CAPACITY DEVELOPMENT FOR SUSTAINABLE HUMAN DEVELOPMENT: CONCEPTUAL AND OPERATIONAL SIGNPOSTS

I. INTRODUCTION

1. What is new? Or different?

The SHD mission of UNDP has major implications for the way UNDP does capacity development. SHD is not something outsiders can do for people; it is something they must do for themselves. Developing people's capacities for sustainable human development is thus one of the most effective ways of fostering SHD. But capacity development for SHD to be effective, must be consistent with SHD itself, must reflect the same principles and strategies. This relationship has assumed critical importance for UNDP with the realization that its SHD mission means a new emphasis on capacity development and a new, challenging way of doing it.

SHD means empowering people and creating an enabling environment for their initiatives in all spheres of life. Along with recognizing that people themselves have to make the decisions about their lives, developing their capacities to make informed decisions and to implement their decisions is central to empowerment.

The underlying rationale for the programme approach is the same as in SHD: empowering countries to own and control their own development and creating an environment that enables them to succeed. Programmes are national and the policies and priorities of the developing country prevail. UNDP supports these programmes and creates favourable conditions for the success of the country's efforts. Decisions remain with the country or society; capacity development is the most effective way for outsiders to contribute to the achievement of the country's development objectives.

Whether UNDP develops capacity for SHD through advocacy, capacity development proper or coordination, all must be done in a way that empowers the partner country and improves its environment. Central to this strategy is supporting the country/society in developing a vision of its own future desirable state, in terms of the well-being of its people, and in developing policies, priorities and strategies for realizing that vision.

This involves a shift from government to society as the embodiment of the people and seeking the participation of all actors in society as partners in development. SHD is a dynamic process, involving the animation and mobilization of social energy and developing capacities for sustained development aimed at the well-being of all people.

Within this comprehensive approach to SHD, UNDP seeks to focus its resources and efforts in support of countries on poverty eradication as the highest priority, addressing such key areas as the advancement of women, job and sustainable livelihood creation, and environmental regeneration. People-centred governance is seen as a necessary condition for sustained progress towards these SHD goals. UNDP also seeks to

strengthen the UN system's capacities to contribute to SHD through capacity development, and indeed those of the entire international development community.

UNDP has made it its mission to support national capacity development for policy formulation, programme development and implementation, resource coordination and management. The focus is on key development management capacities of all national partners in selected national thematic priority areas, particularly the eradication of poverty.

SHD represents a shift in development thinking and practice that reflects a much broader shift in thinking about society and the well-being of people. This shift is made up of many shifts in different elements that all tend in the same direction. It is often a shift in emphasis rather than substance. It is often a matter of becoming more focused on one element rather than its opposite. In this way, it is not a total contrast, of black and white, night and day, but of shifts in shades that at a critical point reveal a marked qualitative difference and a new dominant pattern. It is the pattern and its general tendencies that are important, rather than any particular individual shift. See the table on the following page for the identification of some of these shifts.

The principles of capacity development for sustainable human development can be defined in terms of strategic elements of this overall pattern. These can be summarized in terms of five dimensions that represent the main framework of the pattern:

1. People are at the centre of capacity development for SHD

2. Society, rather than just government or the state, is the focus [or frame of reference] of capacity development for SHD

3. A systems perspective, recognizing the complex interdependencies among all elements, is essential for capacity development for SHD

4. Capacity development for SHD involves sensitivity to both the action and physical environments

5. Capacity development for SHD is a comprehensive, multi-faceted process involving many different modes.

The principles in each of these dimensions are detailed in Section II.4. below.

THE NATURE OF THE SHIFT TO PEOPLE-CENTRED SUSTAINABLE WAYS OF DOING THINGS

FROM	TO
Economy/market centred	People centred
Sectoral/segmented	Integrated/holistic
Linear/rational	Multi-faceted/cyclical
Mechanistic/physical	Systemic/environmental
Command/control management	Participatory/empowering/ enabling
Government/donor driven	People/community driven
Government/state focused	Society/community focused
Centralized	Decentralized
Homogenizing/uniformity	Pluralistic/diversity
Male dominated	Gender balanced
Generating exclusion	Fostering inclusion
Direct, specific	Comprehensive, indirect
Environmental insensitivity	Environmental balance
Short-term perspective	Long-term perspective
Project approach	Programmatic approach
Capacity substitution	Capacity enhancement
Imitation	Innovation/adaptation
Efficiency	Equity
Large scale	Small scale
Exchange	Reciprocity
Tradition-averse	Tradition-friendly
Ahistorical	Cross-generational
Teaching	Learning

Top down	Bottom up/two way
Clients/customers	Partners/citizens
Competition	Cooperation
Self interest	Common good
Individual focus	Community/relational focus

2. What we have learnt?

Development as practised through established means of development assistance has brought about dramatic and important changes over the last thirty years. Unfortunately improvement has been uneven, many countries have failed to benefit equitably and improvement has often been unsustained.

Analyses of the situation increasingly point to the following problems:

- Ineffectiveness of conventional development processes in creating and leaving in place people and institutions with the capacity to sustain development.

- Excess emphasis on short term projects with finite impact, rather than in investment in human capital, has led to poor sustainability of results.

- Directing support to governments and institutions rather that to developing societies has led to poor capacity of people to participate in development.

- Excess dependence upon foreign experts has led to minimal local ownership of the development process and to unsustainability.

Experience with capacity development in the development community has been mixed, varying from agency to agency, sector to sector, country to country and from region to region. While there are success stories, it is not easy to dissect the cases to determine which factors accounted for the success. Failures are much more common and have been analysed more systematically to determine what went wrong. For reviews of this experience, see UNDP, 1994, (Guiding Principles), pp. 23 - 26; Berg, 1993, 1995; and UNDP, National Capacity Building: Report of the Administrator, 1993.

The following six reasons are often mentioned as key to understanding the weaknesses of capacity development efforts:

1. Capacity development with governments has not always addressed issues central to social and economic development, has often been absorbed by short-term concerns and has been too far down the stream to have significant systematic impact.

2. The capacities that have been built have not been retained or sustained for a variety or reasons relating to factors in the general action environment in the country or the public service context.

3. Capacity development efforts often have focused on the development of individual capacities, without attention to the organizational/institutional context. Where the latter was the focus of capacity development efforts, policy factors were not included and the larger environment that influences the retention and utilization of the acquired capacities, was not taken into account.

4. Capacity development has concentrated on governments with little or no attention to the need to develop the capacities of the other national partners, whose contributions are critical for the success of national development programmes, such as civil society and the private sector.

5. Capacity development has not led to the capacity of recipient countries to manage technical cooperation within a coherent national development framework. Technical cooperation has been poorly integrated with national development programmes and poorly coordinated as a result of being largely donor-owned and driven.

6. Technical cooperation has not been managed as a capacity development tool, but rather as capacity substitution, often in areas not central to the success of national development efforts. This very expensive technical assistance mechanism has been found to be inefficient and ineffective, leaving capacity vacuums in developing countries and huge holes in aid budgets with very little to show except domestic job creation in the donor countries.

These lessons indicate certain key, interrelated issues that need to be addressed explicitly in the formulation of capacity development policy frameworks, strategies, programmes and activities:

1. The relevance of the activities to core national development objectives

2. The national policy context within which the programme activities are being undertaken

3. The extent to which capacities of non-governmental as well as government institutions are being built

4. The mechanisms of coordination of capacity development activities

5. The sustainability of the capacity

6. The extent to which the modes of delivering technical cooperation in support of capacity development have incorporated the lessons of the past.

7. The extent to which the capacity development activities are owned and driven by the partner country.

8. The extent to which the capacity development activities are participatory and responsive to the needs of the subjects.

In setting long-term capacity development and sustainability, rather than short-term performance, as the objective of technical cooperation, policy initiatives within the UN system have sought the following:

1. The involvement of the UN at the analytical and policy setting stages of the programme cycle

2. National ownership, i.e., responsibility and control of the operational activities at all stages by government and other national institutions and beneficiaries

3. National execution, to encourage the assumption of overall responsibility and accountability

4. The diversification on implementation arrangements, to encourage the participation of a wide range of national entities, compatible with the achievement of the programme undertaken, but without the creation of parallel structures

5. Emphasis on the centrality of national programmes, and the integration of UN activities with these national programmes

6. A focus on achieving development impact by concentrating on a programme rather than a project approach.

(From a document coded DP/1992/CRP.1, titled "Capacity Building", which appears to be a precursor to DP/1993/23, which does not contain this summary)

During the last five years development agencies and their client countries have begun to concentrate on new approaches to capacity development that rectify these problems. The new approaches recognize that change can be engendered and sustained only if the people involved are included and empowered to make decisions. They recognize that participation of societies, integration of the efforts of institutions, and improved flows of information are indispensable to the building of real and lasting capacity.

Sustainable human development has been increasingly recognized as a framework for the new approaches that emphasize these policy orientations and people-centred development. This document seeks to bring together relevant experience and lessons and integrate them into a coherent concept of capacity development for SHD and best practices with regard

to the operationalization and implementation of strategies for capacity development for SHD.

3. The present purpose

The main purpose of this document is to provide a common basis for building UNDP's substantive capacity to support national capacity development for sustainable human development. The document develops a broad framework for conceptualizing capacity development for sustainable human development and provides some guiding principles for operationalizing and implementing it.

The December 1994 UNDP document, Capacity Development: Lessons of Experience and Guiding Principles provide a generic analytical framework and principles. As such, it remains valid and will particularly be useful when the focus is on public sector management in countries where the national situation and the state of the public sector are not reasonably well-known.

This document is supplementary to Guiding Principles, seeking to:

1. broaden the scope of the conceptual framework to include all development actors in society;

2. focus on the special features of capacity development for sustainable human development; and

3. place the operational focus more clearly within the framework of the programme approach.

The document thus situates capacity development for SHD in the context of UNDP's role within the UN System, especially at the country level, in supporting country efforts towards sustainable human development. This role has often been defined principally in terms of capacity development, as far as programming is concerned.

The first part of the document maps out the conceptual framework for capacity development for sustainable human development. The second part examines operational issues in the context of the programme approach and suggests strategies for capacity assessment and development. A final part presents some conclusions.

This document will serve as the basis for a Work Book on capacity development for SHD, which will bring together all relevant core documents to serve as a reference guide or manual for the operationalization and implementation of capacity development for SHD.

PART A: CONCEPTUAL SIGNPOSTS

II. CONCEPTS, DEFINITIONS, ELEMENTS

1. Sustainable Human Development

SHD is people-centred, which means it is development of people, by people and for people. Development of people means investing in developing their capacities and capabilities. Development by people means that people make or participate in the decisions about their own development. Development for people means that the sustained well-being of all people on earth over generations is the ultimate goal of development.

SHD involves two complementary strategies: empowering people and creating an enabling environment for the sustained achievement of their goals and aspirations. It is integrated development that seeks to reconcile, in a holistic, mutually reinforcing way, people's social, economic, cultural, political, and environmental goals and values, including moral/ethical and spiritual dimensions.

Table 1 results from looking at these two sets of concepts in relation to each other to identify the six key components of sustainable human development. Capacity development for sustainable human development must address all six of these components:

- For the 'of the people' elements, capacity development involves developing people's capabilities (including those of their organizations/ institutions) and improving their access to opportunities.

- For the 'by the people' elements, it involves developing capacities for participatory development and a governance framework that enables them and facilitates their participation.

- For the 'for the people' elements, it involves developing capacities to set common objectives, to take other people's well-being into account and to work for the common good, as well as improving the equity of distribution systems and societal orders that embody and protect the common good over generations.

Sustainable human development is a dynamic self-driven process that is both people-centred and society-focused: While the ultimate goal is the well-being of all people, the principal means is the development of a society that fosters the realization of that goal.

TABLE 1. KEY COMPONENTS OF SUSTAINABLE HUMAN DEVELOPMENT

SHD ELEMENTS	SHD EMPOWERMENT	STRATEGIES CREATING ENABLING ENVIRONMENT
Development of people	Develop people's capabilities	Ensure access to opportunities, services, assets, resources, markets
Development by people	Let people decide, participate in decision-making	Ensure people-centred governance: rule of law, human rights, democracy, partnership, civil society
Development for people	Make the well-being of all people the goal of development	Ensure equitable social, economic, political orders and distribution systems; ensure sustainability across generations

2. UNDP's new mandate: Mission, Goals and Areas of Focus with regard to SHD

Mission:

To assist programme countries to realize sustainable human development, in line with their national development programmes and priorities

Goals:

1. To strengthen international cooperation for sustainable human development and to serve as a major substantive resource on how to achieve it;

2. To help the United Nations family become a unified and powerful force for sustainable human development;

3. To focus UNDP's own resources on making the maximum contribution in the countries served to certain key dimensions of sustainable human development.

Focus Areas:

In order to pursue sustainable human development most effectively and efficiently, it is necessary to focus on priority areas and target the most vulnerable and excluded people in each country, such as those living in poverty, women, the unemployed, etc. UNDP has established the following focus areas:

1. Poverty elimination
2. Creation of employment and sustainable livelihoods
3. Advancement of women and disadvantaged groups
4. Protection and regeneration of the environment

Figure 1. portrays UNDP's mission.

3. Capacity Development definitions

Capacity

As UNDP, Guiding Principles indicates, the generally accepted definition of capacity in the development community is:
Capacity is the ability of actors (individuals, groups, organizations, institutions, countries) to perform specified functions (or pursue specified objectives) effectively, efficiently and sustainably.

It is performance capacity, which includes not only capability, but other elements that determine the effectiveness, efficiency and sustainability of performance, such as motivation, resources, legitimacy, discipline, and so on.

The capacity of actors to achieve their objectives or to perform their functions in a larger whole, is critically influenced by factors in their environment. Capacities can be enhanced or restricted by organizations, institutions, regulations, laws. cultural beliefs, mind sets, and so on.

Capacity Development

Capacity development refers to the efforts by actors themselves or others to enhance their ability to achieve their objectives or perform their functions more effectively, efficiently and sustainably. The term is intended to include such nuances as 'strengthening', 'building', 'creation', and so on. 'Development' is used as the preferred generic term for all of these variants. Capacity development focuses on actors (individuals/groups/organizations/institutions), but includes their environments that affect their capacity.

Capacity development should not be conceived as necessarily involving formal projects or activities with specific capacity development objectives. Capacity development also takes place through learning by doing, participation, observation, comparison of experience, and a host of other informal activities. It can be an important spin-off or by-product of the way in which development cooperation is done. One of the clear conclusions of experience with technical cooperation is that it is often provided in such a way that little, if any, capacity development occurs.

The matrix in Table 2. provides a conceptual overview of capacity development, showing the various perspectives one can take depending on the actors involved, their environments and their location with regard to sector, level, and so on, and the dimensions of human systems. It can be used to develop concepts of types of capacity, e.g., human capacity, institutional capacity, economic capacity, social capacity, systems capacity, and so on.

It could also serve to facilitate distinctions between development per se and the development of capacity in a particular context. For example, social development is much broader than the development of social capacity or the development of capacities for social development. It can thus serve to sensitize practitioners to the dangers of equating capacity development with development as such.

TABLE 2. CONCEPTUAL OVERVIEW OF CAPACITY DEVELOPMENT

SUBJECTS OF CAPACITY DEVELOPMENT	COMPONENTS OR TYPES OF CAPACITY DEVELOPMENT
ACTORS	
Individuals	Human Resource Development
Groups	Group Development
Organizations	Organization Development
Institutions	Institutional Development
Governments	Governance development
Countries	National Development
Communities	Community Development
(Leaders	(Leadership Development
Managers, etc.)	Management Development)
ENVIRONMENTS	
Frameworks, legal orders	E.g., Legal development
Policies	Policy Development
Systems	Systems Development
Structures	Structural adjustment, reform
Infrastructures	Infrastructure development
Technology	Technological development

SECTORS/SPHERES
Public sector
Private sector   Public sector reform
Civil society
Urban
Rural

LEVELS
International
Regional
National
Sub-national/regional
Local

DIMENSIONS
Spiritual
Moral/Ethical
Cultural
Social
Political
Economic
Ecological

Capacity Building/Management

Capacity building is often used as a synonym for capacity development. The connotations of the terminology when applied to specific development activities are problematic, since it suggests building something where there is nothing. Capacity building might well be used to encompass a broader range and longer-term focus than capacity development, such as the following:

- capacity development/strengthening/enhancement/renewal

- capacity utilization/application/deployment

- capacity absorption, retention, maintenance

- capacity reform, reskilling, retrenchment.

Capacity building would mean doing all these sets of things in a systemic and programmatic manner. It is readily apparent that capacity development in isolation, without the other two or three, would not be very effective nor sustainable. But perhaps it would be less confusing if this overall process is called capacity management.

Modes of capacity development

Capacity development is best done by people/organizations/ institutions/countries for themselves. Capacity development can be classified in terms of two dimensions: whether it is direct or indirect and whether it is internal or external:

- Direct capacity development is when the activity is focused on the actor whose capacities need to be developed and provides the training, etc., directly to the actor.

- Indirect capacity development is when the activity involves supporting the activities of a capacity developer to provide the training.

- Capacity development is internal when it is done by a capacity developer in the country (the term national is avoided because it contrasts with local).

- Capacity development is external when it is provided by a capacity developer outside the country.

Figure 2. shows the modes of capacity development and the actors and environments involved.

External capacity development, which is what UNDP is doing, is best delivered through an internal capacity developer so that capacity development capacity can be developed/strengthened on a long-term sustainable basis.

The other mode of delivering capacity development is when there is no delivery, but self-development, self acquisition of capacity by the subject. All other delivery modes must be designed to maximize the self mode. In capacity development for SHD the self mode is particularly critical and must be treated as the paramount mode that shapes the other modes of delivery.

4. Principles of capacity development for SHD

The characteristics/principles of capacity development for SHD must be consistent with the principles of SHD itself. Thus generic capacity development will not be optimal for SHD.

The principles of capacity development for SHD can be defined and differentiated with regard to five dimensions: With respect to people, society, systems, environment and process:

4.1 Capacity Development for SHD is People-centred.

This means:

- the well-being of all people is a central concern

- people's capacities need to be developed to the fullest, individual as well as collective, to manage their own affairs and to contribute to their societies

- people must participate in and make the decisions about the development of their capacities

- people, as embodied in their communities, organizations, or country, must have ownership and control of their own capacity development

[THESE ASOME IMPLICATIONS@ PARAGRAPHS, IF THEY ARE RETAINED, ARE BEST PUT IN BOXES]

Some implications:

- All capacity development programmes must be judged on how well they help people to become better at managing their own affairs and making contributions to their societies.

- All capacity development programmes should be initiated by helping people to define their own capacity needs, to propose solutions to their problems and to undertake the necessary initiatives to make progress.

- All capacity development programmes should help to establish mechanisms whereby decisions are made at the appropriate levels in societies to ensure ownership.

- Consultants should be used only to stimulate and facilitate a process owned and controlled by those whose capacities are being developed. Any programme that relies heavily on external consultants for design or implementation should be questioned. AProject cycles@ must be scheduled to allow local participation.

4.2. Capacity Development for SHD is Society-focused

This means it:

- is pluralistic, recognizing the diversity of actors in society and the unique contribution that each can make to SHD

- is inclusive, seeking to strengthen the capacities of excluded groups to participate fully and to remove barriers in their way

- is gender balanced, seeking women's full participation, benefit and contribution

- is equitable, seeking equal access to information, knowledge, technology, resources, services, markets and assets

- develops social, civic and institutional capacities to achieve greater social cohesion, energy and productivity

[SEE NOTE ABOVE]

Some implications:

- Capacity development must recognize and enhance the unique contributions to capacity made by different actors in different spheres and at different levels in society and enhance the synergy that results from their partnership.

- Capacity development must target gender disparities and foster gender balance. The different needs of women and men must be assessed and addressed. The unique contributions of the sexes must be recognized and enhanced.

- Capacity development must strengthen the capacities of disadvantaged and vulnerable groups in society to contribute and take advantage of opportunities. Obstacles to their participation such as discrimination must be addressed.

- The emphasis of capacity development should be to find ways of helping people to arrive at consensus on priorities for action, and to identify their respective roles in implementation. This frequently involves allowing conflicts to be raised, fought over and resolved. Any capacity development initiative that fails to identify and resolve problems should be questioned on the grounds that it is unlikely to remove barriers to efficiency.

- Institutional development is a vital part of capacity development, but cannot in itself meet the requirements of a country. The ability to analyse and understand the shortcomings of an institution is more important than improving an institution that may have outlived its usefulness. In many cases the establishment of new ways of doing business is more important than the improvement of existing institutions. Where civil society has been denied opportunities to participate in decision making, radical new participatory institutions may be needed.

- In order to improve the performance of institutions, it is frequently necessary to enhance their capacities to think, plan and act in collaboration with other institutions and in a cross-sectoral fashion.

4.3 Capacity Development for SHD requires a Systems Perspective

This means it:

- involves a holistic/integrative approach, recognizing the interdependence of all factors

- is a multi-faceted, non-linear process, depending on feed back and subject to reversal and setbacks

- seeks to optimize synergy through networking, conflict resolution and win-win strategies

- is a long-term, growth process influenced by history, ecology and culture

[SEE NOTE ABOVE]

Some implications:

- The process is non-linear. It is a learning and experimenting process in which people test ideas, gain experience, and feed back their experience into the process. It is subject to reversals or setbacks.

4.4 Capacity Development for SHD is Environment Sensitive

This means it

- seeks to create an enabling environment for capacity development and utilization

- puts a premium on equitable access to resources, services, markets, assets

- facilitates the prevention and resolution of conflicts and agreement on priorities

- improves the availability of information, knowledge and technology that strengthens people's environmental scanning capacities for strategic planning

- fosters balanced relations with the physical environment, respecting limits and regenerating natural resources

[SEE NOTE ABOVE]

Some implications:

- The essence of capacity development is an enhanced ability to make good developmental decisions at all levels in society. A vital principle to be applied is that good decisions require access to good information. Enhancing the availability of information should be part of all capacity development, so that capacity can become knowledge-based.

4.5 Capacity Development for SHD is a Comprehensive Process

This means it

- uses many modalities from learning by doing to formal instruction and re-engineering, as appropriate

- is programmatic, seeking to create multiplier and synergy effects in a systematic, sustainable manner

- recognizes that the process is often as important as the product, the medium as the message, and that an indirect approach often produces the best results

[SEE NOTE ABOVE]

Some implications

- Whatever the immediate target, all capacity development should address the overall context of the problem to be solved. It is vital to identify where changes must be made outside of the immediate focus of activity, whether it be in policy, economics, finance or organizational strategy. The ability to analyze problems in this fashion and identify the immediate and important areas for attention is an important part of capacity development.

- When the process is as important as the product, gains are incremental, and often represented by improved processes for achieving goals. Objectives of capacity development should be expressed in terms of process improvement where appropriate, rather than in terms of conventional project outputs.

- Capacity develops gradually, and must be internalized and institutionalized. Challenges of the future must be recognized.
It should be clear from the above that the same principles govern SHD and capacity development for SHD. The implications are far reaching for practitioners. For example, the three critical dimensions of SHD identified by Banurie et al, 1994, namely, social experimentation, social learning and social innovation, are also central ways of developing capacities for SHD.

(This formulation relies heavily on the OECD/DAC guidelines for Donor Assistance to Capacity Development in Environment, 1995.)

III. PRIORITY FOCI FOR CAPACITY DEVELOPMENT FOR SHD

Capacity development for SHD is not so much a matter of what?, but of how? and who? and why? It is an approach, a way of doing development that is different, that reflects the principles reviewed above.

One implication is that the thematic foci identified for the concentration of UNDP programmes are important considerations in setting priorities in capacity development for SHD, but they are not universal foci for everyone. National priorities and strategies may or may not include these and where they do there will be a good fit between UNDP's sense of thematic focus and that of the partner country. Where they do not, there would

be ample room for supporting the country priorities in developing capacity for SHD. Even where a country is not formally committed to SHD, much can be achieved in the way in which UNDP support for capacity development is being provided and through advocacy.

With regard to the why? aspect of capacity development (or capacity for what?), priority should be given to empowering people to develop their own vision of their development, to set their own policies and priorities, and to develop their own strategies and programmes and to implement them. To do this effectively they need analytic and planning skills, knowledge and information about their own situation and of the experience of others in other parts of the world, the region or the country. They need to understand the trends in their own country and the world and the consequences of these trends for their own development. UNDP's support for NLTPS, NHDR's and national situation analyses are good examples of support for this aspect of capacity development for SHD.

With regard to the who? aspect, it is important to work with the legitimate representatives of countries, communities, civil society and the private sector, and to strengthen their capabilities to pursue SHD. Specific people and organizations/institutions with key roles in SHD could be targeted. One criterion could be the system-wide influence or multiplier effects that certain institutions or individuals could be expected to have, and the extensiveness of the networks they influence. By targeting the right people and organizations, in their networks, synergy would be enhanced and the impact on the progress of SHD could be significantly increased.

With regard to which? capacities, it is important to look beyond the usual substantive, sectoral, technical or managerial skills that feature in formal textbooks and conventional courses. SHD requires capabilities to make things happen (rather than doing them oneself), to animate social energy and foster supportive relationships. Such skills as problem solving, negotiation, conflict resolution and prevention, visioning, strategic planning, team building, networking, participation, leadership, empowering and enabling people, and so on, are critical and need to be fostered in informal and formal ways. Supporting access to appropriate learning opportunities and enabling people to work on their visions, to examine their mind sets and assumptions and to evaluate their experience can have major effects on how effectively they pursue SHD.

Capacity development is different for individuals, organizations and institutions.

- At the individual level, capacity development involves changing perceptions, assumptions, values, common sense, practical skills, stance, style and relationships. Key skills at the individual level include: process consulting skills, strategic thinking skills, skills for facilitating group processes, skills in the formation of multi-actor partnerships and teams. Individual style formation includes styles of transparency, participation, accountability, responsibility, management, self-confidence and interpersonal trust.

- At the organizational level, capacity development involves changing corporate culture, organizational structures, personnel functions, management systems, and so on.

- At the institutional level, capacity development involves changing inter-organizational relations, institutional culture, assumptions and values, archetypes, paradigms, mind sets, philosophy, and so on.

Social capacity (some say social capital) has to exist at all three levels for a society to function well. If individuals and organizations do not internalize institutional norms and values, the institutions will not produce predictable and effective patterns of behaviour, or habits. It is therefore important to maintain a holistic, integrative approach that ensures that all elements are strengthened together.

Priorities for capacity development could also be formulated in a kind of reverse thought process, starting with the thematic areas of poverty eradication, gender equity, sustainable livelihoods and environmental protection and regeneration and identifying the types of common sense, skills, stance, social relations, institutional capacities, policies and structures that are needed in achieving these societal objectives, or stand in the way of such achievement.

Individual and organizational capacities are strongly influenced by the systems, processes, roles, rules and procedures created to manage and execute activities. For example, development officials that are rewarded for quick disbursement are unlikely to seek out participatory modes of project definition, development and implementation. Systems that require the micro-monitoring of financial flows are unlikely to facilitate the empowerment of beneficiaries of development support, and so on.

These systems and procedures form the immediate environment within which people and organizations act. The broader institutional, policy and societal environment must also be made supporting, facilitating and enabling of the effectiveness of capable people. Capacity development for SHD at these levels shades into SHD itself with emphasis on people-centred macro policy frameworks, governance, public sector and development management.

Narrowing the focus of priorities for capacity development for SHD can be achieved by asking a series of questions that finally zeros in on the specific capacities that need to be developed:

1. What are the key functions to be performed or objectives to be achieved for SHD to be realized?
2. Who are the key actors/partners/stakeholders responsible for the functions or objectives?

3. Which key performance capacities of these actors need to be developed?

4. What are the key processes and systems that are required for the actors to be effective in their work?

5. What are the key elements in the wider action and management environment of the key actors that need to be changed or strengthened?

Annex A. presents lists of key actors, functions, capacities, systems and elements of the broader environment that could serve to sensitize to the many dimensions of capacity development for SHD, the particulars of which have to be determined in each concrete situation on the basis of a thorough understanding of that situation.

[THIS ANNEX COULD BE PUT IN A BOX, ALTHOUGH IT IS QUITE LONG AND THE DETAILS ARE NOT CONSEQUENTIAL IN THIS CONTEXT. IN THE CONCRETE NATIONAL CONTEXT THEY ARE VERY PERTINENT]

PART B. OPERATIONAL SIGNPOSTS

IV. THE PROGRAMME APPROACH

1. The Programming Framework

UNDP's key roles are defined as: Advocacy/policy dialogue; capacity development; and resource coordination/management. The impact of UNDP=s efforts through the programme approach are to be gauged against specific targets set in each of these three areas.

These roles are seldom separate and discrete, but intertwined and mutually reinforcing. Capacity development is the core programme mission, with advocacy and resource coordination reinforcing and strengthening the effort. (Please refer back to Figure 1 to see these roles in context)

Table 3 presents a matrix that articulates the programme approach, providing a framework for defining each of UNDP's three principal roles in relation to each of its thematic focus areas and the macro level.

UNDP's programme operational strategy is crucial for capacity development for SHD: The programme approach, involving Situation Analysis, a Country Strategy Note and/or a Cooperation Framework, Programme Support Documents, Specific Programme Implementation Arrangements and National Execution, provides the framework within which and the instruments through which capacity development for SHD must be pursued.

The overall purpose of the Programme Approach is to maximize the relevance and effectiveness of UNDP's support to developing country's development priorities. It is intended to ensure that national programmes flow from national policies and priorities based on a national vision of the type of society the country wishes to realize. The

national programmes in turn become the focus of UNDP support through the Programme Support Document and the Programme Support Implementation Arrangements. National Execution is intended to ensure that all societal stakeholders participate in the process of overseeing and steering the implementation of the programmes.

TABLE 3. A UNIFIED UNDP PROGRAMMING APPROACH FOR SHD THAT ADVOCATES, COORDINATES AND BUILDS CAPACITIES

  UNDP COOPERATION FRAMEWORK

funded by a combination of IPF, C/S, X/B, Reg. & SPR resources

UNDP-Supported Areas of Focus	-1- MACRO-LEVEL: Dev. Management & Governance	-2- POVERTY	-2- GENDER	-2- EMPLOYMENT	-2- ENVRNMNT
UNDP'S ROLES					
ADVOCACY/ POLICY DIALOGUE					
AID COORDI-NATION & AID MANAGEMENT					
CAPACITY					
DEV.					

Source: Report on UNDP Capacity Development Retreat.

The thematic areas and their specific foci may vary from country to country in response to the country's particular situation and priorities.

What is the role of projects in the programme approach? While no longer the principal mode of delivering development cooperation, projects will continue, at least for the time being, to play an important role to reinforce the programme approach. For example, projects might be used to assist with the formulation of policies, strategies and programmes. Or they might be employed to test experimental and innovative ideas that do not fit into the national programme context. Demonstration projects might often also

be more efficiently handled as stand-alone projects that lead towards programmes. And the inherent responsiveness al UNDP=s work will always result in a certain level of adhockery on the part of partner countries, even those with the best laid plans and programmes.

2. National Capacity Development Policy Frameworks

The Programme Approach also implies that each country would have a national capacity development policy framework and strategy. Such a strategy would identify priority areas for capacity development in all sectors and at all levels, in government as well as in civil society and the private sector, relating directly to the implementation of the national development programmes. It could also identify areas in which a critical mass of capacity is unlikely to be sustainable and in which the country might continue to buy capacity from abroad, rather than making major capacity development investments that might be unsustainable, and so on.

In their current formulation, neither the National Programme Documents nor the Programme Support Documents provide a clear niche for the development of such national capacity development frameworks and strategies, focused either on development management in general or on a particular programme area. These matters will no doubt be dealt with in the intended revisions of these documents.

3. Entry Points in the context of the Programme Approach

It is of critical importance that capacity development activities be defined and delivered within the framework of the programme approach, rather than as stand-alone initiatives. The programme approach framework provides several windows or entry points for capacity assessment and development. If these entry points are fully utilized and the necessary capacity assessments and development done in conjunction with them, ad hoc capacity development activity could be reduced to a minimum. These entry points are identified in Table 4.

- The Country Strategy provides an opportunity for identifying national capacity development priorities and establishing a policy framework for capacity development. National Long-Term Perspective Studies (NLTPS), National Human Development Reports (NHDR) and Country Situational Analyses (CSA) offer ways in which UNDP and the UN system can strengthen country capacities to develop this component.
- The National Programme Framework document should assess the capacity requirements of each programme and identify the most economical and sustainable ways of meeting these requirements.
- The UN System Country Strategy Note (CSN) and/or the UNDP Country Cooperation Framework (CCF) would focus on those programmes in which the country seeks UN System and/or UNDP support and identify the capacity development needs that could best be met through such support.

- The technical cooperation policy frameworks, developed under NatCap, serve to ensure that technical cooperation is focused on capacity development in the country's priority areas and identify the roles the various donors can play and coordinate their contributions.
- The Programme Support Documents (PSD) focus on the capacity requirements for the implementation of the programme selected for UNDP support, both substantive and management requirements.

- Finally, the PSIAs identify the specific capacity development arrangements that form part of the implementation arrangements for the programme in question, including specific function and task capacity assessments and the targets for capacity development.

- Capacity development would be implemented, monitored and evaluated under national execution arrangements, including such more specific function assessments as might be required.

Thus, once the Programme Approach is fully implemented, capacity development would be an integral and central part of the UNDP's role in support of the country's development.

Capacity development targets in the PSD are likely to be too general to serve as a basis for the design of specific capacity development activities. For example, Target 1 in the PSIA Worked Example, "Develop programme management, monitoring and evaluation capacity" would need further assessment of particular positions, skills, systems, etc., before focused activities could be designed. This is true of all the targets in the worked example. It is anticipated that further bench-marking work would be done, but more specific guidelines for such work need to be develop to ensure sound assessments and design of capacity development activities. (See the section on monitoring and evaluation below)

The table also serves to underline that entry points for capacity development are not necessarily confined to UNDP's capacity development role. Every stage of the programme cycle, from planning through implementation to monitoring and evaluation, can provide an entry point for capacity development for SHD in any one or all of the thematic focus areas of UNDP's mission. This is so even when a project or programme does not specifically focus on capacity development. Policy formulation and advocacy also can provide entry points, as can aid coordination.

It is important to realize that the programming cycle of development activities is only one aspect of a national dynamic that is a continuous stream of consciousness development, priority revision and policy adjustment. Nothing is written in stone and the political cycle, or the economic cycle, can often sideline the development programming cycle. This overall societal dynamic is the principal context for the UN system and UNDP's evolving role in any particular country. It will provide entry points that may not fit the logic or functional sequence of the programme cycle. These entry points often provide strategic leverage on the direction of a country's development programme and should fully be utilized to enhance the contributions the UN can make to the country's development.

UNDP's principal roles and focus areas thus provide only a general map for relating to the country situation and its priorities. Other entry points will be presented by the country's key actors in relation to their priorities and agenda, which will not always fit perfectly with the UNDP template for preferred or legitimate programmes, nor with its programming cycle. For example, if there are elections coming up, there may be an opportunity to respond to one of the key issues that are related to sustainable human development.

In such a context, a sponsored activity such as a seminar, could provide an ideal opportunity for advocacy on an SHD theme, capacity development in relation to it and coordination with other donors around it. More specific capacity development opportunities might come only downstream from such an event, but it is important to foster the local climate and conditions of growth for sustained capacity development for SHD.

Nevertheless, it is highly desirable that the capacity development policy framework be used as the basis for both capacity assessment and capacity development strategies. Capacity assessment strategies would identify the conditions under which assessments would be made, what kind of assessments would be made at what stage of the programme cycle, what issues they need to address, what priorities and parameters need to be observed and in general identify the why?, who?, what?, how?, and at what cost?, of the assessment process. These strategies are outlined in the next chapter. Capacity development strategies are discussed in the chapter after that.

V. CAPACITY ASSESSMENT STRATEGIES

Capacity development always starts with an assessment of the current situation. The nature of the assessment required will vary from situation to situation. In many cases the situation will be relatively well known in general, if not in specifics. In some cases an informal, rapid assessment might meet the requirements of a relatively minor investment in capacity development. For any significant investment in capacity development, however, a formal assessment that met certain criteria would be indicated.

The purposes of a capacity assessment are

- to define what capacities are in existence, where, in what quantity, what strengths, weaknesses and gaps there are

- to assess how adequate and appropriate the capacities are to a given task, function or objective

- to define weaknesses, deficits and gaps and quantify these by type, as far as possible

- to suggest capacity targets that must be met for a stated task, function or objective to be pursued effectively, and

- to recommend capacity development policies, strategies and programmes to meet the identified capacity requirements.

It is important to recall here the model presented in the Guiding Principles (UNDP, December 1994), build around five dimensions of capacity: training and education, organizations and their management, the task network, the public sector context and the broad action environment. All five these 'dimensions of capacity' will seldom be assessed fully at the same time in the same activity. In fact, in the previous section it was shown how the programme approach provides a series of entry points for capacity assessment at different phases of the programme cycle. These are not the same as the five dimensions of capacity development mentioned here.

Table 5 shows the loose correlations among the different levels of the AHarvard@ model of capacity development and the phases in the programme cycle and identifies the most likely foci for capacity assessments in each phase. However, this is a rough indication of association and should not be taken as a given without careful assessment of the particulars of the situation in the country of concern.

TABLE 5. FOCUS OF CAPACITY ASSESSMENT/DEVELOPMENT FOR SHD AT DIFFERENT STAGES IN THE PROGRAMME CYCLE

Programme/ "Harvard" Model	Country Strategy	National Programmes	External resources programmes	UN country strategy	UNDP programme support	Specific Implemen arrangem
Action environment	x					
Public sector	x	x	x			
Network/ institutional		x	x	x	x	
Organization				x	x	x
Human resources					x	x

In many countries, the following steps would over time provide the capacity information base for a comprehensive understanding of the capacity environment:

1. The National Development Environment and the Governance Context

With regard to the overall national action environment and the public sector context, it should be noted that these two dimensions are here treated as part of the environment within which capacity is acquired, developed and utilized in performance, and not as part of the capacity of the key actors themselves. As such these two dimensions form part of the national situation in which the UNDP operates, on which it should be well informed and in many cases would not require special assessments. The following questions could determine whether special national capacity assessments are called for:

- Does a National Situation Analysis (NSA) (or National Long-term Perspective Studies, National Human development Report or Country Strategy Note) exist? Does it address the capacity environment issues? Is it good? Is it current? Does it need to be supplemented?

The point here is that, since capacity development is UNDP's core role, it could be expected that an NSA would address the questions relating to the general development performance of the country, the state of governance, the status and role of civil society and the private sector. (If the current guidelines for NSAs do not ensure that such assessments will be made as an integral part of the NSA or as background studies to it, then it might be useful to revise the guidelines accordingly.)

It is particularly important to assess whether these studies have analysed adequately the current international environment of the country in terms of globalization forces, debt problems, balance of trade, access to capital, information and technology and the presence of a brain or skills drain.
- If an NSA does not exist, is there a World Bank or Regional Bank country/region study that has made such assessments? Or by another UN agency or bilateral donor?

Again, such studies often provide at least a set of baseline data on which a current assessment can build and often, if it is good and current, an adequate basis to take these environmental dimensions into account in assessing the capacity of a particular functional organization/institution/network.

- Is there a study of governance or the public sector in conjunction with a public sector reform programme conducted by the government or some donor(s) that could serve as a basis for factoring in the governance environment? And studies of the policy/institutional frameworks for civil society or the private sector?

Such studies would supplement what can be known through NSA studies and could substitute for specific governance assessments.

The point is that in regard to the overall national context and the governance context, every effort should be made to build up a cumulative information base through regular environmental scans, rather than through one-off major special assessments. If the information is not available in current, quality form, the first option should be to build these assessments into an NSA as a core element and then to keep the information current through review up-dates.

2. Specific Function Capacity Assessments (SFCAs)

With regard to the actors responsible for the function/mandate for which capacity for SHD is to be developed, it is important to identify clearly which is/are the key organization(s) with the primary responsibility for the mandate. For example, in the case of health care it is likely to be a Ministry of Health with overall national responsibility under a statutory mandate. The roles of other organizations in the network need to be determined and mapped, but the focus should remain on the lead organization/ institution, including its capacity to work in partnership with other actors in the network.

The following questions need to be answered in the course of a specific functional capacity assessment:

1. Why do capacities need to be strengthened? This diagnosis would take into account the historical, cultural, organizational, managerial as well as broader environmental factors that resulted in a capacity deficit in the particular area. It would also contain a rationale for UNDP involvement in terms of UNDP's mandate and policy framework for SHD.

2. Which organization(s) has(ve) the key/lead mandate/role with regard to the function of theme of SHD? What other organizations are involved in performing the function? In what roles? The answers to these questions could be used to create an organizational network map or chart for the function/theme area. It should be differentiated by sector (public/civil/private)and level (international/regional/national/sub-national-regional/local), as well as by system/environment,
indicating the role of client organizations, such as consumer groups. Figure 3. provides a model for developing such a map.

3. What specific capacities are needed? What are the strengths and weaknesses of the actors (organization/ individual) in these capacities? What are the opportunities and threats in the environment? (SWOT) The capacity profile of the actors could then be drawn up and combined with the network map to provide a baseline capacity profile/map.

4. What is the state of the means used by the actors to achieve their objectives? Are the systems for managing information, resources, people, physical plant working effectively and efficiently? Are all the functions that the organization/individual need to be effective clearly differentiated and organized effectively? Is the structure of the organization appropriate for the functions and the performance of its mandate? Are the physical facilities and financial resources adequate?
5. What are the specific capacity targets that should be set to meet the requirements realistically, given the resources likely to be available, the environmental conditions affecting capacity development and retention and the likely sustainability of the capacities? These targets should be quantitative or measurable in nominal terms with regard to qualities, processes, outcomes and effects (See UNDP, Evaluating Success and Assessing Performance)

6. How could capacities best be developed? Are there options with regard to attracting expatriots to return, or to >buy= the capacities rather than >making= them? Are there national/local capacity development institutions/programmes that could undertake the task? What are their SWOTs? How do they need to be strengthened to perform this role? How could they be given full ownership of the programme on a sustainable basis? How can a participatory strategy be catalysed?

SFCAs should, wherever possible be self-assessments of their organizations by the managers involved so that they have full ownership from the outset. Outside expertise could be required in some cases. Such self-assessments would normally be preceded by a feasibility study, which could, among other factors, examine the capacity of the actors for self-assessment and if and how this capacity might need to be strengthened.

The CAPBUILD for Institutions computer model developed by MDGD provides a practical 'expert system' or design assistant for SFCAs and capacity development that should be reviewed to ensure an SHD focus, finalized, tested, debugged and implemented throughout the field network of the organization and made available to national and international partners. Its structure and content are amenable to generalization to all types/forms of capacity development for SHD. Such an expert system could increase the consistency and quality of capacity assessment/development by a very considerable margin. (See Figure 4 for an outline of the process and outputs produced by CAPBUILD.)

VI. CAPACITY DEVELOPMENT STRATEGIES

Capacity development strategies must reflect the multi-faceted, complex nature of the process itself. For UNDP capacity development is not a special envelope or part of a programme, but is at the core of the programme approach itself. That means that capacity development must form an integral part of the UNDP programme approach at all stages and levels (Refer to Table 4).

Capacity development is a dynamic process much like growth that needs to be fostered patiently and carefully. It involves looking at each capacity issue in terms of a system (actor) and its environment and determining what factors in the actor and its environment determine capacity and its effective utilization. While the approach to capacity development for sustainable human development must be comprehensive and holistic, capacity development activities should focus on specific functions/objectives.

The following strategies could be pursued in the appropriate contexts:

1. Making National Capacity Development for SHD the Programme Goal

National capacity development is the broadest strategy that is almost a synonym for the UNDP mission. The first focus here is on the country's capacity to achieve its SHD vision and goals, and more generally on the existence and strength of an enabling environment for SHD actors to achieve their goals. This element of the capacity development strategy

would be a central component or theme of an HDR, situational analysis, country strategy note and/or cooperation framework. A national capacity development strategy would focus on such elements as the capacity for the development of macro economic/social policy frameworks for sustainable human development, constitutional frameworks for the empowerment of people, public revenue/expenditure policies that ensures equity, human development investment policies, environmental management policies, and so on, that create an enabling environment for SHD.

Needless to say, such capacity development must be nationally owned and driven, with UNDP and all outsiders providing coordinated, coherent and consistent support. Policy fora should be used to promote the national capacity development strategy and to seek policy consensus on the priorities and strategies.

2. Promoting Capacity Development for People-centred Governance

Within this general concern with national capacity development, the next key focus is governance. Governance includes public sector management, but also other institutions of the political system, as well as relations with civil society and the private sector. In capacity development for SHD, the focus is on developing the country's capacity for people-centred governance and management. Modern management practice and experience have shown that the lack of a people-centred orientation is at the core of most problems of ineffective and inefficient management. Conversely, in both public and private sectors, the most effective and successful organizations are people-centred and value-based. People-centred governance is characterized by fundamental assumptions that are best summarized by "government of the people, by the people and for the people," just like SHD. It is participatory, based on consent and democracy, is rule-based, recognizing fundamental human rights, is transparent and accountable to people and have a strong people-service ethic or culture, recognizing the common good and the well-being of all people as the ultimate goal of society and governance. Human development is unlikely to be sustained unless it is fostered by people-centred governance.

Central to capacity for people-centred governance is a civil service that is strongly oriented and committed to service to people. Experience has shown that such civil service cultures are not easily developed and that they are often undermined by political patronage, special interest lobbying, inadequate remuneration encouraging rent-seeking behaviour, and so on.

For capacity development to succeed, there has to be compelling, high-level political support to make task performance/service delivery the primary goal, and political incorporation secondary. Specifically, the following:

- Top political leaders and institutions with strong political status support reforms to improve task performance and service delivery, so there is no doubt among stakeholders that support is irrevocable

- Clear vision and strategy to improve task performance and service delivery developed with participation all key stakeholders, and clearly communicated (including updates)

- Mutual agreement on roles, norms, responsibilities and operational procedures so behavioural expectations are clear and comfortable to all.

(See the Civil Service Reform Guidelines developed by an SPA donor group, 1995)

People-centred governance creates and enabling institutional framework and policy environment for the organizations people form to pursue collectively their common goals, values, interests and concerns. Central to the institutional framework is freedom of association and freedom of expression and the rights to organize, bargain, negotiate, protest, confront and otherwise insist on having a voice and being heard. These organizations form the core of civil society, which is an essential component of people-centred governance. The development of the capacities of civil society for SHD and the strengthening of the role of civil society are key components of this strategy.

3. Concentrating on Capacity for Development Management, focused on SHD

The third strategy is to focus on development management as that part of governance that is concerned with managing the development process and producing sustainable human development results. The general concern with capacity for people-centred governance applies to development management too. It is the orientation that is most likely to ensure that SHD remains people-centred and not slip into preoccupation with development for its own sake or for some narrow objective, such as economic growth.

The major areas within which UNDP can contribute the development of national capacity for development management are:

- the capacity to define and manage the long-term vision of development;

- the capacity to formulate policies and programmes;

- the capacity to implement programmes; and

- the capacity to monitor and evaluate programmes.

For SHD, all these components need to be participatory and seeking to empower all development actors and creating an enabling environment for their effectiveness and efficiency.

4. Empowering Key Actors in SHD

The core of capacity development for SHD is the empowerment of actors, i.e., individuals/organizations/institutions, with key roles in SHD, as well as people in general through participatory development. This strategy requires an integrated approach to the

standard capacity development components: human resource development, organization/institution development and participatory development. The aim is to achieve the highest level of capacity synergy, where the capacities of individuals are enhanced and reinforced by the organization/institution and vice versa.

The critical ingredient that facilitates and fosters this synergy is participatory development because it allows people to have voice in the development of their own capacities and those of their organization. Participatory organizations bring out the best in people. This process often requires organizational reform and restructuring, reinventing systems and processes to eliminate the obstacles to performance that characterize traditional bureaucracies.

Underlying this strategy is recognition of the fact that capacity development is something actors can do best for themselves. Consistent with the empowerment strategy of SHD, capacity development itself must be a participatory, self-driven process for individuals, as much as for organizations/institutions and countries.

This process starts with self-identification of the need for capacity, self-setting of objectives and priorities, self-assessment of capacity and self-management of the development process itself, as well as self-monitoring and evaluation of the results of the process. This means that other partners participate in a process owned and driven by the individual/organization/ institution who is the subject of the capacity development.

Figure 5. presents a model that could be adapted to portray this process more adequately.

5. Improving the Enabling Environment for Capacity Utilization for SHD

While organizations/institutions constitute part of the environment within which individuals act and perform functions in prescribed roles, beyond these organizations/institutions there lie policies/ statutes/laws/institutions/regulations that either inhibit or facilitate the performance of organizations, quite independently of their capacities. A critical element of the capacity of organizations is that of being able to influence their environment and modify it as far as possible to make it conducive to the achievement of their objectives. Lobbying is a manifestation of this concern of organizations/institutions. But there are many elements of this environment that is beyond the control of any organization or of organizations collectively.

A strategy for increasing the conduciveness of the policy/ institutional environment to capacity utilization is therefore essential. As part of the empowerment of actors, their capacity to influence and negotiate their environment must be developed. In addition the capacities of the environment to enable key actors in SHD should also be an integral focus. Among the most important are those policies and infrastructural elements that determine access to opportunities, assets, resources, services and markets. Of particular concern is the capacity to ensure, through analysis and design, that these policies are equitable to all sectors of the society.

6. Focusing Capacity Development on Thematic Areas in SHD

The next element in a national capacity development strategy is to focus on those areas/themes that are critical for the achievement of SHD. There are two sides to this: on the one side is the challenge of exclusion, of ensuring that no one is left out or behind. This side suggests a focus on those living in poverty, on women, on children, on disadvantaged and excluded groups, population elements and regions, empowering them and creating an enabling environment for their inclusion in society, as well as safety nets for the vulnerable. The other side is the challenge of achieving the greatest degree of inclusiveness. This side focuses on the achievement of equity, of pluralistic institutions, of an open, inclusive society, where the greatest well-being of all and the common good, rather than the special privilege of the few (particularly the corporate elite), are the touchstones of people-centred public policies and institutions. This side also includes a focus on the protection and regeneration of the natural resource base and environment for future generations, starting with today's children, to achieve sustainability.

7. Building Partnerships with National Capacity Developers and Strengthening their Capacities for SHD Capacity Development

As noted earlier, external direct capacity development is at best a risky business, fraught with numerous complications, as the technical cooperation experience of the last few decades has amply demonstrated. It remains risky even when it involves capacity developer institutions, such as education and training institutions. But the best bet remains over the long haul to develop the capacity of these institutions to supply the continuous capacity development that is essential for SHD. This requires building partnerships with these institutions and strengthening their networks with their counterparts in other countries so as to maximize the sharing and institutionalization of evolving experience and knowledge in all parts of the world.

8. Reinventing Technical Cooperation to focus on Process Consulting

Much has been written in the last five years on the failures of technical cooperation, particularly with respect to the development of sustainable capacities in developing countries. Given the principles of capacity development for SHD, any technical cooperation in relation to it needs to be as well integrated into the local culture and society as possible.

The principal skills of such cooperation are not technical, though these are necessary, but relational, people, social, communication and process skills. Cross-cultural communication and cooperation skills and skills to empower people, create an enabling environment for their initiatives and facilitate their progress towards their SHD goals will be at a premium.

The process consultation approach and skills promoted by MDGD are an important step in the right direction and are appropriate not only for external consultants, but for all development workers.(See UNDP, 1995) Robert Chambers= challenge to development professionals and practitioners alike to undertake role reversals with regard to assistance

to people living in poverty as part of the paradigm shift in development, applies to all aspects of capacity development for SHD (See Chambers, 1995).

9. Implementing National Execution for all Capacity Development for SHD

Consistent with Strategy 8 and 1, capacity development for SHD should be internalized and institutionalized in the capacity development institutions of the country as extensively as possible. This involves working with the key national (not just governmental) players to establish and strengthen a national capacity to manage all aspects of capacity development for SHD on a continuous basis. This would include the central change agency in the government responsible for the renewal of the public service, key capacity developer institutions in both the public and private sectors, as well as in civil society.

Capacities to deal with the policy and operational issues in sustained capacity development for SHD at each stage of the programme cycle, from policy frameworks to monitoring and evaluation, need to be systematically developed, strengthened and renewed on an ongoing basis.

10. Building up a Cumulative Information Base on SHD Capacity
The best indicator for the existence of capacity is performance. The best information about capacity is often contained in reviews/ monitoring/evaluations of performance, i.e., actual development/ management/service results, rather than continuous assessments of capacity per se. The best capacity information strategy is therefore to develop a system for the continuous accrual of up-to-date information on capacity in the SHD areas identified as the focus of the above strategies. The information base should have a modular design allowing the accumulation of detailed information on communities, regions, disadvantaged groups, priority or focus areas, and so on, so that national and other aggregations can be made and other modules added as needed. As far as possible, all data should be gender specific.

This information will be contained in

- NSAs, CSNs, CCFs, and other instruments of national programming and reviews and up-dates of these;

- Reviews, monitoring and evaluations of such areas as governance, the public sector, civil society, the private sector, capacity developer institutions, development management and focus areas;

- Reviews and evaluations of national development strategies and programmes by the government, NGOs, or donors;

- Country or sectoral reviews by the multilateral banks or specialized agencies of the UN system; and

- Specific monitoring and evaluation arrangements for all specific function capacity development activities (SFCDAs).

Such a capacity information system requires a special design and arrangements for its establishment and maintenance. It could be a core component of an information system on SHD in the country, but it will require a systematic, continuous effort to keep it current, relevant, appropriately structured and accessible to all partners.
Specific monitoring and evaluation arrangements for all SFCDAs would thus not only provide feedback on these activities, but would also contribute to the accumulation of a knowledge base on SHD capacity in the country.

11. A Strategy about Strategies

The practitioner in the field might well react that this is all very interesting and desirable in the best of all possible worlds, but what about the realities on the ground in many developing countries, particularly the least developed?

What if the action environment for capacity development is weak? What if there is little political will to develop national capacities? What if civil service renewal and reform is not on the agenda? What if civil society is not legitimized and weak? What if the resources for implementing these strategies are not available? And so on?

These situations exist in some respects in all countries, developed and developing. There are no easy solutions and whatever will work will vary from situation to situation and over time. Perhaps the following few rules of thumb might help:

1. Keep the end vision in mind. Whatever you do, let it be a building block towards capacity for SHD.

2. Stick with the principles of capacity development for SHD. Whatever you do, do not reinforce dependency and unsustainable development.

3. Start with building ownership, commitment and political will. Support those who are willing and able to develop capacities for SHD and create conditions for their success.

4. Stretch the shoe string. These strategies may sound like cadillac designs, but they can be scaled down to bicycle versions that do the right things for capacity development for SHD under stringent circumstances.

5. Reinvent the wheel, if that is the only way to get rolling.
6. Go with the flow. There is no other game in town. Even one committed person can make a big difference in the end.
VII. MONITORING AND EVALUATION

Monitoring and evaluation are critical components of the programming approach and the programme cycle. This is true for the capacity development for SHD elements, where the same principles must be applied in the development of monitoring and evaluation capacities and strategies.

In capacity development for SHD the priority with regard to monitoring and evaluation is to strengthen the capacities of the national partners/stakeholders for monitoring and evaluating their national development programmes with a focus on those that are selected as SHD priorities. This will contribute to the other important objective, which is to ensure that the capacity development programmes themselves are appropriately monitored and evaluated.

The process of ensuring appropriate monitoring and evaluation starts at the design stage of programmes and activities with the development of realistic targets and specific indicators for them. There are complex issues involved here that can only be resolved through patient participatory and transparent processes. A serious danger (and the prevailing temptation) will be to identify easily measured targets and indicators and to resort to linear quantitative measurements. This in turn will lead to setting narrow objectives that inhibit holistic processes and resorting to command/control mechanisms to ensure that they are realized. This, after all, is the dominant pattern of the current paradigm to which much lip service is still being paid, albeit with new rhetoric.

The development of targets and indicators must be done by the principal actors themselves in full cognizance of the specificities of their situation. They must have full ownership of these targets and have realistic confidence in reaching them. Unless the targets reflect real commitments on the part of the national principals and the monitoring and evaluation processes are designed to fit the realities of the local situation, capacities and resources, the monitoring and evaluation system will not work. In other words, the processes of arriving at targets and indicators, and of developing a monitoring and evaluation strategy based on them, must be in accordance with the principles of capacity development for SHD.

Two documents that can provide guidance on both conceptual and operational levels are UNDP, Guidelines for a Monitoring and Evaluation Methodology in the Context of the Programme Approach, and UNDP, Evaluating Success Assessing Performance. See also UNDP, 1994, pp. 26-28.

Further development of guidelines for participatory methodologies for setting targets and designing indicators and monitoring and evaluation strategies based on them need to be developed inclose collaboration with OESP.

VIII. TOOLS AND TRAINING FOR CAPACITY DEVELOPMENT FOR SHD

Capacity development for SHD is clearly not a peripheral concern for UNDP with its SHD mission. It is at the core of the raison d'etre of the organization, summarized in the

early formulation of its mission as capacity development for self-reliance in developing countries.

The operational implications are pervasive and complex. They may require re-engineering and reinventing in some cases - a course on which the organization has already embarked in some respects. It is essential that capacity development for sustainable human development not be seen as just another specialty for which people need specialized skills and a tool kit. It must be integrated into the core competencies of the UNDP and into the core instruments of the Programme Approach.

At every phase of the programming cycle, from research and analysis to review and evaluation, special attention needs to be given to capacity assessment and development for SHD. The programme management systems and processes must reflect capacity development for SHD. It must be integrated into programme information systems, as suggested above in strategy 8., into development management systems and budget and procurement systems. Indicators and targets must include capacity development for SHD, preferably in terms of performance that reflect such capacity.

The Work Book on capacity development for SHD, for which this document provides the conceptual and operational framework is intended to become the principal programming tool with the purpose to ensure that every aspect of the programme, from situation analysis through reviews and evaluations, contribute to and reinforce capacity development for SHD. This criterion will be paramount in the design of the Work Book. It will include all documents relevant to the definition and operationalization of the programme approach, covering all stages of the programming cycle. Within this framework it will provide more concrete and practical guidance on the Ahow to@ of capacity development for SHD, including concrete examples and cases that represent best practices.

The same considerations argue for the integration of capacity development for SHD into the programme training programme of UNDP in all substantive areas and regions.

PART C. SUMMARY AND CONCLUSION

IX. UNDP'S NICHE AND CHALLENGE

As Figure 1 shows, capacity development for SHD is at the core of UNDP's mission. The elaboration of the concepts and the operational strategies above leads to the conclusion that developing capacity for SHD is the most effective, if not the only, way in which outsiders can support sustainable human development.

UNDP's broad mandate for capacity development, its coordinating role within the UN system and its advocacy for SHD gives it a special responsibility and a comparative advantage in conceptualizing, promoting and operationalizing capacity development for SHD. As an organization, it has many of the core competencies that are required to do

this effectively, but UNDP's own capacity to promote capacity development for SHD needs to be developed further. This should be the main purpose of the training programme in capacity development being developed by DOPP.

The programme approach and the instruments for its realization are very suitable for promoting capacity development for SHD. Particularly national execution puts UNDP at the cutting edge of efforts to establish country and local ownership and control of SHD, including capacity development.

These initiatives will be closely watched by bilateral donors who have, through the DAC/OECD, adopted fine guidelines for effective technical cooperation and capacity development in environment, for example, but who face constituencies that demand business as usual with regard to technical cooperation, at least. The mechanisms and processes for establishing ownership are therefore extremely important and have to meet not only effectiveness criteria in terms of the old paradigm, but also in terms of SHD and its people-centred criteria.

The other area that requires special leadership and innovative approaches from UNDP is the holistic/integrative approach. Much lip service has been paid to this and awareness of the limitations and failures of monolithic, single-purpose, linear approaches is pervasive and growing. But even in a multi-sectoral organization like the UNDP little progress has been made in developing and utilizing core competencies in this area. A thrust for capacity development for SHD provides an ideal opportunity to develop appropriate methods and tools for holistic development and to develop capacity for this approach in countries. Without such competencies in the development management and capacity development units, holistic development will remain mere rhetoric.

Another challenge that capacity development for SHD presents is that of achieving effective partnerships that create capacity synergy. This is a problem in most actor networks. Structural obstacles and barriers to effective partnerships exist between the central and local levels; between the public sector and civil society and the private sector; between urban and rural; between sectors and between 'donors and recipients', a mind set that in itself undermines partnership. UNDP's advocacy for a new approach to development cooperation is of critical importance in the latter regard. But the art of facilitating partnerships that surmount obstacles deriving from vested interests, tradition, cultural patterns, race, ethnicity, gender, age and geography and are effective, efficient and lasting is not well developed and requires special attention in capacity development for SHD.

ANNEX A.

Capacity development for SHD is potentially an all encompassing field of endeavour. It is therefore essential that priorities be established in such a way that the principles above are not violated. For example, priority setting should not be done in such a way that the systemic, holistic/integrative nature of capacity development for SHD cannot be recognized and operationalized. The specific priority foci should be selected on the basis

of explicit criteria derived from the characteristics of capacity development for SHD and the particulars of the situation in which the capacity development is to take place. A principal general priority criterion would be: To create capacity for SHD performance in key actors, or networks of actors, who will then also have the capacity to foster ongoing capacity development in the society/community/organization/institution. Thus it could be suggested that capacity development for SHD should focus on the following:
- The key functions that have to be performed; the key actors/partners/stakeholders involved in the functions; the key performance capacities of the actors that need to be developed/strengthened; the key processes/systems they have to use or rely on; and key elements in their environment that affect their performance.

For each of these components of key SHD capacity a list of elements could be developed, which in turn could be the basis for determining priorities among them to create further focus and concentration. The following lists are not exhaustive and are only notionally - and inconsistently - ordered in terms of an upstream-downstream continuum. Therefore, position on the list does not necessarily reflect the priority order of the item.

1. Key functions/objectives

- Researching/gathering/analysing data/information/ knowledge of situation to make diagnosis of development needs and priorities

- Planning/developing holistic visions, long-term strategies

- Formulating/developing holistic, sectoral, thematic policies

- Managing/implementing holistic, sectoral, thematic programmes

- Establishing/creating legal, regulatory, enabling frameworks

- Acquiring/managing/utilizing current information, skills, knowledge

- Building public consensus/creating political will

- Facilitating popular participation in decision-making

- Exchanging/transferring/appropriating technology

- Monitoring process/progress and evaluating outcomes/ impacts/results

2. Key actors/partners/stakeholders

- Public sector institution/organization managers/leaders

- Community/civil society organization/association managers/ leaders

- Private sector institution/organization managers/leaders

- Actors/managers/leaders who straddle these three spheres to perform functions through networks/committees/commissions or other temporary organizations

3. Key performance capacities of individuals/organizations/ institutions

- To articulate vision, analyze and resolve contradictions, set goals, objectives, renew mandate

- To create/renew a culture of performance/service to people

- To perform all functions vital to fulfilment of mandate (see key functions below)

- To use systems to achieve goals, reduce and manage complexity, maximize access, achieve transparency and accountability (see key systems below)

- To adjust/reinvent organizational structures to stay effective

- To renew/learn skills/knowledge/capabilities continuously

- To keep the physical environment and technology conducive to sustained performance

- To secure/mobilize/manage continued financial resources and budgetary support

- To network/collaborate with partners in different sectors and retain stakeholder/public confidence and support

- To foster participatory decision-making, pluralism, team work

- To manage/resolve conflict, negotiate win/win options

4. Key processes/systems

- Management (information, communication, financial, personnel)

- Participation (electoral, political parties, civil society, public debate, media, consultation)

- Infrastructure (facilities, equipment, energy, transportation)

- Markets (goods & services, labour, financial, information, ideas)

- Governance (executive, legislative, judicial, security)

5. Key elements in the action environment of the key actors

- The societal development situation/context as reflected in a situational analysis/profile (including the international environment)

- The institutional/legal framework that directly effects the performance of the key actors

- The macro- policy frameworks, particularly policies that affect access to opportunities, resources, assets, markets, services

- The state of public sector management and the ability of governmental organizations to provide the public services required by the key actors

- The state of physical and social infrastructure and its capacity to facilitate the effective performance of the key actors (refer 4.3 above)

- The status of civil society and the level of social and civil participation in public affairs (refer 4.2 participation above)

- The capacity of the private sector to deliver the goods and services required for the effective performance of the key actors (refer 4.4 markets above)

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