



# **Capacity Assessment Methodology**

## **User's Guide**

**Capacity Development Group  
Bureau for Development Policy  
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## I. Introduction

*“Long-term development should be a nationally led and managed process that builds upon existing capacity in designing and implementing effective strategies to further boost capacity development. **Our approach in nurturing MDG-based national development strategies integrates capacity diagnostics and strategies into the heart of that process.** Capacity development must be taken into the core of development planning, policy and financing if it is not to be an ineffective add-on or after-thought.”* – Kemal Dervis, Administrator, UNDP, 11 September 2006.

### 1. Purpose of the Capacity Assessment Methodology User’s Guide

The Capacity Assessment Methodology User’s Guide provides UNDP and other development practitioners with an overview of UNDP’s approach to Capacity Development and Capacity Assessment and a step-by-step guide to conducting a capacity assessment using UNDP’s “default” Capacity Assessment Framework and Supporting Tool.

UNDP presents its approach to Capacity Development and Capacity Assessment in its Practice Notes.<sup>1</sup> This User’s Guide should be used in conjunction with the Practice Notes as they provide explanations of terms and concepts referenced herein.

### 2. UNDP’s Approach to Capacity Development and Capacity Assessment

The Practice Note on Capacity Development provides 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 utilize such capacity to achieve their development goals. It also proposes default principles for supporting capacity development and points for mainstreaming capacity development into programming and operations.

The Practice Note on Capacity Assessment provides practitioners with UNDP’s “default” capacity assessment framework, intended to serve as a starting point for capacity assessment exercises. The framework is intended to provide a comprehensive view of the issues that could be addressed in a capacity assessment, yet be flexible enough for adaptation to the needs of any given capacity assessment situation.

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.” Capacity development (CD) is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. A capacity assessment is an analysis of current capacities against desired future capacities, which generates an understanding of capacity assets and needs, which in turn leads to the formulation of capacity development strategies.

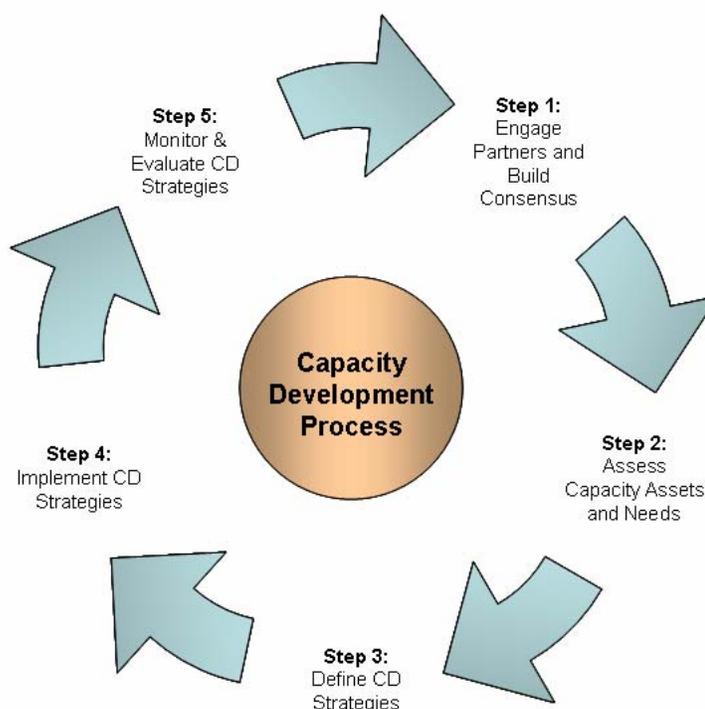
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<sup>1</sup> See UNDP Practice Notes on Capacity Development and Capacity Assessment, July 2006.

## 2.1 Capacity Development Process

The diagram below shows UNDP's articulation of the cyclical nature of the capacity development process.

**Figure 1: UNDP Capacity Development Process**



The capacity development process, including capacity assessment and definition of capacity development strategies, is integrated into the planning and programming process at the level of MDG-based strategies, poverty reduction strategies as well as UN Common Country Assessments and UNDAFs. This process is prescriptive in nature, as it is embedded in UNDP's Results Management Guide.

## 2.2 Capacity Assessment Framework

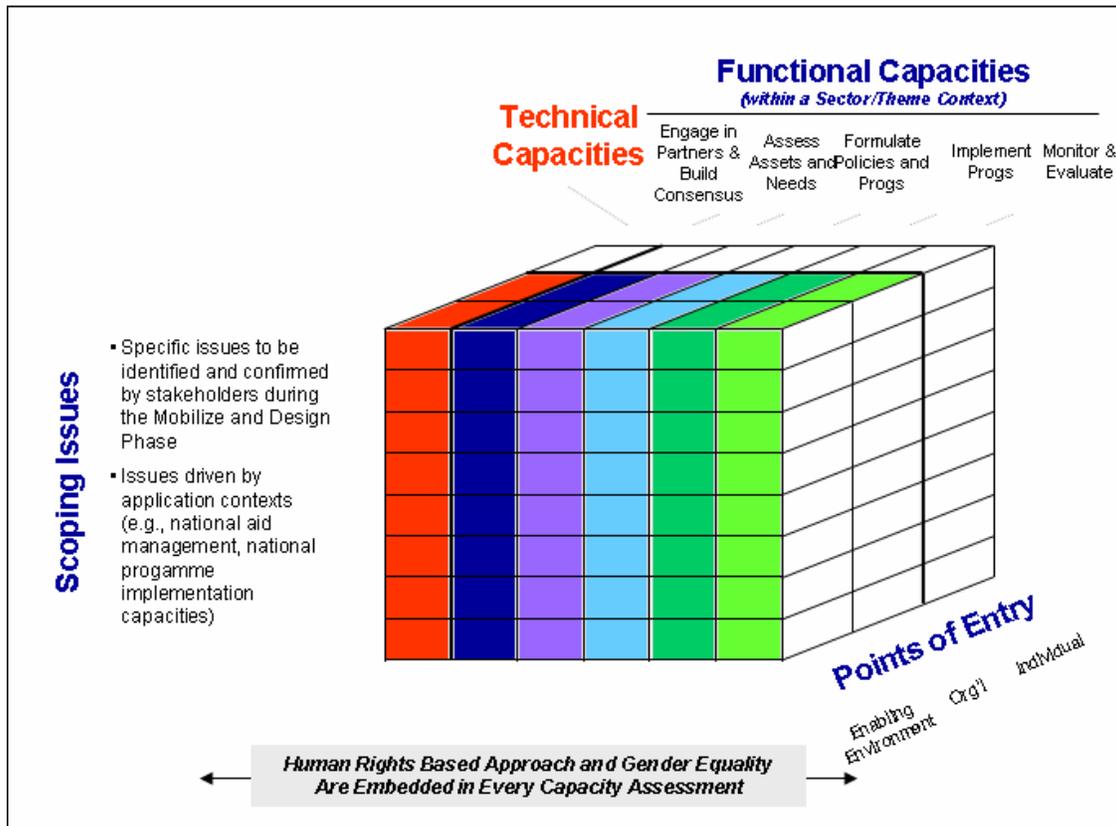
The Capacity Assessment Framework is composed of three dimensions:

- **Points of Entry:** UNDP recognises that a country's capacity resides on different levels – enabling environment, organisation and individual – and thus needs to be addressed across these levels. A capacity assessment team selects one level as its point of entry, and may “zoom in” or “zoom out” from that level as needed. (Capacity assessments at the individual level are generally conducted within the context of an organisational assessment; as such, they are not addressed in detail in the Practice Note on Capacity Assessment or this User's Guide.)
- **Core Issues:** These represent the issues upon which UNDP is most often called to address. Not all of these issues will necessarily be analysed in any given assessment, but they provide a comprehensive set of issues from which a capacity assessment team may choose as it defines its scope: 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. The issue of a human rights based approach serves as an “overlay” on

any capacity assessment (it can either overlay all selected cross-sections or act as a stand-alone core issue).

- **Cross-Cutting Functional Capacities:** Specific functional capacities are necessary for the successful creation and management of policies, legislations, strategies and programmes. UNDP has chosen to prioritise the following functional capacities, which exist at all three points of entry and for all core issues: 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.

**Figure 2: UNDP Capacity Assessment Framework**



### 2.3 Capacity Development Strategies

The formulation of capacity development strategies is based on the findings of a capacity assessment. These capacity development strategies may be applied to address capacity needs in a variety of sectors, and are predicated on integrated approaches to development:

- Institutional Reform and Incentives
- Leadership Capacities
- Education, Training and Learning
- Accountability and Voice Mechanisms

### 3. Benefits of the “Default” Capacity Assessment Methodology

Many capacity assessment methodologies, frameworks and tools are used by development practitioners. Using the “default” Capacity Assessment methodology may benefit users in a variety of ways:

- Provides a comprehensive view of the issues that could be addressed in a capacity assessment
- Brings rigor and a systematic method to determining future capacity needs and assessing existing capacity assets
- Creates a common language to facilitate discussion among potentially disparate parties
- Provides a structure for discussion about the scale and scope of the capacity assessment exercise and about expectations of the capacity development effort more generally
- Provides a method for generating quantitative as well as qualitative data to support the development of a capacity development action plan
- Makes sense of complex development situations, when it is not always obvious where best to intervene to promote capacity development
- Improves the consistency, coherence and impact of the work of UNDP
- Increases the ability to share experiences

#### **4. Composition of a Capacity Assessment Team**

A Capacity Assessment team should be composed of a team with relevant capabilities, integrating targeted content knowledge and assessment methodology skills. The content providers should bring to bear best practices and relevant examples that can be used as the basis for discussion in the capacity development context of the country. A methodology facilitator should be included to manage discussions regarding assessment scope and scale; adaptation of the “default” framework; execution of the assessment, including quantitative and qualitative data collection; and interpretation of assessment results as they lead to the formulation of capacity development strategies. Finally, an assessment “owner” should be assigned; this is a person who manages the overall process, facilitates dialogue around assessment findings and serves as liaison between the assessment team and primary stakeholders.

It is the marriage of the methodology presented in this User’s Guide and content-specific experts that amplifies the usefulness of approach.

#### **5. Application of the Capacity Assessment Methodology**

The Capacity Assessment methodology can be adapted based on the needs of most situations. It can be expanded, contracted and/or used in conjunction with other capacity assessment and capacity development tools. Guidelines and examples of various adaptations are provided in Section III.

#### **6. Contents of the User’s Guide**

This document describes actions for Steps 2 and 3 of the Capacity Development Process. These actions are based on experiences that have been documented and can be replicated, are supported by materials and are intended to be used across the organization. (Supporting materials for the other Steps are forthcoming.)

Following this Introduction, Section II of the User’s Guide provides instructions for conducting a capacity assessment. Section III provides operational guidelines for adapting the “default” capacity assessment framework and using it in conjunction with other capacity assessment tools. Section IV provides insights for formulating capacity development strategies. Sections II and IV include references to and illustrative snapshots from the Supporting Tool. Section V is comprised of questions and indicators for each cross-section of the capacity assessment framework. The Annexes provide answers to frequently asked questions, additional detail on indicators and select UNDP capacity development resources.

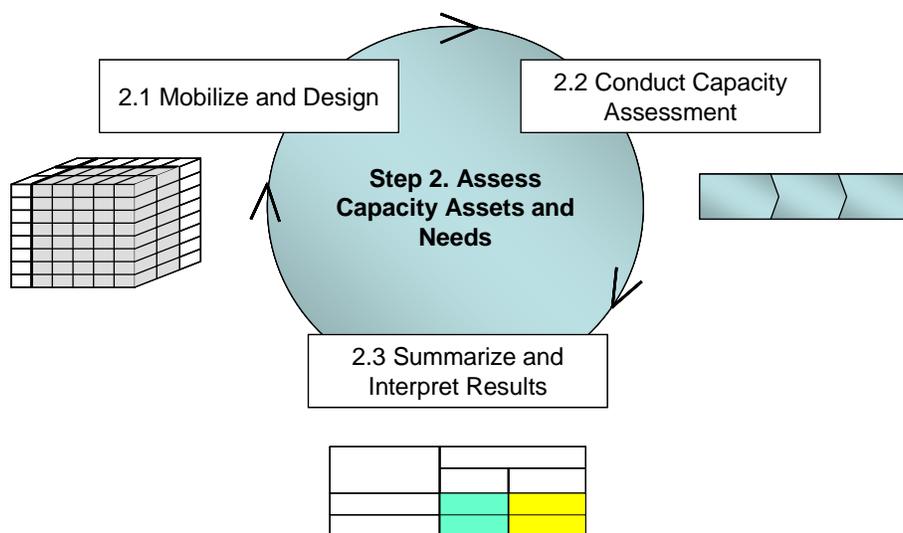
## II. Assess Capacity Assets and Needs

The User's Guide begins with Step 2 (Assess Capacity Assets and Needs) and assumes that Step 1 (Engage Partners and Build Consensus) has already been successfully addressed.

A capacity assessment must be deployed correctly to yield the intended outcomes. The following steps guide the technical process and are recommended in undertaking a capacity assessment exercise. These steps are intended to deepen local engagement and dialogue around process, strategies and intended results and to build consensus around them.

1. Mobilize and design
2. Conduct the capacity assessment
3. Summarize and interpret results

**Figure 3: Step 2: Assess Capacity Assets and Needs**



Before beginning, there are several operational considerations that should be taken into account:

- Understand that capacity assessment is a set of activities, not a solution
- Leverage the framework as a point of departure for a capacity assessment – it is flexible and needs to be adapted by the assessment team to suit its specific needs/context
- Define desired capacities prior to undertaking the assessment, as they do not emerge from a capacity assessment
- Do not necessarily expect “surprises” from the assessment, but rather confirmation and consensus
- Consider capacity assessment as a dynamic, ongoing process... not a one-time event
- Leave prioritization of investment until after the assessment of capacities has been completed

### 1. Step 2.1: Mobilize and Design

It is important for local participants to gain ownership of the exercise and for other stakeholders to be identified and engaged appropriately, providing political and administrative oversight, assisting in the design and implementation, and ensuring thorough analysis and follow-up. Following are the key steps for this phase:

- Clarify objectives and expectations with primary clients

- Identify and engage national/local stakeholders throughout the process – design, assessment and summarization/interpretation – to ensure ongoing success
  - **Adapt “default” Capacity Assessment Framework to local needs, including selection of point of entry, core issue(s) and cross-cutting functional capacity(ies) to be addressed**
  - Determine how the assessment will be conducted (team, location)
  - Cost the capacity assessment exercise (based on team composition, duration and depth)
- (Step in bold type is addressed in further detail below)

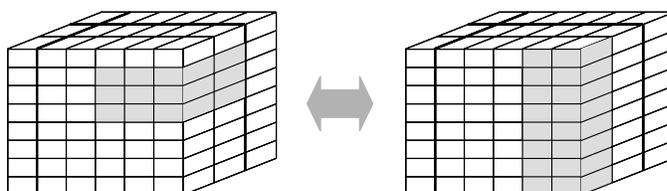
### 1.1 Adapt “Default” Capacity Assessment Framework to Local Needs<sup>2</sup>

The objectives of the assessment drive the definition of scope and scale of the capacity assessment. The Capacity Assessment Framework can be used to frame this dialogue, the result of which is the selection of the point of entry, the core issue(s) and the cross-cutting functional capacity(ies) to be assessed.

It is incumbent upon a Capacity Assessment team to design the framework to suit local needs. Several design considerations should be taken into account:

- Select one cross-section to all 100 cross-sections. It is not mandated that the entire framework be used in any given assessment
- Once a point of entry has been determined, a core issue(s) or a cross-cutting functional capacity(ies) can serve as the primary driver of a capacity assessment
- Go into more depth on any given cross-section – split “Budget, Manage & Implement” into three sub-capacities
- Formulate questions as appropriate – use questions in Section V of the User’s Guide; develop additional questions; break down questions provided into more sub-questions

**Figure 4: Illustrative Adaptations of the Capacity Assessment Framework**



Different objectives will suggest different applications of the capacity assessment framework; for example, for an organisational point of entry, it is expected that the team may narrow the focus by selecting a few core issues, but may require additional detail for the cross-cutting functional capacities. In the illustration above, the framework on the left represents a scope that focuses on three core issues and three functional capacities across both the enabling environment and the organizational level; the framework on the right represents a scope that focuses on all core issues and two functional capacities for the enabling environment only.

See Section III for additional detail on adapting the Capacity Assessment Framework, specifically for conducting a quick capacity assessment and using it in conjunction with other capacity assessment methodologies. Also see the Capacity Assessment Practice Note for additional detail on mobilize and design activities and for a full description of each dimension of the Capacity Assessment Framework.

<sup>2</sup> In doing so, it is incumbent upon UNDP development practitioners to know and apply prescriptive processes and content (the “non-negotiables” of a UNDP engagement).

### **Capacity Assessment Supporting Tool Reference**

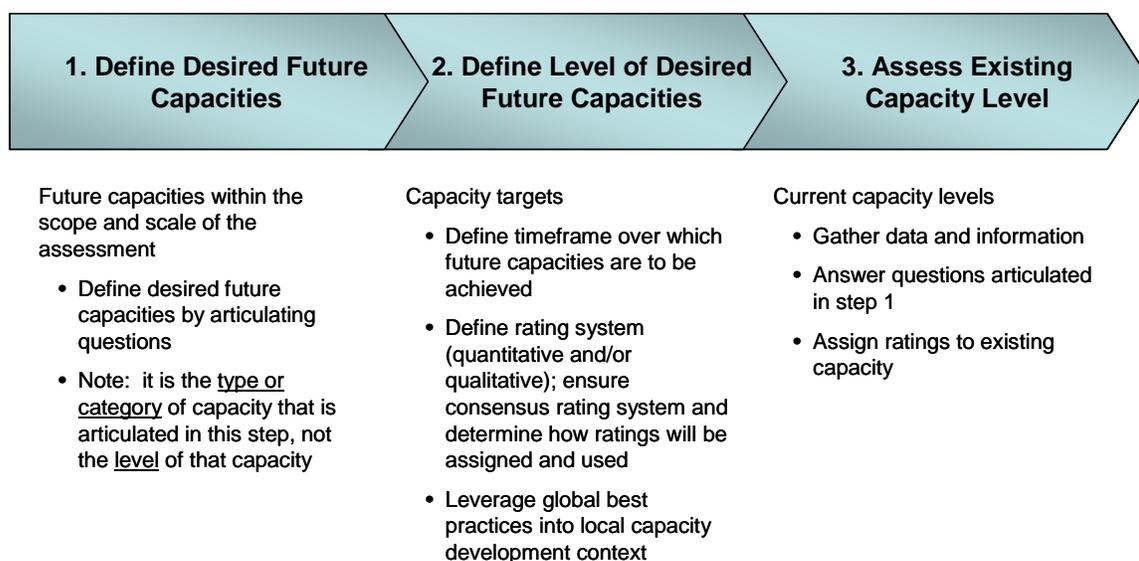
Open the “Step 1. Assess Capacity” tab in the Supporting Tool. Click on the drop down menus (starting with cell E6 and E9) to select core issues and point of entries. Repeat this for each combination of core issue and point of entry as determined by the assessment team (continuing in cells E56 and E59, E106 and E109, etc.), up to 20 combinations (10 core issues by 2 points of entry). The Supporting Tool begins with Leadership and Enabling Environment, but any combination can be selected and in any order (a text box will appear if a combination is selected that has previously been selected). All five cross-cutting functional capacities are automatically included for each combination of core issue and point of entry; however, it is not necessary to include all five cross-cutting functional capacities in any given assessment.

## **2. Step 2.2: Conduct the Capacity Assessment**

Viable capacity development strategies nurture and reinforce existing capacities. A capacity assessment determines capacity needs by comparing desired capacities against existing capacity assets.

- **Define desired future capacities**
- **Define level of desired future capacities**
- **Assess existing capacity level**

**Figure 5: Step 2.2: Conduct Capacity Assessment**



### **2.1 Define Desired Future Capacities**

Once the scope and scale of the capacity assessment have been defined through selection of one or more cross-sections of the Capacity Assessment Framework, the assessment team identifies desired future capacities for each cross-section by articulating key questions. Note: it is the type or category of capacity that is articulated in this step, not the level of that capacity (which is addressed in step 2).

For each of the cross-sections of point of entry, core issue and cross-cutting functional capacity, questions have been formulated that represent capacity dimensions commonly addressed during capacity assessments (see Section V). This set of questions has been developed based on a review of an existing body of knowledge, composed of existing capacity assessment tools and resources, case

studies, project documents, from within the United Nations system and from other public and private sector organisations involved in capacity assessment.

The questions provided here are intended to serve as thought-starters. Given the contextual demands of any assessment, it is expected that these questions will be adapted, added to and/or deleted, to address context-specific needs. Some questions represent a “bundle” of questions and may need to be unbundled before being addressed. Depending on the approach the assessment team has decided to pursue – quantitative and/or qualitative – the questions will need to be adapted accordingly; for example, more open-ended questions are appropriate for a qualitative assessment, but will need to be made more specific or “closed” for a quantitative assessment. Finally, the questions are not intended to represent an exhaustive set of questions for any capacity assessment.

Illustrative questions for each cross-section of point of entry, core issue and cross-cutting functional capacity are in three categories:

1. **Overall Question:** represents a point of departure and is automatically populated in the Capacity Assessment Supporting Tool for each cross-cutting functional capacity based on the selection of point of entry and core issue
2. **Additional Questions:** represents potential areas for exploration; may be included in an assessment as deemed appropriate by the assessment team
3. **Additional Areas of Exploration:** included for several cross-sections, but not all, are additional dimensions of capacity that may be explored. Again, these are thought-starters for the assessment team as it determines the scope and scale of its assessment, and as it formulates questions to assess capacity

References to “authorities” at the enabling environment level should be tailored to relevant national and/or local players, as appropriate.

The issue of a human rights based approach should be incorporated into any capacity assessment, and thought-starter questions have been formulated. This issue and related questions can be treated in one of two ways: 1) the questions can be incorporated into any of the other issues; or 2) the issue can be treated as a stand-alone issue.

### ***Capacity Assessment Supporting Tool Instructions***

*For each cross-section of point of entry, core issue and cross-cutting functional capacity selected, an overall question is automatically generated in the “Step 1. Assess Capacity” tab of the Supporting Tool (cells F19, F26, F33, F40, F47 for the first combination of point of entry and core issue, and continuing below for each cross-section). As stated above, you may use this overall question as a point of departure to formulate additional questions; or the team may need to redirect the line of questioning depending on the needs and expectations of the client. Enter additional questions formulated by the assessment team into the “Step 1. Assess Capacity” tab by typing in the questions in the green-colored cells that appear (starting in F20-24). If desired, the default questions that are automatically populated into the tool can be ignored (they cannot be deleted).*

## **2.2 Define Level of Desired Future Capacities**

Some capacities may need to be further developed than others; however, not all capacities necessarily need to be fully developed for achievement of the country’s development objectives. The level of desired future capacity will be used as the basis of comparison against existing capacity, which will in turn determine the level of effort required to bridge the gap.

When defining level of desired future capacities, it is important to determine the timeframe over which these capacities are to be achieved. For example, the timeframe could be a year or two (which will

suggest more quick win initiatives rather than strategic, long-term capacity development strategies), or it could be through 2015 (in conjunction with meeting the MDGs).

Capacity level can be determined quantitatively or qualitatively, depending on the preference of the assessment team. If the team decides to use a quantitative ranking, then the ranking system for desired capacity should be the same as that used for assessing existing capacity (see Assess Existing Capacity Level below). Ideally, the assessment team generates both a quantitative ranking and qualitative information to support the ranking.

When determining the level of desired capacity, the assessment team should leverage global best practices in relevant content areas to create a point of comparison and to then adapt as need be to the local capacity development context.

#### Capacity Levels – Illustrative Quantitative Ranking System

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

It is important that the assessment team discuss the capacity levels prior to conducting an assessment to ensure a common understanding regarding the interpretation of each level. The team should adjust the level definitions as it sees fit. The team should also determine prior to conducting an assessment what will be done with the results, e.g., will they be used to compare across entities (e.g., institutions, districts), and if necessary, ensure consensus on definitions across assessment teams.

### **2.3 Assess Existing Capacity Level**

An assessment is made for each question in each cross-section. For a quantitative assessment, numerical ratings are given reflecting the level of current capacity. For a qualitative assessment, a short narrative is given to provide evidence to support the rating.

To determine the appropriate level to assign (e.g., 1-5), the assessment team may identify appropriate indicators for each capacity (see Section IV, 2 for additional detail on indicators) and then collect data in a variety of ways, e.g., case study approach, interviews, observable practices; and from a variety of sources, e.g., policy documents, reports, statistics. See the Capacity Assessment Practice Note for additional detail on data collection approaches.

#### ***Capacity Assessment Supporting Tool Instructions***

*Open the “Step 1. Assess Capacity” tab.*

*For each question, including those that have been automatically generated (if the team has decided to use them) and those added by the team, make a quantitative and/or qualitative assessment. If making a quantitative assessment, use the numerical ranking scheme above and enter number into column H. If making a qualitative assessment, provide anecdotal information in column I.*

The average score for all questions within a cross-cutting functional capacity is calculated (*example: cell H18*). The average score for all cross-cutting functional capacities is then calculated to provide an overall rating for the cross-section. (*example: cell E12*).

#### **Figure 6: Step 1. Assess Capacity Assets – ILLUSTRATIVE**

requires user input cells automatically populated				
<b>Core Issue Leadership</b>				
<b>Point of Entry Enabling Environment</b>				
<b>Summary Rating</b>				
<b>Cross-Section Capacity Questions</b>		<b>Assess Capacity</b>		
<b>Cross-Cutting Capacity</b>	<b>Questions</b>	<b>Capacity Level (1-5)</b>	<b>Evidence (Narrative)</b>	
Engage in Multi-Stakeholder Dialogue	Do authorities have the capacity to manage relations with domestic and external stakeholders inclusively and constructively? Q1 Q2 Q3 Q4 Q5			
Analyse a Situation and Create a Vision	Do authorities have the capacity to frame, manage and interpret analysis of internal and external dynamics? Do authorities have the capacity to conduct long-term visioning?			
Formulate Policy and Strategy	Do authorities have the capacity to develop integrated plans linked to resources?			
Budget, Manage and Implement	Do authorities have the capacity to manage implementation of (national or local) plans, strategies, programmes?			
Monitor and Evaluate	Do authorities have the capacity to ensure independent evaluation of medium-term target setting, planning and budgeting?			

### 3. Step 2.3: Summarize and Interpret Results

Once the assessment has been completed for selected cross-sections, the summary rating is carried forward to the summary worksheet. The summary worksheet provides an overview of capacity levels for each cross-section within the scope and scale of the given assessment.

**Figure 7: Defining the Gap between Future and Existing Capacity Levels**

Core Issues	Functional Capacities	
	Future Level	Existing Level
Leadership		
Human Resources		

**Identify the gap between future capacities and existing capacities**



The assessment team compares the assessed level of capacity against the desired level of capacity, as determined during the Mobilize and Design phase. The team then makes a determination whether the existing capacity level is sufficient or needs improvement. This determination provides direction in terms of which areas to focus capacity development strategies. It does not always follow that a low rating means a significant capacity improvement is required; a relatively low rating may be adequate in the context of a given enabling environment or organization.

Findings may be discussed with various stakeholders at several points during the overall process. It is important that findings are presented in a way that allows for the consideration of comments, validations and other forms of feedback

**Capacity Assessment Supporting Tool Instructions**

Open “Step 2. Review Summary” tab to see summary of cross-section quantitative ratings.

**Figure 8: Review Summary – ILLUSTRATIVE**

Point of Entry		CAPACITY ASSESSMENT					
Enabling Environment							
Core Issues		Cross-Cutting Capacities				Overall	
		Engage in Multi-Stakeholder Dialogue	Analyze a Situation & Create a Vision	Formulate Policy & Strategy	Budget, Manage & Implement		Monitor & Evaluate
1.0	Leadership						
2.0	Policy and Legal Framework						
3.0	Mutual Accountability Mechanisms						
	Inclusion, Participation, Equity &						
4.1	Empowerment						
4.2	Access to Information & Knowledge						
5.0	Human Resources (HR)						
6.0	Financial Resources						
7.0	Physical Resources						
8.0	Environmental Resources						
9.0	Human Rights						

See Practice Note on Capacity Assessment for more detail on ensuring a feedback loop with stakeholders at key steps.

### **III. Operational Guidelines**

Guidelines on 1) adapting the methodology to conduct a quick capacity assessment and 2) using it in conjunction with the other assessment methodologies follow. A discussion of strategic capacity investment areas also follows.

#### **1. Conducting a Quick Capacity Assessment**

The capacity assessment process described above can be expanded or contracted to suit specific capacity development contexts. It can be expanded to address comprehensive needs over long time frames. It can be streamlined to conduct an assessment when time, money and/or human resources are constrained, or when a more targeted or scaled-down approach is desired.

A “quick” assessment can be conducted in one of two ways: 1) addressing all topic areas at a high level; or 2) targeting select areas.

##### **1.1 Addressing All Topic Areas at a High Level**

In this instance, a cursory review of all core issues and functional capacities is conducted for both the enabling environment and the organizational level. This approach is generally used when it is not necessarily clear, or there is not agreement on, which areas should be prioritized. It generates a high-level view that allows the assessment team, and oftentimes more important, key stakeholders, visibility into relative capacity levels, and enables them to make decisions regarding capacity areas that the team and stakeholders may want to assess in more detail.

##### **1.2 Targeting Select Areas**

An alternative approach to take when resources are limited is to assess only a select number of areas within the capacity assessment framework, and if time allows, to look at them more deeply. This is appropriate when the assessment team and stakeholders have agreed from the outset that a comprehensive, system-wide assessment is not feasible or required. It generates a view that may be more in-depth than the high-level view produced by looking at all topic areas, as well as visibility into relative capacity levels and possibly insights into capacity development strategies.

#### **2. Using the Capacity Assessment Framework in Conjunction with Other Capacity Assessment Methodologies**

UNDP’s Capacity Assessment methodology was developed based on good practices from within and without the organization, and with knowledge of other existing tools, e.g., the Millennium Project’s Needs Assessment, UNDG and World Bank’s Post-Conflict Needs Assessment and GEF/UNDP’s National Capacity Self Assessment. The “default” capacity assessment methodology is designed to be used in conjunction with these other tools in a complementary fashion. Below are a few examples of other methodologies and the linkages between them and UNDP’s “default” Capacity Assessment methodology.

##### **2.1 Millennium Project Needs Assessment**

**Definition:** A methodology to answer the question “what will it take to achieve the MDGs?” Separated into five distinct analytical steps: 1) develop list of interventions; 2) specify targets for each set of interventions; 3) development investment model, estimate resource needs; 4) estimate synergies across interventions; and 5) develop financing strategy. The results of MDG needs assessments provide detailed information required for planning and budgeting for public expenditure.

**Purpose:** Aims to quantify the “needs” for meeting the MDGs in terms of human resources, financial resources and infrastructure. Takes a sector-driven approach, e.g., health, education, energy services.

For example, a health sector needs assessment 1) estimates the number of doctors, nurses, lab technicians and other health professionals required to meet the MDGs; 2) quantifies the country's needs in terms of health infrastructure, such as health posts and clinics; and 3) assesses the cost of meeting the health MDGs.

**Use in Conjunction with UNDP's "Default" Capacity Assessment Methodology:** UNDP's "default" capacity assessment framework and the Needs Assessment operate in a complementary way. A Needs Assessment focuses on "interventions," i.e., **what** needs to improve, and the financial requirements to fund the interventions, while a Capacity Assessment focuses on the current and desired levels of capacity in a given enabling environment or organisation, the gap between them and the resulting capacity development strategies – **how** the improvements will occur and how much such will cost to undertake.

## 2.2 Post-Conflict Needs Assessment, PCNA (UNDG, World Bank and UNDP)

**Definition:** A complex analytical process led by the national authorities and supported by the international community and carried out by multilateral agencies on their behalf, with the closest possible collaboration of national stakeholders and civil society. The needs assessment aims to overcome consequences of conflict or war, prevent renewed outbreak and shape the short-term and potentially medium-term recovery priorities as well as articulate their financial implications on the basis of an overall long-term vision or goal.

**Purpose:** Used as a first entry point for conceptualizing, negotiating, financing and operationalizing a common shared strategy for recovery and development in fragile, post-conflict settings. A PCNA takes place prior to development assessments and, more generally speaking, the development phase.

**Use in Conjunction with UNDP's "Default" Capacity Assessment Methodology:** UNDP's "default" capacity assessment framework can be used in conjunction with a PCNA in two primary ways: 1) it can support organizational-level capacity assessments mainstreamed across all sectors of a PCNA; and 2) it can be used after a PCNA has been conducted and has identified capacity as a development priority; the default capacity assessment can then be used to conduct a more targeted and in-depth analysis of future capacity needs vs. existing capacity assets, the results of which in turn lead to a set of capacity development strategies to be implemented during the development phase.

## 2.3 National Capacity Self-Assessment, NCSA (Global Environment Facility, UNDP, UNEP)

**Definition:** The National Capacity Self-Assessment is a Global Environment Facility programme designed to enable countries to carry out their own systematic assessment of capacity needed to address priority national and global environmental issues. Over 150 developing countries and countries with economies in transition are currently undertaking an NCSA, with support from the GEF and GEF Implementing Agencies, UNDP and UNEP.

The NCSA is the first pathway (I) in the [GEF Strategic Approach to Enhanced Capacity Building](#). Three follow-up pathways are aimed at strengthening capacity development across the GEF programme - in regular projects (II), in achieving synergy through actions that connect across the main multilateral environment agreements (III), and in country capacity action programs in LDC and SIDS (IV).

The whole program is guided by the GEF Inter-Agency Task Force on Capacity Development, and supported by a [Global Support Programme](#), a joint facility of the GEF, UNDP and UNEP.

**Purpose:** The NCSA appraises the organizational and systemic capacity constraints and opportunities that affect the country's priority environmental management issues. These are considered in the context of sustainable development and the Millennium Development Goals. The NCSA concludes with the preparation of a national capacity strategy and action plan, designed to underpin the country's environmental management and sustainable development programmes and projects.

**Use in Conjunction with UNDP’s “Default” Capacity Assessment Methodology:** The NCSA methodology is a close adaptation of UNDP’s capacity assessment framework. The participatory process is designed and run by a national team. It draws on existing national planning frameworks and integrates the findings of other strategic priority assessments and plans, including those from the series of GEF and/or MEA Enabling Activities undertaken over the past 5-8 years.

From this broad assessment base, the NCSA prepares a country plan for strengthening the foundations of its environmental management and sustainable development programmes. By using the UNDP “default” assessment methodology, follow-up actions are readily integrated with mainstream development planning, the CCA/UNDAF process, and the strategies of different international donor agencies.

### **3. Applications of the Capacity Assessment Framework**

The following areas represent some of UNDP’s strategic capacity investment areas. Adaptations of the “default” Capacity Assessment methodology and supporting tool for the National Aid Policy and Management and Procurement application areas are available. Collaboration in other application areas is ongoing.

#### Capacity Development for Localizing the MDGs:

Promoting local-level integrated development through MDG target setting, integrated planning, strengthening local administration and public-private partnerships for service delivery.

#### Capacity Development in Transition Situations:

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.

#### National Aid Management:

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.

#### National Programme Implementation Capacities:

Developing capacities for implementation of development programmes. Develop capacities to promote effective and efficient programme implementation, including project management and monitoring, procurement, financial management, human resources management and information and communications technology management.

#### **IV. Define Capacity Development Strategies**

The assessment of capacity and the resulting interpretation of differences between existing and desired levels of capacity drive the creation of capacity development strategy options. The capacity development plan should consist of high-priority, short- to medium-term strategic initiatives (one year or longer) and immediate quick impact activities (less than one year) that build the foundation for ongoing capacity development as well as build momentum for the process. The following steps guide the technical process and are recommended in undertaking the formulation of capacity development actions.

1. Define capacity development strategies
2. Define progress indicators for capacity development strategies
3. Cost capacity development strategies

Before formulating capacity development strategies, there are several operational considerations that should be taken into account:

- Select capacity development strategies based on findings from a capacity assessment exercise
- Identify indicators that are measurable and distinct
- Use cost information to help prioritize actions – but only after capacity assessment has been completed

#### **1. Define Capacity Development Strategies**

UNDP's Practice Note on Capacity Development provides detail on capacity development strategies which 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 the capacity assessment exercise.<sup>3</sup>

#### **Capacity Development Strategies**

##### Institutional Reform and Incentives:

Process facilitation for change management; functional reviews; salary supplements; business processes (project management and procurement)...

##### Leadership Capacities:

Negotiation and visioning skills; coaching and mentoring; ethics; advocacy; media ...

##### Education, Training and Learning:

Training methods; tertiary education curricula and investments; vocational education; on-the job skills...

##### Accountability and Voice Mechanisms:

Peer reviews; citizen watch; monitoring and evaluation; stakeholder feedback; public information campaigns...

#### ***Capacity Assessment Supporting Tool Instructions***

*Open "Step 3. Define CD Strategies" tab. The cross-cutting functional capacity questions and capacity level ratings are automatically carried forward from the Step 1 tab – in the exact order in which they appear in Step 1 (they cannot be edited in Step 3). At either the level of individual questions within each cross-section or at the level of the overall cross-section, define and enter strategic initiatives (column g) and quick impact activities (column H).*

#### **Figure 9: Step 3. Define Capacity Development Strategies – ILLUSTRATIVE**

<sup>3</sup> See UNDP Practice Note on Capacity Development, July 2006, for further detail on capacity development strategies.

requires user input				
cells automatically populated				
<b>Core Issue</b>				
<b>Leadership</b>				
<b>Point of Entry</b>				
<b>Enabling Environment</b>				
<b>Summary Rating</b>				
				<b>Potential Capacity Development Strategies</b>
				Capacity Diagnostics
				Knowledge Services and Learning
				Leadership Development
				Institutional Reform and Change Management
				Multi-Stakeholder Engagement Processes
				Mutual Accountability Mechanisms
				Incentive Systems
<b>Cross-Section Capacity Questions</b>		<b>Capacity Level</b>	<b>Define Capacity Development Strategies</b>	
<b>Cross-Cutting Capacity</b>	<b>Questions</b>		<b>Strategic Initiatives</b>	<b>Quick Impact Activities</b>
Engage in Multi-Stakeholder Dialogue	Do authorities have the capacity to manage relations with domestic and external stakeholders inclusively and constructively? Q1 Q2 Q3 Q4 Q5			
Analyse a Situation and Create a Vision	Do authorities have the capacity to frame, manage and interpret analysis of internal and external dynamics? Do authorities have the capacity to conduct long-term visioning?			
Formulate Policy and Strategy	Do authorities have the capacity to develop integrated plans linked to resources?			
Budget, Manage and Implement	Do authorities have the capacity to manage implementation of (national or local) plans, strategies, programmes?			
Monitor and Evaluate	Do authorities have the capacity to ensure independent evaluation of medium-term target setting, planning and budgeting?			

## 2. Define Progress Indicators

Capacity development should be accompanied by indicators against which to measure progress. The challenge is to go beyond monitoring and evaluation that is project- or programme-based and viewed in terms of inputs and outputs, to monitoring and evaluation that is viewed in terms of outcomes.

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

(Steps in bold type are addressed in further detail below)

The following figures illustrate how outputs and outcomes inter-relate during the process of achieving results, and specifically the two layers of indicators: those for capacity development strategies and those for capacity development in areas targeted during the assessment.<sup>4</sup>

**Figure 10: The Results Chain – from UNDP Handbook on Monitoring and Evaluating for Results**



<sup>4</sup> See Handbook on Monitoring and Evaluating for Results, UNDP, June 2002.

**Figure 11: Indicators and the Monitoring of Results – from UNDP Handbook on Monitoring and Evaluating for Results**

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

## 2.1 Define Indicators

A team should strive to define indicators that are SMART: **S**pecific, **M**easurable, **A**ttainable, **R**elevant and **T**imebound.

Illustrative indicators for each cross-section of point of entry, core issue and cross-cutting functional capacity are found in Section V. Similar to the illustrative questions, the indicators are meant to be illustrative of the various types of indicators that could be applied. The “hierarchy” of indicators in this User’s Guide is mixed:

- Some indicators are broad and qualitative, while others are more specific and easily measurable. For those that are broad or qualitative, the assessment team needs to make them SMART in the context of their capacity development effort.
- Some indicators are applicable across many core issues; others are more targeted to specific issues. For those that are more general, the assessment team needs to make them more specific to this issues under assessment.

A final note about the indicators: there is not a one-to-one relationship between the questions and indicators in Section V.

## 2.2 Determine Baselines and Set Targets for Each Indicator

Regardless of the type of indicators selected, baseline and target metrics should be defined. The baseline may be as straightforward as the quantitative ranking determined during the assessment. Regardless of the indicator chosen, its “measurability” is critical – the availability of indicator data, or lack thereof, may require the capacity assessment team to reconsider its indicators.

A list of illustrative indicators associated with UNDP’s capacity development strategies and with UNDP’s default principles on capacity development can be found in Annexes 2 and 3<sup>5</sup>; these indicators can be used as thought starters for indicators for the selected capacity development strategies. A list of references on indicators (and monitoring and evaluation more generally) is found in Annex 4.

### **Capacity Assessment Supporting Tool Instructions**

*Move to “Step 4. Define Indicators” tab. The cross-cutting functional capacity questions, capacity level ratings, strategic initiatives and quick impact activities are automatically carried forward from Steps 1 and 3 – again, in the exact order in which they appear in those Steps. Start with capacity development strategies and enter indicators for each strategy, along with baseline data and targets. Then move to capacity development more generally and enter indicators, again along with baseline data and targets.*

<sup>5</sup> See UNDP Practice Note on Capacity Development, April 2006.

**Figure 12: Step 4. Define Progress Indicators – ILLUSTRATIVE**

Cross-Cutting Capacity Questions		Capacity Level	Capacity Development Strategies/Actions		Define Progress Indicators - Capacity Development Strategies			Define Progress Indicators - Capacity Development		
Cross-Cutting Capacity	Questions		Strategic Initiatives	Quick Impact Initiatives	Indicator	Baseline	Target	Indicator	Baseline	Target
Engage in Multi-Stakeholder Dialogue	Do authorities have the capacity to engage partners with domestic and external stakeholders inclusively and constructively? Q1 Q2 Q3 Q4 Q5									
Analyse a Situation and Create a Vision Formulate Policy and Strategy Budget, Manage and Implement Monitor and Evaluate										

### 3. Cost Capacity Development Strategies

The best developed policies and programmes will go nowhere without appropriate funding. It is critical that the capacity development strategy options and related action plans are accurately costed in order for the team to realistically determine the extent of funding required for implementation.

Use input-based budgeting process for shorter-term capacity development actions and strategies; this is based on known, quantifiable inputs, e.g., number of consultant-days, number of consultation sessions, translation costs. Based on its assessment, costing and available funding, the team may need to revisit its capacity development strategies. Prioritization of strategies, however, should be addressed after the assessment and strategy formulation effort is completed.

Less straight-forward is the process for determining or projecting costs required for longer-term capacity development. If an assessment team feels that these costs cannot be accurately projected, it is suggested that this costing exercise be limited to an actual costing of inputs in order to avoid any issues of credibility or legitimacy.

#### **Capacity Assessment Supporting Tool Instructions**

Move to “Step 5. Cost CD Strategies” tab. The cross-cutting functional capacity questions, capacity level ratings, strategic initiatives and quick impact activities are automatically carried forward from previous Steps – again, in the exact order in which they appear in those Steps. Calculate costs (outside of the Tool) and enter this amount for each capacity development strategy (column J) and for capacity development more generally (column L).

**Figure 13: Step 5. Cost Capacity Development Strategies – ILLUSTRATIVE**



## V. Questions and Indicators by Point of Entry

**Key Operational Considerations** (*reprinted from Section II 2. Conduct the Capacity Assessment and Section VI 2. Define Progress Indicators*)

The questions provided here are intended to serve as thought-starters. Given the contextual demands of any assessment, it is expected that these questions will be adapted, added to and/or deleted, to address context-specific needs. Some questions represent a “bundle” of questions and may need to be unbundled before being addressed. Depending on the approach the assessment team has decided to pursue – quantitative and/or qualitative – the questions will need to be adapted accordingly; for example, the more open-ended questions are appropriate for a qualitative assessment, but will need to be made more closed for a quantitative assessment. Finally, the questions are not intended to represent an exhaustive set of questions for any capacity assessment.

Illustrative questions for each cross-section of point of entry, core issue and cross-cutting functional capacity are in three categories:

1. **Overall Question:** represents a point of departure and is automatically populated in the Capacity Assessment Supporting Tool for each cross-cutting functional capacity based on the selection of point of entry and core issue
2. **Additional Questions:** represents potential areas for exploration; may be included in an assessment as deemed appropriate by the assessment team
3. **Additional Areas of Exploration:** included for several cross-sections, but not all, are additional dimensions of capacity that may be explored. Again, these are thought-starters for the assessment team as it determines the scope and scale of its assessment, and as it formulates questions to assess capacity

References to “authorities” at the enabling environment level should be tailored to relevant national and/or local players, as appropriate.

A team should strive to define indicators that are SMART: **S**pecific, **M**easurable, **A**ttainable, **R**elevant and **T**imebound.

Illustrative indicators for each cross-section of point of entry, core issue and cross-cutting functional capacity are found in Section V. Similar to the illustrative questions, the indicators are meant to be illustrative of the various types of indicators that could be applied. The “hierarchy” of indicators in this User’s Guide is mixed:

- Some indicators are broad and qualitative, while others are more specific and easily measurable. For those that are broad or qualitative, the assessment team needs to make them SMART in the context of their capacity development effort.
- Some indicators are applicable across many core issues; others are more targeted to specific issues. For those that are more general, the assessment team needs to make them more specific to the issues under assessment.

A final note about the questions and indicators: there is not a one-to-one relationship between the questions and indicators in this Section.

Each Core Issue section can be used alone or in conjunction with other Core Issue sections, depending on the scope and scale of the assessment as determined during the mobilize and design step.

## Template

<b>Core Issue</b>	
<b>Context</b>	per UNDP Practice Note on Capacity Assessment

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	
<b>Additional Questions:</b>	
<b>Indicators</b> (not a one-to-one relationship between questions and indicators)	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	
<b>Additional Questions:</b>	
<b>Indicators</b>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	
<b>Additional Questions:</b>	
<b>Indicators</b>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	
<b>Additional Questions:</b>	
<b>Indicators</b>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	
<b>Additional Questions:</b>	
<b>Indicators</b>	

### Additional Areas of Exploration:

Included for several cross-sections, but not all, are additional dimensions of capacity that may be explored. Again, these are thought-starters for the assessment team as it determines the scope and scale of its assessment, and as it formulates questions to assess capacity.

### Indicator Sources:

**Arial Black:** UNDP/BDP Resource Catalogue on Measuring Capacities: An Illustrative Catalogue to Benchmarks and Indicators, September 2005

**Arial Italics Black:** UNDP Practice Note on Capacity Development, April 2006

**Arial Italics Red:** *Organisational Assessment Tool, December 2005.*

**Arial Italics Blue:** *UNDG Working Group on Capacity Development, March 2006.*

**Arial Italics Purple:** *Other.*

## 1. Questions and Indicators – Enabling Environment

<b>Number</b>	<b>Core Issue</b>	<b>Page</b>
1.0	Leadership	25
2.0	Policy and Legal Framework	27
3.0	Mutual Accountability Mechanisms	29
4.1	Public Engagement – Inclusion, Participation, Equity and Empowerment	32
4.2	Public Engagement – Access to Information and Knowledge	34
5.0	Human Resources	36
6.0	Financial Resources	38
7.0	Physical Resources	40
8.0	Environmental Resources	32
9.0	Human Rights Based Approach	44

## 2. Questions and Indicators – Organisational Level

<b>Number</b>	<b>Core Issue</b>	<b>Page</b>
1.0	Leadership	46
2.0	Policy and Legal Framework	49
3.0	Mutual Accountability Mechanisms	51
4.1	Public Engagement – Inclusion, Participation, Equity and Empowerment	54
4.2	Public Engagement – Access to Information and Knowledge	57
5.0	Human Resources	59
6.0	Financial Resources	62
7.0	Physical Resources	64
8.0	Environmental Resources	66
9.0	Human Rights Based Approach	68

<b>Core Issue</b>	<b>1.0 Leadership – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>The relationship between capacity development and leadership is a fundamental one: fostering good leadership maximizes and protects investments in capacities within the enabling environment, as well as at the organisational and individual levels. Poor leaders can set efforts back by decades, and twist ownership to suit their own agendas, gearing it toward a culture of entitlement or excessive nationalism that is detrimental to capacity development.</p> <p>Successful leadership results in enhanced understanding, improved relationships, and greater collective effectiveness among working teams and their partners. Since people with overlapping goals have a better sense of how parts of the system fit together, good leaders build upon relationships and trust, mobilizing energy in a way that is sustainable, fosters ownership and generates commitment. Leadership development is thus an important response to capacity challenges.</p> <p>Among capacities assessed in this category are the abilities to foster ownership; manage relationships with key external stakeholders, including the ability to negotiate; develop, communicate and give direction on vision, mission and values; develop and implement a system for overall management; and create an environment that motivates and supports individuals.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to manage relations with domestic and external stakeholders inclusively and constructively?
<b>Additional Questions:</b>	<p>Do authorities have the capacity to:</p> <ol style="list-style-type: none"> <li>1. Identify all relevant stakeholders?</li> <li>2. Lead domestic and external stakeholders through the process of establishing MDG-based national development plans and poverty reduction strategies?</li> <li>3. Foster ownership of capacity development policies, legislations, strategies and programmes?</li> <li>4. Negotiate with domestic and external stakeholders?</li> <li>5. Define and put in place inter-ministerial / inter-sector coordination mechanisms?</li> </ol>
<b>Indicators (not a one-to-one relationship between questions and indicators)</b>	
<ul style="list-style-type: none"> <li>▪ Existence and effectiveness of dialogue mechanisms (and other links as appropriate) among domestic institutions.</li> <li>▪ Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among domestic and external stakeholders.</li> <li>▪ Existence of influential and outspoken champions for ownership and capacity development.</li> <li>▪ Government ownership of policies, goals and structure.</li> <li>▪ Ability of authorities to effectively represent the government (national or local) to external interests.</li> <li>▪ Clarity of leadership philosophy to domestic and external stakeholders.</li> <li>▪ External image of the government (national or local) (e.g., image is consistent with goals and objectives).</li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	<p>Do authorities have the capacity to frame, manage and interpret analysis of internal and external dynamics (at the appropriate level, e.g., market, sector)?</p> <p>Do authorities have the capacity to conduct long-term visioning?</p>
<b>Additional Questions:</b>	<p>Do authorities have the capacity to:</p> <ol style="list-style-type: none"> <li>6. Develop, communicate and give direction on vision, mission and values?</li> </ol>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to government’s development.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ Clarity of mission to staff and/or members; documentation of mission.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop integrated policies and plans linked to resources?
<b>Additional Questions:</b>	Do authorities have the capacity to: 7. Formulate policies, legislations, strategies and programmes?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into governmental functioning.</i></li> <li>▪ <i>Actionability of objectives and outputs in national and local development strategies.</i></li> <li>▪ <i>Existence of long-term strategic policy choices for capacity development.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to manage implementation of (national or local) plans, strategies, programmes?
<b>Additional Questions:</b>	Do authorities have the capacity to: 8. Develop and implement a system for overall management? 9. Create an environment that motivates and supports individuals? 10. Devolve decision-making to the most appropriate level? 11. Delegate operational responsibilities to the most appropriate level?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of scope of programme or other activities with government's mission, priorities and managerial capabilities.</li> <li>▪ <i>Quality of implementation of plans, strategies and programmes (e.g., effective and efficient).</i></li> <li>▪ Strength of programme delivery.</li> <li>▪ <i>Actionability of objectives and outputs in national and local development workplans.</i></li> <li>▪ Clarity and awareness of goals and priorities among leaders</li> <li>▪ Level of fiscal and operational awareness among leaders (e.g., managers can clearly describe their roles and responsibilities).</li> <li>▪ Degree of delegation of management responsibility.</li> <li>▪ Evidence of effective staff involvement and teamwork in planning and work.</li> <li>▪ <i>Nature and quality of planning, decision-making and benchmarking processes (e.g., iterative).</i></li> <li>▪ <i>Skill level of top management and middle management.</i></li> <li>▪ Depth of management.</li> <li>▪ Management style (e.g., participatory and enabling).</li> <li>▪ <i>Ethics of leaders (e.g., ethical behavior exhibited, number disciplinary cases reported).</i></li> <li>▪ <i>Receptivity of leaders to change and modernization.</i></li> <li>▪ Evidence of effective innovation and learning.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure independent evaluation of medium-term target setting, planning and budgeting?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Level of awareness and understanding of program outcomes among government managers.</li> <li>▪ Measurement of programme outcomes.</li> <li>▪ <i>Degree to which M&amp;E systems and practices yield evidence-based foundation for planning, decision-making and learning.</i></li> <li>▪ Strength of national organisations (e.g., number of organisations meeting at least xx% of their targeted objectives, improvements, etc.).</li> <li>▪ Improvement in government management capacity (e.g., number of governmental units displaying improved practices, such as open and transparent financial systems, set organisational procedures, accountability, participatory decision-making, by-laws and elections).</li> <li>▪ <i>Impact on the local, national and international economy and society.</i></li> </ul>	

<b>Core Issue</b>	<b>2. Policy and Legal Framework – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>Without a strong policy and legal framework in place, countries can experience problems of poor adherence to international norms and standards, prevalence of anti-poor and gender bias in justice systems, and poor implementation of national laws and regulations intended to benefit disadvantaged groups. In addition, there is often a very real gap between “law in the books” and “law in action” which can limit access and result in injustice.</p> <p>This category focuses on the capacity to develop and sustain a policy and legal framework that is independent, impartial and fair – a system that is critical to the alleviation of poverty and achievement of the MDGs.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop policies and legal and regulatory frameworks and mechanisms that ensure multi-stakeholder participation?
<b>Additional Questions:</b>	Do authorities have the capacity to: 12. Engage domestic and external stakeholders in the process of developing policies and legal and regulatory frameworks and mechanisms that ensure multi-stakeholder participation?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) among domestic institutions to discuss formulation and implementation of the government’s policy and legal framework.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among domestic and external stakeholders.</i></li> <li>▪ <i>Clarity of policy and legal framework to domestic and external stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive analysis of the policy and legal environment? Do authorities have the capacity to create a vision for fair and equitable policies and legal and regulatory frameworks and mechanisms?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact.</i></li> <li>▪ <i>Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to government’s policy and legal framework.</i></li> <li>▪ <i>Existence of clear “rules of the game” and safeguards that establish legitimate domestic partners and policy processes as leading on policy choice.</i></li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop policy, legal and regulatory frameworks and mechanisms?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into government’s policy and legal framework.</i></li> <li>▪ <i>Existence of policy and legal framework that is independent, impartial and fair.</i></li> <li>▪ <i>Existence of long-term strategic choices on policy and legal frameworks.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall</b>	Do authorities have the capacity to develop policy, legal and regulatory frameworks and

<b>Question:</b>	mechanisms that support an integrated approach to budgeting and implementation?
<b>Additional Questions:</b>	Do authorities have the capacity to: 13. Budget, manage and implement programmes to develop policies and legal and regulatory frameworks and mechanisms?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Extent to which policy and legal framework contributes to achievement of overall goals and strategies.</li> <li>▪ Alignment of policy and legal framework with government's mission and priorities; and managerial capacities.</li> <li>▪ Clarity and awareness of policy and legal framework among leaders.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop policies and legal and regulatory frameworks and mechanisms for monitoring and evaluating?
<b>Additional Questions:</b>	Do authorities have the capacity to: 14. Monitor and evaluate the development and implementation of policies and legal and regulatory frameworks and mechanisms?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of monitoring and evaluation guidelines, procedures, etc.</li> <li>▪ Extent to which legal profession is subject to disciplinary measures.</li> <li>▪ <i>Degree of "rule of law," equality of citizens, access to justice.</i></li> <li>▪ <i>Level of corruption.</i></li> <li>▪ <i>Existence of legal framework for processing complaints about public sector performance issues.</i></li> </ul>	

<b>Core Issue</b>	<b>3.0 Mutual Accountability Mechanisms – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>An efficient, responsive, transparent and accountable public administration is not only of paramount importance for the proper functioning of a nation; it is also the basic means through which government strategies to achieve the MDGs can be implemented. Public administration is also the main vehicle through which the relationship between the state and civil society and the private sector is realized. Assessing capacities to manage and support an accountable public administration and ensure the reforms required, often on a long-term and sustained basis, is essential to effective governance and to providing a sound basis for equitable development.</p> <p>This category pertains to the capacity to ensure accountability through prevention and enforcement; strengthening of national integrity institutions; increasing public participation and building coalitions; and working with the international community.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop accountability mechanisms that ensure multi-stakeholder participation?
<b>Additional Questions:</b>	Do authorities have the capacity to: 15. Engage domestic and external stakeholders in the process of developing national and local accountability mechanisms? 16. Publish procedures and criteria for administrative decisions in local language(s)?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) among domestic institutions.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among domestic and external stakeholders.</i></li> <li>▪ Existence of “citizen charters” (or similar undertakings) that establish the obligations of service providers and the rights of users.</li> <li>▪ Quality (e.g., open) and frequency of policy debates.</li> <li>▪ Operational nature of select committees (e.g., they meet in public; their reports are made public; they make a practice of hearing submissions from members of the public and civil society organisations).</li> <li>▪ Level of opportunity among legislators who oppose the government to express their views in the Legislature.</li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive analysis of the accountability mechanism environment? Do authorities have the capacity to create a vision for robust accountability mechanisms?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to government’s mutual accountability mechanisms.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop and manage accountability mechanisms to ensure formulation of clear and transparent policies and strategies?
<b>Additional Questions:</b>	Do authorities have the capacity to: 17. Develop clear and transparent policies, legal and regulatory frameworks and mechanisms that ensure accountability (e.g., of national government, local government, policies for procurement of goods and services)? 18. Develop policies, legal and regulatory frameworks and mechanisms that actively

	discourage ineffective service delivery and provide public channels for redress? 19. Strengthen national and/or local accountability organisations?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of mechanisms that ensure mutual accountability.</i></li> <li>▪ <i>Extent to which societal changes are integrated into government's mutual accountability mechanisms.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop, manage and enforce accountability mechanisms regarding programme budgeting, management and implementation?
<b>Additional Questions:</b>	Do authorities have the capacity to: 20. Budget, manage and implement programmes to develop accountability mechanisms? 21. Systematically embed lessons learned into new programme and project design?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of mutual accountability programme with government's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of mutual accountability goals and priorities among leaders.</li> <li>▪ <i>Degree of enforcement of mutual accountability mechanisms.</i></li> <li>▪ Existence of mechanism (e.g., law, convention) to oblige decision-makers (e.g., members of the executive branch, civil servants) to give reasons for their decisions.</li> <li>▪ Existence of continuing efforts to streamline bureaucracy rendering it more open, efficient and user-friendly for the public.</li> <li>▪ Transparency of methods used to sell government assets.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop and manage accountability mechanisms for monitoring and evaluation?
<b>Additional Questions:</b>	Do authorities have the capacity to: 22. Monitor and evaluate the development and implementation of accountability mechanisms? 23. Develop policy, legal and regulatory frameworks and mechanisms for receiving and processing complaints about public sector performance? 24. Comply with international agreements, frameworks, norms, standards related to public sector accountability? 25. Make budget figures publicly available? 26. Prepare and release to the general public updates on sector-relevant developments on a periodic basis either free of charge or at cost? 27. Ensure independent audits are conducted? 28. Provide access to the general public to gift and hospitality registers? 29. Systematically document good and bad practices, learn from mistakes and reward staff for confronting rather than concealing errors? 30. Make public its obligations as a service provider and the rights of its clients ("citizens' charters"), including the right to complain and the process for lodging a complaint? 31. Make timely and truthful information available to all media, without bias or preference?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of clear and well understood laws, conventions, procedures and other mechanisms: <ul style="list-style-type: none"> <li>• Conflict of interest laws, which serve as an effective barrier to members of the executive and legislative branches using their positions for personal benefit or interfering in day-to-day administration.</li> <li>• Election laws, barring convicted criminals from running for election.</li> <li>• Procedures for monitoring the private interests (personal assets, lifestyle, income) of elected officials and members of their immediate families are in place.</li> <li>• Complaint mechanisms (whistleblower protection), and staff has confidence in them.</li> <li>• <i>Other societal "watch dog" functions.</i></li> </ul> </li> <li>▪ <i>Effectiveness of parliamentary oversight, access to resource functions (e.g., ombudsman).</i></li> </ul>	

- Readiness of the legislature to lift the immunity enjoyed by one of its members, regardless of the party to which the member belongs, when there are serious grounds for believing that he or she may be guilty of a serious criminal offence.
- Receptivity to and action taken on recommendations of the Public Accounts Committee by the Executive.
  - The Public Accounts Committee has power to call officials (including Ministers) for questioning.
  - As a matter of practice or requirement, the chair of the Public Accounts Committee is chaired by a Member who is independent of the government of the day.
- Transparency and accessibility of gift and hospitality registers to the public.
- Accountability of managers for the corruption / inadequate performance of their subordinates.
- Transparency of identities of civil servants.
- Frequency of rotation of employees in vulnerable positions so as to periodically change their physical / functional assignments.
- *Existence of mechanisms to register the voice of citizens and their perceptions.*
- *Level of citizen/customer satisfaction.*
- Frequency of department client satisfaction surveys.

<b>Core Issue</b>	<b>4.1 Public Engagement / Inclusion, Participation, Equity and Empowerment – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>This category pertains to the capacity for inclusion, participation, equity and empowerment of individuals across all the functional capacities. It covers the systems, process and tools required to assess the vulnerability, exclusion and marginalization of peoples. It also looks at the public space for dialogue and debate, state-citizen consultation and feedback processes.</p> <p>A second component of this category pertains to the mobilization, access and use of information and knowledge. Attention is given to access to and use of the Internet, the role of the media, the adaptation of global knowledge to local circumstances, knowledge networking, and incentives to encourage learning.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to enable equitable and meaningful public participation throughout the process of creating national and/or local development plans?
<b>Additional Questions:</b>	<p>Do authorities have the capacity to:</p> <p>32. Engage domestic and external stakeholders in the process of developing public engagement policies, frameworks and mechanisms?</p> <p>33. Provide meaningful inputs during the formulation of development plans?</p> <p>34. Create fora for consultation with external, public, private and civil institutions?</p> <p>35. Ensure that civil society and the general public have formal access to and actively participate in public decision-making meetings?</p> <p>36. Increase political representation and participation of marginalized and excluded peoples?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) among the government, domestic and external stakeholders on issues relating to inclusion, participation, equity and empowerment.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government, domestic and external stakeholders.</i></li> <li>▪ <i>Frequency and effectiveness of periodic publicity campaigns (in local languages) explaining the procedures and criteria for administrative decisions or processes (e.g., granting permits, licenses, bank loans, building plots, assessing taxes).</i></li> <li>▪ <i>Level of civic engagement and bottom-up influence on the policy agenda and development.</i></li> <li>▪ <i>Level of civic engagement and CSO/CBO activity.</i></li> <li>▪ <i>Degree of government support for effective functioning of CSO/CBOs.</i></li> <li>▪ <i>Existence of special and/or provisional measures to ensure partnerships with all excluded groups.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	<p>Do authorities have the capacity to frame, manage and interpret a comprehensive situation analysis?</p> <p>Do authorities have the capacity to create a vision for equitable, broad and meaningful public engagement?</p>
<b>Additional Questions:</b>	<p>Do authorities have the capacity to:</p> <p>37. Ensure equitable, broad and meaningful participation in conducting situation analyses and creating a vision?</p> <p>38. Assess the benefit of strategies for the poor, disadvantaged, excluded people and to set priorities to meet their needs?</p> <p>39. Assess the impact of legislation and budget allocation that target the poor, disadvantaged and excluded people?</p> <p>40. Generate and use disaggregated data for disparity, gender and vulnerability analysis that feeds into national and local planning processes?</p>
<b>Indicators</b>	

<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on the government's policies relating to inclusion, participation, equity and empowerment.</li> <li>▪ Quality of action taken as a result of "critical events" analysis of opportunities and threats of most significance to the government's policies relating to inclusion, participation, equity and empowerment.</li> <li>▪ <i>Adequacy of avenues to ensure equitable/broad and meaningful participation in situation analyses.</i></li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure decentralization and encourage involvement of interested parties throughout the process of developing policies and strategies?
<b>Additional Questions:</b>	Do authorities have the capacity to: 41. Develop policies that ensure decentralization and encourage involvement of interested parties? 42. Take into account norms of social inclusion and equity when formulating policies?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of mechanisms that ensure inclusion, participation, equity and empowerment.</i></li> <li>▪ <i>Extent to which societal changes are integrated into government's inclusion, participation, equity and empowerment policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for inclusion, participation, equity and empowerment.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure public participation in the budgeting, management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Do authorities have the capacity to: 43. Budget, manage and implement programmes that encourage public engagement, specifically poor, marginalized peoples' participation? 44. Develop service delivery action plans that delineate responsibilities among public, private and not-for-profit providers?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of inclusion, participation, equity and empowerment programme with government's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of inclusion, participation, equity and empowerment goals and priorities among leaders.</li> <li>▪ <i>Degree of enforcement of inclusion, participation, equity and empowerment mechanisms.</i></li> <li>▪ <i>Degree to which decentralization is political, functional (e.g., health and education at local government level is accessible to all) and fiscal/budgetary (e.g., revenues and allocation of resources for public expenditures).</i></li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure availability and accessibility of communication and feedback mechanisms in both legislative and executive bodies for citizens to be heard?
<b>Additional Questions:</b>	Do authorities have the capacity to: 45. Monitor and evaluate the development and implementation of public engagement frameworks and mechanisms? 46. Develop and use indicators appropriate to excluded groups?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of clear and well understood inclusion and feedback mechanisms.</li> <li>▪ <i>Existence of mechanisms to register the voice of customers and employees and their perceptions.</i></li> <li>▪ Accessibility of government departments to the media.</li> <li>▪ Availability of information.</li> <li>▪ <i>Number and quality of citizen/customer suggestions received, recorded, acted upon.</i></li> <li>▪ <i>Degree to which leadership seeks suggestions and collects ideas for improvement.</i></li> </ul>	

<b>Core Issue</b>	<b>4.2 Public Engagement / Access to Information – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>This category pertains to the capacity for inclusion, participation, equity and empowerment of individuals across all the functional capacities. It covers the systems, process and tools required to assess the vulnerability, exclusion and marginalization of peoples. It also looks at the public space for dialogue and debate, state-citizen consultation and feedback processes.</p> <p>A second component of this category pertains to the mobilization, access and use of information and knowledge. Attention is given to access to and use of the Internet, the role of the media, the adaptation of global knowledge to local circumstances, knowledge networking, and incentives to encourage learning.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to engage stakeholders throughout the process of developing plans for access to information and knowledge?
<b>Additional Questions:</b>	47. Publish public information in local language(s)?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between and among the government and domestic and external stakeholders on issues relating to access to information and knowledge.</li> <li>▪ Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government and domestic and external stakeholders.</li> <li>▪ Availability of public information in local dialects for dissemination to local users.</li> <li>▪ Degree of effort aimed at administrative simplification (e.g., use of simple language).</li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive situation analysis? Do authorities have the capacity to create a vision for equitable, broad and meaningful access to and provision of information and knowledge?
<b>Additional Questions:</b>	Do authorities have the capacity to: 48. Conduct analyses of: intellectual property rights protection; code of conduct/ethics and regulations in information services, including privacy laws, disclosure, censorship, conflicts of interest, etc.; competition policy for information providers; licensing; media ownership; censorship; transparency and access to public records and foreign sources of information; professional regulation (of media practitioners)? 49. Conduct analysis of information and communication services industries?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to access to information and knowledge.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the government’s access to information and knowledge policies.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure access to and provision of information and knowledge throughout the process of developing policies and strategies?
<b>Additional Questions:</b>	Do authorities have the capacity to: 50. Create policies, laws and regulations on access to and provision of information and knowledge? 51. Draft laws on: intellectual property rights protection; code of conduct/ethics and regulations in information services, including privacy laws, disclosure, censorship, conflicts of interest, etc.; competition policy for information providers; licensing; media ownership; censorship; transparency and access to public records and foreign sources of information; professional regulation (of media practitioners)?

	52. Develop policies, legal and regulatory frameworks and mechanisms that provide incentives for research and development activities and knowledge sharing?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Degree, quality and enforcement of mechanisms that ensure access to information and knowledge (e.g., constitutional recognition of freedom of information; state policy on public access to information in all governmental branches and units, promoting transparency in public transactions and access to public records).</i></li> <li>▪ <i>Extent to which societal changes are integrated into government's access to information and knowledge policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for access to information and knowledge.</i></li> <li>▪ Existence of freedom of information laws and/or procedures to ensure that members of the public can obtain information/documents from public authorities.</li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure access to information and knowledge to support the process of budgeting, management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Do authorities have the capacity to: <ul style="list-style-type: none"> <li>53. Budget, manage and implement programmes to ensure technological, communication and information resources and networks are in place?</li> <li>54. Develop and use management information systems, including statistical data systems, databases and data collection mechanisms?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of access to information and knowledge programme with government's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of access to information and knowledge goals and priorities among leaders.</li> <li>▪ <i>Degree of enforcement of access to information and knowledge mechanisms.</i></li> <li>▪ <i>Extent of efforts to improve availability, accuracy and transparency of information.</i></li> <li>▪ Degree to which information is shared across organisations.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure, through monitoring and evaluation mechanisms, citizens' access to information and knowledge?
<b>Additional Questions:</b>	Do authorities have the capacity to: <ul style="list-style-type: none"> <li>55. Monitor and evaluate access to information and knowledge?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Equity of distribution of public resources, infrastructure and facilities enabling nationwide access to information.</i></li> <li>▪ <i>Existence of system for generating internal and external feedback on effectiveness of information services.</i></li> <li>▪ <i>Degree of citizen/customer access to global knowledge (e.g., connectivity, internet access points).</i></li> <li>▪ <i>Degree of citizen/customer access to budget allocation information regarding local services, e.g., schools, clinics.</i></li> <li>▪ <i>Amount and quality of information available; transparency of information.</i></li> </ul>	
<b>Media</b>	
<ul style="list-style-type: none"> <li>▪ Censorship of the media (via an "Official Secrets Act" or something similar; libel laws; journalist licensing laws).</li> <li>▪ Independence of the media (from government control, influence).</li> <li>▪ Credibility of the media.</li> <li>▪ <i>Quality of the media</i> (e.g., publication of stories critical of the administration, quoting opposition politicians).</li> <li>▪ Level of competition within the media (print, television, radio).</li> <li>▪ Existence and enforcement of anti-monopoly laws.</li> <li>▪ Growth of independent media sector (including internet, informal journals, newsletters).</li> <li>▪ Rights of foreign press relative to domestic press.</li> <li>▪ Transparency of non-media business interests of media owners.</li> </ul>	

<b>Core Issue</b>	<b>5.0 Human Resources – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>Exercising capacity is based on a commensurate resource endowment. Many developing countries are struggling with critical conditions, such as armed conflict, HIV/AIDS prevalence, natural disasters and the “brain-drain” phenomenon. All these deplete, and in some cases destroy, the capacities of countries and their prospects and hopes for development. In such cases, a capacity assessment needs to take into account any medium- to long-term trends resulting from a particular crisis or issue.</p> <p>Human resource capacities are at the heart of enhancing human development, and the capacity assessment framework may be expanded with queries in this segment to address this area in greater depth. Specific areas of assessment include recruitment and promotion policies; performance assessment and management mechanisms; incentives (monetary and non-monetary); monitoring and evaluation mechanisms; and training.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop HR policies that ensure multi-stakeholder participation?
<b>Additional Questions:</b>	Do authorities have the capacity to: 56. Engage domestic and external stakeholders in the process of developing HR policies?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between and among the government and domestic and external stakeholders on issues relating to human resource management.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government and domestic and external stakeholders.</i></li> <li>▪ Degree to which ministers respect the independence and professionalism of their senior civil servants.</li> <li>▪ Degree to which senior civil servants are generally expected to provide “frank and fearless” advice to Ministers.</li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive situation analysis of and to create a vision for the country’s HR assets and needs as they relate to delivering the MDGs and other international goals and commitments?
<b>Additional Questions:</b>	Do authorities have the capacity to: 57. Undertake analytical work, including 1) data generation and disaggregation (gender, ethnicity, age) of population and demographic trends; 2) employment trends (unemployment, underemployment, quality of life, including in work environment and their impact on sustainable development processes, migration); and 3) cross-sectoral HR supply and demand linkages? 58. Identify HR capacity gaps in policy issues relating to human resource development, including understanding and applying the internationally agreed standards and norms?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to human resource management.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the government’s human resource management policies.</li> <li>▪ Degree to which staff needs are analyzed in the planning process.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop policies and strategies relating to human resource development?
<b>Additional</b>	n/a

<b>Questions:</b>	
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into government's human resource management policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for human resource management..</i></li> <li>▪ <i>Existence of a collective, nationally coordinated and defended, transparent and legitimate salary supplementation scheme linked to civil service reform.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to leverage human resources appropriately in the budgeting, management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Do authorities have the capacity to: 59. Budget, manage and implement HR programmes and best practices for achievement of MD/MDGs? 60. Attain and utilize necessary resources? 61. Encourage innovation and initiative?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Government control over its own human resource policies.</li> <li>▪ Alignment of human resource management programme with government's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of human resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of human resource planning and allocation process.</i></li> <li>▪ <i>Degree of enforcement of human resource management policies and mechanisms.</i></li> <li>▪ Alignment of staff attitude and performance with overall goals.</li> <li>▪ Degree of orientation of staff at all levels toward producing results that meet overall goals.</li> <li>▪ <i>Existence of fully developed competency profiles application to all functional areas and specific levels.</i></li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to monitor and evaluate performance and trends in HR capacity and productivity enhancement?
<b>Additional Questions:</b>	Do authorities have the capacity to: 62. Report on progress of MD/MDGs and HR implications? 63. Leverage learning networks of institutions of excellence in human resource planning and management? 64. Ensure decision-makers are accountable for use of human resources? 65. Systematically embed lessons learned into new programme and project design?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Use of human resource management plan as a monitoring tool.</li> <li>▪ Accountability of staff for getting work done according to clear performance standards.</li> <li>▪ Job satisfaction at all levels of government.</li> <li>▪ Level of staff morale; frequency of evaluation of staff morale.</li> <li>▪ <i>Explicit integration of incentive questions as standing feature in mainstream M&amp;E.</i></li> <li>▪ Adequacy of staff in all key positions.</li> <li>▪ Staff turnover rate.</li> <li>▪ Degree to which monetary and non-monetary incentives support targeted behavior.</li> <li>▪ Adequacy and equity of compensation.</li> <li>▪ Opportunities for staff professional development and on-the-job training.</li> <li>▪ Degree to which recruitment and promotion policies provide for staff growth.</li> <li>▪ Degree to which government learns from its mistakes and staff is rewarded for confronting rather than concealing errors.</li> </ul>	

<b>Core Issue</b>	<b>6.0 Financial Resources – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>The capacity to manage financial resources is fundamental to success within the enabling environment and at the organisational level; this applies to the management of both internal resources (national budgets) as well as external resources (development funding).</p> <p>A concept key to external resources is Direct Budget Support (DBS), which is broadly defined as joint government/donor mechanisms to permit external resources to be channelled directly through national budgets, using national allocation, procurement and accounting systems, to supplement public expenditure on nationally agreed priorities. DBS, including the pooling of funds to support sector or programme approaches, has become a preferred method of development assistance for some governments and by some donors.</p> <p>Among capacities assessed in this category are national and local capacities to negotiate, manage, utilize and monitor DBS in ways that best support the human development agenda and achieve the MDGs, including capacities for the management of development finance and development cooperation.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop an MDG-based financial plan, with the involvement of domestic and external stakeholders?
<b>Additional Questions:</b>	Do authorities have the capacity to: 66. Engage domestic and external stakeholders in the process of developing an MDG-based financial plan? 67. Mobilise external resources? 68. Mobilise internal resources?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between and among the government and domestic and external stakeholders on issues relating to financial resource management.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government and domestic and external stakeholders.</i></li> <li>▪ <i>Evidence of ability to satisfy and balance the financial interests of all stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive situation analysis of and to create a vision for the country's financial assets as they relate to delivering the MDGs and other international goals and commitments?
<b>Additional Questions:</b>	Do authorities have the capacity to: 69. Identify and analyze the risks and rewards of potential financial decisions and weigh trade-offs in developing a financial plan?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to financial resource management.</i></li> <li>▪ <i>Quality of action taken as a result of "critical events" analysis of opportunities and threats of most significance to the government's financial resource management policies.</i></li> <li>▪ <i>Awareness of future resource needs among government authorities.</i></li> <li>▪ <i>Accuracy of financial forecasts.</i></li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to develop financial policies and plans that support achievement of MDG targets in a cost-effective and sustainable manner?
<b>Additional Questions:</b>	Do authorities have the capacity to: 70. Ensure equitable burden-sharing of financing schemes (among income groups and

	between national and local)?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into government's financial resource management policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for financial resource management.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to manage financial resources appropriately in the implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Do authorities have the capacity to: <ul style="list-style-type: none"> <li>71. Manage budgetary processes and analysis; negotiate resource allocations and trade-offs; and develop alternative funding schemes?</li> <li>72. Manage inter-sectoral budget allocation processes?</li> <li>73. Attain and utilize necessary resources?</li> <li>74. Provide training in financial planning and management?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Government control over its own budget and financial resource policies.</li> <li>▪ Alignment of financial resources and planning budgets (including credit, where appropriate).</li> <li>▪ <i>Degree of enforcement of financial resource management policies and mechanisms.</i></li> <li>▪ Effective financial management and accounting procedures.</li> <li>▪ Use of budgets as a planning tool.</li> <li>▪ Accuracy and currency of fiscal data.</li> <li>▪ Clarity and awareness of financial resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of budgeting, planning and allocation process.</i></li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure, through monitoring and evaluation, proper use of financial resources?
<b>Additional Questions:</b>	Do authorities have the capacity to: <ul style="list-style-type: none"> <li>75. Report on status of financial plan?</li> <li>76. Leverage learning networks of institutions of excellence in financial planning and management?</li> <li>77. Ensure decision-makers are accountable for use of financial resources?</li> <li>78. Systematically embed lessons learned into new programme and project design?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Use of budgets as a monitoring tool. <i>(Extent to which budgets/financial targets are met).</i></li> <li>▪ <i>Measures of effective use of operating funds (to avoid exceeding any credit limit or under-exploiting resources).</i></li> <li>▪ <i>Frequency and results of financial audits and inspections (internal and external).</i></li> <li>▪ <i>Measures of prudent and risk-conscious financial management.</i></li> <li>▪ Financial sustainability of national organisations (measured by e.g., amount of funds raised, number of organisations where at least xx funding sources contribute at least xx% each).</li> <li>▪ <i>Share of finance going through legitimate domestic institutions.</i></li> </ul>	

<b>Core Issue</b>	<b>7.0 Physical Resources – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	Physical resources consist primarily of material resources and infrastructure. In the context of the capacity assessment framework, the capacity to build, maintain and manage these resources is the focus. So, the capacity assessment does not, for example, ask for a count of the number of bridges but the capacity to construct and provide continuing services necessary to keep them operational.

### Cross-Cutting Functional Capacities

#### Engage in Multi-Stakeholder Dialogue

<b>Overall Question:</b>	Do authorities have the capacity to develop an MDG-based plan that optimizes infrastructure and physical resources, with the involvement of domestic and external stakeholders?
<b>Additional Questions:</b>	Do authorities have the capacity to: 79. Ensure local input when defining infrastructure and physical resources strategies? 80. Ensure local input when allocating budget on infrastructure and physical resources strategies? 81. Enable community participation in monitoring projects?

#### Indicators

- *Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between and among the government and domestic and external stakeholders on issues relating to physical resource management.*
- *Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government and domestic and external stakeholders.*
- *Evidence of ability to satisfy and balance the interests of all stakeholders.*

#### Analyse a Situation and Create a Vision

<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive analysis of infrastructure and physical resources and to create a vision for use of infrastructure and physical resources, including sustainability, cost-effectiveness and equitable distribution?
<b>Additional Questions:</b>	Do authorities have the capacity to: 82. Assess impact of national, local or sectoral infrastructure and physical resources policies on the poor (e.g., for rural poor, relates to farmland, water, livestock, trees, equipment)

#### Indicators

- *Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to physical resource management.*
- *Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the government’s physical resource management policies.*
- *Awareness of future resource needs among government authorities.*

#### Formulate Policy and Strategy

<b>Overall Question:</b>	Do authorities have the capacity to develop policies and strategies relating to management of infrastructure and physical resources?
<b>Additional Questions:</b>	Do authorities have the capacity to: 83. Ensure an integrated approach across sectors for infrastructure and maintenance decisions? 84. Develop policies that support community implementation and maintenance of infrastructure – fostering ownership and sustainability of projects? 85. Develop policies that foster public/private partnerships in undertaking infrastructure projects?

#### Indicators

- *Extent to which societal changes are integrated into government’s physical resource management policies and mechanisms.*
- *Existence of long-term strategic policy options for physical resource management.*

#### Budget, Manage and Implement

<b>Overall Question:</b>	Do authorities have the capacity to manage physical resources appropriately in the management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Do authorities have the capacity to: 86. Manage, budget and implement national and local programmes relating to infrastructure and physical resources? 87. Develop alternative co-financing schemes, e.g, with the private sector or community? 88. Attain and utilize necessary resources? 89. Provide training in physical resources planning and management?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Government control of its own physical resource management policies.</li> <li>▪ <i>Degree of enforcement of physical resource management policies and mechanisms.</i></li> <li>▪ Clarity and awareness of physical resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of physical resource planning and allocation process.</i></li> <li>▪ Availability of appropriate facilities and equipment to support operation, including access to logistical and communications needs (e.g., vehicles, telephone, telex, fax).</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure, through monitoring and evaluation, proper use of infrastructure and physical resources?
<b>Additional Questions:</b>	Do authorities have the capacity to: 90. Report on status of resource plan? 91. Ensure decision-makers are accountable for use of infrastructure and physical resources? 92. Systematically embed lessons learned into new programme and project design?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Use of physical resource plan as a monitoring tool. (Extent to which plans/targets are met).</li> <li>▪ <i>Measures of effective use of physical resources (to avoid over- or under-exploiting resources).</i></li> <li>▪ <i>Frequency and results of audits and inspections (internal and external)</i></li> <li>▪ <i>Measures of prudent and risk-conscious physical resource management.</i></li> <li>▪ Availability of appropriate facilities and equipment to support operation, including access to logistical and communications needs (e.g., vehicles, telephone, telex, fax).</li> <li>▪ Access to essential natural resources.</li> </ul>	

<b>Core Issue</b>	<b>8.0 Environmental Resources – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	A country's environmental resources, if well managed, can expand the universe of human choices and livelihoods. This category pertains to the capacity of countries to manage their environment and natural resource and energy sectors, to integrate environmental and energy dimensions into poverty reduction strategies and national development frameworks, and to strengthen the role of communities in promoting sustainable development.

### Cross-Cutting Functional Capacities

#### Engage in Multi-Stakeholder Dialogue

<b>Overall Question:</b>	Do authorities have the capacity to develop an MDG-based plan that optimizes environmental resources, with the involvement of domestic and external stakeholders?
<b>Additional Questions:</b>	Do authorities have the capacity to: 93. Generate awareness of benefits associated with investment in environmental resources (natural capital and ecosystems)? 94. Promote understanding of nature's protective ecological infrastructure and life support systems and specific strategies dealing therewith? 95. Illustrate how the poor are disproportionately affected by ecosystems losses? 96. Promote community-based ecosystems management and stewardship? 97. Ensure local input when defining environmental resource strategies? 98. Ensure local input when allocating budget on environmental resource strategies? 99. Enable community participation in monitoring projects?

#### Indicators

- *Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between and among the government and domestic and external stakeholders on issues relating to environmental resource management.*
- *Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government and domestic and external stakeholders.*
- *Evidence of ability to satisfy and balance the interests of all stakeholders.*

#### Analyse a Situation and Create a Vision

<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive environmental analysis and to create a vision for the country's environmental resources as they relate to delivering the MDGs and other international goals and commitments?
<b>Additional Questions:</b>	Do authorities have the capacity to: 100. Collect, analyze and provide quantifiable data on the economic value of ecosystems preservation (i.e., forests, wetlands, aquifers, coral reefs, etc.) in the project planning process? 101. Demonstrate the economic returns of conservation policies, i.e., improved health, decrease in displaced persons, etc.? 102. Conduct cost benefit analysis of environmental services, i.e., carbon absorption and storage capacity of tropical forests provides more revenue than short term deforestation gains?

#### Indicators

- Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to environmental resource management.
- Quality of action taken as a result of "critical events" analysis of opportunities and threats of most significance to the government's environment resource management policies.
- Awareness of future resource needs among government authorities.

#### Formulate Policy and Strategy

<b>Overall Question:</b>	Do authorities have the capacity to develop policies and strategies relating to management of environmental resources?
<b>Additional Questions:</b>	Do authorities have the capacity to: 103. Develop legislative frameworks related to genetic diversity, cleaner technologies, sustainable production and consumption patterns, etc.?

Indicators	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into government's environmental resource management policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for environmental resource management.</i></li> <li>▪ <i>Integration of the principles of sustainable development in the decision-making process (e.g., energy saving use of renewable energy sources, total energy use).</i></li> <li>▪ <i>Integration of environment and nature protection in the decision-making process (e.g., building construction).</i></li> </ul>	
Budget, Manage and Implement	
<b>Overall Question:</b>	Do authorities have the capacity to manage environmental resources appropriately in the management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Do authorities have the capacity to: 104. Manage, budget and implement national and local programmes relating to environmental resources? 105. Attain and utilize necessary resources? 106. Provide training in environmental resource planning and management? 107. Comply with international agreements?
Indicators	
<ul style="list-style-type: none"> <li>▪ Government control of its own environmental resource management policies.</li> <li>▪ <i>Degree of enforcement of environmental resource management policies and mechanisms.</i></li> <li>▪ Clarity and awareness of environmental resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of environmental resource planning and allocation process.</i></li> <li>▪ <i>Efforts to reduce nuisance or harm from environmental activities and to ensure protection and safety of citizens.</i></li> </ul>	
Monitor and Evaluate	
<b>Overall Question:</b>	Do authorities have the capacity to ensure, through monitoring and evaluation, proper use of environmental resources?
<b>Additional Questions:</b>	Do authorities have the capacity to: 108. Report on status of environmental plan? 109. Ensure decision-makers are accountable for use of environmental resources? 110. Systematically embed lessons learned into new programme and project design?
Indicators	
<ul style="list-style-type: none"> <li>▪ Use of environmental resource plan as a monitoring tool. <i>(Extent to which plans/targets are met).</i></li> <li>▪ <i>Measures of effective use of environmental resources (to avoid over- or under-exploiting resources).</i></li> <li>▪ <i>Frequency and results of audits and inspections (internal and external)</i></li> <li>▪ <i>Measures of prudent and risk-conscious environmental resource management.</i></li> <li>▪ <i>Level of waste and packaging.</i></li> <li>▪ <i>Use of recycled material.</i></li> <li>▪ <i>Use of environmentally friendly modes of transport (e.g., public transport, car sharing and bicycles).</i></li> <li>▪ <i>Degree of compliance with environmental standards.</i></li> <li>▪ <i>Level of noise.</i></li> </ul>	

<b>Core Issue</b>	<b>9.0 Human Rights Based Approach – Enabling Environment</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>This category relates to the promotion and protection of human rights and the application of a human-rights-based approach to development planning and programming. Human rights are legal rights enshrined in the Universal Declaration of Human Rights; various human rights Covenants, Conventions, Treaties and Declarations; Regional Charters; National Constitutions and laws. But human rights are rights not solely because they are recognised in legal instruments. Human rights inhere in the very nature of the human person. They define and affirm our humanity. They exist to ensure that human life remains sacred. They exist to guarantee that humanity and injustice are prevented or redressed.</p> <p>Among capacities assessed in this category are advocacy, sensitization of all stakeholders in the broadest sense of the word; institutional development, creation of sustainable institutional systems; implementation, the application of human rights in law and reality; monitoring, effective systems for societal monitoring of human rights enforcement; redress, transparent mechanisms to correct human rights violations; and specific measures for affirmative action for addressing structural issues that perpetuate inequality and discrimination.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Do authorities have the capacity to engage domestic and external stakeholders inclusively and constructively through the process of establishing national development plans with a human rights-based approach?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue and advocacy mechanisms (and other links as appropriate) between and among the government and domestic and external stakeholders on issues relating to human rights, especially of minority groups.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between and among the government and domestic and external stakeholders.</i></li> <li>▪ <i>Evidence of ability to satisfy and balance the interests of all stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Do authorities have the capacity to frame, manage and interpret a comprehensive analysis of vulnerability, exclusion, marginalization and lack of enjoyment of human rights vis a vis policies, strategies, programmes, etc.? To create a vision for human rights?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on human rights policies.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the government’s human rights policies.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Do authorities have the capacity to formulate and adopt policies that incorporate a human rights-based approach?
<b>Additional Questions:</b>	Do authorities have the capacity to: <ol style="list-style-type: none"> <li>1. Develop policy, legal and regulatory frameworks that safeguard minorities and promote human rights?</li> </ol>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Actionability of objectives and outputs in government’s human rights strategies.</i></li> <li>▪ <i>Extent to which societal changes are integrated into government’s human rights policies and</i></li> </ul>	

<i>mechanisms.</i>	
<ul style="list-style-type: none"> <li>▪ <i>Existence of long-term strategic policy options regarding human rights.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure a human rights-based approach in the budgeting, management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of scope of programme or other activities with government's human rights mission, policies and managerial capacities.</li> <li>▪ <i>Degree of application and enforcement of human rights policies.</i></li> <li>▪ Clarity and awareness of human rights goals and priorities among leaders.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Do authorities have the capacity to ensure, through monitoring and evaluation, progress on human rights?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Ratification of international conventions on human rights.</i></li> <li>▪ <i>Alignment of national laws with international human rights conventions and relevant conventions.</i></li> <li>▪ <i>Training of local and national government officials and staff in HRBA; awareness of international human rights standards.</i></li> <li>▪ <i>Existence of transparent mechanisms to correct human rights violations.</i></li> <li>▪ <i>Frequency and results of audits and inspections (internal and external).</i></li> </ul>	

<b>Core Issue</b>	<b>1.0 Leadership – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>The relationship between capacity development and leadership is a fundamental one: fostering good leadership maximizes and protects investments in capacities within the enabling environment, as well as at the organisational and individual levels. Poor leaders can set efforts back by decades, and twist ownership to suit their own agendas, gearing it toward a culture of entitlement or excessive nationalism that is detrimental to capacity development.</p> <p>Successful leadership results in enhanced understanding, improved relationships, and greater collective effectiveness among working teams and their partners. Since people with overlapping goals have a better sense of how parts of the system fit together, good leaders build upon relationships and trust, mobilizing energy in a way that is sustainable, fosters ownership and generates commitment. Leadership development is thus an important response to capacity challenges.</p> <p>Among capacities assessed in this category are the abilities to foster ownership; manage relationships with key external stakeholders, including the ability to negotiate; develop, communicate and give direction on vision, mission and values; develop and implement a system for overall management; and create an environment that motivates and supports individuals.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation's leadership have capacity to manage relations with key stakeholders inclusively and constructively?
<b>Additional Questions:</b>	<p>Does the organisation's leadership have the capacity to:</p> <ol style="list-style-type: none"> <li>1. Identify all relevant stakeholders?</li> <li>2. Develop and maintain regular relations with political authorities of the appropriate executive and legislative areas?</li> <li>3. Develop and maintain partnerships and networks with important stakeholders, e.g., citizens, NGOs, interest groups, industry, other public authorities)?</li> </ol>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and relevant domestic and external stakeholders.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respectful) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ Evidence of bureaucratic support for the organisation's activities.</li> <li>▪ <i>Existence of influential and outspoken champions for ownership and capacity development.</i></li> <li>▪ Organisational ownership of policies, goals and structure.</li> <li>▪ Ability of management to effectively represent the organisation to external interests.</li> <li>▪ Clarity of leadership philosophy to internal and external stakeholders.</li> <li>▪ External image of the organisation (e.g., image is consistent with goals and objectives).</li> <li>▪ <i>Level of involvement with the community in which the organisation is based through support (financial or otherwise) for local and societal (social, environmental, etc.) activities.</i></li> <li>▪ <i>Level of awareness of the impact of the organisation on the quality of life of citizens.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	<p>Does the organisation's leadership have the capacity to frame, manage and interpret analysis of internal and external dynamics?</p> <p>Does the organisation's leadership have the capacity to develop its vision, mission and values based on that analysis?</p>
<b>Additional Questions:</b>	<p>Does the organisation's leadership have the capacity to:</p> <ol style="list-style-type: none"> <li>4. Design and manage systematic gathering and analysis of information regarding stakeholders' needs and expectation by organizing appropriate surveys of citizens/customers, employees, society and government?</li> </ol>

	<ol style="list-style-type: none"> <li>5. Design and manage systematic gathering and analysis of information about important variables, such as political, social, economic, legal, demographic and ecological developments?</li> <li>6. Design and manage systematic gathering and analysis of information about internal strengths and weaknesses and external opportunities and threats?</li> <li>7. Identify critical success factors?</li> <li>8. Adjust its vision, mission and values; reorganize; and improve strategies and methods according to changes in the operating environment?</li> <li>9. Balance “top-down” and “bottom-up” approaches when dealing with changes in the organisation?</li> </ol>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on the organisation.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s development and impact.</li> <li>▪ Clarity of mission to employees; documentation of mission.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation's leadership have the capacity to translate the vision, mission, value framework into strategic (medium term) and operational (concrete and short term) objectives and actions?
<b>Additional Questions:</b>	Does the organisation’s leadership have the capacity to: <ol style="list-style-type: none"> <li>10. Balance mission and resources of the organisation with needs and expectations of stakeholders?</li> <li>11. Develop and put in place a value framework / code of conduct?</li> </ol>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into organisational functioning.</i></li> <li>▪ <i>Actionability of objectives and outputs of organisational strategies.</i></li> <li>▪ <i>Existence of long-term strategic policies for capacity development</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Does the organisation's leadership have the capacity to establish appropriate frameworks for managing policies, legislations, strategies, programmes and projects?
<b>Additional Questions:</b>	Does the organisation’s leadership have the capacity to: <ol style="list-style-type: none"> <li>12. Translate strategic and operational objectives into an appropriate organisational structure, with accompanying management levels, functions, responsibilities and autonomy?</li> <li>13. Translate strategic and operational objectives into appropriate plans, priorities, tasks and timelines?</li> <li>14. Devolve decision-making to the most appropriate level?</li> <li>15. Delegate operational responsibilities to the most appropriate level?</li> <li>16. Be clear in what is expected of them and what they expect from others?</li> </ol>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of organisation’s scope of program or other activities with its mission, priorities and managerial capabilities.</li> <li>▪ <i>Quality of implementation of plans, strategies and programmes (e.g., effective and efficient).</i></li> <li>▪ <i>Actionability of objectives and outputs in organisation’s workplans.</i></li> <li>▪ Strength of programme delivery.</li> <li>▪ Clarity of goals and priorities among managers.</li> <li>▪ Level of fiscal and operational awareness among managers (e.g., staff can clearly describe their roles and responsibilities).</li> <li>▪ Degree of delegation of management responsibility to second-level managers.</li> <li>▪ Evidence of effective staff involvement and teamwork in planning and work.</li> <li>▪ <i>Nature and quality of planning, decision-making and benchmarking processes (e.g., iterative).</i></li> <li>▪ <i>Skill level of top management and middle management.</i></li> <li>▪ Level of autonomy of management.</li> <li>▪ Depth of organisational management.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ Management style (e.g., participatory and enabling).</li> <li>▪ <i>Ethics of leaders (e.g., ethical behavior exhibited, number disciplinary cases reported).</i></li> <li>▪ <i>Receptivity of organisation's leaders to change and modernization.</i></li> <li>▪ Evidence of effective organisational innovation and learning.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation's leadership have the capacity to design, establish and manage a system for monitoring and measuring financial and operational performance of the organisation?
<b>Additional Questions:</b>	Does the organisation's leadership have the capacity to: <ul style="list-style-type: none"> <li>17. Develop, agree upon and monitor measurable objectives and goals for all levels of the organisation?</li> <li>18. Set output and outcome targets, balancing the organisation's resources and expectations of stakeholders?</li> <li>19. Conduct benchmarking to drive improvement?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Level of awareness and understanding of program outcomes among organisational managers.</li> <li>▪ Measurement of programme outcomes.</li> <li>▪ <i>Degree to which M&amp;E systems and practices yield an evidence-based foundation for planning, decision-making and learning.</i></li> <li>▪ Strength of the organisation (meets at least xx% of its targeted objectives, improvements, etc.).</li> <li>▪ <i>Impact on the local, national and international economy and society.</i></li> </ul>	

#### **Additional Areas of Exploration:**

Does the organisation's leadership have the capacity to:

##### **Motivation**

- Encourage teamwork?
- Create environment that is conducive to achieving progress?
- Motivate and support employees to reach their goals in support of organisational objectives?
- Demonstrate willingness to change by accepting constructive feedback and suggestions for improving leadership style?
- Lead by example?
- Act as a role model?

##### **Innovation**

- Plan, manage and encourage modernization and innovation?
- Steer change process efficiently (i.e., using milestones, benchmarks, steering groups, follow-up reporting)?

##### **Communications**

- Develop key messages about the organisation (objectives, plans, policies, procedures and performance)?
- Develop and leverage channels to communicate these key messages?
- Generate public awareness, reputation and recognition of the organisation (i.e., image building)?
- Participate in professional associations, representative organisations and interest groups?

<b>Core Issue</b>	<b>2.0 Policy and Legal Framework – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	Without a strong policy and legal framework in place, countries can experience problems of poor adherence to international norms and standards, prevalence of anti-poor and gender bias in justice systems, and poor implementation of national laws and regulations intended to benefit disadvantaged groups. In addition, there is often a very real gap between “law in the books” and “law in action” which can limit access and result in injustice.  This category focuses on the capacity to develop and sustain a policy and legal framework that is independent, impartial and fair – a system that is critical to the alleviation of poverty and achievement of the MDGs.

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop policies, frameworks and mechanisms that ensure multi-stakeholder participation?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 20. Lead stakeholders through the process of developing policies and legal and regulatory frameworks and mechanisms that ensure multi-stakeholder participation?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and relevant domestic and external stakeholders to discuss formulation and implementation of the organisation’s policy and legal framework.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ <i>Clarity of the organisation’s policy and legal framework to domestic and external stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive analysis of the policy and legal environment? Does the organisation have the capacity to create a vision for fair and equitable policies, frameworks and mechanisms?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on the organisation.</i></li> <li>▪ <i>Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s policy and legal framework.</i></li> <li>▪ <i>Existence of clear “rules of the game” and safeguards that establish legitimate policy processes as leading on policy choice</i></li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop policies, frameworks and mechanisms that provide a consistent referent for operations?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into the organisation’s policy and legal framework.</i></li> <li>▪ <i>Existence of policy and legal framework that is independent, impartial and fair.</i></li> <li>▪ <i>Existence of long-term strategic choices on policy and legal frameworks.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop policies, frameworks and mechanisms that support an integrated approach to budgeting and implementation?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 21. Create a working environment free from corruption?

<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Extent to which organisational policy and legal framework contributes to achievement of the organisation's goals and strategies.</li> <li>▪ Alignment of policy and legal framework with organisation's mission and priorities; and managerial capacities.</li> <li>▪ Clarity and awareness of policy and legal framework among organisation's leaders.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop policies, frameworks and mechanisms for monitoring and evaluation?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of monitoring and evaluation guidelines, procedures, etc.</li> <li>▪ <i>Level of corruption.</i></li> </ul>	

<b>Core Issue</b>	<b>3.0 Mutual Accountability Mechanisms -- Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>An efficient, responsive, transparent and accountable public administration is not only of paramount importance for the proper functioning of a nation; it is also the basic means through which government strategies to achieve the MDGs can be implemented. Public administration is also the main vehicle through which the relationship between the state and civil society and the private sector is realized. Assessing capacities to manage and support an accountable public administration and ensure the reforms required, often on a long-term and sustained basis, is essential to effective governance and to providing a sound basis for equitable development.</p> <p>This category pertains to the capacity to ensure accountability through prevention and enforcement; strengthening of national integrity institutions; increasing public participation and building coalitions; and working with the international community.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop accountability mechanisms that ensure multi-stakeholder participation?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 22. Lead stakeholders through the process of developing accountability mechanisms? 23. Publish procedures and criteria for administrative decisions in local language(s)?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and relevant domestic and external stakeholders to discuss formulation and implementation of the organisation's accountability mechanisms.</li> <li>▪ Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</li> <li>▪ Existence of "customer charters" (or similar undertakings) that establish the obligations of service providers and the rights of users.</li> <li>▪ Level of opportunity among employees to express their views to management.</li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive analysis of the accountability mechanism environment? Does the organisation have the capacity to create a vision for robust accountability mechanisms?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 24. Design and use systems for recording and processing sector-relevant data?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact.</li> <li>▪ Quality of action taken as a result of "critical events" analysis of opportunities and threats of most significance to the organisation's mutual accountability mechanisms.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop and manage accountability mechanisms to ensure formulation of clear and transparent policies and strategies?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of organisational structures of accountability to clients and constituents.</li> <li>▪ <i>Quality of mechanisms that ensure mutual accountability.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop, manage and enforce accountability mechanisms regarding programme budgeting, management and implementation?
<b>Additional</b>	Does the organisation have the capacity to:

<b>Questions:</b>	25. Budget, manage and implement programmes to develop accountability mechanisms?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of mutual accountability programme with government's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of mutual accountability goals and priorities among leaders.</li> <li>▪ <i>Degree of enforcement of mutual accountability mechanisms.</i></li> <li>▪ <i>Extent to which societal changes are integrated into the organisation's mutual accountability mechanisms.</i></li> <li>▪ Existence of mechanism (e.g., law, convention) to oblige decision-makers to give reasons for their decisions.</li> <li>▪ Existence of continuing efforts to streamline bureaucracy rendering it more open, efficient and user-friendly for the public.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop and manage accountability mechanisms for monitoring and evaluation?
<b>Additional Questions:</b>	<p>Does the organisation have the capacity to:</p> <p>26. Monitor and evaluate the development and implementation of accountability mechanisms?</p> <p>27. Develop policies, frameworks and mechanisms for receiving and processing complaints about organisational performance?</p> <p>28. Comply with international agreements, frameworks, norms, standards related to organisational accountability?</p> <p>29. Make budget figures publicly available?</p> <p>30. Prepare and release to the general public updates on organisational developments on a periodic basis either free of charge or at cost?</p> <p>31. Ensure independent audits are conducted?</p> <p>32. Provide access to the general public to gift and hospitality registers?</p> <p>33. Systematically document good and bad practices, learn from mistakes and reward staff for confronting rather than concealing errors?</p> <p>34. Make public its obligations as a service provider and the rights of its clients (employees, customers), including the right to complain and the process for lodging a complaint?</p> <p>35. Make timely and truthful information available to all media, without bias or preference?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of clear and well understood policies, procedures and other mechanisms: <ul style="list-style-type: none"> <li>• Conflict of interest policies, which serve as an effective barrier to members of management from using their positions for personal benefit or interfering in day-to-day administration.</li> <li>• Complaint mechanisms (whistleblower protection), and staff has confidence in them.</li> <li>• <i>Other "watch dog" functions.</i></li> </ul> </li> <li>▪ <i>Effectiveness of organisational oversight, access to resource functions (e.g., ombudsman).</i> <ul style="list-style-type: none"> <li>• Receptivity to and action taken on recommendations of external auditors.</li> </ul> </li> <li>▪ Accountability of managers for the corruption / inadequate performance of their subordinates.</li> <li>▪ Transparency and accessibility of gift and hospitality registers to the public.</li> <li>▪ Frequency of rotation of employees in vulnerable positions so as to periodically change their physical / functional assignments.</li> <li>▪ <i>Level of citizen/customer satisfaction (e.g., with the performance of the organisation).</i></li> <li>▪ Frequency of department client satisfaction surveys.</li> <li>▪ <i>Adherence to published service standards (e.g., customers' charters).</i></li> <li>▪ <i>Friendliness and fairness of treatment.</i></li> <li>▪ <i>Level of responsiveness and pro-active behavior.</i></li> <li>▪ <i>Degree of flexibility and ability to address individual situations.</i></li> <li>▪ <i>Openness to change among managers.</i></li> <li>▪ <i>Range of internal indicators to measure results achieved (e.g., number of complaints received,</i></li> </ul>	

**Additional Areas of Exploration:**

**Judiciary**

Do judges have the capacity to:

- Exercise jurisdiction to review the lawfulness of government decisions? If so, are these powers used? Are decisions respected and complied with by the government? Is there a perception that the Executive gets special treatment, be it hostile or preferential? Do the judges have adequate access to legal development in comparable systems elsewhere?

Do authorities have the capacity to:

- Ensure that members of the legal profession make sufficient use of the courts to protect their clients and to promote just and honest government under the law?
- Ensure access to the courts is as open and simple as it can be?
- Ensure that legal requirements are not unnecessarily complicated?
- Ensure that appointments to the senior Judiciary are made independent of other arms of government?

**Local Government**

Do authorities have the capacity to:

- Ensure that government is democratically accountable?
- Ensure that government is subject to independent audit?
- Ensure that meeting of local bodies are held in public unless there is a legal basis for being restricted?

<b>Core Issue</b>	<b>4.1 Public Engagement / Inclusion, Participation, Equity and Empowerment – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>This category pertains to the capacity for inclusion, participation, equity and empowerment of individuals across all the functional capacities. It covers the systems, process and tools required to assess the vulnerability, exclusion and marginalization of peoples. It also looks at the public space for dialogue and debate, state-citizen consultation and feedback processes.</p> <p>A second component of this category pertains to the mobilization, access and use of information and knowledge. Attention is given to access to and use of the Internet, the role of the media, the adaptation of global knowledge to local circumstances, knowledge networking, and incentives to encourage learning.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to engage stakeholders in the process of developing public engagement policies, frameworks and mechanisms?
<b>Additional Questions:</b>	<p>Does the organisation have the capacity to:</p> <p>36. Develop and implement partnerships and networks with key stakeholders, i.e., employees, citizens, customers?</p> <p>37. Create fora for consultation with external, public, private and civil institutions, e.g., consultation groups, surveys, opinion polls?</p> <p>38. Ensure that the general public has formal access to and actively participate in public decision-making meetings?</p> <p>39. Increase representation and participation of marginalized and excluded peoples?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and relevant domestic and external stakeholders on issues relating to inclusion, participation, equity and empowerment.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ <i>Frequency and effectiveness of periodic publicity campaigns (in local languages) explaining the procedures and criteria for administrative decisions or processes.</i></li> <li>▪ <i>Level of effort to involve citizens/customers in the design of services or products and in decision-making processes.</i></li> <li>▪ <i>Level of civic engagement and bottom-up influence on the organisation's policy agenda and development.</i></li> <li>▪ <i>Degree of organisational support for effective functioning of CSO/CBOs.</i></li> <li>▪ <i>Existence of special and/or provisional measures to ensure partnerships with all excluded groups.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	<p>Does the organisation have the capacity to frame, manage and interpret a comprehensive situation analysis for broad and meaningful participation?</p> <p>Does the organisation have the capacity to create a vision for broad and meaningful participation?</p>
<b>Additional Questions:</b>	<p>Does the organisation have the capacity to:</p> <p>40. Enable equitable, broad and meaningful participation in conducting situation analyses and creating a vision?</p> <p>41. Involve citizens, customers in the design and improvement of products and services?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on the organisation's policies relating to inclusion, participation, equity and empowerment.</i></li> <li>▪ <i>Quality of action taken as a result of "critical events" analysis of opportunities and threats of most</i></li> </ul>	

<p>significance to the organisation's inclusion, participation, equity and empowerment policies.</p> <ul style="list-style-type: none"> <li>▪ <i>Adequacy of avenues to ensure equitable/broad and meaningful participation in situation analyses.</i></li> </ul>	
<p><b>Formulate Policy and Strategy</b></p>	
<b>Overall Question:</b>	Does the organisation have the capacity to ensure involvement of interested parties throughout the process of developing policies and strategies?
<b>Additional Questions:</b>	Does the organisation have the capacity to: <ul style="list-style-type: none"> <li>42. Develop policies that encourage involvement of interested parties?</li> <li>43. Develop clear and simple policies using simply language?</li> <li>44. Involve employees, customers, citizens and other stakeholders in the development of quality standards for services, products and information</li> <li>45. Involve employees, customers, citizens in the design and development of information sources and channels?</li> </ul>
<p><b>Indicators</b></p>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of mechanisms that ensure inclusion, participation, equity and empowerment.</i></li> <li>▪ <i>Extent to which societal changes are integrated into the organisation's inclusion, participation, equity and empowerment policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for inclusion, participation, equity and empowerment.</i></li> </ul>	
<p><b>Budget, Manage and Implement</b></p>	
<b>Overall Question:</b>	Does the organisation have the capacity to involve citizens/customers in the development and delivery of programmes and services?
<b>Additional Questions:</b>	Does the organisation have the capacity to: <ul style="list-style-type: none"> <li>46. Encourage employees, customers, customers to organize themselves and support citizens' groups?</li> <li>47. Ensure a proactive information policy, e.g., about their processes</li> <li>48. Ensure that employees, customers, citizens are treated individually?</li> <li>49. Ensure that appropriate and reliable information, assistance and support are given to employees, customers, citizens?</li> <li>50. Provide accessibility of the organisation, e.g., flexible opening hours, documents in both paper and electronic versions?</li> <li>51. Conduct electronic communication and interaction with employees, customers and citizens?</li> </ul>
<p><b>Indicators</b></p>	
<ul style="list-style-type: none"> <li>▪ Alignment of inclusion, participation, equity and empowerment programme with the organisation's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of inclusion, participation, equity and empowerment goals and priorities among management.</li> <li>▪ <i>Degree of enforcement of inclusion, participation, equity and empowerment mechanisms.</i></li> <li>▪ <i>Extent of use of new and innovative ways of dealing with citizens/customers.</i></li> </ul>	
<p><b>Monitor and Evaluate</b></p>	
<b>Overall Question:</b>	Does the organisation have the capacity to ensure availability and accessibility of communication and feedback mechanisms for employees, customers and other key stakeholders to be heard?
<b>Additional Questions:</b>	Does the organisation have the capacity to: <ul style="list-style-type: none"> <li>52. Monitor and evaluate the development and implementation of public engagement frameworks and mechanisms?</li> <li>53. Ensure transparency of the organisation, including decision-making and developments, e.g., by publishing annual reports, holding press conferences, posting information on the internet?</li> <li>54. Develop sound response and complaint management systems and procedures?</li> </ul>
<p><b>Indicators</b></p>	
<ul style="list-style-type: none"> <li>▪ Existence of clear and well understood inclusion and feedback mechanisms.</li> <li>▪ <i>Existence of mechanisms to register the voice of customers and employees and their perceptions.</i></li> <li>▪ Accessibility of organisation's management to the media.</li> <li>▪ Availability of information.</li> <li>▪ <i>Number and quality of citizen/customer suggestions received, recorded, acted upon.</i></li> </ul>	

▪ *Degree to which management seeks suggestions and collects ideas for improvement.*

<b>Core Issue</b>	<b>4.2 Public Engagement / Access to Information – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>This category pertains to the capacity for inclusion, participation, equity and empowerment of individuals across all the functional capacities. It covers the systems, process and tools required to assess the vulnerability, exclusion and marginalization of peoples. It also looks at the public space for dialogue and debate, state-citizen consultation and feedback processes.</p> <p>A second component of this category pertains to the mobilization, access and use of information and knowledge. Attention is given to access to and use of the Internet, the role of the media, the adaptation of global knowledge to local circumstances, knowledge networking, and incentives to encourage learning.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to enable a free flow of knowledge and information among partners and across networks?
<b>Additional Questions:</b>	<p>Does the organisation have the capacity to:</p> <p>55. Engage stakeholders in the process of developing policies, frameworks and mechanisms to ensure access to information and knowledge?</p> <p>56. Publish public information in local language(s)?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and relevant domestic and external stakeholders on issues relating to access to information and knowledge.</li> <li>▪ Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</li> <li>▪ Availability of public information in local dialects for dissemination to local users.</li> <li>▪ Degree of effort aimed at administrative simplification (e.g., use of simple language).</li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	<p>Does the organisation have the capacity to frame, manage and interpret a comprehensive situation analysis of the environment relating to access to and provision of information?</p> <p>Does the organisation have the capacity to create a vision for equitable, broad and meaningful access to information and knowledge?</p>
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to access to information and knowledge.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s access to information and knowledge policies.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to put in place a policy and blueprint (long-term and strategic goals and plans) for information, knowledge and communications?
<b>Additional Questions:</b>	<p>Does the organisation have the capacity to:</p> <p>57. Develop an information and knowledge management policy covering content and content architecture, infrastructure, human resources, budget and processes, including information and knowledge creation, storage/archiving, quality management, strategic utilization, security and dissemination?</p> <p>58. Develop a policy to integrate information technologies in accordance with strategic and operational objectives?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Existence of organisational policy and blueprint for information, knowledge and communications.</li> <li>▪ Transparency of organisational policies and code of ethics in information management.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ <i>Existence of long-term strategic policy options for access to information and knowledge.</i></li> <li>▪ <i>Degree, quality and enforcement of mechanisms that ensure access to information and knowledge.</i></li> <li>▪ <i>Extent to which societal changes are integrated into the organisation's access to information and knowledge policies and mechanisms.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to provide technological, communications and information resources and networks required for the development and delivery of programmes and services?
<b>Additional Questions:</b>	Does the organisation have the capacity to: <ul style="list-style-type: none"> <li>59. Budget, manage and implement programmes to ensure technological, communications and information resources and networks are in place?</li> <li>60. Use an information and knowledge management system?</li> <li>61. Ensure accessibility and utility of the organisation's information services to clientele including disadvantaged groups?</li> <li>62. Ensure adequacy of personnel skills in electronic access to and management of information?</li> <li>63. Ensure that all employees have access to the knowledge relevant to their objectives and tasks?</li> <li>64. Ensure the accuracy, reliability and security of information?</li> <li>65. Develop and use internal channels to spread information throughout the organisation, e.g., internet, newsletters, illustrated magazines?</li> <li>66. Ensure that externally available information is processed and used effectively?</li> <li>67. Present information in a user-friendly manner?</li> <li>68. Ensure that knowledge of employees leaving the organisation is retained?</li> <li>69. Apply the appropriate technology to the management of tasks; the management of knowledge; learning and improvement activities; interaction with stakeholders and partners; development and maintenance of internal and external networks?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence of organisational information and knowledge management system covering content and content architecture, infrastructure, human resources, budgets and processes, including information and knowledge creation, storage/archiving, quality management, security and dissemination.</i></li> <li>▪ Alignment of access to information and knowledge programme with the organisation's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of access to information and knowledge goals and priorities among organisational leadership.</li> <li>▪ <i>Degree of enforcement of access to information and knowledge mechanisms.</i></li> <li>▪ <i>Extent of efforts to improve availability, accuracy and transparency of information.</i></li> <li>▪ Extent to which information is shared openly within the organisation.</li> <li>▪ Level of access to technological resources needed to operate efficiently.</li> <li>▪ <i>Adequacy of personnel skills in electronic access to and management of information.</i></li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to ensure, through monitoring and evaluation mechanisms, access to information and knowledge for all stakeholders (e.g., employees, customers)?
<b>Additional Questions:</b>	Does the organisation have the capacity to: <ul style="list-style-type: none"> <li>70. Monitor and evaluate access to information and knowledge?</li> </ul>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence of system for generating internal and external feedback on effectiveness of information services.</i></li> <li>▪ <i>Degree of customer access to organisational knowledge.</i></li> <li>▪ <i>Amount and quality of information available; transparency of information.</i></li> </ul>	

<b>Core Issue</b>	<b>5.0 Human Resources – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>Exercising capacity is based on a commensurate resource endowment. Many developing countries are struggling with critical conditions, such as armed conflict, HIV/AIDS prevalence, natural disasters and the “brain-drain” phenomenon. All these deplete, and in some cases destroy, the capacities of countries and their prospects and hopes for development. In such cases, a capacity assessment needs to take into account any medium- to long-term trends resulting from a particular crisis or issue.</p> <p>Human resource capacities are at the heart of enhancing human development, and the capacity assessment framework may be expanded with queries in this segment to address this area in greater depth. Specific areas of assessment include recruitment and promotion policies; performance assessment and management mechanisms; incentives (monetary and non-monetary); monitoring and evaluation mechanisms; and training.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to engage stakeholders in the process of developing HR policies?
<b>Additional Questions:</b>	<p>Does the organisation have the capacity to:</p> <p>71. Create a culture of open, not hierarchical, communication and dialogue?</p> <p>72. Involve employees, via dialogue and empowerment, in the design of processes?</p> <p>73. Involve employees, via dialogue and empowerment, in the identification and implementation of improvement?</p>
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and domestic and external stakeholders on issues relating to human resource management.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ Degree to which executives (managers) respect the independence and professionalism of their senior-level managers (staff).</li> <li>▪ Degree to which senior-level managers (staff) are generally expected to provide “frank and fearless” advice to their superiors.</li> <li>▪ <i>Employee involvement in decision-making processes.</i></li> <li>▪ <i>Employee involvement in improvement activities (e.g., suggestion schemes).</i></li> <li>▪ <i>Employee consultation and dialogue mechanisms.</i></li> <li>▪ <i>Participation in internal discussion groups, meetings with senior management or all-staff meetings.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive situation analysis of and to create a vision for human resource development?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 74. Regularly analyze current and future human resource needs, at the organisational and individual levels, in terms of knowledge, skills and attitudes?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to human resource management.</li> <li>▪ Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s human resource management policies.</li> <li>▪ Degree to which staff needs are analyzed in the planning process.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop policies and strategies relating to human resource development?

<b>Additional Questions:</b>	Does the organisation have the capacity to: 75. Develop clear policy containing objective criteria with regard to recruitment, promotion, rewards and assignment of managerial functions?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into the organisation's human resource management policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for human resource management.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop, use and improve competencies of employees?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 76. Ensure transfer of knowledge in heavily donor-funded programmes and projects? 77. Sustain activities and results once programmes and projects are "internalized" within government's existing programmes? 78. Align organisational, team and individual targets and goals? 79. Manage a meritocracy?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of human resource management programme with the organisation's mission, priorities and managerial capacities.</li> <li>▪ Clarity and awareness of human resource goals and priorities among senior managers.</li> <li>▪ <i>Degree of enforcement of human resource management policies and mechanisms.</i></li> <li>▪ <i>Transparency of human resource planning and allocation process.</i></li> <li>▪ Alignment of staff attitude and performance with overall goals.</li> <li>▪ Degree of orientation of staff at all levels toward producing results that meet organisational goals.</li> <li>▪ Degree to which organisational structure meets needs of efficiency and control.</li> <li>▪ <i>Participation and success rates in training activities.</i></li> <li>▪ <i>Level and use of training budgets.</i></li> <li>▪ <i>Use of information technology by employees.</i></li> <li>▪ <i>Staff rotation within the organisation.</i></li> <li>▪ <i>Efficiency of organisation's processes.</i></li> <li>▪ <i>Existence of fully developed competency profiles application to all functional areas and specific levels.</i></li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to monitor and evaluate the development and implementation of HR policy and encourage evaluation and feedback?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 80. Use clear performance standards to ensure staff accountability? 81. Design and conduct periodic staff surveys? 82. Design, conduct and act upon upward feedback, e.g., through 360° appraisals? 83. Consult with representatives of employees, e.g., trade unions?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Use of human resource management plan as a monitoring tool.</li> <li>▪ Accountability of staff for getting work done according to clear performance standards.</li> <li>▪ <i>Effectiveness of systems of goal-setting and performance evaluation.</i></li> <li>▪ <i>Level of employee satisfaction with goal-setting and performance evaluation processes.</i></li> <li>▪ <i>Results of evaluation and/or appraisal.</i></li> <li>▪ <i>Link between individual performance and the quality of services or products.</i></li> <li>▪ Job satisfaction at all levels of the organisation.</li> <li>▪ Level of staff morale; frequency of evaluation of staff morale.</li> <li>▪ <i>Explicit integration of incentive questions as standing feature in mainstream M&amp;E.</i></li> <li>▪ Adequacy of staff in all key positions.</li> <li>▪ Staff turnover rate.</li> <li>▪ Degree to which monetary and non-monetary incentives support targeted behavior.</li> <li>▪ Adequacy and equity of compensation.</li> <li>▪ Opportunities for staff professional development and on-the-job training.</li> <li>▪ Degree to which recruitment and promotion policies provide for staff growth.</li> </ul>	

- *Level of employee motivation (e.g., response rates for staff surveys, participation in social events, willingness to accept changes, willingness to make an extra effort under special circumstances).*
- *Level of employee knowledge of the organisation's goals.*
- *Number of complaints, strikes, etc.*

### **Additional Areas of Exploration:**

Does the organisation have the capacity to:

#### **Career Management**

- Create and apply competency profiles to all functional areas and levels?
- Align responsibilities, authorities and tasks?
- Manage career development/placement in such a way that capacities developed in one post are applicable to the next post?
- Define and implement a "right person in a right place" policy, ensuring existing capacities are deployed in appropriate posts?

#### **Recruitment and Promotion**

- Develop and use recruitment and promotion policies that encourage internal and external staff growth?
- Define leadership and managerial skills, for use in recruitment?
- Align recruitment and development plans with job descriptions?
- Manage recruitment and promotion fairly?

#### **Incentives (monetary and non-monetary)**

- Develop and use monetary and non-monetary incentives that support targeted behavior and encourage performance / results-based management?
- Manage compensation and incentive programmes fairly?
- Develop an environment that encourages performance (e.g., free of corruption, strong governance)?

#### **Training**

- Develop a training plan based on current and future organisational and individual needs?
- Ensure that training and development plans are developed and monitored for all employees?
- Ensure that leadership skills are developed throughout the organisation?
- Ensure that interpersonal skills and abilities to deal with customers, citizens are developed?
- Ensure that new hires are supported and assisted, e.g., through coaching, tutoring?
- Leverage modern training methods, e.g., multi-media approach, on the job training, eLearning?

#### **Process Improvement**

- Identify, describe and document key processes?
- Analyze and evaluate key processes, taking into consideration the objectives of the organisation and its changing environment?
- Ensure that core processes support the organisation's strategic objectives?
- Manage and improve key processes?
- Identify and give responsibility to process owners for improvement?
- Optimize and adjust key processes based on their effectiveness and efficiency?

<b>Core Issue</b>	<b>6.0 Financial Resources – Organisational Level</b>
<p><b>Context</b> (per UNDP Practice Note on Capacity Assessment)</p>	<p>The capacity to manage financial resources is fundamental to success within the enabling environment and at the organisational level; this applies to the management of both internal resources (national budgets) as well as external resources (development funding).</p> <p>A concept key to external resources is Direct Budget Support (DBS), which is broadly defined as joint government/donor mechanisms to permit external resources to be channelled directly through national budgets, using national allocation, procurement and accounting systems, to supplement public expenditure on nationally agreed priorities. DBS, including the pooling of funds to support sector or programme approaches, has become a preferred method of development assistance for some governments and by some donors.</p> <p>Among capacities assessed in this category are national and local capacities to negotiate, manage, utilize and monitor DBS in ways that best support the human development agenda and achieve the MDGs, including capacities for the management of development finance and development cooperation.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to engage stakeholders in the process of developing a financial plan?
<b>Additional Questions:</b>	Does the organisation the capacity to: 84. Mobilise external resources? 85. Mobilise internal resources?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and relevant domestic and external stakeholders on issues relating to financial resource management.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ <i>Evidence of ability to satisfy and balance the financial interests of all stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive financial analysis and to create a vision for use of financial resources?
<b>Additional Questions:</b>	Does the organisation the capacity to: 86. Conduct a cost/benefit analysis in developing its financial plan? 87. Identify and analyze the risks and rewards of potential financial decisions and weigh trade-offs in developing its financial plan?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to financial resource management.</i></li> <li>▪ <i>Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s financial resource management policies.</i></li> <li>▪ <i>Awareness of future resource needs among organisational leadership.</i></li> <li>▪ <i>Accuracy of financial forecasts.</i></li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop a financial plan and policies?
<b>Additional Questions:</b>	Does the organisation the capacity to: 88. Align financial plan with strategic objectives? 89. Introduce innovative approaches and systems of budgetary planning, e.g., multi-annual budgets?

Indicators	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into the organisation's financial resource management policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for financial resource management.</i></li> </ul>	
Budget, Manage and Implement	
<b>Overall Question:</b>	Does the organisation have the capacity to manage financial resources appropriately in the implementation of programmes and delivery of services?
<b>Additional Questions:</b>	Does the organisation the capacity to: 90. Delegate and decentralize financial responsibilities and balance them with central controlling? 91. Ensure fiscal data are up-to-date and accurate?
Indicators	
<ul style="list-style-type: none"> <li>▪ Organisational control of budget and financial resource policies.</li> <li>▪ Alignment of financial resources with planning budgets (including credit, where appropriate).</li> <li>▪ <i>Degree of enforcement of financial resource management policies and mechanisms.</i></li> <li>▪ Effective financial management and accounting procedures.</li> <li>▪ Use of budgets as a planning tool.</li> <li>▪ Accuracy and currency of fiscal data.</li> <li>▪ Operational efficiency of organisational subsystems for financial resource management.</li> <li>▪ Alignment of scope of program or other activities with the organisation's financial resources.</li> <li>▪ Clarity and awareness of financial resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of budgeting, planning and allocation process.</i></li> </ul>	
Monitor and Evaluate	
<b>Overall Question:</b>	Does the organisation have the capacity to ensure, through monitoring and evaluation, proper use of financial resources?
<b>Additional Questions:</b>	Does the organisation the capacity to: 92. Ensure financial and budgetary transparency? 93. Monitor cost of delivery of standard products and services? 94. Use modern financial controlling, e.g., through internal financial audits?
Indicators	
<ul style="list-style-type: none"> <li>▪ Use of budgets as a monitoring tool. <i>(Extent to which budgets/ financial targets are met.)</i></li> <li>▪ <i>Measures of effective use of operating funds (to avoid exceeding any credit limit or under-exploiting resources).</i></li> <li>▪ <i>Frequency and results of financial audits and inspections (internal and external).</i></li> <li>▪ <i>Measures of prudent and risk-conscious financial management.</i></li> </ul>	

<b>Core Issue</b>	<b>7.0 Physical Resources – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	Physical resources consist primarily of material resources and infrastructure. In the context of the capacity assessment framework, the capacity to build, maintain and manage these resources is the focus. So, the capacity assessment does not, for example, ask for a count of the number of bridges but the capacity to construct and provide continuing services necessary to keep them operational.

### Cross-Cutting Functional Capacities

#### Engage in Multi-Stakeholder Dialogue

<b>Overall Question:</b>	Does the organisation have the capacity to engage stakeholders in the process of developing an infrastructure and physical resources plan?
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<b>Additional Questions:</b>	n/a
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#### Indicators

- *Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and domestic and external stakeholders on issues relating to physical resource management.*
- *Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.*
- *Evidence of ability to satisfy and balance the interests of all stakeholders.*

#### Analyse a Situation and Create a Vision

<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive analysis of its infrastructure and physical resources and to create a vision for use of infrastructure and physical resources?
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<b>Additional Questions:</b>	Does the organisation have the capacity to: 95. Conduct a cost/benefit analysis in developing its infrastructure and physical resources plan? 96. Identify and analyze the risks and rewards of potential decisions and weigh trade-offs in developing its infrastructure and physical resources plan?
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#### Indicators

- *Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to physical resource management.*
- *Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s physical resource management policies.*
- *Awareness of future resource needs among organisational leadership.*

#### Formulate Policy and Strategy

<b>Overall Question:</b>	Does the organisation have the capacity to develop a physical resources plan and policies?
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<b>Additional Questions:</b>	Does the organisation have the capacity to: 97. Develop an integrated policy for managing physical assets, e.g., by direct management, subcontracting? 98. Align infrastructure and physical resources plan with strategic objectives? 99. Introduce innovative approaches and systems of resource planning, e.g., multi-annual budgets?
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#### Indicators

- *Extent to which societal changes are integrated into the organisation’s physical resource management policies and mechanisms.*
- *Existence of long-term strategic policy options for physical resource management.*

#### Budget, Manage and Implement

<b>Overall Question:</b>	Does the organisation have the capacity to manage infrastructure and physical resources (including buildings, offices, equipment; transport and energy resources) appropriately in the implementation of programmes and delivery of services?
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<b>Additional Questions:</b>	Does the organisation have the capacity to: 100. Balance cost efficiency of physical locations with the needs and expectations of
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	users, e.g., centralization vs. decentralization of buildings, open plan offices vs. individual offices? 101. Ensure appropriate physical accessibility of building in line with needs and expectations of employees and customers/citizens, e.g., access to parking or public transport?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Organisational control of its own physical resource management policies.</li> <li>▪ <i>Degree of enforcement of physical resource management policies and mechanisms.</i></li> <li>▪ Operational efficiency of organisational subsystems for physical resource management.</li> <li>▪ Alignment of scope of program or other activities with the organisation's physical resources.</li> <li>▪ Clarity and awareness of physical resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of physical resource planning and allocation process.</i></li> <li>▪ Availability of appropriate facilities and equipment to support operation, including access to logistical and communications needs (e.g., vehicles, telephone, telex, fax).</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to ensure, through monitoring and evaluation, proper use of infrastructure and physical resources?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Use of physical resource plan as a monitoring tool. (Extent to which plans/targets are met).</li> <li>▪ <i>Measures of effective use of physical resources (to avoid over- or under-exploiting resources).</i></li> <li>▪ <i>Frequency and results of audits and inspections (internal and external)</i></li> <li>▪ <i>Measures of prudent and risk-conscious physical resource management.</i></li> <li>▪ Availability of appropriate facilities and equipment to support operation, including access to logistical and communications needs (e.g., vehicles, telephone, telex, fax).</li> <li>▪ Access to essential natural resources.</li> </ul>	

<b>Core Issue</b>	<b>8.0 Environmental Resources – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	A country's environmental resources, if well managed, can expand the universe of human choices and livelihoods. This category pertains to the capacity of countries to manage their environment and natural resource and energy sectors, to integrate environmental and energy dimensions into poverty reduction strategies and national development frameworks, and to strengthen the role of communities in promoting sustainable development.

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to engage stakeholders in the process of developing an environmental resources plan?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and domestic and external stakeholders on issues relating to environmental resource management.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respective) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ <i>Evidence of ability to satisfy and balance the interests of all stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive environmental analysis and to create a vision for use of environmental resources?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 102. Conduct a cost/benefit analysis in developing its environmental resource plan? 103. Identify and analyze the risks and rewards of potential decisions and weigh trade-offs in developing its environmental resource plan?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on policies relating to environmental resource management.</li> <li>▪ Quality of action taken as a result of "critical events" analysis of opportunities and threats of most significance to the organisation's environment resource management policies.</li> <li>▪ Awareness of future resource needs among organisational leadership.</li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to develop an environmental resources plan and policies?
<b>Additional Questions:</b>	Does the organisation have the capacity to: 104. Develop an integrated policy for managing environmental resources? 105. Align environmental resources plan with strategic objectives? 106. Introduce innovative approaches and systems of resource planning?
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Extent to which societal changes are integrated into the organisation's environmental resource management policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options for environmental resource management.</i></li> <li>▪ <i>Integration of the principles of sustainable development in the decision-making process (e.g., energy saving use of renewable energy sources, total energy use).</i></li> <li>▪ <i>Integration of environment and nature protection in the decision-making process (e.g., building construction).</i></li> </ul>	
<b>Budget, Manage and Implement</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to manage environmental resources appropriately in the implementation of programmes and delivery of services?
<b>Additional</b>	n/a

<b>Questions:</b>	
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Organisational control of its own environmental resource management policies.</li> <li>▪ <i>Degree of enforcement of environmental resource management policies and mechanisms.</i></li> <li>▪ Clarity and awareness of environmental resource goals and priorities among leaders.</li> <li>▪ <i>Transparency of environmental resource planning and allocation process.</i></li> <li>▪ <i>Efforts to reduce nuisance or harm from environmental activities and to ensure protection and safety of citizens.</i></li> <li>▪ Organisational subsystems for environmental resources management operate efficiently.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to ensure, through monitoring and evaluation, the proper use of environmental resources?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Use of environmental resource plan as a monitoring tool. <i>(Extent to which plans/targets are met).</i></li> <li>▪ <i>Measures of effective use of environmental resources (to avoid over- or under-exploiting resources).</i></li> <li>▪ <i>Frequency and results of audits and inspections (internal and external)</i></li> <li>▪ <i>Measures of prudent and risk-conscious environmental resource management.</i></li> <li>▪ <i>Level of waste and packaging.</i></li> <li>▪ <i>Use of recycled material.</i></li> <li>▪ <i>Use of environmentally friendly modes of transport (e.g., public transport, car sharing and bicycles).</i></li> <li>▪ <i>Degree of compliance with environmental standards.</i></li> <li>▪ <i>Level of noise.</i></li> </ul>	

<b>Core Issue</b>	<b>9.0 Human Rights Based Approach – Organisational Level</b>
<b>Context</b> (per UNDP Practice Note on Capacity Assessment)	<p>This category relates to the promotion and protection of human rights and the application of a human-rights-based approach to development planning and programming. Human rights are legal rights enshrined in the Universal Declaration of Human Rights; various human rights Covenants, Conventions, Treaties and Declarations; Regional Charters; National Constitutions and laws. But human rights are rights not solely because they are recognised in legal instruments. Human rights inhere in the very nature of the human person. They define and affirm our humanity. They exist to ensure that human life remains sacred. They exist to guarantee that humanity and injustice are prevented or redressed.</p> <p>Among capacities assessed in this category are advocacy, sensitization of all stakeholders in the broadest sense of the word; institutional development, creation of sustainable institutional systems; implementation, the application of human rights in law and reality; monitoring, effective systems for societal monitoring of human rights enforcement; redress, transparent mechanisms to correct human rights violations; and specific measures for affirmative action for addressing structural issues that perpetuate inequality and discrimination.</p>

<b>Cross-Cutting Functional Capacities</b>	
<b>Engage in Multi-Stakeholder Dialogue</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to engage stakeholders in the process of developing plans with a human rights-based approach?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Existence and effectiveness of dialogue mechanisms (and other links as appropriate) between the organisation and domestic and external stakeholders on issues relating to human rights, especially of minority groups.</i></li> <li>▪ <i>Quality (e.g., transparent, participatory, engaged, respectful) and frequency of dialogue between the organisation and domestic and external stakeholders.</i></li> <li>▪ <i>Evidence of ability to satisfy and balance the interests of all stakeholders.</i></li> </ul>	
<b>Analyse a Situation and Create a Vision</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to frame, manage and interpret a comprehensive situation analysis of human rights as they relate to key stakeholders (e.g., employees, customers, citizens)? To create a vision for human rights?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Quality of analysis of environmental influences (at the appropriate level, e.g., market, sector) and their relative degree of impact on human rights policies.</i></li> <li>▪ <i>Quality of action taken as a result of “critical events” analysis of opportunities and threats of most significance to the organisation’s human rights policies.</i></li> </ul>	
<b>Formulate Policy and Strategy</b>	
<b>Overall Question:</b>	Does the organisation have the capacity to formulate and adopt policies that incorporate a human rights-based approach?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Actionability of objectives and outputs in the organisation’s human rights strategies.</i></li> <li>▪ <i>Extent to which societal changes are integrated into the organisation’s human rights policies and mechanisms.</i></li> <li>▪ <i>Existence of long-term strategic policy options regarding human rights.</i></li> </ul>	
<b>Budget, Manage and Implement</b>	

<b>Overall Question:</b>	Does the organisation have the capacity to ensure a human rights-based approach in the budgeting, management and implementation of programmes and delivery of services?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ Alignment of scope of programme or other activities with the organisation's human rights mission, policies and managerial capacities.</li> <li>▪ <i>Degree of application and enforcement of human rights policies.</i></li> <li>▪ Clarity and awareness of human rights goals and priorities among organisational leadership.</li> </ul>	
<b>Monitor and Evaluate</b>	
<b>Overall Question:</b>	Does the organisation have the capacity ensure, through monitoring and evaluation, progress on human rights?
<b>Additional Questions:</b>	n/a
<b>Indicators</b>	
<ul style="list-style-type: none"> <li>▪ <i>Training of organisational leadership in HRBA; awareness of international human rights standards.</i></li> <li>▪ <i>Existence of transparent mechanisms to correct human rights violations.</i></li> <li>▪ <i>Frequency and results of audits and inspections (internal and external).</i></li> </ul>	

## Annex 1 – Frequently Asked Questions

### Introduction

#### 1. What is the “value add” of a UNDP methodology?

UNDP’s “default” capacity assessment methodology establishes a framework and provides standards for any UNDP engagement. As such, it promotes adherence to a comprehensive and integrated capacity development process and increases the focus and impact of UNDP’s work. The key is in the adaptation of it by users who understand their environment and their stakeholder / sponsor needs, and who can customize it accordingly.

#### 2. What is the link between MDG-Based Development Strategies and the UNDP Capacity Assessment Methodology?

As a tool for understanding capacity assets and needs, capacity assessments provide valuable input into policy and strategy formulation work at the level of MDG-based development strategies and poverty reduction strategies. It also provides a basis for defining the UN’s role to support capacity development with these national processes.

#### 3. What is the link between the Millennium Project Needs Assessment and the UNDP Capacity Assessment?

The Millennium Project Needs Assessment and the UNDP Capacity Assessment Methodology are complementary in nature. Needs Assessments focus on “interventions,” i.e., **what** needs to improve, and the financial requirements to fund the interventions. Capacity Assessments focus on the current and desired levels of capacity in a given enabling environment or institution, the gap between them, and most important, the resulting capacity development strategies – how the improvements will occur and how much such will cost to undertake.

Capacity assessments therefore can be worked on simultaneous to and as part of an MDG needs assessment in analysing and presenting a more comprehensive and integrated programme and resource response.

It is important to note that it is not possible to create a one-to-one relation between a capacity gap and a desire poverty reduction outcome.

### Capacity Assessment Framework Dimensions

#### 4. How does the Enabling Environment point of entry get applied? What does it mean, in practice?

The Enabling Environment concerns the capacity of entities, organizations and institutions to interact with each other. As an example, assessing Leadership at the Enabling Environment level, one would assess the functioning of the judicial, legislative and executive branches, and their interaction with one another. One could also assess the functioning of the office of the president (but not necessarily the individual capacities of the president him/herself).

#### 5. How were the Core Issues identified? What do they represent?

These represent the issues upon which UNDP is most often called to address. Not all of these issues will necessarily be analysed in any given assessment, but they provide a comprehensive set of issues from which a capacity assessment team may choose as it defines its scope

#### 6. What are the Technical Capacities?

Technical capacities are those 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 organizational context in focus. They are most often the province of specialized agencies.

## Design and Application

### 7. Do I have to use the entire Capacity Assessment Framework?

No, you do not have to use the entire Capacity Assessment Framework. It should be leveraged as a point of departure for a capacity assessment – it is flexible and needs to be adapted by the assessment team to suit its specific needs/context. During the mobilize and design phase of an assessment, the assessment team determines the scope and scale of an assessment; this will determine the point of entry, the core issues and the cross-cutting functional capacities to be included in the assessment.

### 8. Do I have to use the Supporting Tool (excel spreadsheet)?

No, you do not have to use the spreadsheet. What is important is adhering to the capacity development process, and in this context the “assess capacity assets and needs” and “define capacity development strategy” steps. The Supporting Tool is just that... a tool that can be used as these steps are carried out; however the process could be carried out using whatever mechanism is accessible to and for the team.

### 9. How can this be implemented without access to certain data sources? How do you manage indicators without certain data sources?

Successful execution of and follow-up to a capacity assessment depend in a large part on the quality and availability of data. To a certain extent, you are limited by what data are available; however, to the extent that data are not available, it is the responsibility of the team to be creative in identifying means of obtaining data (conducting field-based interviews, leveraging representative samples, using observational techniques) and/or designing proxies for indicators for which there is limited or no data.

### 10. Do I have to provide both quantitative data and qualitative information?

Capacity level can be determined quantitatively and/or qualitatively. There are advantages and disadvantages to each. It is the responsibility of the assessment team to determine during the mobilize and design phase which type is best to collect based on a number of factors, e.g., how accessible the data are, how reliable the data will be and how the data will be used.

### 11. How do you weight the importance of various core issues or cross-cutting functional capacities?

In the Capacity Assessment Supporting Tool, each assessment ranking is given equal weight. If the assessment team wishes to assign different weights to different dimensions, they can amend the process – by either adding a weighting mechanism in the Supporting Tool or calculating it manually.

### 12. How do I interpret capacity assessment results?

Interpretation of the capacity assessment results depends in large part on the desired level of capacity determined during the mobilize and design phase. Once the assessment has been completed for selected cross-sections, the assessment team compares the assessed level of capacity against the desired level of capacity. This comparison helps the team determine whether the existing capacity level is sufficient or needs improvement, which in turn helps the team identify areas in which to focus capacity development strategies. It does not always follow that a low rating means a significant capacity improvement is required; a relatively low rating may be adequate in the context of a given enabling environment or organization.

### 13. How do you bridge from capacity assessment to capacity development strategy formulation?

The interpretation of capacity assessment results discussed in question #11 creates the bridge between assessment and strategy formulation.

### 14. Who does prioritization? Does it happen before or after costing?

It is the responsibility of the assessment team to conduct the assessment and make recommendations regarding capacity development strategies, including a sense of indicators and costing. It should not, however, be the responsibility of the assessment team to prioritize

recommendations. It is expected that the stakeholder/sponsor group will determine prioritization. There is a separation of assessment and prioritization activities to help ensure that the assessment is conducted in an environment relatively free of political stress.

**15. What if there aren't resources and/or capacity to conduct a capacity assessment?**

If at all possible, a capacity assessment exercise should be conducted by local resources, not by external consultants. This can help create ownership of the process, generate more insightful findings, build commitment to the results, and finally develop capacity during the process of assessing capacity. If it is not possible to use local resources, technical assistance can be leveraged to conduct the exercise, but local sponsors and stakeholders should be involved and ongoing dialogue and feedback between them and the consultants should be built into the process.

**16. Where has this methodology/framework/tool been applied? Can you publish the case studies? What have been the implementation challenges? What have been the results?**

In previous iterations, this methodology has been used in a number of situations, with varying profiles, e.g., enabling environment vs. organisational level, extensive vs. limited scope. Case studies are being developed as part of a publication called "Capacity Development Strategies: Evidence and Cases," expected to be published by UNDP by the end of 2006.

## Annex 2 – Illustrative Indicators for Capacity Development Strategies

Capacity Development Strategies	Illustrative Indicators
<b>Capacity Assessments</b>	<ul style="list-style-type: none"> <li>▪ Capacity assessment conducted</li> <li>▪ Existing capacity assets and needs inventoried</li> <li>▪ Capacity gaps identified</li> </ul>
<b>Knowledge Services and Learning</b>	<ul style="list-style-type: none"> <li>▪ Number of participants trained</li> <li>▪ Evaluation rating of training sessions</li> <li>▪ Introduction or adaptation of curriculum</li> <li>▪ Number of students enrolled in (technical/tertiary) education</li> <li>▪</li> </ul>
<b>Leadership Development</b>	<ul style="list-style-type: none"> <li>▪ Number of leaders trained, mentored, etc.</li> <li>▪ Development of a replicable training programme for local leaders than is flexible and interactive and can be executed by local trainers</li> </ul>
<b>Institutional Reform and Change Management</b>	<ul style="list-style-type: none"> <li>▪ Breadth of stakeholders involved</li> <li>▪ Number of roles, missions and tasks redefined; clarity of roles and responsibilities at different levels of administration</li> <li>▪ Reduction in number of PIUs</li> <li>▪ Transparency of policy-making process</li> </ul>
<b>Multi-Stakeholder Engagement Processes</b>	<ul style="list-style-type: none"> <li>▪ Establishment of twinning relationships and other formal partnerships</li> <li>▪ Satisfaction rating of these relationships by both partners</li> <li>▪ Development of an electronic network(s) to foster exchange of information, best practices and lessons</li> <li>▪ Number of e-network users</li> <li>▪ Number of stakeholder dialogue sessions held</li> </ul>
<b>Mutual Accountability Mechanisms</b>	<ul style="list-style-type: none"> <li>▪ Establishment of peer/partner review mechanism</li> <li>▪ Establishment of 'social watch' type mechanism</li> <li>▪ Number of complaints received, processed and resolved</li> <li>▪ Number of reviews executed</li> </ul>
<b>Incentive Systems</b>	<ul style="list-style-type: none"> <li>▪ Existence of nationally coordinated, transparent and legitimate salary supplementation scheme linked to civil service reform</li> <li>▪ Development of policy on non-monetary benefits that is transparent and performance-based</li> <li>▪ Development of policy on pay and compensation that is legal, equitable and transparent</li> <li>▪ Agreement and application of exit strategy for externally provided salary top-ups</li> </ul>

### Annex 3 – Indicators for UNDP’s Default Principles for Capacity Development

Default Principles for Capacity Development	Examples of Benchmarks
<p>1. <b>Don’t rush. Capacity development is a long-term process:</b> 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"> <li>▪ Increase in civic engagement and bottom-up influence the policy agenda</li> <li>▪ Client satisfaction with services/performance over time (“being broadly right is more useful than being precisely wrong” (e.g. Scorecard approach)</li> <li>▪ Existence of long-term strategic policy choices for CD</li> </ul>
<p>2. <b>Respect the value systems and foster self-esteem:</b> 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"> <li>▪ Engaged but respectful dialogue and advocacy on human rights, (esp. minority groups)</li> <li>▪ Advancement of women (e.g. school enrolment, tenure rights, women leaders, ...)</li> <li>▪ Clear “rules of the game” and safeguards that establish domestic partners and legitimate policy processes as leading on policy choice</li> </ul>
<p>3. <b>Scan locally and globally; reinvent locally:</b> 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"> <li>▪ Access to global knowledge (ex. connectivity, internet access points...)</li> <li>▪ Choice for domestic agents of inputs they perceive as relevant (ex. TC pools)</li> <li>▪ Existence of discussion and policy options with relevant stakeholders</li> <li>▪ Iterative planning and implementation with regular review to allow for adjustments</li> <li>▪ Quality of dialogue between domestic and external stakeholders</li> </ul>
<p>4. <b>Challenge mindsets and power differentials:</b> 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"> <li>▪ Transparency of budget process and allocations</li> <li>▪ Access to information, participatory policy process and decision making</li> <li>▪ Existence/intensity of independent or more objective forms of monitoring and societal watch dogs that can question authorities</li> <li>▪ Effectiveness of parliamentary oversight, access to recourse functions (ombudsman..)</li> </ul>
<p>5. <b>Think and act in terms of sustainable capacity outcomes:</b> 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"> <li>▪ Actionable objectives and outputs in national and local development strategies, work plans and implementation</li> <li>▪ Integration of CD indicators/benchmarks in mainstream M&amp;E</li> <li>▪ Existence of influential and outspoken champions for ownership and CD</li> <li>▪ Iterative planning, decisions and benchmarking.</li> </ul>
<p>6. <b>Establish positive incentives:</b> 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 fundamental rights are a powerful incentive.</p>	<ul style="list-style-type: none"> <li>▪ Existence of a collective nationally coordinated and defended, transparent and legitimate salary supplementation scheme linked to civil service reform</li> <li>▪ Explicit integration of incentive questions as standing feature in mainstream M&amp;E</li> <li>▪ Degree of “rule of law”, equality of citizens, access to justice</li> </ul>

<p>7. <b>Integrate external inputs into national priorities, processes and systems:</b> 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"> <li>▪ Reduction in overall PIUs; changes in functioning of implementation structures from the parallel to the organically integrated and accountable type</li> <li>▪ Increase in budget support and pooling arrangements, incl. pooling of TC that allows broader choice by primary clients</li> <li>▪ Focus on collective outcomes &amp; reduction in attribution to individuals</li> </ul>
<p>8. <b>Build on existing capacities rather than creating new ones.</b> 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"> <li>▪ Clear establishment of existing assets as standard step in any assessment</li> <li>▪ Relative size and quality of a domestic consulting sector</li> <li>▪ Collaboration with national universities and research institutions rather than expertise and analysis from outside</li> <li>▪ Share of finance going through legitimate domestic institutions</li> </ul>
<p>9. <b>Stay engaged under difficult circumstances.</b> 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"> <li>▪ Effectiveness of dialogue mechanisms with domestic authorities</li> <li>▪ Existence of efforts that allow for recovery in the long-term (e.g., community level self-organisation, education programme for displaced populations)</li> <li>▪ Nationally led coordination mechanisms and collective responsibility for external aid &amp; partnerships (reduction of “do-it-alone” ad hoc intervention &amp; un-conducive competition)</li> </ul>
<p>10. <b>Remain accountable to ultimate beneficiaries.</b> 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"> <li>▪ Functioning of democratic process, checks and balances, transparency and participatory nature of policy dialogue, access to justice, level of corruption etc.</li> <li>▪ Citizens’ access to budget allocation info to local level services, e.g. schools, clinics, ...</li> <li>▪ Increased civic engagement, CSO/CBO activity, established societal “watch dog” functions, quality and independence of media</li> <li>▪ Mechanisms to register the voice of citizens and their perceptions</li> </ul>

## **Annex 4 – Select References on Indicators**

### **UN / UNDP**

Balanced Scorecard, UNDP, January 2006.

“Enhancing the UN’s Contribution to National Capacity Development: Initial Guidance for UNCTs,” Working Group on Capacity Development, UNDG, March 2006.

“Handbook on Monitoring and Evaluating for Results,” Evaluation Office, UNDP, June 2005.

“Measuring Capacities: An Illustrative Catalogue to Benchmarks and Indicators,” Capacity Development Group, UNDP, September 2005.

Millennium Development Goal Indicators.

Organizational Capacity Assessments: A Toolkit for the Public Sector, Capacity Development Group, UNDP, December 2005.

Practice Note on Capacity Development, Capacity Development Group, UNDP, April 2006.

“UNDP-UNICEF Workshop on Planning and Monitoring of Capacity Development: Final Report,” UN DP and UNICEF, November 1999.

“Using Indicators to Measure Impact and Performance for Capacity Development and Mainstreaming in Sustainable Land Management Projects,” UNDP-GEF, Draft, May 2006,

### **Other Organizations**

“Outcome Mapping: The Challenges of Assessing Development Impacts,” IDRC, 2001.

“Review of the DAC Principles for Evaluation of Development Assistance,” OECD/DAC, 1998.

“Ten Steps to a Results-Based Monitoring and Evaluation System,” World Bank, 2004.

## **Annex 5 – Additional UNDP Capacity Development Resources**

### **Theoretical and Case Study Publications**

- Capacity for Development: New Solutions to Old Problems
- Developing Capacity through Technical Cooperation
- Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development?

### **Policy and Practice Notes**

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

### **Resource Guides and Tools**

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

### **CD Expert Rosters**

- Database of external consultants, organisations, and agencies with CD expertise
- Sub-communities of practice, i.e. leadership, strategic planning
- [www.capacity.undp.org/roster](http://www.capacity.undp.org/roster)

### **CD Websites**

- [www.capacity.undp.org](http://www.capacity.undp.org)
- [www.capacity.org](http://www.capacity.org)
- <http://topics.developmentgateway.org/mdg>
- [www.capacity.undp.org/roster](http://www.capacity.undp.org/roster)