

**CAPACITY ASSESSMENT
AND DEVELOPMENT**

In a Systems and Strategic Management Context

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Development practitioners are giving increasing attention to the issue of sustainability in development. Central to this concept is the issue of development of sustainable national capacities. The United Nations Development Programme (UNDP) has addressed this challenge by ensuring that:

- ▲ Development policies and programmes are pro-poor, pro-woman, pro-employment, pro-environment and pro-good governance.
- ▲ Technical cooperation facilitates rather than leads development efforts.
- ▲ Sustainable capacities are developed not only within the public sector, but also within others segments of society—particularly amongst civil society actors and the private sector.

This Technical Advisory Paper (TAP) focuses on assessing capacity development requirements and then planning for them in a manner that is sustainable. The concept of capacity development is applied in a comprehensive and integrative manner, where the varying dimensions of capacity at all levels of the public, private and civil society sectors must necessarily support each other for the achievement and sustainability of national development objectives. The guidelines presented in this Paper can be tailored to a wide variety of situations, and they are also designed to be used in conjunction with UNDP's programme approach.

As UNDP further moves to supporting broader national programmes over more sectoral or narrowly focused projects, it is important to ask how UNDP can simultaneously bridge and integrate the capacity requirements of complex systems and inter-relationships made up by the interaction of multiple actors from the public sector, private sector and civil society? Furthermore, how can maximum utilisation of existing capacities and knowledge be assured? Or how can one design capacity initiatives where the constant factor is change? These and other related issues are addressed in this Paper.

UNDP's Management Development and Governance Division (MDGD) has drawn extensively on management development and governance experiences in programme countries. It is yet another example of the new UNDP, which regularly learns from its own experiences and analyses them to develop new tools and methodologies in support of developing countries' priorities for sustainable human development.

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The purpose of this Technical Advisory Paper (TAP) is to help managers and other development professionals better manage **capacity assessment and development** initiatives. The Paper has extensively drawn upon UNDP's experiences in management development and governance programmes, as well as others, including the private sector.

For years UNDP has focused on assessing the capacities of institutions. In 1994 the Management Development and Governance Division (MDGD) prepared guidelines on "process consultancy" which emphasised the need for external actors to support national processes. The emphasis on processes and systems led MDGD to prepare these complimentary guidelines in broad consultation with country offices and programmes where MDGD has supported programme efforts.

These guidelines address the growing need of management development and governance programmes that are broad-based and involve a number of actors and institutions that work together in common systems (for example, judicial, financial, information, electoral, planning, decentralised systems). Other thematic areas can adapt and utilise these guidelines as well. In fact, development practitioners may wish to use this paper in conjunction with thematic-specific guidelines and best practices so that specific issues related to each theme can be addressed in the assessment methodology. This is not the only approach to assessing capacity requirements. There are others such as those for institution-building (e.g., UNDP's CAPbuild for Institutions) and participatory methodologies to assess the capacity requirements of communities. The nature of the project or programme should determine the best framework.

These guidelines are not a methodology per se, nor a prescribed set of rules and procedures to solve a problem. Rather, they present a range of tools, techniques and approaches which can be adapted to different situations. The approach of the guidelines requires a comprehensive understanding of capacity in both a strategic management context and at various levels: the **individual** level, the level of the organisation or **entity**, and the level of the broader **system** or enabling environment within which entities and individuals function. The guidelines examine varying **dimensions of capacity** at each level, all of which need to be integrated with the other. Only by looking at capacity in this broader, systems perspective can sustainable capacities be achieved.

Parts I & II of these guidelines are generic in nature: they can be adapted by almost any organisation or entity, in a programme or project context, to assess and develop capacities for most situations. **Part III** focuses on the special needs of National Programme Frameworks (NPF), the UNDP's special role in supporting such frameworks, and the relationship of the Programme Support Document (PSD) to NPF capacity initiatives.

As there is no panacea nor one-size-fits-all solution to assessing and developing capacity, common sense and judgement are required to adapt appropriate solutions to the needs of each particular situation. It is hoped that these guidelines will enable managers and other stakeholders involved in capacity initiatives to increase their own capacities in strategic management and to develop sustainable capacity successfully.

The UNDP task manager for this TAP was Bahman Kia and the consultant was Richard Flaman. Your comments and feedback will be invaluable to update and improve on these guidelines.

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ACRONYMS

MDGD	Management Development and Governance Division (of UNDP)
NGO	Non-governmental Organisation
NPF	National Programme Framework
PSD	Programme Support Document
SWOT	Strengths, Weaknesses, Opportunities, Threats
UNDP	United Nations Development Programme

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CAPACITY ASSESSMENT AND DEVELOPMENT IN A SYSTEMS AND STRATEGIC MANAGEMENT CONTEXT

PURPOSE OF THE GUIDELINES

The guidelines were developed to help managers and other professionals better manage **capacity assessment and development** initiatives. Such initiatives may involve development programmes, various types of technical assistance and other types of interventions. This requires a comprehensive understanding of capacity in a systems and strategic management context at various levels: the **individual** level, the level of the organisation or **entity**, and the level of the broader **system** or enabling environment within which entities and individuals function. The entity involved may be public, private, and civil society organisations. The guidelines examine varying **dimensions of capacity** at each level, all of which need to be integrated with the other. Only by looking at capacity in this broader, systems perspective can sustainable capacities be achieved. The guidelines are not a methodology per se, nor a prescribed set of rules and procedures to solve a problem. Rather, the guidelines present a range of tools, techniques and approaches which can be adapted to meet the unique requirements of different situations.

Having broad application, the guidelines will be of use to practitioners such as project and programme managers and experts who lead, manage or facilitate capacity initiatives. Also included would be team participants and the broader stakeholder community participating in or otherwise impacted by a capacity initiative.

The guidelines are also specifically geared to those who are involved in supporting the UNDP programme approach and in the formulation of UNDP programme support documents (PSD). This group of users would include government and/or national organisations responsible for national programme frameworks (NPF) and PSDs, UNDP local staff who are familiar with the programme approach, local and/or international consultants and experts, and other organisations or individuals involved in the process (e.g., participating donors).

STRUCTURE OF THE GUIDELINES

The complete set of guidelines (59 pages plus annexes) is divided into three main parts. **Parts I & II** are generic in nature: they can be adapted by almost any organisation or entity, in a programme or project context, to assess and develop capacities for most situations. **Part I** describes basic concepts and the systems/strategic management approach to capacity initiatives. **Part II** takes you through the logical phases of “*where we are now*,” “*where we want to be*,” “*how to get there*,” and “*how to*

stay there.” Special attention is given to *sustainability* and the *utilisa - tion* of existing capacities.

Part III focuses on the special needs of National Programme Frameworks (NPF), the UNDP’s special role in supporting such frameworks, and the relationship of the Programme Support Document (PSD) to NPF capacity initiatives. Five annexes to the guidelines cover a list of suggested reading, detailed descriptions on topics covered in the main body of the guidelines and a governance programme case example.

CAPACITY DEVELOPMENT DEFINED

Capacity is defined as the ability of individuals and organisations or organisational units to perform functions effectively, efficiently and sustainably. This implies that capacity is not a passive state but part of a continuing process and that human resources are central to capacity development. The overall context within which organisations undertake their functions are also key considerations in capacity development. Capacity is the *power* of something (a system, an organisation, a person) to perform or to produce.

*Capacity development*¹ is a concept which is broader than organisational development since it includes an emphasis on the overall *system*, environment or context within which individuals, organisations and societies operate and interact (and not simply a single organisation). In the case of development programmes, it includes a consideration of all factors which impact upon its ability to be developed, implemented and the results to be sustained. Of special concern to development planners and to situations where there are limited resources is the need to build on what exists—to utilize and strengthen *existing capacities*, rather than to start from scratch. The guidelines emphasize issues of capacity and sustainability at various levels, in a comprehensive and integrative manner. The guidelines can be adapted by practitioners to carry out capacity assessment and development in a wide variety of applications at the:

- ▲ *micro-level:* e.g., a community, Non-Governmental Organisation (NGO), an academic or training institution, a government ministry or agency, a parastatal entity, etc.;
- ▲ *meso-level:* e.g., sectoral initiatives such as health, industrial development, credit development; or regional/local initiatives such as local governance, municipal management; and

¹This is not much different than the OECD Development Assistance Committee (DAC) definition of Capacity Development, adapted by various donors, as “... *the process by which individuals, groups, organisations, institutions and societies increase their abilities to: (1) perform core functions, solve problems, define and achieve objectives; and (2) understand and deal with their development needs in a broad context and in a sustainable manner* .” This definition goes on to define **core capacities** of an organisation, or community, or sector, (or system) as consisting of:

- ▲ defining, analysing the environment or overall system
- ▲ identifying needs and/or key issues
- ▲ formulating strategies to respond to or meet needs
- ▲ devising or implementing actions; assembling and using resources effectively and sustainably
- ▲ monitoring performance, ensuring feedback, and adjusting courses of action to meet objectives
- ▲ acquiring new knowledge and skills to meet evolving challenges

- ▲ *macro-level:* e.g., national or cross-sectoral development programmes such as governance and public administration reform, environment, poverty alleviation, private sector development.

CAPACITY IN A SYSTEMS CONTEXT

Most capacity initiatives have traditionally focused their efforts on the entity (organisation, institution) or individual. Where entities and individuals function in a complex environment, or an environment of change, traditional approaches to capacity development have failed or were only partially successful because they did not take into account the broader system or environment within which they functioned. For example, a lot of technical assistance might be channeled into a particular government programme delivery organisation for training and building automated systems. However, where this is done at a time when the broader policy framework of government and society is pointing in a direction of decentralisation, downsizing and partnerships, then the capacity development initiative could well be counterproductive.

To address this issue, the guidelines allow you to address issues of capacity at both the individual and entity levels, as well as at the systems level in an integrated and logical manner. By definition, a system is a regularly interacting or interdependent group of items forming a unified whole. This can apply equally to the human world as it does to the physical world. Capacity is defined here in a *systems context* where a set of entities operate toward a common purpose and according to certain rules and processes. Let's look at each of these three levels in more detail.

Level 1—The System

The highest level within which capacity initiatives may be cast is the system or enabling environment. For development initiatives that are national in context (e.g., governance or environmental programmes), the system would cover the entire country or society and all the subcomponents that are involved. For initiatives at a sectoral level, the system would include only those components that are relevant (e.g., a rural development or decentralisation programme). This level includes both formal and informal organisations within the defined system.

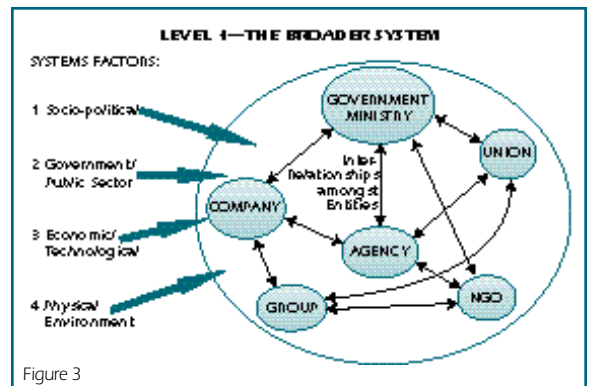


Figure 3

Capacity assessments at the systems level can be made according to relative strengths and weaknesses, as well as opportunities and threats (*SWOT*). As noted in the diagram, such an assessment can also be guided according to logical groupings of factors, which relate to the different dimensions within the system.

Dimensions of Capacity at the Systems Level

- ▲ *Policy Dimension:* systems have a purpose, they exist to meet certain needs of society or a group of entities. Also included are value systems which govern the entities within the system.
- ▲ *Legal/Regulatory Dimension:* includes the rules, laws, norms, standards which govern the system—and within which a capacity initiative is to function.
- ▲ *Management or Accountability Dimension:* defines who manages the system, and which entities or stakeholders function the system. From a capacity development perspective, this would identify who is responsible for potential design, management and implementation, coordination, monitoring and evaluation, and all other related capacities at the systems level.
- ▲ *Resources Dimension:* (human, financial, information) that may be available within the system to develop and implement the programme and/or the capacities.
- ▲ *Process Dimension:* the inter-relationships, interdependencies and interactions amongst the entities, including the fact that these may comprise subsystems within the overall system. This includes the inter-relationships amongst entities in terms of the flow of resources and information, formal and informal networks of people, and even supporting communications infrastructures.

Level 2—The Entity or Organisation

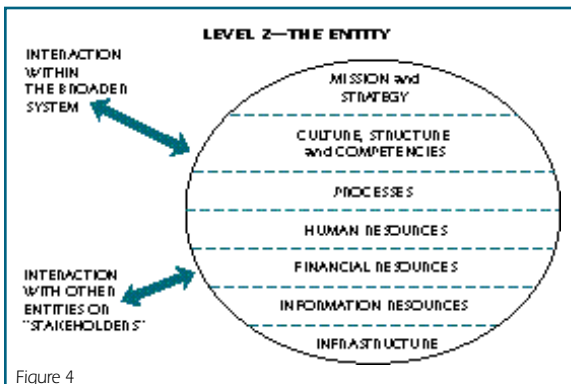


Figure 4

Whether an entity is a formal organisation (such as a government, or one of its departments, ministries or agencies), a private sector operation, or an informal organisation (e.g., a community based or volunteer organisation), there are typically several dimensions of capacity which need to be assessed and developed.

Traditional capacity development and organisational strengthening focus their development resources almost entirely on human resources, processes and organisational structuring matters. The more successful methodologies examine

all dimensions of capacity at the entity² level, including its interactions within the system, usually with other entities, “stakeholders,” or clients. This applies to organisational subunits within the entity (e.g., divisions, sections, units, workgroups and teams, etc.).

² For the purposes of these guidelines, the term *entity* is used synonymously with the term *organisation*, where the term organisation is defined as “... the rational coordination of activities by a group of individuals with the aim of achieving a common purpose” (taken from E. Schein, “Organizational Psychology,” Prentice Hall, 1979). In this sense, an entity may be a small unit such as a division or department among many within a larger entity, or it may be a large unit such as a Ministry within a government. As long as it fits with the definition, it may be classed as an entity.

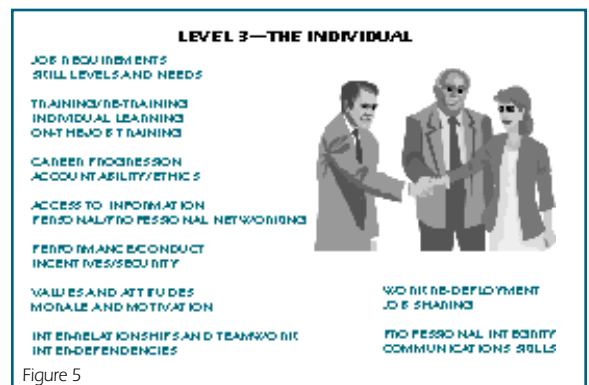
Dimensions of Capacity at the Entity Level

- ▲ *Mission and strategy:* include role; mandate; definition of services; clients/customers served; interactions within the broader system and “stakeholders”; the measures of performance and success; and the presence of core strategic management capacities.
- ▲ *Culture/Structure and Competencies:* include organisational and management values, management style, and standards, organisational structures and designs, core competencies.
- ▲ *Processes:* (internal and external to the entity) supporting such functions as planning, client management, relationships with other entities, research/policy development, monitoring and evaluation, performance/quality management, financial and human resources management, etc. Processes are central to improved capacities.
- ▲ *Human resources:* the most valuable of the entity’s resources and upon which change, capacity and development primarily depend.
- ▲ *Financial resources:* both operating and capital.
- ▲ *Information resources:* of increasing importance, and how these resources (all media, electronic and paper) are managed to support the mission and strategies of the entity.
- ▲ *Infrastructure:* physical assets (property, buildings and movable assets), computer systems and telecommunications infrastructures, productive work environments.

Level 3—The Individual

Most capacity initiatives ultimately concentrate on the individual, including small interpersonal networks of individuals. This covers individuals both within entities involved in the management and delivery of a capacity initiative, as well as those who are beneficiaries or are otherwise impacted by the initiative (could be specific client groups, segments of society, or the civil population at large, depending on the initiative). Capacity assessments at this level are considered to be the most critical. This level addresses the individual’s capacity to function efficiently and effectively within the entity and within the broader system. The success or viability of a capacity initiative is invariably linked to the capacity of leadership and management.

Often, capacity assessments of individuals are based on an established “job description” or some other format which lays out the performance/skills requirements of the position and the individual filling that position. This is combined with a skills assessment of the individual. The assessment will demonstrate any “capacity gaps.” Subsequent training and development plans can then be prepared to address these gaps. Increasingly, the dimensions of accountability, performance, values and ethics,



incentives and security are becoming ever more important in individual level capacity assessments and technical assistance development programmes. Strategies that stress continuous learning are also important.

Entry Points—Zooming In and Out

Having established that capacity should be addressed in various dimensions across each of the three levels, the question arises as to where do you enter the capacity assessment process. The most typical entry point is at the entity level. For example, there may be a need to reform financial management and budgeting systems within a Ministry of Finance. This initial, rather narrow examination would then be expanded (“*zoom-out*”) to look at the broader government system of financial management, linkages to budgeting and the integration of policy setting and expenditure management. This would ensure that any capacity development with respect to Ministry level financial management takes into account needs, issues and impacts within the broader government “system.”

Entry points are often made at the systems level as well. For example, a major system initiative might be to improve the role and functioning of the legal framework (laws, legislation) as part of a governance programme. After looking at the broader dimensions of capacity at the systems level, you would then “*zoom-in*” to look at the capacity needs of specific entities within the “legal system” such as the judiciary, courts, police services and so on. Further *zooming-in* would allow you to look more closely at the processes, human resources and other dimensions of these entities and the capacity dimensions of individuals within these entities.

WHAT MAKES A CAPACITY INITIATIVE SUCCESSFUL?

The following factors are seen to be critical to the success of a capacity assessment and development initiative. This list is based on extensive UNDP and other international experience in development programmes, technical assistance/cooperation and capacity development.

- ▲ *Visible Leadership*: meaningful commitment and *ownership* (and “*political will*”) at the political and senior bureaucratic levels, sustained throughout the process.
- ▲ *Organisation-Wide and Participatory*: highly consultative, with meaningful involvement of all impacted parties or stakeholders.
- ▲ *Open and Transparent*: the process itself is open, with no hidden agendas, and decision making is transparent. In some situations, external consultants may help facilitate this process and assure independence and objectivity.
- ▲ *Awareness and Understanding*: all impacted parties/stakeholders are aware of and understand the development or capacity initiative, the implied changes and capacity needs; requires strong internal and external communications; public relations.

- ▲ *General Buy-in and Acceptance:* understanding generates buy-in and acceptance; critical mass of commitment; resistance is managed.
- ▲ *Appropriate Methodologies:* for programme and project management; tools and techniques; adapted to the local situation and needs; measures of performance established (results, outputs, outcomes); allowance for early successes and pilots, ongoing monitoring and evaluation.
- ▲ *Clear Set of Objectives and Priorities:* built into project/programme plans; incremental and phased; available resources appropriate to workload.
- ▲ *Clear Management Accountabilities:* transparent processes and decisionmaking; open dialogues; explicit responsibilities and accountabilities set.
- ▲ *Sufficient Time and Resources:* committed availability of financial, information and human resources to plan, develop, implement the capacity initiative; strong managerial resources.

Identifying the Stakeholders

Many current strategic, programme management and related methodologies refer to those that are involved in the capacity assessment process as *stakeholders*. Other terms often used interchangeably, include actors, players, participants, beneficiaries, and clients, among others. A *stakeholder analysis* could be carried out to determine precisely who is/should be involved, the nature of their involvement (role, responsibilities, accountabilities; direct or indirect involvement), and magnitude of involvement (e.g., full or part-time, specific activities only). There are a number of techniques, tools and methods which can support the stakeholder analysis. Tools include surveys, workshops and conferences.

For example, while an envisaged capacity development initiative on governance might eventually include virtually everyone in the “system” (individuals, groups, formal entities), only a very few need be involved in capacity assessments in the initial policy/concept development stages. How stakeholders are to be involved is another key area to be addressed. Key stakeholders may be represented through formal management/steering committees. Others may be represented through advisory or consultative councils/boards, surveys, workshops and conferences.

Questions to Help Identify Stakeholders

- ▲ **Who makes/influences policy and decisions?**
- ▲ **Who would “champion” the capacity initiative?**
- ▲ **Who could provide financial and technical resources?**
- ▲ **Who would be impacted?**
- ▲ **Who are the direct/indirect beneficiaries?**
- ▲ **Who with no “voice” needs special attention?**
- ▲ **Who are the representatives of those impacted?**
- ▲ **Who is likely to support or oppose the initiative?**
- ▲ **Who is responsible for implementation?**
- ▲ **What political forces are there?**

A MODEL FOR CARRYING OUT THE ASSESSMENT

Many examples could serve to demonstrate the need for a systems level capacity assessment and how to go about it. The strengthening of health service delivery capacity in a local level of government is a good example. In this example, the effectiveness of developing sustainable capacities at the local entity level would depend to a very large extent on capacities in the broader system within which local government service delivery would function. This broader system would include the beneficiaries or clients of the service, and the relationships with higher levels of government.

Assessments are particularly important for identifying and measuring *capacity gaps*. The gaps, usually expressed as a *weakness*, may apply to one or more *dimensions*. In the early stages of a capacity assessment, capacities need to be assessed from two perspectives: some preliminary estimate of required *future* capacities across each dimension; and an assessment of the *existing* capacities in each of these dimensions. The comparison of information or metrics developed from these assessments will give you an indication of which dimensions need attention and the extent of capacity *gaps* that would need to be filled.

ASSESSING CAPACITY AT THE SYSTEMS LEVEL
(AND PRELIMINARY ASSESSMENT OF CAPACITY GAPS)

DIMENSION OF CAPACITY	1 EXISTING CAPACITY	2 POSSIBLE FUTURE CAPACITY	3 ESTIMATED CAPACITY GAP	4 POSSIBLE STRATEGIES
1 POLICY FRAMEWORK	✓			
2 LEGAL AND REGULATORY FRAMEWORK	✓			
3 MANAGEMENT ACCOUNTABILITY FRAMEWORK	✓			
4 SYSTEMS LEVEL RESOURCES	✓			
5 PROCESSES AND RELATIONSHIPS	✓			

Figure 10-a



CAPACITY DEVELOPMENT AT THE ENTITY LEVEL
(STRATEGY AND IMPLEMENTATION)

DIMENSION OF CAPACITY	1 CURRENT CAPACITY	2 FUTURE CAPACITY	3 CAPACITY GAP	4 STRATEGIES
1 STRATEGIC MANAGEMENT	✓	✓	✓	✓
2 CULTURE/STRUCTURE	✓	✓	✓	✓
3 PROCESSES	✓	✓	✓	✓
4 HUMAN RESOURCES	✓	✓	✓	✓
5 FINANCIAL RESOURCES	✓	✓	✓	✓
6 INFORMATION RESOURCES	✓	✓	✓	✓
7 INFRASTRUCTURE	✓	✓	✓	✓
8 INTER-RELATIONSHIPS	✓	✓	✓	✓

Figure 10-c

The figures opposite can be used as a simple model/guide for a systems/entity level capacity assessment. Such a guide will help you to ensure that all dimensions are covered. The rows represent the dimensions of capacity.

In most situations, an assessment will generate good information on existing capacities (column 1). However, for more complex situations where an initial assessment is carried out, it may be too early in the process to generate detailed information on needed capacities in the future. This uncertainty may be denoted by the “grey” in columns 2–4 (for the systems level). These “grey areas” will become clearer as you carry out more detailed analyses of “*where we want to be*” (as shown for the entity level).

To illustrate this, using the health service delivery example, an assessment of the current systems capacity dimension, say, on “*management accountability framework*” (row 3) might reveal that all current decision making for health service delivery is being carried out at the central level of government (ministry of health). The assessment may show that these existing capacities are documented in legislation, regulation, position descriptions, organisational structures and

the like. A preliminary assessment of possible future needed capacities (column 2), based on the policy direction of decentralisation, might imply the need for delegation of authority and empowerment at the local level.

Initial estimated *capacity gaps* might show that changes would be needed in existing management accountabilities at both the central and local levels (e.g., in legislation, regulation, position descriptions, financial authorities, etc.). A capacity gap may be described simply in terms of a potential *weakness* in the systems dimension dealing with accountability—an area to be strengthened. These could then be translated into preliminary alternative strategies for developing these capacities.

Final assessments would be made at the individual level, for each individual addressed by the capacity initiative. The individual's assessment and development plans would be linked or integrated at the entity level, and the entity level would be integrated with the system level.

UNDP AND THE PROGRAMME APPROACH

The guidelines can be readily adapted to help governments and other national organisations assess and develop the capacities needed for the management and implementation of *development programmes*. The UNDP refers to such programmes as National Programme Frameworks (NPF) and these guidelines may be used in conjunction with the UNDP's *Programme Approach*. Development programmes, if done right, manifest ownership by those who must implement them, incorporate strategic thinking and produce sustainable results.

The programme approach allows governments to articulate national priorities and realize sustainable human development objectives through coherent and participatory programme frameworks. It is a logical approach that integrates the processes of macro-, meso- and micro-planning and strategic management of any development effort within a broader systems context. The programme approach was mandated by the UN General Assembly in landmark resolution 44/211. UNDP took up the challenge made by the General Assembly to all UN agencies to foster and encourage the use of this approach. The UNDP has developed tools to operationalise its support in countries which have applied the programme approach.

A NPF is a nationally owned, coherent and dynamic set of inter-related policies, strategies, activities and investments designed to achieve a specific, time-bound development objective or set of objectives. It is typically a document which outlines all requirements (financial, technical, organisational and human from all sources) as well as implementation and management arrangements within a broader systems context. The programme approach involves a process that culminates with the formulation of a *Programme Support Document* (PSD) in the case of UNDP funded technical cooperation. It involves, typically, a 4-step process of policy dialogue, capacity/needs assessment, identification of UNDP support, and implementation.

The role of the UNDP in supporting a NPF initiative, as set out in the UNDP document “*How to Implement the Programme Approach*,” encompasses: identifying strong political commitment; finding champions of change; organising a national “change team” to support the NPF; helping to outline the programme process; and ensuring that key stakeholders are involved. In capacity assessments, the role of the UNDP will depend on the country and the scenario that the particular NPF is in. UNDP promotes *process consulting* which is “... a practice of management consultation in which the consultant assists the client management group to initiate and sustain a process of change and continuous learning for systemic improvement.”

HIERARCHIES OF OBJECTIVES AND THE PSD

A PSD may be developed to support the NPF at one or a combination of the three levels: systems, entity (formal and informal organisations) and individual. Developing a PSD during the early stages of NPF formulation presents a unique opportunity for the UNDP to help organisations. Typically, insufficient strategic management and other programme management capacities exist within the entity responsible for the NPF. A PSD may be developed as a project, or as a first phase of the NPF, simply to facilitate the moving of the NPF closer to implementation.

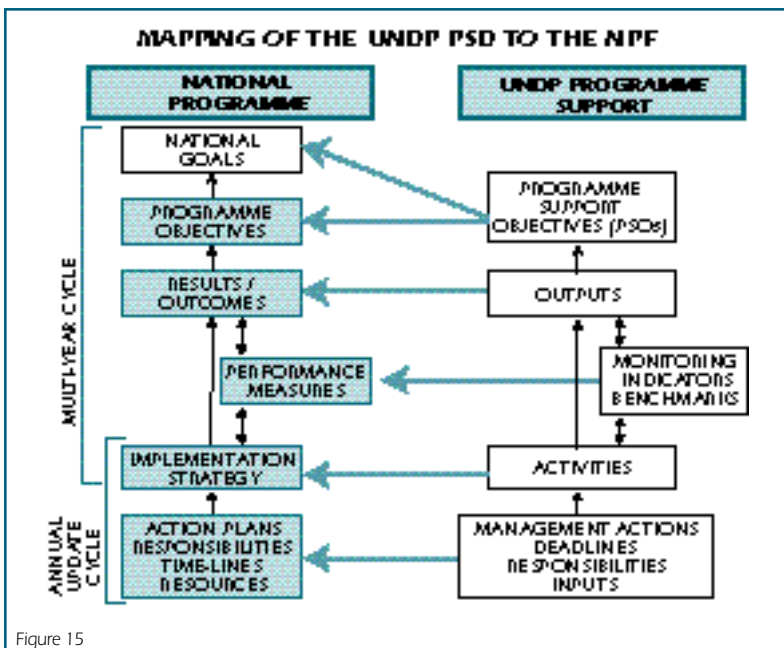


Figure 15

A government or counterpart organisation is always responsible for the NPF, owns the process and is nationally executed. UNDP programme support through the PSD would normally be nationally executed, although there are situations which may require joint/partnership execution or UNDP execution arrangements. In all cases, however, there must be an explicit correspondence between the NPF and the PSD. The figure below graphically illustrates a mapping of the UNDP programme approach and PSD terminology to conventional programme/strategic management planning frameworks and terminology.

The inherent logic of the UNDP PSD is such that most development programmes can be supported through the programme approach and the UNDP PSD. Clearly, some flexibility will be needed to adapt the PSD to unique needs of each NPF.

In the case of the PSD, there are three levels to this hierarchy consisting of Programme Support Objectives/ PSO's (or immediate objectives), outputs and activities. Each output and/or objective would be related to results, monitoring indicators, or performance measures.

A systems level capacity assessment would potentially see two more levels added to the “hierarchy of objectives”: level within the system, and dimension of capacity at each level. The chart on the following page presents an example for a hierarchy of objectives for a capacity initiative. The first couple of objectives/outputs/activities are expanded to give you an idea of how the breakout would appear.

CAPACITY ASSESSMENT IN A STRATEGIC MANAGEMENT FRAMEWORK

Organisations in both the public and private sectors have increasingly accepted that their performance or success is as much dependent on the complex inter-relationships and factors within the broader system, as it is dependent upon their own internal processes, structures and resources. Here, capacity is defined in this broader systems framework. In fact, this definition is founded upon *Strategic Management* which, as a concept that has evolved over the past 20 years or so, addresses the needs of organisations to go well beyond the traditional internal management and planning functions such as finance, personnel or planning.

Simply put, strategic management may be defined as an approach whereby organisations define their overall character and mission, their longer term objectives or goals, the product/service segments they will enter and leave, and the means (strategy) by which this is to be achieved, especially, but not only, through the allocation of resources. The approach is comprehensive and far-reaching. It integrates and addresses all dimensions of capacity at the systems, entity and individual levels.

PSD Hierarchy of Objectives—An Example

TITLE: To Decentralize Service Delivery Planning to the Local Level

SYSTEM LEVEL

Objective 1.0 To amend health standards according to local conditions

Output 1.1 New health service delivery standards

ACTIVITY 1.1.1 SET-UP A HEALTH SERVICE DELIVERY STANDARDS REVIEW COMMITTEE

ACTIVITY 1.1.2 DEVELOP DRAFT SET OF NEW STANDARDS

ACTIVITY 1.1.3 ETC.

Objective 2.0 To rationalize the central/local budgetary and revenue systems

Output 2.1 Amended central budget law

Objective 3.0 etc.

ENTITY LEVEL

Objective 1.0 To improve planning of local service delivery

Output 1.1 Local service delivery planning unit set up

ACTIVITY 1.1.1 DEVELOP BUSINESS/ORGANISATION PLAN FOR NEW UNIT

ACTIVITY 1.1.2 DEVELOP ORGANISATIONAL STRUCTURE AND POSITION DESCRIPTIONS

ACTIVITY 1.1.3 STAFF KEY POSITIONS

ACTIVITY 1.1.4 ETC.

Output 1.2 Service delivery planning and forecasting system implemented

ACTIVITY 1.1.1 DETERMINE REQUIREMENTS FOR NEW SYSTEM

ACTIVITY 1.1.2 IDENTIFY AND EVALUATE ALTERNATIVE SYSTEMS SOLUTIONS

ACTIVITY 1.1.3 ETC.

Objective 2.0 etc.

INDIVIDUAL LEVEL (see Subsection 4.4, below)

Objective 1.0 Trained staff within the local planning unit

Output 1.1 Training strategy and plan

Output 1.2 Trained staff

Output 1.3 Completed study tours

ACTIVITY 1.1.1 DETERMINE REQUIREMENTS FOR STUDY TOUR

ACTIVITY 1.1.2 DESIGN STUDY TOUR, SELECT PARTICIPANTS

ACTIVITY 1.1.3 ETC.

Output 1.4 etc.

The approach allows organisations to establish for themselves the desired relationships with entities or stakeholders within the broader system within which they function. This requires a full and ongoing assessment of the strengths, weaknesses, opportunities and threats (SWOT) both externally (in the system) and internally. The approach is participatory and

consultative. Strategic management itself is considered as a core management capacity within an entity or system.

A simple strategic management framework is adopted in the guidelines (graphically illustrated opposite). This framework is common to the programme approach adopted by the UNDP and many other organisations that address broader issues of capacity. It is based on a simple, but logical, progression or lifecycle of assessing “where we are now,” “where we want to be,” “how to get there,” and “how to stay there.”

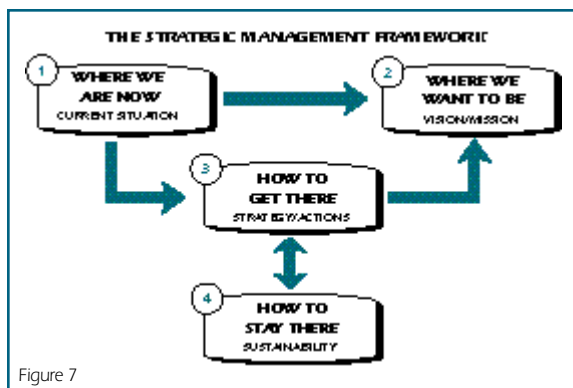


Figure 7

Each of these major phases can be supported by a range of optional tools, techniques and specialized methods for assessing and developing capacities at the systems, entity and individual level in an integrated manner. The complete guidelines document addresses each of these in detail, with special emphasis on sustainability.

The type of assessment depends very much both on the stage of the life cycle, on the nature of the initiative, and on the entry point to be made. Capacity assessment and development can occur during each stage. For example, an organisation embarking on a change or governance programme may need to develop initial capacities to carry out programme planning and management or even to carry out initial capacity assessments to determine whether a programme may be viable. In all cases, emphasis would be given to *utilizing existing capacities* and to developing new capacities only where they are needed.

Finally, as there is no panacea nor one-size-fits-all solution to assessing and developing capacity, common sense and judgement are required to adapt appropriate solutions to the needs of each particular situation. It is hoped that these guidelines will enable managers and other stakeholders involved in capacity initiatives to increase their own capacities in strategic management and to develop sustainable capacity successfully.



You are encouraged to refer to the complete capacity guidelines document and its attached annexes for a more detailed treatment of the topics introduced in this synopsis. Further reading and reference material are listed in Annex 1 of the full guidelines document. Or, you can access the special MagNet-Management and Governance Network Website of the Management Development and Governance Division (UNDP/MDGD) at: <<http://magnet/undp.org>> .