and processes, finding ways to make the aid relationship more equitable, transparent and participatory, and identifying roles, approaches and delivery systems for external partners that add value to local capacity development processes.

It is difficult to generalize about roles external partners may play, given that what is needed is contingent on the task at hand. External partners may play more facilitative roles related to the management of change processes, or more interventionist roles including gap-filling. The focus might be on knowledge enhancement, but equally it might require provision of financial resources, or the procurement of equipment and particular expertise. “Process facilitation”—an approach that is consistent with the idea of capacity development as an endogenous process—can help avoid disempowering local actors by ensuring that local partners remain in the driver’s seat while donors reinforces local ownership and commitment.

⁶ On the notion of vicious and virtuous dynamics see “Ownership, Leadership and Transformation,” Chapter 1.4, p. 41ff.

3. Ten Default Principles for Capacity Development

UNDP promotes ten default principles that inspire ownership, transfigure leadership, and help ensure progress in capacity development efforts. These principles also provide the basis for setting benchmarks for expected capacity development results.

Default Principles for Capacity Development	Examples of Benchmarks
<p>1. Don't rush. Capacity development is a long-term process: It is not amenable to delivery pressures, quick fixes and short-term results seeking. Engagement for CD needs to have a long-term horizon and be reliable.</p>	<ul style="list-style-type: none"> ▪ Increase in civic engagement and bottom-up influence the policy agenda ▪ Client satisfaction with services/performance over time ("being broadly right is more useful than being precisely wrong" (e.g. Scorecard approach) ▪ Existence of long-term strategic policy choices for CD
<p>2. Respect the value systems and foster self-esteem: The imposition of alien values can undermine confidence. Capacity development requires respect. Self-esteem is at the root of capacity and empowerment.</p>	<ul style="list-style-type: none"> ▪ Engaged but respectful dialogue and advocacy on human rights, (esp. minority groups) ▪ Advancement of women (e.g. school enrolment, tenure rights, women leaders, ...) ▪ Clear "rules of the game" and safeguards that establish domestic partners and legitimate policy processes as leading on policy choice
<p>3. Scan locally and globally; reinvent locally: There are no blueprints. Capacity development means learning. Learning is a voluntary process that requires genuine commitment and interest. Knowledge transfer is no longer seen as the relevant modality. Knowledge needs to be acquired.</p>	<ul style="list-style-type: none"> ▪ Access to global knowledge (ex. connectivity, internet access points...) ▪ Choice for domestic agents of inputs they perceive as relevant (ex. TC pools) ▪ Existence of discussion and policy options with relevant stakeholders ▪ Iterative planning and implementation with regular review to allow for adjustments ▪ Quality of dialogue between domestic and external stakeholders
<p>4. Challenge mindsets and power differentials: Capacity development is not power neutral and challenging vested interest is difficult. Frank dialogue and moving from closed curtains to a collective culture of transparency is essential to promote a positive dynamic for overcoming them.</p>	<ul style="list-style-type: none"> ▪ Transparency of budget process and allocations ▪ Access to information, participatory policy process and decision making ▪ Existence/intensity of independent or more objective forms of monitoring and societal watch dogs that can question authorities ▪ Effectiveness of parliamentary oversight, access to recourse functions (ombudsman..)
<p>5. Think and act in terms of sustainable capacity outcomes: Capacity is at the core of development. Any course of action needs to promote this end. Responsible leaders can inspire their institutions and societies to effectively work toward capacity development.</p>	<ul style="list-style-type: none"> ▪ Actionable objectives and outputs in national and local development strategies, work plans and implementation ▪ Integration of CD indicators/benchmarks in mainstream M&E ▪ Existence of influential and outspoken champions for ownership and CD ▪ Iterative planning, decisions and benchmarking.
<p>6. Establish positive incentives: Distortions in public sector employment are major obstacles to CD. Ulterior motives and perverse incentives need to be aligned with the objective of capacity development. Governance systems respectful of</p>	<ul style="list-style-type: none"> ▪ Existence of a collective nationally coordinated and defended, transparent and legitimate salary supplementation scheme linked to civil service reform ▪ Explicit integration of incentive questions as standing feature in mainstream M&E

fundamental rights are a powerful incentive.	<ul style="list-style-type: none"> ▪ Degree of “rule of law”, equality of citizens, access to justice
<p>7. Integrate external inputs into national priorities, processes and systems: External inputs need to correspond to real demand and need to be flexible to respond effectively to national needs and possibilities. Where such systems are not strong enough they need to be reformed and strengthened, not bypassed.</p>	<ul style="list-style-type: none"> ▪ Reduction in overall PIUs; changes in functioning of implementation structures from the parallel to the organically integrated and accountable type ▪ Increase in budget support and pooling arrangements, incl. pooling of TC that allows broader choice by primary clients ▪ Focus on collective outcomes & reduction in attribution to individuals
<p>8. Build on existing capacities rather than creating new ones. This implies the use of national expertise as prime option, resuscitation and strengthening of national institutions, and protecting social and cultural capital.</p>	<ul style="list-style-type: none"> ▪ Clear establishment of existing assets as standard step in any diagnostics ▪ Relative size and quality of a domestic consulting sector ▪ Collaboration with national universities and research institutions rather than expertise and analysis from outside ▪ Share of finance going through legitimate domestic institutions
<p>9. Stay engaged under difficult circumstances. The weaker the capacity, the greater the need. Weak capacities are not an argument for withdrawal or for driving external agendas. People should not be hostage to irresponsible governance.</p>	<ul style="list-style-type: none"> ▪ Effectiveness of dialogue mechanisms with domestic authorities ▪ Existence of efforts that allow for recovery in the long-term (e.g. community level self-organisation, education programme for displaced populations, ...) ▪ Nationally led coordination mechanisms and collective responsibility for external aid & partnerships (reduction of “do-it-alone” ad hoc intervention & un-conducive competition)
<p>10. Remain accountable to ultimate beneficiaries. Even where national governments are not responding to the needs of their people, external partners need to be accountable to beneficiaries and contribute to ownership by national authorities. Sensible approaches in concrete situations need to be openly discussed and negotiated with national stakeholders.</p>	<ul style="list-style-type: none"> ▪ Functioning of democratic process, checks and balances, transparency and participatory nature of policy dialogue, access to justice, level of corruption etc. ▪ Citizens’ access to budget allocation info to local level services, e.g. schools, clinics, ... ▪ Increased civic engagement, CSO/CBO activity, established societal “watch dog” functions, quality and independence of media ▪ Mechanisms to register the voice of citizens and their perceptions

4. Capacity for Whom and for What?

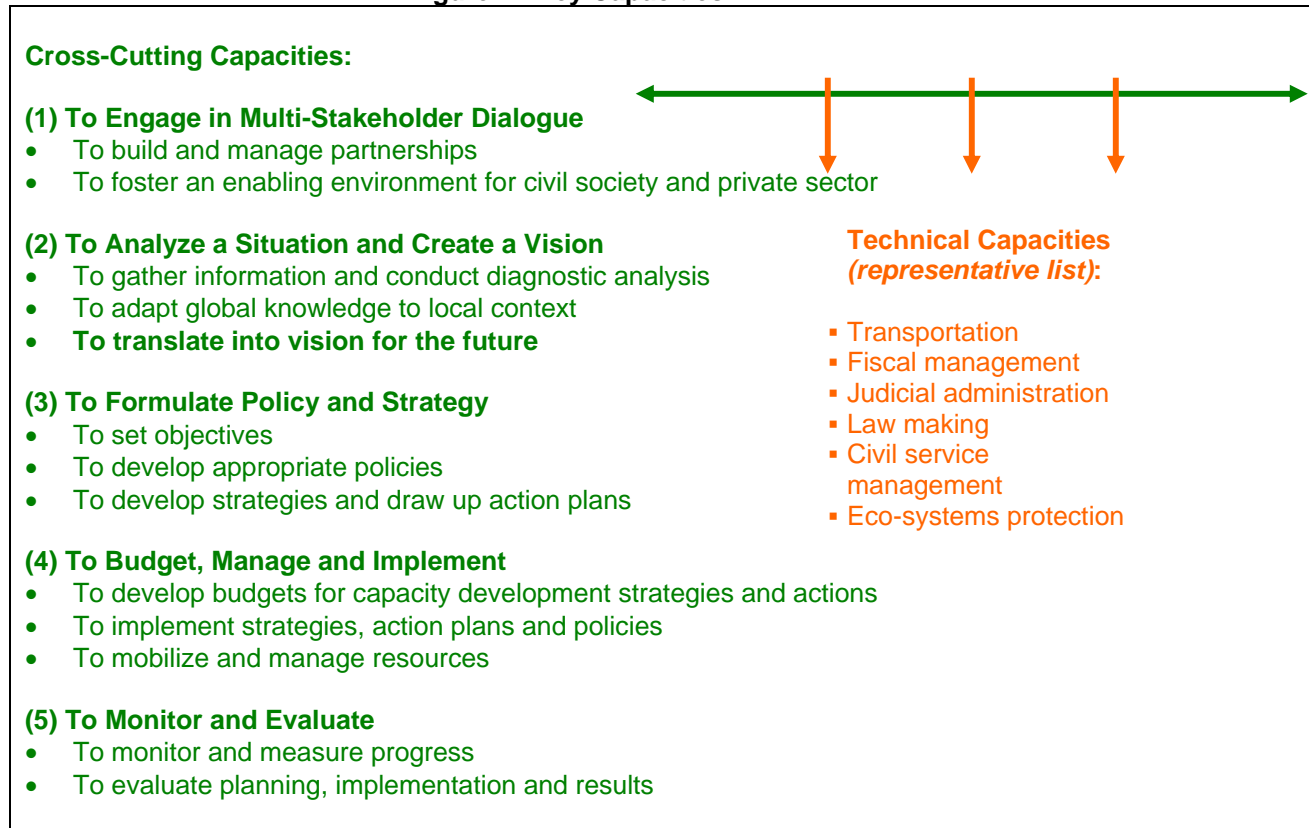
A country’s collective capacity for development⁷ combines a complex web of capacities residing across government, the private sector and civil society. A basic distinction can be made between cross-cutting capacities and more technical capacities.

Cross-Cutting Capacities

⁷ Capacity as such is a neutral term. It can be used for development or misused to destroy or undermine development. What is implicitly meant in this Practice Note is capacity that serves pro-poor development. A human rights-based approach helps define “for what” capacity should be used.

Cross-cutting capacities are relevant within and across enabling environments, organisations and sectors. UNDP focuses primarily on supporting the emergence of such cross-cutting capacities that are less easy to define, less embedded within established disciplines, and which often depend on much broader, society-wide rules, norms and values. They can be systematized in various ways. The following categorisation offers a useful and robust basis for analysis and operational focus.

Figure 1. Key Capacities



Technical Capacities

Technical capacities are associated with particular areas of professional expertise or knowledge, such as fiscal management, agriculture, education, etc. Technical capacities vary and are closely related to the sector or organisational context in focus.

5. Core Issues

For UNDP, within each cross-cutting and technical capacity mentioned above, there are several core issues that can and should be explored from a human development perspective. Not all of these issues will necessarily be analyzed in any given assessment, but they provide a mapping of critical areas of capacity common to any country, to which a capacity diagnostic could be applied. The selection of core issues defines scope and content of a capacity diagnostic exercise. The core issues in the UNDP Capacity Assessment Framework are: 1) leadership; 2) policy and legal framework; 3) mutual accountability mechanisms; 4) public engagement; 5) human resources; 6) financial resources; 7) physical resources; and 8) environmental resources.⁸ Additional areas of analysis to be explored in any capacity assessment are 9) globalisation and international relations; 10) crisis prevention and recovery; 11) gender equality; and 12) human rights.⁹

⁸ For further definition of the core issues, refer to the UNDP Capacity Assessment Practice Note, April 2006.

⁹ For further definition of the additional areas of analysis, refer to the UNDP Capacity Assessment Practice Note, March 2006.

III. POLICY AND PROGRAMME IMPLICATIONS

This section identifies ways in which UNDP can address capacity development across its various practice areas. It seeks to answer the questions: What needs doing differently? How can capacity development be mainstreamed in practice? How can we better support capacity development as an endogenous process?

Experience and research have yielded fairly clear insights on what is conducive or detrimental to capacity development. This leads to a “best fit” rather than the “best practice” approach. Because there is no one-size-fits-all formula that could represent an operational recipe or blueprint, a number of action-oriented default principles for capacity development¹⁰ can serve as signposts and safeguards to help keep development efforts focused on capacity outcomes. The principles would apply to all conceivable situations, bearing in mind that specific country situations vary widely. Operational variations are likely to be most pronounced at both ends of what effectively constitutes a continuum, from the particularly vulnerable and fragile states to countries in transition.¹¹

This section further explores opportunities for mainstreaming and supporting capacity development with respect to the five cross-cutting capacities presented in Section II and provides illustrative areas of programme support under each cross-cutting capacity. In doing so, it provides a number of pointers for capacity development, taking into account both “process” aspects (how external agents can engage in local capacity development processes) and “substantive” aspects (identification of potential areas of capacity development intervention).

1. Capacity to Engage in Multi-Stakeholder Dialogue

This category relates to capacity to engage and build consensus among all stakeholders. It pertains to all relevant public and societal agents, as well as external partners. It includes the skills to perform the following: identify, motivate and mobilize stakeholders; create partnerships and networks; raise awareness; develop an enabling environment that engages civil society and the private sector; manage large group processes and open dialogue; mediate divergent interests; and establish collaborative mechanisms.

Pointers for Capacity Development:

- Supporting dialogue processes that focus on a single development framework
- Engaging with all relevant national stakeholders
- Promoting inclusive processes that involve relevant authorities/stakeholders

Supporting dialogue processes that focus on a single development framework

- This may involve a PRSP, a national development plan or some equivalent that can facilitate country leadership and ownership of the development agenda while providing a common reference point for a mutual review of results. At sector or thematic level, programme-based approaches such as Sector-wide Approaches (SWAs) offer an equivalent framework for harmonising and aligning host country and external partner policy positions. While donors may play a role in instituting such national frameworks, it is important to avoid parallel decision-making and consultative forums that bind governments to donor agendas and reinforce upward and outward accountability at the expense of local processes and downward accountability.

A Capacity 2015 Small Innovation Grants supports an initiative for “Promoting and Nurturing an Environment that is responsive to the Needs of Smallholder Farmers’ in Uganda”. It

¹⁰ For an elaboration of some of the operational implications of the default principles, see the Executive Summary of the UNDP publication: Ownership, Leadership and Transformation – Can we do better for Capacity Development?

¹¹ Characteristics of fragility, such as weak systems of governance, political instability and insecurity, are not restricted to least developed and fragile countries but can also be found in more economically advanced countries including those in transition.

facilitates a forum where key advocacy issues may be articulated and acted upon, helps develop relationships with regional, national and international stakeholders (farmer organisations, farmer networks, NGOs and government institutions) and increase farmers options by through access to information and capacity building.

In [Eritrea](#) UNDP and Capacity 21 assisted the Government in the preparation of the Interim Poverty Reduction Strategy Paper and the Food Security Strategy. Currently, UNDP is carrying out a further assessment, which would facilitate the dialogue for formulation of national development programmes. UNDP has been involved in the support and facilitation of policy dialogue between national stakeholders in a number of areas, especially energy and environment.

Engaging with all relevant national stakeholders

- This serves as a basis for forging effective and equitable partnerships. Dialogue can help uphold principles of transparency and accountability, and forge relationships built on trust and mutual responsibility. The quality of dialogue also has a strong bearing on the aid relationship. Grounded in transparency, frank discussion and mutual accountability, it should serve to build a solid basis of trust, clarify misperceptions and even tackle sensitive issues that may upset or undermine any serious development effort. Efforts to promote multi-stakeholder consultations within the country will generally be useful steps. Examples include national development forums that can replace donor-oriented ones, consultative groups and round tables. The reality is that many groups do not have a seat at the table, because opening up the dialogue could lead to questions and criticisms over the rules and norms imposed to benefit only those in charge. Sensitivity to political realities is especially important, as is the ability to broker engagement between groups that may not usually sit together.

In Mongolia UNDP supported a [National Policy Dialogue Workshop](#) on “Access to Water and Sanitation Services in Mongolia”, bringing together decision makers, representatives from private sector and civil society. The workshop addressed gaps in water policy and developed recommendations.

In Sudan, the United Nations Children’s Fund (UNICEF) and Operation Lifeline Sudan (OLS) employed a future search to help imagine a vision of peace for the children in the south of the country, where war has raged for many years. UNICEF hoped this would help place consideration for the lives of children outside the context of political disagreements and inspire everyone to contribute to improving their future.

In Jordan’s (Aqaba Special Economic Zone), UNDP supported the preparation of a Millennium Development Goal (MDG) Report for the Governorate of Aqaba in Support of the Formulation of a Sustainable Human Development Strategy and Implementation Plan. The preparation processes included:

- > Strengthening the capacities of the Local Community Development Directorate at ASEZA in order to better coordinate social development efforts, and incorporate the MDGs into development planning
- > Preparing an MDG report for Aqaba in a participatory manner
- > Developing local capacities for strategic planning, monitoring and implementation
- > Supporting local civil society organisations to better represent community voices and participate in socio-economic planning

Promoting inclusive processes that involve relevant authorities/stakeholders

- This involves the identification of needs and the formulation of development objectives since these are more likely to foster broad-based ownership of development choices than those determined in narrower circles. In the process, it is more likely that the winners and losers, as well as intended and unintended beneficiaries of particular interventions/policy choices, will be identified.

In Yemen, the process of preparing PRSPs has served as an opportunity for enhancing participation and civic engagement in national policy-making processes. In some cases, the process has helped develop other capacities due to its rigour and requirements. PRSP preparation called for the government to upgrade its capabilities in a number of areas. In the process, it seeded a new, more inclusive culture of policy-making, and helped donors to fine-tune their coordination, monitoring and reporting.

A team-based approach to project management, where different stakeholders collectively share responsibility, may heighten the chance for success by creating a forum for ongoing capacity development, collective monitoring and a matching of expectations, in accordance with locally perceived priorities. Such an approach was tried in Laos as part of the Governance and Public Administration Reform Programme. It proved particularly useful in governance related projects, where technical skills, often provided by external consultants, need to be balanced with in-house knowledge of political sensitivities, as well as local styles of building consensus and making decisions. It fostered an environment where honest dialogue can flourish, based on the principle of mutual learning and respect.

2. Capacity to Analyze a Situation and Create a Vision

This category pertains to the abilities to effectively access, gather, analyze and synthesize data and information, and translate it into a vision. It focuses on the ability to assess current capacity levels against desired capacity levels, thus articulating the capacity needs that can lead to capacity development strategies.

Pointers for Capacity Development:

- Facilitating a proper and shared understanding of the nature and magnitude of capacity development challenges amongst partners
- Helping to facilitate an understanding by stakeholders of the local political and organisational landscape
- Integrating such techniques with existing analytical work
- Strengthening core statistical and analytic capacities

Facilitating a proper and shared understanding of the nature and magnitude of capacity development challenges amongst partners

- This has traditionally been an area of weakness, yet is critical to the formulation of appropriate interventions, and to avoiding “false starts” based on inappropriate diagnosis. In particular, capacity assessments can help identify the nature of capacity needs and the factors that might constrain or facilitate change. While these may focus on immediate needs at the sector/organisation/function level, attention should equally focus on broader system-wide change, such as policy and legislative reform, civil service reform and decentralisation. They can also be used to establish baseline data for subsequent monitoring and review. Development partners can use various tools and techniques.

Figure 2: Integration of Capacity Assessment and Planning & Programming¹²

Process Steps	Assess Capacity Assets and Needs	Define Capacity Development Strategies/Actions	Define Progress Indicators	Cost Capacity Development Actions
Description	<p>An assessment of existing capacity assets and needs.</p> <p>Conducted along three dimensions: points of entry, cross-cutting capacities and core issues. Several additional areas of analysis are explored within in each cross-section assessed.</p>	<p>The formulation of capacity development strategy options suggested by capacity assessment data, evidence and analysis.</p> <p>Includes medium- to long-term strategic initiatives and short-term quick impact initiatives.</p>	<p>Definition of indicators and benchmarks against which to measure progress of capacity development strategies.</p>	<p>Costings of the proposed strategies / actions.</p> <p>Could include discussion of partnerships, resource requirements and source of funds.</p>

Capacity assessments of public institutions will be carried out in Timor-Leste and Afghanistan in 2006 using the enabling environment and organisational capacity assessment framework described in the Capacity Assessment Practice Note. A capacity assessment of public sector management in [Sierra Leone](#) carried out by UNDP identifies particular capacity gaps in the public service, while at the same time makes broader recommendations on national strategy for public sector reform and decentralisation policy.

Helping to facilitate an understanding by stakeholders of the local political and organisational landscape

- Contextual analysis using a variety of tools, such as political risk analysis or drivers of change analysis, may need to be considered to support general country analytical work. An analysis of the drivers of change can help incorporate a better appreciation of cultural, political, social and historical aspects that define the context within which capacity development can take place. Similarly, stakeholder analyses can help determine who has a legitimate interest in an intervention, identifying intended and unintended beneficiaries, as well as those who are negatively affected.

Integrating such techniques with existing analytical work

- This will ensure that they are treated as an integral part of any contextual problem analysis and can be utilized at different levels of specificity depending on the scale of the development challenge at hand. International experts should not monopolize such work. On the contrary, opportunities for drawing on locally available knowledge and expertise to support analytic work of this nature should be encouraged.

Strengthening core statistical and analytic capacities

- National, local government and non-state statistical and analytical capacities for policy and planning produce and implement MDG-based national and local development and poverty reduction strategies. Getting the data right, and reading it right are essential to well-informed policy making, as is the constant review of policy options that best fit a given country situation at a point in time.

UNDP and DFID designed a project, "Statistical Literacy and Capacity Building for MDG Monitoring at Country Level," to be implemented across five regions by as many partner organisations. The project aims at providing support to countries in the following areas: 1) Making data more accessible; enhance the capacity of national statistical offices to maintain a central repository of data; 2) Enhancing statistical capacity and literacy; improving ability to

¹² [UNDP Capacity Assessment Practice Note, 2006.](#)

make better use of data and interpret indicators to monitor progress, tailor country-specific policies and foster better-informed advocacy.

3. Capacity to Formulate Policy and Strategy

Conceptualizing and formulating policies, legislations, strategies, and programmes require analyzing a range of development parameters that may affect needs and performance in a given area; exploring different perspectives; long-term strategizing; and setting objectives. At the enabling environment level, it may also include conceptualizing sectoral and cross-sectoral policies, legislative and regulatory frameworks, inter-ministerial/inter-sectoral coordination mechanisms, participatory planning and budgeting and other arrangements for prioritization, planning and formulation of programmes and projects.

Pointers for Capacity Development:

- Addressing capacity as a key agenda item in policy dialogue
- Helping to develop appropriate skills and attitudes, as well as methodologies, to support dialogue processes among stakeholder groups
- Supporting national capacities to expand development financing
- Encouraging harmonisation of analytical work that donors carry out as part of their programme formulation processes
- Aligning UNDP development resources, as much as possible, with national planning and budgeting processes
- Helping to strengthen core functions of national systems of government
- Helping to identify sensible quick impact initiatives

Addressing capacity as a key agenda item in policy dialogue

- The issue of capacity can be systematically put on the dialogue agenda in order to come up with country-led strategies that link to the wider development agenda. Such strategies can also be periodically reviewed as part of monitoring the implementation of the Rome and Paris declarations. The dialogue process moreover offers a key opportunity to put into practice the very principles of harmonisation and alignment by avoiding working through parallel and multiple dialogue processes. In the process, external partners must be mindful of the fine line between legitimate advocacy and agenda setting. This line between advocating and selling is not always easy to draw, but the interpersonal dynamics are most important in particular in environments where leadership is weak and ownership easily destroyed starting with the very ideas.

An experience in Guatemala bears lessons for engagement in post-conflict reconstruction. In this case, an assembly of civil society organisations played a key role in starting to rebuild a country devastated by civil war. They were assisted by donors, which devised a coordinated strategy, with one agency acting as facilitator. The careful construction of a process of dialogue, capacity mapping and eventually the commissioning of pilot development projects helped foster an atmosphere of trust that led to civic regeneration.

Helping to develop appropriate skills and attitudes, as well as methodologies, to support dialogue processes among stakeholder groups

- This might include developing brokerage and process facilitation skills. Visioning and mediation techniques may also be required in certain situations. Support might also include information dissemination and exchange, or providing resources to strengthen policy analysis capacity among domestic stakeholders. Situations of uncertainty and hostility may require the creation of a neutral and protected space for exchange. Governance capacities that reinforce the involvement of state and non-state organisations and community groups include greater legislative and civic engagement in monitoring development strategy and results. Capacities within the enabling environment and at the

organisational and individual levels are also critical in addressing the challenges of racism, corruption, gender bias and violence in society through dialogue, leadership transformation and conflict resolution mechanisms.

In [Mauritius](#), the project on Capacity Building for the Independent Commission Against Corruption provides support to the Independent Commission Against Corruption to combat corruption and money laundering in a most effective manner and serve as a lever to enhance the image of the Commission. The project strengthens the capacity of the Commission to respond effectively to the increasing sophistication of corruption and helps in the implementation of the Strategy for corruption prevention by system enhancement and public awareness and education.

In Honduras, the Democracy Trust was conceived as a policy advocacy tool to encourage commitment to the PRSP process among political parties. By ensuring that political parties publicly back policies of development and poverty eradication, the trust has granted the Honduran population a mechanism to hold elected officials to their obligations, and to demand their right to improved and sustainable services. Thus, commitments to development have become state policies and no longer belong solely to the government of the day.

Supporting national capacities to expand development financing

- This involves the ability to effectively negotiate, coordinate and manage the resources required to finance the MDGs, including fiscal reforms, domestic borrowing, market access, direct budget support, sustainable debt management and the effective use of remittances. Ensuring that finance coordination mechanisms are led and managed nationally is essential to this effort. Developing capacities for negotiation and coordination of development finance goes beyond foreign aid management. An integrated approach to external and internal financing should promote public finance reform, which would enable the government to implement its strategic objectives. This requires improving budget execution to deliver resources predictably and linking budget planning and implementation to the policy priorities.

Bangladesh represents a case of unutilized aid over the past two decades, with some exceptional years where the trend was reversed. As one attempt to increase disbursements, health and education, SWAp have been negotiated as aid modalities in recent years. A SWAp for the Health and Population Sector Programme (HPSP) was approved in 1998. Resistance to this approach from both the donor and government sides has been growing. On the government side, there is concern over moving all ODA for health under a single controlling unit, subject to donor oversight and conditionalities. On the other hand, donors express no confidence in the Ministry of Health's capacity to manage and monitor the programme. More public scrutiny is required over the use of resources, simplified procedures and incentives to administer and monitor programmes effectively. The rural infrastructure SWAp in Nepal has helped coordinate domestic and external aid to this sector, which would have been rife with donor-driven individual projects and overlapping line ministry initiatives otherwise. Current empirical evidence demonstrates that SWAps work best when it provides a unifying policy and budget platform for programme support to a given field, irrespective of funding source. It also works best when managed through national mechanisms that have developed the necessary capacities for accountable management, transparent budgeting and open and participatory planning and monitoring processes that involve the constituency it serves.

Encouraging harmonisation of analytical work that donors carry out as part of their programme formulation processes

- Joint analytical work, carried out under partner country leadership, can facilitate greater sharing of information and insights and strengthen local ownership of proposed programmes. It can also contribute to reducing the duplication of efforts that easily over-burden local systems with demands

on staff time and data collection, while encouraging the identification of common programmes that can be co-funded.

Aligning UNDP development resources, as much as possible, with national planning and budgeting processes

- A commonly agreed national development framework or a sector-wide programme provides a strong basis for doing so. This alignment also helps avoid the practice of establishing parallel processes with separate planning and budgeting rules and criteria, and alleviates administrative pressure on over-stretched government departments.

UNDP support in Afghanistan facilitated transition to a locally owned aid management system housed in the Ministry of Finance that included merit-based recruitment and training of personnel, contracting aid tracking expertise to private sector partners, and establishing a government website.

Helping to strengthen core functions of national systems of government

- These involve functions such as planning and budgeting—as well as of other development actions. As a shift is made to programme-based approaches and budget support and volumes of aid increase, such strengthening of national systems becomes an even greater priority.

In Libya UNDP has worked to strengthen the Capacity of Provincial Planning Officials on Integrating the MDGs into Local Development Planning; Raising awareness on the MDGs and enhancing the capacity of local government officials and the department of statistics to integrate MDG targets into local development planning

In Cambodia, UNDP supported the Public Expenditure Management Reform, using capacity building to mainstream pro-poor objectives into the policy framework. The measures included building capacity to conduct revenue and expenditure incidence analysis of the government's fiscal policies in the short- and medium-term and using this analytical capacity to enhance the quality of pro-poor budget formulation and implementation in Cambodia.

UNDPs experience of support to the security and justice sector in Mozambique provides insights on capacity development in general, highlighting the importance of adopting a holistic approach and making operational linkages with other broad-based initiatives, such as public sector reform. Additional lessons include understanding the dynamics of change, building capacity on the basis of existing knowledge and systems, and being willing to commit to long-term engagement.

Helping to identify sensible quick impact initiatives

- While the long-term objective of sustainable capacity needs to remain paramount, it will generally be possible to identify sensible opportunities for achieving tangible impact in the short-term that can serve as stepping stones or catalysts, help mobilize and maintain commitment and accelerate progress towards the MDGs. At the World Summit in September 2005, one of the key areas the world's leaders agreed to take action on was in the area of "Quick Impacts,"¹³ and the [Millennium Project report](#) provides a number of criteria.

¹³ The MDG 5 year review summit [Outcome Document](#), Paragraph 34 states: "Given the need to accelerate progress immediately in countries where current trends make the achievement of the internationally agreed development goals unlikely, we resolve to urgently identify and implement country-led initiatives with adequate international support, consistent with long-term national development strategies, that promise immediate and durable improvements in the lives of people and renewed hope for the achievement of the development goals. ..."

In Montenegro, UNDP is involved in a multi-partner Capacity Development Programme that supports the Government's public administration reforms. It has in-built mechanisms and procedures designed to ensure full participation by all the partners in key operational, as well as, overall policy decisions. The CDP delivers a wide range of technical assistance and support to the beneficiary ministries, a considerable amount of which is in the form of 'soft services' such as coaching, mentoring, team building. This has facilitated the overall transfer of know-how, learning and the mainstreaming of advice and other forms of assistance/outputs into ministry operations. CDP offers an example of what can be achieved by a relatively modest and lightweight, but speedy and flexible pilot programme response to urgent needs in a complex and rapidly changing policy environment.

4. Capacity to Budget, Manage and Implement

This category includes process management capacities that are essential in the implementation of any type of policy, legislation, strategy and programme. It also includes execution aspects of programme and project implementation; costing of capacity development activities; mobilization and management of human, material and financial resources; and selection of technologies and procurement of equipment. Core management functions, such as public financial management and procurement are the main focus, as well as other conditions that facilitate the implementation of policies, strategies and programmes and effective service delivery.

Pointers for Capacity Development:

- Implementing programme activities through national structures and systems and mobilising local capacity as a matter of principle
- Working with programme-based approaches (PBA)
- Paying attention to demand-side constraints, not only to supply-side constraints, such as lack of appropriate skills or inefficient business processes
- Identifying innovative ways to mobilize knowledge and expertise

Implementing programme activities through national structures and systems and mobilising local capacity as a matter of principle

- In so doing, a balance needs to be struck between seeking to achieve physical results on the ground as quickly as possible, while at the same time ensuring that capacity development of national systems and processes remains a clear priority. This also forces critical thinking about absorptive capacity—an issue central to the realization of the Millennium Development Goals, but also about creating the incentives and opportunities for local organisations (private and non-profit) to participate more actively in the supply of services, including those for capacity development.

Working with programme-based approaches (PBA)

- By favouring domestic institutions, PBAs establish a tight link with the capacity development agenda. In particular, because PBAs succeed to the extent that local organisations have the capacity to deliver, the incentive for all parties to promote capacity development processes in those institutions is raised. PBAs can also guide capacity-strengthening activities to address needs at all levels and across all stakeholder groups, thus providing a more strategic context for examining capacity constraints. By channeling external financial and technical resources through national organisations and systems, the multiplication of funding sources and management arrangements is avoided. Diversion of scarce human resources to diverse donor-driven priorities is also avoided. They can also be used to promote [public-private partnerships](#).

Paying attention to demand-side constraints, not only to supply-side constraints, such as lack of appropriate skills or inefficient business processes

- Demand-side constraints, such as weak or perverse incentives (pay; conditions of service; management style, including non-transparent recruitment practices; corporate values, etc.) may cause problems of low productivity, skills retention and brain drain. Incentive issues should be addressed in a systematic and coordinated manner and in alignment with nationally led schemes. Ad-hoc salary top-ups that distort local compensation schemes and make it more attractive to work for donor programmes than for local organisations should be avoided in favour of schemes harmonised with government leadership. Programme Implementation Units¹⁴ that create parallel structures and reliance on the use of long-term Technical Assistance as a substitute for local capacity should be avoided whenever possible. Yet, integration of technical assistance (TA) through gap-filling “without shame” is preferable to parallel structures.

Tanzania institutionalized a nationally owned system of incentives within the public service. The Selective Accelerated Salary Enhancement scheme (SASE) exemplifies a possible solution to addressing salary incentive problems within the wider context of pay reform and is part of the overall government’s Public Service Reform Programme.

In [Timor Leste](#), UNDP implements the project on Capacity Development for Human Resource Management in the Civil Service. Among other things, the project includes support in drafting the Civil Service Act, which guides the work ethics and performance of civil servants. The project improves the systems of the staff selection and also mobilizes a pay and compensation specialist to review and propose the salary structure and reward and promotion system. For more information see [John Vong “Integrating Civil Service Reform into Sustainable Capacity Development Framework in Timor-Leste”](#).

In Georgia, UNDP helped set up an innovative capacity development fund to enable Georgia’s new government to secure the talent and advice needed to enact ambitious reforms. Success with salary supplements confounded conventional UNDP wisdom, providing a potential model for similar efforts elsewhere. Lessons from this experience suggest that at a minimum, salary supplements should be a) strategically applied and explicitly linked to the government reform programme; b) linked to the function rather than the person; c) closely linked to performance with monitorable indicators; d) implemented in coordination with other donors to ensure equal conditions and salary scales; and e) of limited duration and of a phase-down character.

The National Institute of Public Administration (INTAN) in Malaysia revised its civil service training for the public service in the early 1990s, introducing more analytical skills, introduction of case study materials from across countries, more problem solving techniques and less emphasis on lectures, and a focus on new management techniques. In-service training was also upgraded and more scholarships provided for select overseas training for middle and senior public managers. The Code of Conduct and Client Charter for Public Service was introduced in 1993 and the New Remuneration Policy in 1994 (under the Malaysia Incorporated policy), which then provided increased civil service salaries in line with the business sector and introduced service innovation awards to the top public sector entities, based on performance criteria. Performance of the public sector administration, as measured through increased efficiency of work practice, coverage in the delivery of services and customer satisfaction, has risen since.

Identifying innovative ways to mobilize knowledge and expertise

- Globalization and the ICT revolution have created unprecedented opportunities to harness knowledge through networks and partnerships that bring together communities of practice from across the world, and for accessing information over the Internet and for distance learning. Harnessing the expertise and knowledge of diasporas through formation of knowledge networks, or through reward schemes that attract skilled personnel can also be considered. These can be a powerful resource of global

¹⁴ [UNDP’s Practice Note on the PIU Dilemma: How to Address Project Implementation Units](#).

expertise for developing countries as experience in every region shows the crucial role that members of the diasporas have played in enhancing capacity. Tapping into their experience and networks and engaging them in their own countries are important considerations for capacity strategies. South-south cooperation, as a sharing mechanism of expertise between developing countries in the context of development cooperation, offers the potential for even greater transfers of knowledge, skills and lessons of development practice. This is evident in the increasing quality and quantity of exchanges between developing countries, within and across regions, as demonstrated in the RBLAC Knowledge Fair. Understanding and supporting the capacity needs of these emerging south-south alignments and partnerships in international development and trade are a key part of the new challenge.

In Kosovo, the Capacity Building Fund supported by UNDP and the OSI provides a variety of flexible and tailor made support initiatives to strengthen the capacity of central and local government agencies. Focusing on hands-on learning and mentoring to senior and mid-level civil servants, the facility has drawn on the expertise of the Kosovan diaspora that offers know-how, modern management techniques, positive workplace attitudes, and a commitment to cooperation and team work.

Brazil, South Africa and India have formed a trade group (IBSA) to share learning and practices on trade and intellectual property rights, particularly in relation to generic drugs and the service industry.

Thailand provides technical and management training for Laotian and Vietnamese state and non-state sector agencies to help improve marketing and business skills development in the two countries. China and India provide multiple scholarships a year to the two countries for higher education. These technical cooperation programmes have been underway for over 50 years, albeit little is documented and their impact is not systematically measured.

During 2005, a Knowledge Fair was organized by RBLAC's local governance group in Rosario, Argentina. The City of Rosario was used as a good example for: (a) public health, (b) primary school education, (c) local employment, and (d) tending for children in a systemic way.

5. Capacity to Monitor and Evaluate

This pertains to the monitoring of progress, measuring of results and codification of lessons, for learning and feedback to ensure accountability to partners and the ultimate beneficiaries of development. It also covers results-based management and monitoring and evaluation systems, as a means of reporting to donors. It naturally links back to policy dialogue, planning and improved management of implementation through drawing lessons from experience.

Pointers for Capacity Development:

- Helping to develop transparent and open monitoring and evaluation systems
- Working toward a single reporting framework that satisfies both host country and donor requirements
- Reinforcing principles of mutual accountability and transparency in the aid relationship
- Supporting efforts to capture capacity development results

Helping to develop transparent and open monitoring and evaluation systems

- This enables stakeholders and ultimate beneficiaries (intended clients or end-users) to participate in reviewing progress and expressing their level of satisfaction with participation in decision-making; the scope, access and quality of service provision; and service delivery. This is fundamental to dialogue processes and to creating the envisaged partnerships. Transparent M&E systems provide an important upward pressure to perform, while creating a stronger sense of civic responsibility within society at large. It is important to understand that results-based management systems can easily distort capacity development objectives towards quickly measurable impacts. On the other hand they

can encourage performance improvement, transparency and accountability and offer development stakeholders opportunities for alignment as well as a framework for strengthening national capacities for monitoring and reporting. With the expansion of various forms of programme aid, Public Expenditure Reviews (PERs) are becoming an important instrument.

In Viet Nam to enhance the coordination of development assistance with national development efforts, UNDP supported a government [Review of Public Expenditure](#) (PER) to improve the efficiency and allocation of government expenditures and enhance the coordination of national and international development efforts. The Government of Viet Nam has consequently asked UNDP to provide assistance to help build [capacity in the Ministry of Finance and in other relevant agencies](#) using a comprehensive package of measures, including the development of PER Guidelines and training of Government officials.

In the Philippines, the three-point Strategic Governance Agenda supported by UNDP has led it to play a major role in strengthening the capacity of the new NGO, “Procurement Watch”, to carry out its important training and monitoring activities and to help it influence the future course of procurement reforms in the Philippines, showing among other things, that the CSOs have a role to play in procurement management.

Citizens grading government agencies on their performance and publishing the results in the mass media—this is the essence of the report card methodology initiated by the Public Affairs Centre in Bangalore. The centre conducts client satisfaction surveys among lower income groups, assessing their approval of public service providers, such as electricity and water supply departments. The findings are publicly shared as report cards, setting new standards of public accountability. A credible methodology of surveying, tabulation and quantitative analysis underpins the approach, and the report card experience has now been replicated worldwide.

Working toward a single reporting framework that satisfies both host country and donor requirements

- PBAs again offer a testing ground for making progress here by establishing a common reporting framework that responds to a policy and operational framework that is country-led and for which there is shared and mutual accountability for results. Equally, it creates the incentive to strengthen national systems—whether in terms of enhancing internal systems of performance measurement (e.g., RBM type systems focusing on results), or in terms of strengthening the oversight function of parliamentary committees and civil society. Shifts toward a common monitoring and reporting system help avoid fragmentation of effort and information that so easily undermines local capacity, ownership and opportunities for learning, while placing the ultimate responsibility in the hands of national authorities/stakeholders.

UNDP supports the production of the annual Development Cooperation Report (DCR) in many countries. The DCRs provide one of the main sources of consolidated information on donor funding and activities. UNDP’s service of compiling the report is especially useful where it is difficult to access information from the government in an aggregated, user-friendly format. Government, international donors and other stakeholders engaged in the dialogue on aid effectiveness use these reports. In Egypt, UNDP [provided capacity development support for aid coordination to the Ministry of International Cooperation](#), which currently produces the report on development cooperation.

Following the floods and cyclones of 2000 and 2001 in Mozambique, the government set in motion a post-flood reconstruction programme, quickly revealing its leadership, as well as its ability to rally the international community and perform a number of functions efficiently and transparently. Strong government commitment to programme goals provided the incentive for donors to pledge significant resources and agree to work largely through the national system, including the government’s budget. In turn, this helped strengthen accountability and

transparency, while avoiding complex and multiple funding arrangements. The establishment of a parliamentary task force to oversee the programme further ensured that the government was not only held to account by its external partners, but also by the country's legislators.

Reinforcing principles of mutual accountability and transparency in the aid relationship

- The very principle of partnership assumes a mutual commitment to the realization of common objectives, as well as a shared responsibility for results. Common reporting systems should be promoted as a way to build a balanced partnership, thus doing away with artificial attribution of results and the use of reporting systems that respond to the needs of only one party. Independent monitoring of the development partnership could be considered as an innovative way to level the playing field between donor and recipient and hold both sides accountable in terms of processes and results. It helps both partner countries and donors achieve desired results by establishing clear and objective benchmarks. It also helps overcome the inherent imbalance between donors and recipients and the sensitive nature of issues that need to be tackled. The example of Tanzania shows that significant added value can be derived from regular, independent monitoring of existing commitments.

In Tanzania, UNDP is supporting the [Independent Monitoring Mechanism](#) – a group of high-level international and national specialists with a mandate to scrutinize the country's aid relations. This independent monitoring has contributed to "leveling the playing field," resulting in improved national leadership, greater trust and increased aid effectiveness.

Supporting efforts to capture capacity development results

- By its nature, capacity is less easy to measure than conventional development results. Progress and results in capacity development are about attitude and behavioral change, about shifts in roles and responsibilities, and over time, about widening opportunities and choices for a greater number of people. In the interim, one could expect reversals in some capacities and growth in others. Greater efficiency in management practice, increased participation of civil society in decision making, greater public access to budget and policy information—these are not always easy to measure, and proxy indicators would often benchmark progress and results. What kinds of indicators are therefore appropriate for tracking progress in capacity development, and what are the implications for results-based management? Development partners are challenged to identify appropriate indicators for benchmarking capacity development and related process outcomes that can be used for tracking progress and for fiduciary control. Equally, the use of monitoring and reporting promotes organisational and system learning. Monitoring and evaluation are also primary tools for learning and adjusting to evolving conditions, and therefore have great potential as a management tool to promote internal learning that is fundamental to capacity development. The challenge is to balance the needs for external monitoring and reporting with the potential role in internal learning.

The UNDP project "Strengthening the capacities of the National Assembly and People's Councils in Viet Nam in examination, decision and oversight of the State Budget" developed a set of indicators for benchmarking capacity development.

One of the institutionalized mechanisms for South-South exchange and learning is the African Peer Review Mechanism (APRM), an initiative of NEPAD. The APRM is the mutually agreed instrument for self-monitoring by the participating member governments. Within the APRM framework, members are subject to scrutiny by other African countries, accessing the conformity of policies and practices to the agreed norms. One of the objectives of APRM is self-reliance and building capacity for self-sustaining development.

IV. CAPACITY DEVELOPMENT STRATEGIES FOR PRIORITY CAPACITY INVESTMENTS

Capacity development is a central dimension in all of UNDP's functions and cuts across all practice areas. As such it is everybody's business and responsibility to support it effectively. UNDP is institutionalizing its global experience and available instruments to promote a more systematic approach to capacity development across practices and programmes. The UN system can be a key partner to support the strengthening of national systems and tools in the priority areas identified in-country, and in helping to integrate and cost capacity objectives into any national, sector or thematic strategy.

Key Characteristics of Capacity Development Strategies

- They take a systemic approach to the capacity assets and needs in a country
- They require the engagement of multiple stakeholders, often across sectors, for integrated development
- They seed and support longer-term endogenous processes, and hence entail a mapping and understanding of endogenous capacities
- They guide and systemically strengthen specific skill sets in a results-based management approach (be it in a local and national setting)
- They facilitate information and knowledge sharing in the public domain, particularly to facilitate innovation and engagement on the political economy

The following capacity development strategies may be applied to address capacity development needs in a variety of sectors that speak to integrated approaches to development. Selection of capacity development strategies should be predicated upon findings from a capacity assessment exercise:

Knowledge Services and Learning:

Large group training, technical and tertiary education, on-the job skills transfer, focus groups...

Incentive Systems:

Salary supplements, non monetary benefits, pay and compensation...

Leadership Development:

One-on-one coaching, mentoring, management skills development...

Mutual Accountability Mechanisms:

M&E processes, social watch, peer and partner reviews...

Multi-stakeholder Engagement Processes:

Process facilitation, institutional twinning, e-networks, community dialogue spaces, integrated planning and problem analysis...

Institutional Reform and Change Management:

Results-based management, performance management systems, functional reviews, PAR in transitions, procurement services...

Capacity Diagnostics:

Needs and capacity assessments, measurement and monitoring, advisory services, local R&D...

UNDP can apply a combination of these strategies, or elements and instruments of them (on-the-job skills transfer, process facilitation, etc.) to provide capacity development services in the following areas, where it has a comparative advantage through its policy expertise, knowledge base and on-the-ground programme experience. The following applications are not intended to represent an exhaustive list, but areas of UNDP focus and expertise.

- Strengthening national and local government and non-state actor **capacities for statistical literacy and policy analysis** to provide policy options to government, NGOs and the legislature (in areas,

such as pro poor macro policy and fiscal space, access to energy and water services; HD impact of HIV/AIDS, trade, employment).

- Developing more effective **national aid policy and management capacities** to access, negotiate, coordinate and manage the needed development finance in order to reach the MDGs, including through direct budget support, private sector investments, sustainable debt management and remittances. This includes promotion of dialogue between domestic and external partners and facilitation of independent monitoring and peer review mechanisms, as relevant. UNDP supports the establishment of locally owned aid coordination and management systems and tools, and strengthening government capacities to follow up on the [Paris Declaration on Aid Effectiveness](#).
- Strengthening **democratic governance capacities** by reinforcing the capacity of societal/local change agents to effectively engage and demand more equity based development choices and services. UNDP's role as an impartial partner in engaging on issues of key governance reform and deepening democracy remains an area of highest priority. Support to human rights institutions, rule of law and anti-corruption mechanisms, judiciary and legislative bodies, office of the ombudsman, capacity strengthening of the electoral and political party systems, and to local governance remain high on the agenda. This work focuses on domestic and international accountability, of a government to its people, and of a country to its international obligations.
- Supporting the inclusion of short- and long-term capacity development strategies into **MDG-based national plans and PRSs**. This includes long-term visioning, medium-term development planning, sector strategy development and review, development target-setting, MDG needs assessment, capacity assessments and monitoring of development results. UNDP support in the area of MDG assessments and target setting includes helping governments reconcile various regional and international commitments made with their own national priorities and targets (MDGs, PRSPs, EU accession criteria, NEPAD commitments, global environment conventions, etc.).
- Strengthening **national procurement capacities** to deliver essential development services, including those financed through new aid modalities, such as the Global Fund for AIDS, TB and Malaria and capacities for supply chain management for generic drugs and ARVs. Assistance to governments in implementation service capacities, at both central and sub-national levels is a key area for UNDP support. This is critical for the scaling up of development finance and its utilisation for MDG-based results. Both state and non-state entities can be supported through a package of services offering capacity development and direct service support to overcome delivery obstacles in the short and long run. This includes support to the operational areas of procurement standards, fund management and contracts administration. It also includes reviewing supply chain management constraints and facilitating the opening up of supply bottlenecks. Such an Offer of Service, as conducted in Sierra Leone¹⁵, Sudan and Angola, would include on-time capacity development in each of these areas, such as on-the-job skills training, exchange of experiences with other countries, and operational knowledge transfer on project management, monitoring systems and procurement procedures. Exit strategies for support to such implementation services must be agreed upon on the outset by both the government and donors. Ongoing work in the Latin America and Africa regions (ARMADA initiative) attest to UNDP's valued role in assessing and strengthening national procurement services, legislation and oversight systems, while providing direct procurement services where such still remains under required standards.¹⁶
- Promoting **local-level integrated development through** MDG target setting, integrated planning, strengthening local administration and public-private partnerships for service delivery. The Capacity 2015 programme and trust fund is a key component of UNDP's work in capacity development and focuses directly on local capacity development by working with partners in scaling up and sustaining capacity development investments and results at the community and sub national levels, with linkages to national policy and strategic frameworks. Capacity 2015 offers services under 4 main objectives: 1) Empowering local communities through participatory policy dialogue and strategy options on the MDGs; 2) Strengthening local capacities for integrated planning and MDG strategies for local

¹⁵ Refer *Support Services for Improved Efficiency of Project Implementation in Sierra Leone*, UNDP 2005.

¹⁶ A current UNDP initiative, with IAPSO as implementing partner, is analyzing the value added roles and practice on procurement capacity development across region. 'Procurement Capacity for Development', BDP/UNDP. March 2005

development; 3) Facilitating capacity investments in institutions of service delivery; and 4) Codifying local knowledge, promoting learning and experience sharing at local levels.

- Prioritizing capacity development strategies in **fragile contexts and transitional states** to support leadership and accountability mechanisms, conflict resolution and resilience facilities, and public administration reform, using CD Facilities as needed. This includes resilience-building efforts to prevent, withstand and overcome emergencies, natural disasters, wars and protracted civil conflict.
- Engaging substantively on the agenda of **fiscal and administrative decentralisation**, to ensure state agency responsiveness, accountability and transparency to their clientele, and the enabling reforms at the national level that make this happen. Decentralisation strategy that responds to absorptive capacity constraints and opens up the flow of funds to sub-national levels is an area of increasing need. The measure of transparency and accountability in fiscal decentralisation and funds management at sub-national levels is often a prerequisite for access to funds. Support to local development funds is an effective mechanism in this regard, for both local investment and capacity development. Inherent in support to administrative reform initiatives is the concept of incentives. A culture of professionalism, merit based promotions and adequate compensation can contribute to a positive pattern of incentives. National audit requirements that comply with international standards is a key area of support, extending to the supreme audit institutions to ensure independence of the audit functions, technical support to data and reporting systems, and training of national audit personnel.
- Enhancing national and local level state-citizen **accountability processes and mechanisms** for state-people mutual accountability and oversight, such as independent commissions, watchdog institutions and public access to information.

For the above to be effective and with a sustained level of commitment and engagement from all parts of the organisation, capacity development policies and measures must be well mainstreamed into all UNDP core practice areas, with priority in the substantive areas mentioned above, as well as into UNDG harmonisation efforts and procedures. To mobilize UNDP's potential impact on capacity development, it is necessary to focus attention and resources horizontally and vertically. Horizontally means across regions and practices and involves: a common capacity development focus on diagnostics, overall strategies for learning and skills development, common approaches to incentive systems, and indicators for monitoring capacity development. "Default" capacity development methodologies and tools to support much of the above are becoming more available, including on capacity diagnostics. These methodologies and tools vertically cover specific capacity development interventions required within the needs of each programme and policy and resources area; based on the horizontal common ground, each service line can better define what capacity development means in that context to attain the required results.

Similarly, this requires that the relevant partnerships be brokered and supported, with development partners, twinning arrangements among southern and northern institutes, information and learning platforms that include CSOs, donors and government agencies, to support capacity development investments and knowledge-sharing on a regular basis. This includes specific partnership platforms, such as Capacity 2015, the Southern Africa Capacity Initiative (SACI), the GEF national capacity self-assessments, UN efforts on procurement standards and capacity development, to name a few.

The analysis of capacity constraints and opportunities and the identification of appropriate responses need to be embedded in the UN system's mainstream programme and advisory support at country level. In December 2004, the General Assembly, in its resolution (A/RES/59/250) on the Triennial Comprehensive Policy Review (TCPR) on operational activities, reinforced the importance of "national capacity development" as the central development cooperation goal of the United Nations system. UNDP's own multi-year funding framework (MYFF) fully recognizes that the development of national capacities is a key driver of UNDP assistance. The immediate challenge for UNDP and for the UN development system is to ensure its support to programme countries' priorities and successfully address the underlying cross-sectoral national capacity conditions that impede or offer opportunities for progress on the MDGs.

This will also contribute toward positioning not only UNDP, but the wider UN development system, as a major substantive partner in the national articulation of MDG-framed poverty reduction strategies, with a focus on the national capacity development strategies that must be embedded within them. Particularly at a time when budget support and sector-wide approaches (SWAs), WTO and EU accession, peace and security increasingly dominate national and donor efforts toward reform at the country level, the role of UNDP will increasingly be to support national leadership, policy making and implementation capacity in this changing development finance environment.

The following table details some of the components of capacity development strategies and the corresponding categories of CD knowledge products that CDG is working on.

Figure 3: Capacity Development Strategies and Products¹⁷

← CD PRODUCTS →

CD STRATEGIES ↓	CD POLICY NOTES	CD RESOURCE GUIDES AND TOOLS	CD EXPERT ROSTERS	CD WEBSITES & NETWORKS	CD RESEARCH & CASE STUDIES
KNOWLEDGE SERVICES AND LEARNING		●	●	●	●
INCENTIVE SYSTEMS	●		●		●
LEADERSHIP DEVELOPMENT	●	●	●	●	●
MUTUAL ACCOUNTABILITY MECHANISMS	●	●	●	●	●
MULTISTAKEHOLDER ENGAGEMENT PROCESSES		●	●	●	●
INSTITUTIONAL REFORM AND CHANGE MANAGEMENT			●	●	●
CAPACITY DIAGNOSTICS	●	●	●	●	●

¹⁷ This figure reflects work in progress. As products and services come online, this will be further populated.

V. PARTNERS AND RESOURCES

These sites and references provide access to many more capacity development resources available within UNDP and outside for knowledge sharing, diagnostics, programme design, monitoring and so on.

[UNDP Capacity Development Website](#) The content focus of the UNDP Capacity Development website carries the latest documentation on CD issues, produced by UNDP with links also to other development agencies, think tanks, etc. The website provides an overview of the main global programmes operated by the BDP's Capacity Development Group, including CD policy; capacity diagnostics; aid effectiveness; operational policies and procedures; Capacity 2015; PPPUE; and private sector development.

[UNDP Capacity Development Expert Roster](#) This is UNDP's capacity development expert roster, which is a compendium of the CVs and profiles of potential consultants who are experts in various areas of capacity development issues. They link to expert sources and referrals from each region. The expert profiles in this roster are organized by expertise area. When doing a search for an expert, relevant professional information about the expert will be displayed, as well as a link to the expert's CV.

[Development Gateway Site on Capacity Development for the MDGs](#) The topic page "Capacity Development for MDGs," co-managed by UNDP, WBI and the Global Development Gateway, aims to provide information on the capacities and tools that developing countries need to achieve the MDGs. This site is a clearinghouse of information on CD. A regular service informs about new postings.

[Capacity.org](#) is a quarterly journal on capacity development that connects practitioners to ongoing policy debates, and shares good practice and insights on cutting edge topics. Started some six years ago by the European Centre for Development Policy Management, Capacity.Org is now jointly published as an expanded web and print magazine by ECDPM, SNV Netherlands and UNDP. The print journal will have twice as many pages, and is going to be more easily accessible both in design and in the level of abstraction of the content. The current website will be replaced by a built on open-source software, in English, French and Spanish.

[CIDA CD Extranet](#) The purpose of the capacity development (CD) extranet site is to share information and analysis on capacity development in development cooperation. The audience includes CIDA's CD network, other CIDA personnel, and CIDA's partners in development in Canada and abroad. Requires user registration.

[Capacity Development Resource Centre – World Bank Institute](#) The Capacity Development Resource Center provides an overview of case studies, lessons learned, "how to" approaches, and good practices pertaining to capacity development. It also includes links to international and local capacity development agencies and other knowledge sources including working papers, recent books, strategy notes, and diagnostics.

[Impact Alliance](#) The Impact Alliance is the first global capacity building network committed to bringing the know-how of hundreds of leading organisations from all sectors of development to your door. This initiative is hosted by PACT. Sign in to access high quality technical assistance, collaborate with peers, or exchange ideas, tools, training curricula and publications on capacity building.

[Devaid](#) Devaid is a new UNDP website focusing on aid coordination and management. It is designed to support the implementation of the Rome Declaration on Harmonisation and follow-up on the findings of the Millennium Project in a very pragmatic way. The website aims to facilitate the sharing of knowledge, learning and cross-country fertilization of experiences, concepts and activities. In this way we intend to develop a community of practice.

[Intrac - Praxis](#) The PRAXIS Programme is about enabling Civil Society Organisations (CSOs) to become more effective by linking theory and practice—researchers and practitioners—in the field of organisational capacity building. In particular, Praxis is about giving practitioners with "hands-on experience" in different cultures and contexts, an opportunity to share the solutions they develop in the course of their work.

ANNEX 1**Capacity Development – Case Experiences**

A portfolio of capacity development case experiences from around the world can be viewed at www.capacity.undp.org with particular attention to the cases in the following 3 books produced by UNDP:

Capacity for Development: New Solutions to Old Problems

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5017>

Developing Capacity Through Technical Cooperation: Country Experiences

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5016>

Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development?

<http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=5015>

A SELECTION OF THE COUNTRY CASES

1. AFGHANISTAN: Local capacity grows amidst conflict and collapse of central authority
2. BHUTAN: A national vision guides progress and technical cooperation
3. BOLIVIA: Citizens exercise their right to be involved in the aid system
4. BRAZIL: *Bolsa Escola* helps mothers send children to school
5. BRAZIL: How participatory budget-making can improve the quality of life
6. CAMBODIA: Angkor Wat combines conservation with community participation and innovative development
7. CAMBODIA: Decentralization lays foundation for reconstruction and governance
8. CAMBODIA: A framework to enter the arena of world trade
9. CHINA: Exposure visit for officials facilitates profound policy change
10. CHINA: Investing in pharmaceutical research capacity to compete globally
11. EAST TIMOR: Volunteers ease the transition between war and reconstruction
12. ECUADOR: National dialogue rallies consensus on sustainable development
13. EGYPT: A confident community learns to manage its environment
14. EGYPT: Governorate Human Development Reports provide analysis at community level
15. ESTONIA: The innovative use of foundations to implement national policies
16. ESTONIA: Tiger Leap brings the benefits of ICT to everyone
17. ETHIOPIA: A PRSP encounters the constraints and promises of participation
18. GUATEMALA: Coordination and Flexibility help civil society broker trust after war
19. GUINEA BISSAU: Building a research institution in an inhospitable environment
20. HONDURAS: Democracy Trust backs national consensus amidst volatile politics
21. INDIA: Citizen report cards to improve public service performance
22. INDIA: Public hearings arrest corruption in Rajasthan
23. INDONESIA: Decentralization starts with assessing current capacities
24. JORDAN: Diving club evolves into influential actor on coastal management
25. JORDAN: A non-threatening approach to interdisciplinary collaboration
26. LAOS: A team approach aligned to the local decision-making style
27. MALAWI: Facing capacity erosion in the public sector
28. MALAYSIA: Raising the capacity of marginalized groups to facilitate class mobility
29. MONGOLIA AND MOROCCO: MicroStart backs business plans of leaders with vision
30. MOROCCO: Clear decisions on telecommunications power economic growth
31. MOZAMBIQUE: Bringing back justice, law and order tests long-term commitment
32. MOZAMBIQUE: Effective budget support for post-flood reconstruction
33. THE PHILIPPINES: Accenture's strategy to attract and retain local talent
34. THE PHILIPPINES: Civil society puts a watch on public spending

- 35. THE PHILIPPINES: The long road to reliable agricultural statistics
- 36. RWANDA: Ubudehe collective community action holds hope for rebuilding a shattered society

- 37. SOLOMON ISLANDS: Connectivity Is the Option for Remote Islanders
- 38. SUDAN: Future search technique creates a vision for peace
- 39. TANZANIA: From “top-ups” to sustainable incentives for civil servants
- 40. TANZANIA: Independent monitoring holds a government and its partners to account
- 41. TANZANIA: Twinning institutions with trust and equity
- 42. TURKEY: City dwellers transform municipal governance
- 43. UGANDA: Developing the capacity for decentralization and local governance
- 44. UKRAINE: Leadership transforms awareness and roles in the fight against HIV/AIDS
- 45. VENEZUELA: the oil industry flourishes, along with national capacities to serve it
- 46. YEMEN: PRSP preparation paves the way for inclusive policy-making

REGIONAL AND GLOBAL CASES

- 47. AFRICA: Afrique en Création supports cultural expression and exchange
- 48. AFRICA: Private-sector growth begins with better managers
- 49. SOUTH AFRICA: Poor people fight for their space through organized fora
- 50. SOUTH AFRICA: Women analyse the budget, and Parliament heeds the gaps
- 51. WEST AFRICA: Action research teaches problem solving on the job
- 52. WEST AFRICA: Harvesting a new rice through south-south cooperation
- 53. EASTERN EUROPE: IPF Initiative facilitates research and curb brain drain
- 54. SOUTH-EAST EUROPE: A virtual meeting place for education reformers
- 55. GLOBAL: Corporate social responsibility at the Body Shop
- 56. GLOBAL: Training moves in new directions thanks to ICT

ANNEX 2**Bibliography**

Below is the bibliography for this Practice Note. For more resources on capacity development, please consult the online resource library at www.capacity.undp.org. It may be also helpful to consult the [UNDP Navigation Guide to Capacity Development Resources](#) as a way of navigating key capacity development websites. In addition, the [UNDP Resource Catalogue on Capacity Development](#) contains a compendium of various capacity development resources, including books, journals, guides, etc.

UN/UNDP Publications

Berg, Elliot, and the United Nations Development Programme (1993). *Rethinking Technical Cooperation: Reforms for Capacity-Building in Africa*. New York: UNDP and Development Alternatives International.

[Browne, Stephen \[Editor\] \(2002\) and UNDP. *Developing Capacity through Technical Cooperation: Country Experiences*. UNDP/Earthscan.](#)

[Fukuda-Parr, Sakiko, Carlos Lopes, and Khalid Malik \(Editors\) and UNDP \(2002\). *Capacity for Development: New Solutions to Old Problems*. UNDP/Earthscan.](#)

Hauge, Arild (2002). "Accountability – to What End?" [UNDP Development Policy Journal vol. 2](#), 73-94. New York: UNDP.

Hilderbrand, Mary E. and Merilee S. Grindle (1994). *Building Sustainable Capacity: Challenges for The Public Sector*. Management Development and Governance Division. New York: UNDP.

[Lopes, Carlos, Thomas Theisohn and UNDP \(2003\). *Ownership, Leadership and Transformation: Can we do better for Capacity Development?* UNDP/Earthscan.](#)

Morgan, Peter (2002). "Technical Assistance: Correcting the Precedents." [UNDP Development Policy Journal vol. 2](#), 1-22. New York: UNDP.

United Nations (2000). General Assembly Resolution 55/2. United Nations Millennium Declaration. A/RES/55/2. United Nations, New York.

[United Nations \(2000\). *Millennium Development Compact*.](#)

United Nations (2002). Operational Activities of the United Nations for International Development Cooperation: United Nations System Support to Capacity Building, Report of the Secretary-General, United Nations-Economic and Social Council, E/2002/58, New York.

[United Nations \(2002\). *Monterrey Consensus*.](#)

[UNDP \(1998\). *Capacity Assessment and Development in a Systems and Strategic Management Context \(Technical Advisory Paper No. 3, Management Development and Governance Division, UNDP\)*.](#)

[UNDP \(2000\). *Development Effectiveness: Review of Evaluative Evidence*. New York: UNDP.](#)

[UNDP \(2004\). *Human Development Viewpoint – Taking a Default Position for Capacity Development*.](#)

[UNDP \(2003\). *The PIU Dilemma: How to Address Project Implementation Units*.](#)

[UNDP \(2004\). *Public Administration Reform Practice Note*.](#)

UNDP (2005). Human Rights Based Approach. Capacity Development Resource Guide.

[UNDP \(2005\) *Capacity Assessment Practice Note*](#)

Other Publications

[DAC/OECD \(2006\). The Challenge of Capacity Development: Working Toward Good Practice](#)

[DAC/OECD \(2005\). Good Practice paper on Procurement Capacity Development.](#)

[DAC/OECD \(2003\). Strengthening Trade Capacity for Development.](#)

[DANIDA \(2005\). A Results-Oriented Approach to Capacity Change.](#)

[DFID \(2001\). Making Government Work for Poor People – Building State Capability.](#)

[DFID \(Undated\). Promoting Institutional and Organisational Development – A Source Book of Tools and Techniques.](#)

European Commission (2005). Institutional Assessment and Capacity Development: Why, what and how? Aid Delivery Methods Concept Paper.

Fukuyama, F. (2004). State Building: Governance and World Order in the 21st Century. Cornell University Press.

[High-Level Forum \(2005\). Paris Declaration on Aid Effectiveness](#)

[IDS \(2005\). Signposts To More Effective States: Responding To Governance Challenges In Developing Countries.](#)

[International Symposium on Aid Effectiveness and capacity Development – Manila 2003.](#)

[International Symposium on Capacity Development - Exploring Productive Partnerships – Tokyo 2004](#)

[ODI \(2005\). Scaling Up *Versus* Absorptive Capacity: Challenges And Opportunities For Reaching The MDGs In Africa. Briefing Paper.](#)

[Schacter, M. \(2000\). Capacity Building – A new way of Doing Business for Development Assistance Organisations Policy Brief No. 6.](#)

[UNFPA \(2004\). UNFPA's Support to National Capacity Development Achievements and Challenges.](#)

[Boesen, N. \(2004\). Enhancing Public Sector Capacity - What Works, What Doesn't and Why?](#)

[World Bank \(2005\). Building State Capacity in Africa: New Approaches, Emerging Lessons.](#)

[World Bank \(2005\). Capacity Building in Africa – An OED Evaluation of World Bank Support](#)