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### *News and Events*

"Capacity building for community development" was the theme of the 2nd International Outlook Conference on Community Development in the Asia-Pacific region (20-23 December 2000, Ho Chi Minh City, Vietnam). The event aimed to provide a forum for a large group of practitioners and academics to discuss more effective ways to introduce and implement capacity building into institutions and organizations in the region. <http://www.csu.edu.au/research/crsr/vietnam>

Improving donor capacity: Starting on January 1st 2001, the new EuropeAid Co-operation Office will start to manage 80% of the European Commission's external assistance, amounting to more than 9 billion annually in aid projects around the world. The launching of the EuropeAid Co-operation Office is an important phase in implementing the radical reform of the management of EU's external assistance. [http://europa.eu.int/comm/external\\_relations/reform/intro/ip\\_oo\\_1535.htm](http://europa.eu.int/comm/external_relations/reform/intro/ip_oo_1535.htm)

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## ***Advancing the policy and practice of capacity building in international development cooperation***

### ***Tools of the trade: capacity assessment***

This issue of Capacity.org focuses on a practical dimension of capacity-building: the role of capacity assessment instruments in supporting capacity-building processes.

With the growing importance that has been attached to institutional and capacity development over the past few years, development practitioners have started to develop and apply a range of conceptual frameworks and practical tools to assist in the formulation and implementation of projects and programmes, and to ensure that adequate account is taken of capacity development issues. Such tools and instruments need to be practical, flexible and 'user-friendly', and their use needs to be accompanied by sound judgement and common sense. The ultimate test of their utility is whether they can assist practitioners and stakeholders in sorting out complex issues, and facilitating decision-making and action planning.

Practical experience shows that capacity assessments are undertaken at different stages of the project or programme cycle. They are usually undertaken as an ex-ante exercise, where the purpose is to provide a situational analysis, on the basis of which future capacity needs can be identified. Here, their role is primarily diagnostic and, depending on the extent to which they are participatory, they can play an important role in building ownership into the envisaged change process.

This approach is highlighted by Rainer Rohdewohld, who describes a GTZ/ USAID-supported capacity needs assessment study for local government capacity development in Indonesia. The assessment is described as a tool primarily for project planning and design. It is meant to provide a framework within which the government and donors can coordinate the formulation and implementation of capacity-building programmes so as to make local government capable of fully assuming its newly ascribed roles and functions.

An alternative application is provided by Alain Lafontaine, who looks at the use of capacity assessment tools in South Africa. The focus is on evaluating past experiences of environmental projects in order to better guide the implementation of future capacity development exercises. Here, capacity assessments are used for the purpose of monitoring, evaluation and ultimately redesign.

More information on the topic, annotations, references on tools and websites can be found on [www.capacity.org](http://www.capacity.org)

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## *Issue 8*

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# Capacity Assessment on Environmental Assistance in the Republic of South Africa

The organisation known as Danish Cooperation for Environment and Development (DANCED) was founded in 1994. At around the beginning of 1993, the Danish Parliament had already discussed and decided to allocate additional resources to environmental assistance in middle-income countries, as a follow-up to the recommendations made by the United Nations Conference on Environment and Development. From the outset, the strategic guidelines for this task were focused on capacity development initiatives.

In October 1999, DANCED embarked on a process of thematic evaluation of a portfolio containing 15 of its key capacity development projects in the Republic of South Africa (RSA). This evaluation process was completed in March 2000 and led to the publication, by the Danish Ministry of Environment and Energy, of an evaluation report titled *Evaluation of DANCED Supported Capacity Development Projects in the Republic of South Africa*<sup>1</sup>.

The main purpose of this evaluation was to review the overall performance of DANCED-supported activities in RSA in relation to capacity development in the environment (CDE). Their performance was compared with that of the international state of the art. Problems were identified, and solutions and improvements were recommended. In doing so, the DANCED conceptualisation of CDE was also appraised, as were the tools for the management of CDE projects. This evaluation is now seen by DANCED as a milestone guiding the organisation in its efforts to better integrate the CDE principles in its support of its partners in South Africa and elsewhere.

## The tools used in the evaluation process and the results they yielded

The evaluation made specific use of capacity assessment tools at two levels.

*The first level* was aimed at assessing the focus of the overall portfolio of CDE projects reviewed in terms of the types of capacities being supported. This assessment tool, which was designed both to be simple and to provide an overall picture, covered five broad environmental management functions: information management and awareness raising; policy-making and planning; the establishment and maintenance of an institutional framework; implementation and enforcement; and the mobilisation of resources. It looked at the distribution of DANCED efforts in support of the development of these environmental management functions in its priority sub-sectors of intervention at the national, provincial and local levels, and among a variety of actors involved in environmental management (i.e. government,

the private sector, academic and research institutions, and NGOs). The tool was introduced at a CDE workshop in Denmark in 1998<sup>2</sup> that was held as a follow-up to the OECD's 1996 workshop in Rome. One could say that such a generic tool also has obvious potential for use in other sectors.

The tool basically takes the form of a two-dimensional matrix with the five main management functions on one axis and DANCED's priority sub-sectors of intervention on the other (the matrix included the following sub-sectors: urban environmental management, holistic waste and pollution management, sustainable energy use, forest and wood resources and biological diversity). The assessors then reviewed each of the 15 projects covered to see to which cell or cells of the matrix they referred. While attributing each project to one cell or more - depending on the overall outcomes pursued by each project - the assessors also specified the level of intervention and the type of environmental management actors covered. This simple exercise was used to provide an overall picture showing which aspects of capacity the portfolio of projects focused on, for each of the sub-sectors concerned.

The evaluation revealed that, in general, the portfolio of projects covered by the evaluation was spread over most sub-sectors of activities identified by DANCED and the government of the RSA, and tended to be spread quite evenly among those priority sub-sectors. The evaluation report also noted that:

"In the early days of the DANCED programme in South Africa, the focus was more around the first two functions listed above (here we refer to the five environmental management functions discussed earlier). At the time, this was an appropriate reflection of the state of environmental management capacity in the RSA and of the priorities expressed by the recipient country, which was still largely establishing the information and planning building blocks for action within the context of the new South Africa. However, as the programme evolved, in order to be responsive to evolving South African needs, the focus shifted to cover more explicitly the last three functions in the framework, which are more related to putting into practice the policies developed in the first instance."

In addition, the evaluation confirmed that the portfolio of DANCED projects was providing for a varied and complementary coverage of management levels (national, provincial and local) as well as types of actors covered.

*The second tool used in the evaluation process* was designed to 'zoom in' at a micro level, and assess the institutional strengths and weaknesses of the organisations supported through each of the

projects reviewed, according to five performance criteria: efficiency, effectiveness, relevance, sustainability and impact <sup>3</sup>. The tool covered six main institutional development dimensions referred to as the 6 S's: Strategy, Structure, Systems, Skills, interrelationships and incentives of the organisations <sup>4</sup>.

The evaluation team proceeded with an in-depth literature study on each project and organisation reviewed, a number of field visits and observations, and a series of interviews with managers, staff and beneficiaries of the 15 projects. This process was used *inter alia* to gather information on how the 6 S's fared with respect to the organisations supported. Based on this data, the assessors then proceeded to rate the portfolio of projects for each of the 6 S's. This rating was done by reference to each of the five performance criteria mentioned above and was also presented in the form of a summary two-dimensional matrix.

The evaluation again concluded that:

"The DANCED portfolio of 15 CDE projects (...) fared relatively well, with a fair to good performance overall. To date, the DANCED programme has posted CDE achievements in terms of the high relevance and promising effectiveness of many of its interventions across the 6 S's making up CDE in the definition used."

It was noted that any further improvement of this performance would require an analysis and an assessment of the strategies, management approaches and tools that were used to identify, plan, implement and evaluate Danced CDE initiatives. It was pointed out, in particular, that given their lower ranking, the impact and sustainability of DANCED-supported CDE initiatives would benefit from such an appraisal. The evaluation then embarked on this review within the framework of the 15 projects covered. Building on the already existing strengths of DANCED management tools, this led to numerous recommendations for further enhancing the performance of DANCED support to CDE. Although it is still early to assess the overall impact of the evaluation on the operating methods used by DANCED, the following outcomes may already be noted:

At the country programme level:

The evaluation report is now used as a reference document by managers, both at headquarters and in the field;

An overall capacity assessment framework has been introduced, not only in programme-wide discussions related to the future of the DANCED assistance programme in South Africa, but also in the preparation of new programme documents for DANCED cooperation with other countries;

In the context of these discussions, the framework is seen as a useful tool for assessing and discussing the overall capacity focus of the programme and the target areas to support enhancement in capacity and in performance.

At the project level:

The 6 S's have demonstrated their value as effective instruments for refocusing the capacity development efforts within given project frameworks, as a vital supplement to the ordinary tools for Objective-Oriented Project Planning (OOPP), and for putting back into focus the expected capacity development outcomes of DANCED support at that level.

Within this framework, both tools (i.e. the overall CDE framework and the 6 S's assessment tool) are seen as useful and complementary.

### **The participatory process and the use of the tools**

Part of what contributed to raising the profile and usefulness of these tools was the evaluation process itself. This was built around the participation, at various stages, of the main stakeholders in the process, including not only Danish and South African managers, but also a number of end beneficiaries. An inception mission was used to introduce and discuss the focus of the evaluation with all projects involved and to ensure appropriate coverage during the data collection mission. The results were shared and discussed with the participants in the evaluation, a process which led to the preparation of a final version of the evaluation report. Although a team of independent assessors conducted the evaluation, the whole process was aimed at fostering a common understanding and encouraging the participants to internalise the results. One could certainly say that this process is still ongoing. Indeed, programme discussions are currently under way and involve a wide array of stakeholders. The capacity development framework created for the evaluation is in fact being used as one of the instruments guiding the debate on the future of the DANCED programme in South Africa. One should note, however, that ensuring that the assessment tools developed for the evaluation are used more systematically by the various stakeholders in their daily work remains a challenge, and is a task that is still in progress. This was in fact the subject of a number of recommendations stemming from the evaluation.

In addition to the participatory nature of the evaluation process in itself, the evaluation was also concerned with participation as a key principle of DANCED cooperation in general. The evaluation was not only about capacity outcomes of Danced support to South Africa, but also reviewed the process that led to the development of those capacities. Who was involved and how were they involved in identifying the focus of the programme as a whole, and, more specifically, of the projects? How were they involved in planning, implementing and monitoring the projects? These elements were crucial as a review of past experience, and the lessons learned in support of cooperation for capacity development point strongly to participation and local ownership as being essential prerequisites for sustainable capacity development. This was identified as an area

in need of further effort so as to ensure better sustainability and impact of capacity development efforts under the DANCED portfolio of activities.

The evaluation led to a wide array of recommendations regarding the procedures which DANCED should use to better embed these principles in its working methods. It is fair to say that, even prior to the evaluation, DANCED already had access to a number of valuable internal tools for assisting its managers, project officers and partners to prepare and implement development cooperation initiatives. The evaluation has helped to update some of these tools, by bringing them even more closely into line with the principles of capacity development. For instance, the DANCED project preparation manual has been updated, integrating some of the key findings from the evaluation in order to include them in all of the DANCED project preparation activities. DANCED already had a draft reference tool on capacity development which will benefit from the testing of the 6 S's methodology at the project level. In addition, the agency is now developing an additional reference tool that will mirror the overall capacity assessment tool used for the evaluation so that it can be made readily available for the assessment of DANCED programmes.

The greatest challenge, however, remains for DANCED, as for other donors, to ensure that the effective tools which the agency has already developed are indeed used in a more systematic manner. One of the difficulties is the organisation's own ability to monitor their application. There are obvious human resource constraints related to process management in development cooperation organisations such as DANCED. However, if it wishes to be serious about capacity development, the organisation will have to tackle this issue.

Another difficulty is putting in place the right set of information management systems at the project level in order to respond to DANCED's needs for information, and more importantly, to the information needs of the organisations and stakeholders supported by DANCED. This is required to truly make monitoring an instrument in itself that supports capacity development within such organisations. Monitoring the way in which progress is achieved in building capacity is still a daunting task, but is one that DANCED does seem committed to pursuing in the future.

There are thus numerous challenges ahead. However, the progress reviewed suggests that DANCED is serious about implementing, with its partners, an integrated approach to capacity development for environmental management in the countries in which it is active. The agency must now make certain that enough attention is paid to the process through which the dialogue on CDE is taking place, at both the project and the programme levels, if it wants to foster understanding of the issues at stake and encourage local ownership and accountability for the capacity development process.

1 The full report resulting from this evaluation is available on the DANCED web site. It also contains a detailed description of the assessment tools discussed in this paper, as well as detailed definitions of the categories into which they fall. The evaluation report is available at the following address: [www.mst.dk/danced-uk](http://www.mst.dk/danced-uk) under the heading 'Publications/Evaluation Report'.

2 The proceedings of this 'Snekkersten Workshop', as well as the reference tools referred to in this article, are available on DANCED's home page under the heading 'Knowledge Centre/Grey Zone Library'.

3 Detailed definitions of the evaluation criteria are provided in the Evaluation Report.

4 Each of the six dimensions is defined in detail in the Evaluation Report.

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## Assessment Tools

**Middleberg, M.I. 1993. Assessing management capacity among non-governmental organizations. Atlanta: CARE.**

Developed by CARE, this questionnaire is a tool for NGOs and CARE country Office managers to assess management strengths and weaknesses in order to jointly formulate and implement a management development programme. The tool focuses on health and family planning NGOs, but can be reworded and expanded for use in other areas. <http://www.care.org/programs/health/instcap.doc>

**DAC.1999: Criteria for donor agencies' self-assessment in capacity development. Paris: OECD.**

A practical tool which aims to assist donor agencies to make a 'self-assessment' of their progress in implementing partnership and capacity development principles. The self-assessment seeks to provide a link between agencies' internal policies and practices on the one hand and their impact in the field on the other. <http://www.oecd.org/dac/tcnet/pdf/checkeng.pdf>

**DOSA: Discussion-Oriented Organisational Self-Assessment**

DOSA offers organisations concrete assessment tools and change methods suited to organisational climate and culture. DOSA is 'a tool, a process and a service' that combines group discussion and analysis with individual reflection and response. The DOSA process is accompanied by a facilitator. For participating organisations, DOSA is repeated annually to track organisational change. <http://www.edc.org/INT/CapDev/dosapage.htm>

**More reading on assessment tools:** <http://www.capacity.org/8/annotated.html>

(More info on [www.capacity.org](http://www.capacity.org))

# Capacity-Building Needs Assessment for Local Governments in Indonesia

From November 1999 to October 2000, a team of consultants from GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit, German Technical Cooperation) and CLEAN Urban (a USAID-funded technical assistance project covering urban and financial management issues) conducted a study with the aim of assessing the needs of local governments and legislatures for capacity-building measures. The study focused mainly on cross-sectoral issues and emphasised linkages and interdependencies between these issues. Selected service sectors (such as urban services, health and education) were also covered as these services were regarded as representing the most important services delivered by local government. The focus of the study was on analysing capacity-building needs, i.e. the team did not undertake capacity-building activities itself. In addition to GTZ and CLEAN Urban/USAID, two other technical assistance projects (one funded by ADB, the other by CIDA) contributed to the study.

The results of the study were expected to provide a framework for government-donor coordination in formulating and implementing capacity-building programmes so as to make local governments (who are the focus of Indonesia's current decentralisation policy) capable of fully assuming their new roles and functions. In addition, it was hoped that the study experience would simultaneously raise the capacity of central government agencies in charge of decentralisation policy to undertake similar assessments without external assistance.

## The assessment approach: concept, tools and instruments

The study team used the UNDP's conceptual approach to capacity-building<sup>1</sup>, i.e. capacity was to be analysed at three levels: **the systems level** (i.e. the regulatory framework and enabling national and

regional policies), **the entity level** (i.e. an individual organisation's structures and working mechanisms, its relationships with other relevant organisations, its working culture, its resources), and **the individual level** (i.e. the skills and competencies of staff, and work ethics). The assessment was geared towards a qualitative analysis of major issues, perceptions and suggestions from a broad range of stakeholders at central and regional levels. These stakeholders included senior officials from central government agencies, local government officials, officials from provincial agencies, members of local parliaments, and representatives of local NGOs and community groups. The assessment process thus included aspects of both self-assessment and external assessment.

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*“Capacity-building is more than training. It has to include institution-wide and system-wide aspects as suggested by the UNDP. Capacity-building must be demand-driven and it must be adjusted to local conditions.”*

*(Dr. Djunaedi Hadisumarto, Chariman, National Development Planning Agency/BAPPENAS, 13 October 2000).*

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For each of the themes covered, the study team formulated *Normative Frameworks* as the starting point for its analysis. These *Normative Frameworks*, which were based on Indonesian policies and regulations as well as on international best practice, consisted of general principles which should be applied to each theme, the operational implications of these principles, and finally the competencies which government organisations at both central and regional levels would need to possess. The *Normative Frameworks* acted as icebreakers in many meetings and discussions, allowing the team to present its normative approach to capacity assessment while the respondents related to a broad set of principles for local governance in the respective themes.

The assessment process included three elements:

In meetings and discussions with central government officials, the *Normative Framework* for the respective theme was presented and discussed, and the officials' perception of local capacity-building needs was investigated.

The study team conducted field assessments in five local government areas. The field assessments followed a common format, and included plenary sessions with local government officials and parliamentarians, focus group discussions, site visits, individual meetings and interviews, and an analysis of local policy papers and regulations. At the end of each field assessment, the study team presented its preliminary findings and recommendations to local government officials, members of local parliaments and representatives of local community groups.

After the field assessments, the study team presented its initial findings and recommendations to an inter-ministerial working group on capacity-building. Meetings with officials from selected technical and sector agencies were used to present findings and recommendations in more detail in order to initiate the formulation of capacity-building priorities. Findings were also presented to donors.

## Impact and results

The study resulted in several thematic and technical reports. The summary Final Report became a working document for a Pre-CGI 2 meeting on decentralisation. Initiatives have been taken to discuss detailed capacity-building programmes for the next four years using the study as one of the main inputs. Tools and instruments for field assessments (such as questionnaires,

workshop formats, presentations and lists of guiding questions) have been documented and made available to other interested parties intending to carry out similar needs assessments. A regular electronic report was e-mailed to interested parties. The web-site became a well sought-after source of information for TA officials, practitioners, and advisors working in Indonesia on decentralisation and local governance issues. The fact that the study was conducted by several technical assistance stakeholders helped to forge a better coordination among donors and donor-assisted projects in similar fields. As a follow-up to the needs assessment study, donor support will be provided to an inter-ministerial working group on capacity-building which was established by Presidential Decree as one of the coordination teams dealing with the implementation of the decentralisation laws.

The impact of the capacity-building needs assessment depends on the degree to which recommendations are accepted by the parties concerned and are subsequently turned into reality. This process is still going on. While the study results were well received by the donor community, the government has only just started to review the findings, and has yet to set its capacity-building priorities.

#### Constraints and limitations

Lack of government ownership and lack of involvement on the part of government officials in the conceptualisation and management of the study were the main limitations affecting the capacity-building needs assessment exercise. Persistent changes in the central government's institutional landscape resulted in the constant loss of counterparts and the need to re-establish communication and working relationships with central government officials. While officials from technical and sectoral government agencies were consistently involved in the assessment process as resource persons and respondents, the Ministry of Finance was the only central government agency that

assigned officials to participate fully in three of the field assessments. Another constraint was the lack of qualified consultants combining country experience with the requisite technical expertise.

#### Capacity assessment and capacity-building: where is the link?

The study itself was not intended to result in actual capacity-building measures. Assessment tools and instruments were used in order to gather data and information as the basis for formulating general findings and recommendations. However, at the end of each field assessment, the study team provided feedback to the respective local government officials, members of local parliaments and community groups regarding the team's observations and its preliminary recommendations for capacity-building initiatives in the respective local government. Because the team's activities often brought together different stakeholders at a local level, the field assessments also formed an opportunity to initiate and/or stimulate local debate on key issues of local governance under the new decentralisation framework. Viewed from this perspective, the assessment approach certainly gave an impetus to capacity-building at a local level. In one local government area, the study team's field assessment was linked with the commencement of a new technical assistance project by the GTZ. Here, the assessment process was the starting point of a dialogue with local stakeholders regarding possible priorities for GTZ's support during the next three years, and the team's findings and recommendations formed the initial input for the planning of further support activities. In certain subject areas covered by the study (i.e. local government financial management, local development planning and organisational development), the findings of the study are being integrated in TA activities that are either currently ongoing or planned for the future by the related agencies (such as GTZ, USAID, ADB), thus bridging capacity assessment and capacity-building activities.

### Related Sites

<http://wblnoo18.worldbank.org/prem/ps/iaamarketplace.nsf/By+Toolkit?OpenView>

For Toolkits on Institution Analysis & Assessment - see World Bank Knowledge Centre with interesting links to Civil Service Assessment and Institutional Review Tools.

<http://www.cgiar.org/isnar/ecd/inde.htm>

CGIAR's site on Capacity Development Evaluation in Research & Development Organizations: A web-site dedicated to enhancing the effectiveness of organisational capacity-development efforts through the use of evaluation. Concerned with the evaluation of organisational capacity development, the site posts key project documents, contact information for participating individuals and organisations, progress reports, news items and information on future events. Key concepts and terms are defined and links to other useful sites are provided.

*(More info on [www.capacity.org](http://www.capacity.org))*

#### Lessons learned and outlook for the future

The complexity of the issues involved, the time needed to implement such an exercise, and also the financial and human resources required were clearly underestimated due to a lack of previous experience with a capacity-building needs assessment. Another problem was the widespread misunderstanding of the concepts of "capacity" and "capacity-building": most government officials equate "capacity-building" with training, and a great deal of time and effort needs to be spent on developing a broader understanding. What could not be achieved, due to the institutional changes and lack of overall government ownership, was building capacity among central government agencies so as to enable them to undertake similar needs assessments on cross-sectoral or cross-agency lines. Here, more effort needs to be made in the future. The Normative Frameworks proved a most effective tool in the assessment because it

combined a relatively abstract, normative approach (based on the principles of good governance) with concrete institutional and individual implications which were much easier to understand, especially by local government officials. The Frameworks helped to structure the assessment and to focus the interaction between the study team and the respondents. An important aspect of the study was the consistent effort that was made to make the study's findings available to the public by using the Internet and electronic media. While the

international community was highly appreciative of this facility, these media are not yet sufficiently accessible to government officials, who are less used to using them and often lack the requisite technical equipment. Traditional forms of information sharing (e.g. meetings and mail) need to be used to ensure that this particular target group has access to the study's findings.

1 See: UNDP. 1998. Capacity assessment and development in a systems and strategic management context. (Technical Advisory Paper, 3). New York: UNDP.

2 CGI = Consultative Group on Indonesia. A donor coordination mechanism for Indonesia, chaired by the World Bank. Meetings are held once the year to discuss the volume and priorities for external assistance to Indonesia. The CGI met most recently in Tokyo from 17-18 October 2000.

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## Annotation

**UNDP. 1998. Capacity assessment and development in a systems and strategic management context. (Technical Advisory Paper,3). New York: United Nations Development Programme. reviewed by Capacity.org, Jan. 2001**

The UNDP published technical advisory paper No. 3 on capacity assessment and development in 1998. Designed with the development practitioner in mind working either inside or outside the UN system, the document provides guidance on how to approach capacity assessment. The document is also accessible over the internet in PDF format via the UNDP's MAGNET web-site.

The title of this publication captures the essence of the UNDP's approach to addressing capacity issues. First, capacity assessment is treated as an integral component of any capacity development initiative, and not as a stand-alone activity. Second, capacity development is presented within a conceptual framework comprising principles of strategic management and systems thinking.

The idea of reading these guidelines may seem a daunting prospect at first glance. Many people may regard the conceptual framework as being overly abstract and complex, containing as it does a fair amount of difficult to digest management jargon, and wonder just how they can translate the guidelines into the realities of day-to-day development work. However, the document is in fact structured in a user-friendly way, which helps to guide the reader systematically through the various steps. It also includes a highly readable executive summary. The use of examples and checklists helps the reader to internalise the concepts and approaches described, and to navigate through the different steps of the process.

Part 1, entitled "Introduction and Definitions", sets out the UNDP's conceptual framework. The reader is introduced to the systems approach whereby capacities are defined at the individual, entity (i.e. organisational) and wider systems level. This final level, also referred to as the enabling environment, is given special emphasis, particularly in the current context of rapid change and institutional reform. By focusing on the systems level, the paper makes clear that capacity development goes beyond organisational and human resource development. In practice, however, interventions typically occur at the organisational level. It is in this connection that the paper discusses the notion of "zooming in and zooming out", which enables capacity issues at this level to be analysed in the context of the other levels.

Part 2, "Using the Guidelines", explains in more detail how to carry out a capacity assessment. This is regarded as an intrinsic component of any capacity-building process, and as providing the basis for designing an implementation strategy. Thus, rather than being a one-off, externally driven event, it should accompany the process, supporting decision-making, review and redesign. The paper stresses that capacity assessment and development initiatives do not take place in a void and for their own sake, but address defined policy or programme goals or visions. For this reason, the question "Capacity for what?" should always remain in sight. The paper also points out that the nature of the assessment performed will vary according to the nature of those goals or visions. There is no single, one-size-fits-all model.

It is here that principles of strategic management come into play. Capacity assessment is undertaken in relation to the following four steps: "where we are now", "where we want to be", "how to get there", and "how to stay there", which correspond to the main stages of a programme "cycle".

In relation to the "where we are now" phase, the purpose of an assessment is to provide a situational analysis, and in so doing to identify existing capacity levels. This provides a basis on which to proceed to step 2, i.e. "where we want to be", in which an assessment is used to determine capacity requirements in relation to the agreed future situation or vision (for example, moving from a centralised to a decentralised system of health care delivery). Gaps or needs can be identified by comparing future capacity requirements with existing capacities. This information provides the basis on which to develop a programme strategy, which is the focus of step 3, "how to get there" and step 4, "how to stay there". This enables a transition to be made from capacity assessment to the definition and implementation of capacity development activities.

Part 3, "Capacity Guidelines and the UNDP Programme Approach", provides specific guidance on using capacity assessments in the framework of current UNDP programme planning. Reference is made to National Programme Frameworks and Programme Support Documents.

The reader is reminded throughout that this is not a "cookbook" prescribing recipes that must be followed at all costs. The guidelines provide the essence of a conceptual framework and strategic approach, and are far from forming a blueprint. In fact, the authors stress the importance of adaptability and flexibility and of tailoring methods to local conditions. The reader is reminded that common sense and judgement are of equal importance and that particular attention must be paid to the way in which key stakeholders are brought into the process. In this connection, the paper emphasises the role played by the UNDP in its own programmes. Subscribing to the principles of national execution and local ownership, the UNDP has adopted a "process consultation" role designed to assist client groups through the process of change and to encourage continuous learning and the broad-based participation of relevant stakeholders.

Readers wishing to learn more about specific tools and methods are referred to the annex, which contains an extensive reading list as well as a description of some 15 assessment techniques focusing on different capacity dimensions at the systems and entity levels. Readers will undoubtedly be familiar with many of these techniques, which are routinely used by management consultants and others. The point is to know which techniques to use for which purpose and when, and how they collectively contribute to the success of a capacity assessment and development process.

## Further Reading

**Morgan, P. 1997.** The design and use of capacity development indicators. Hull: CIDA. [http://www.capacity.org/8/issue8\\_morgan\\_en.html](http://www.capacity.org/8/issue8_morgan_en.html)

**Lusthaus, C., (et al.). 1999.** Enhancing organisational performance: a toolbox for self-assessment. Ottawa: IDRC. [http://www.capacity.org/pubs/annotation/issue2\\_lusthaus\\_adrien\\_andersen\\_carden.htm](http://www.capacity.org/pubs/annotation/issue2_lusthaus_adrien_andersen_carden.htm)

**Booth, W., and R. Morin. 1996.** Assessing organisational capacity through participatory monitoring and evaluation. S.I.: S.n.

**Fowler, A. (et. al.). 1996.** Participatory self-assessment of NGO capacity. (INTRAC Occasional Paper Series, 10). Oxford: INTRAC.

**Hopkins, T.J. 1994.** Handbook on capacity assessment methodologies: an analytical review. New York: UNDP. <http://magnet.undp.org>

**Morgan, P., and S. Taschereau. 1996.** Capacity and institutional assessment: frameworks, methods and tools for analysis. Hull: CIDA. <http://www.capacity.org/pubs/cida/cida3-morgan.htm>

*Capacity.org* was set up by the European Centre for Development Policy Management (ECDPM) as a tool for development researchers, practitioners and decision-makers. As both a web site and a newsletter, *Capacity.org* brings together information, ideas, and viewpoints on capacity building policy and practice within international development cooperation. It acts as a platform for dialogue and provides a channel for informed review and synthesis of the complex issues faced by development practitioners and policy makers.

Focusing on both the "why" and the "how" of capacity building - debating policy questions and learning from practical experiences - *Capacity.org* seeks to "unbundle" the complex of ideas and practices that we call capacity building. In doing this, the editors particularly encourage the exchange of perspectives and experiences from the South, to ensure that the discussions are rooted in reality.

Developed by ECDPM, it is our aim to make *Capacity.org* a joint effort in which all of our various capacities and expertise are mobilised and shared. Interested individuals and organisations can help make *Capacity.org* an effective communication tool for people who seek to alleviate poverty through capacity building. Join us by contributing information, lessons, ideas and opinions, and feedback. Offers to co-finance parts of the initiative or to link related initiatives are very welcome.

<http://www.capacity.org>

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