

Towards enhancing the effectiveness of the UN system in supporting capacity development

Background study to the TCPR 2007

Volume I: Main Report

see Volume II for Annexures

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Acknowledgements

The author assumes full responsibility for the content of this report and acknowledges with much appreciation all who have participated in this effort with direct contributions, sharing their time, insights and inspirations. The survey has generated over 150 rating responses with 120 respondents to open questions. Many of these were the product of consultations within agencies and country teams and it is our hope that the processes spurred by these interactions continue to be of value in reflecting on further action.

Special mention goes to Ms. Sarah Pinto, who very ably aggregated the responses in terms of charts and also in terms of distilling the key issues and proposals raised by the respondents to the rating and open questionnaires. Those who have been involved in analyzing large quantities of data will in particular appreciate this contribution which requires utmost diligence. In an earlier phase, Ms. Rasheda Selim conducted a review of a wide range of evaluations and instruments that reflect on the UN systems process of adapting to new thinking on capacity development. The trend review was very helpful in framing the subsequent research work. An inter-agency Technical Review Group¹ has guided the undertaking from the beginning with a number of video conferences and a significant traffic of exchanges by e-mail, phone and in person. Besides providing comments on the preparatory concept papers and the drafts, the members of the TRG were been instrumental in consultations within the respective agencies.

Country consultations took place in Liberia, Mozambique, Iran, Bolivia, Nicaragua, East Timor, and the Philippines. In each country many were involved in interviews and group meetings, including UN country teams and country stakeholders from government, civil society and other development agencies. Engagement was particularly intense where country case studies were undertaken and special mention is due to Messrs. Jose Jaimè Macuane and Ngila Mwase in Mozambique, Dr. Al-Hassan Conteh and Mr. Kamil Kamaludden in Liberia, Dr. Mario Arana and Mr. Kasper Andersen in Nicaragua and all the colleagues who have in one or the other way contributed to these efforts.

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¹ This review group consisted of capacity development focal points nominated by their agencies, viz.: FAO, ICAO, the Regional Commissions, UNDESA, UNDGO, UNDP, UNHABITAT, UNIDO, UNCTAD, UNODC, WFP, and WIPO.

1. Executive Summary

In resolution 59/250, the General Assembly requested the UN System Chief Executives Board for Coordination (CEB), to “*analyse the capacity development efforts of the United Nations development system, and to make recommendations on measures necessary to enhance their effectiveness, including through the improvement of the assessment and measurement of results*”. [para. 29]. This report contains findings and recommendations from a study undertaken as an input to the analysis in response to this request.

Basic trends - challenges and directions

Overall a number of basic trends in the global environment and in the context of UN reform have a bearing on the challenge of capacity development (CD) and the UN system’s ability to respond. The HIV/AIDS pandemic, globalization, including of labour mobility, the internet and the new aid architecture need to be addressed through global responses for which the UN system is an important agent. Today, there are more development actors that offer CD support services. Many are financially better endowed. The Paris Declaration embodies commitments with a significant potential for enabling national ownership and capacity development and there is a steady move towards country alignment and Direct Budget Support. The capacity issue is at the core of the challenge to manage larger flows of funding in pursuit of the internationally agreed development goals including the MDGs.

Several dimensions of the UN reform process show a positive bearing on UN system’s ability to support country capacity development efforts, including alignment through CCA/UNDAF, the strengthening of the resident coordinator system as well as the introduction of results-based management. Rather than inventing new processes, measures for improving CD support can reinforce ambition and implementation of ongoing reforms. There is a perception among partners and within the UN that the reforms are too slow and that much energy is spent internally rather than effective outward looking support to CD. The UNDG position statement on capacity development as a response to the TCPR and reflects a significant step in providing operational guidance for the UN system as a whole.

Comparative advantage - normative and convening roles are critical for CD

The comparative advantage of the UN is based on its very nature and mandate that make it in principle an *impartial agent without hidden political, economic or commercial agenda*.. This is widely appreciated and a definite strength that the UN system needs to use well "If the UN did not exist it would have to be invented." While the UN is not simply one supplier of CD services, the question whether it is effective and competitive in a specific areas of support to CD is a legitimate concern.).

The UN system is valued for its *normative role and standard setting role* that provides important orientation. Similarly its *knowledge management functions* are appreciated including for accessing relevant experiences from other countries. UN country teams should be able to facilitate access to the full spectrum of development knowledge that the UN system can mobilize. This implies strengthening of the UN knowledge management systems. A major challenge lies in strategically prioritizing where the UN system’s analytic, normative, knowledge and advocacy functions can make the most difference so that other development agents can make their contributions more effectively.

Capacity development most often depends on stakeholders to negotiate their own solutions. The *neutral convening role* is thus a powerful asset of the UN system for CD support. This role is well appreciated globally as well as at the country level, perhaps more than UN country teams seem to realize.. Assuming this role more effectively requires an appreciation of its importance for CD and particular competencies that should be further developed.

Operational support is often mistaken as the only way to support CD. It also bears particularly high risks that can undermine ownership and CD. Middle income countries may generally be able to procure support from the global market but UN operational support is particularly important and relevant in many LDCs and in post-conflict situations where transition to nationally owned efforts is fraught with difficulties in achieving long-term sustainability. Where justifiable, UN agents may manage projects and programmes with optimal traction for CD. Operational support requires not only technical skill but also a high degree of contextual competence, the use of “best fit” approaches and ways of engagement to support country owned strategies.

UN system capacity - *organizing vision and competence around capacity development.*

The UN system brings together an extra ordinary diversity and wealth of development support capacity, specialized knowledge and committed staff in agencies and at country level. UN country teams can further strengthen their effectiveness in supporting CD by articulating a common vision on how to support country-led CD efforts and by adopting clear "default positions" for CD supported by respective operational priorities, structural changes (e.g. reinforced role of RC) and funding, etc. The UNDAF process has been instrumental and programming guidance has increasingly adapted CD principles. It is desirable that the UNDAF graduates from a UN internal bridge builder to an "outward looking" instrument for aligning with country priorities and collaboration with partners. UN operational procedures which are efficient, flexible and compatible with national systems and processes provide an important means of supporting CD. Particular responsibility rests with the resident coordinator to ensure that new operational defaults are applied that enable CD support to become more effective, including transparent transparency in funding that allows increased national ownership such as openness to and subject to in-country parliamentary scrutiny.

Staff competencies in HQ and at country level can be reinforced by upgrading substantive support in CD and promoting more conducive ways of engagement, in particular in complex situations, where “good fit” rather than standard or "best" practices need to be adapted. CD competencies as criteria in selection and promotion can help shape staff incentives and motivation. Monitoring and evaluation can be reinforced to better serve learning purposes rather than agency accountability requirements. There tends to be an inherent tension between RBM system requirements and capacity development support that needs to be acknowledged and addressed.

Unpredictable funding does undermine UN capacity and distorts priorities by making the organization dependent on and in spending efforts at mobilizing extra-budgetary resources. Reliable and adequate funding is essential in particular in more difficult contexts where the UN systems needs to be able to engage strategically and over a long-term. Finally, the fragmentation of the UN system at the country level is a critical stumbling blocks to more effectiveness in supporting capacity development.

CD Approaches - a question of "good fit" more than "best practice"

The private sector is a vivid example that training and advisors can be useful instruments for CD. However, whether these or any other approaches serve to reinforce country CD efforts is ***primarily a question of "good fit"***. Thus, fundamentally important are competence of staff to engage effectively and operational safeguards that protect genuine choice by national partners.

Evaluations show continued quality problems with ***training and consultant support*** that the system may more systematically address. Alternatives to standardized training are on the job learning, action research and more flexible and tailored approaches such as coaching, mentoring etc. Expert provision tends to be costly, too frequent and short-term assignments are often inadequate for long-term CD needs. Salary differentials continue to pose major problems to sustainable human resource management and require more systemic solutions. Overall competences need strengthening to design alternative approaches.

Providing access to global knowledge is increasingly a role for the UN. While any knowledge may carry biases, simply facilitating access to knowledge supports the principles of ownership and choice.(see above). However the UN's normative role is important in ensuring that knowledge it supplies, particularly technical know-how, are within internationally recognized standards of service and practice. There is also an emerging effort to operationalize innovative practice aiming at addressing systemic constraints, for instance to develop conducive incentive systems, and strengthening accountability and feedback mechanisms as part of systemic capacity which are essential to managing aid relations. While there are many innovative pockets and initiatives, there is a significant implementation gap in terms of being aware, proposing and using innovative approaches on country level. The UN system should significantly upgrade support UN country teams for assimilating and applying global knowledge and lessons about effective capacity development and good fit CD support.

Engaging with partners in capacity development - ownership, traction for CD and accountability

The CD relevance of the Paris Declaration is not always well understood although it has become a key reference for shaping modes of engagement characterized by respect for national ownership, creating more room for choice by developing countries. Thus, the mutual commitments represent part of a "default " set of rules aimed at creating the enabling conditions for capacity development, including the alignment to national priorities, processes and systems, use of national capacities and integration with national processes and systems, significant reduction of projects and PIUs, transparency, preference to non-intrusive modes of cooperation that respect national ownership and choice

Rather than building dynamics around its own processes, including CCAs and UNDAFs, the UN system in general, and at the country level in particular, has scope to contribute to nationally-driven and collective efforts. UN agencies and country teams can revisit their ability to foster partnership in particular with change agent institutions and strengthen ways to engage with and support CD efforts by civil society and the private sector. Institutional incentives and accountabilities can be adjusted to support effective partnership building.

The question of accountability is very close to the crux of the dilemma that can be observed. as a vicious cycle of mistrust, tighter control, and opportunistic resource mobilization for projects. The most promising way to address this may be a more solid evidence base for what constitutes effective CD support and a more open accountability relationship involving all relevant stakeholders, particular at country level. (see below) Care needs to be taken that the perceived need to measure impact of CD efforts does not lead to developing results measurement that undermine long-term capacity development such as a preference for short-term, tangible results. Choices for monitoring and evaluating capacity and capacity development should be informed by consideration of opportunity costs and benefits for capacity development.

CD results – assessing outcomes and long-term sustainability

In recent years several UN agencies have reviewed their efforts in capacity development and taken measures to improve their effectiveness. Capacity results can be conceived in a wide range of ways but frequently even excellent outputs do not add up to sustainable results. Sustainability depends on a healthy balance in synergy between a number of key factors. The UN has itself contributed to advancing instruments for capacity assessment establishing parameters that are directly relevant for measuring impact e.g., UNDP's Practice Note on Capacity Development.² Key factors that combine together in nurturing capacity are akin to the factors that permit a plant to grow: adequate supply of soil and nutrients, water, air, light and appropriate temperature. Such key factors offering a common basis are, for instance, articulated in the UNDG position statement on CD, including human resources and incentives,

² <http://www.capacity.undp.org/index.cfm?module=Library&page=Document&DocumentID=6004>

participation and accountability, leadership, access to information, and others. A critical issue in deciding what and how measurement of results should be done is the question of who uses the assessment. For transparency, accountability, and systemic change at country level, the UN system may consider working within "horizontal" country-led evaluations (sectoral or thematic), rather than vertical evaluations serving agency needs.

For global accountability purposes the UN system and its stakeholder should consider a combination of compliance with UN policies and international standards and stakeholder surveys that are context based (mostly country level), comprehensive and independent. All development partners face the same accountability challenge. For future reviews a switch in logic may thus be considered from a UN system-wide assessment (and agency-based assessments) to country level comprehensive development system assessments. Such can be more meaningful to country CD processes and more cost effective. The UN is the appropriate forum to consider such a shift in assessment practice that more consequently corresponds to country purposes. Transcending the UN focus in favour of a system of comprehensive country based assessments is likely to be more realistic, practical, cost effective, and more meaningful for UN accountability to its stakeholders.

Effective measures to enhance the UN system's effectiveness in supporting capacity development need to be underpinned by clear definition of responsibilities and corresponding structural changes as well as changes in the modalities of funding.

Recommendations

Recommendation 1: Reinforce UN functions in convening and brokering multi-stakeholder processes

The UN system's comparative advantage as impartial convener, broker and facilitator can more fully be brought to bear in support of CD processes. This includes convening and professional management of policy dialogues on all levels. It implies inducing and facilitating dialogue and constructive engagement of stakeholders, legitimizing the voice of marginalized people and protecting time and space against undue pressures in the negotiation of "home-grown" development path.

Recommendation 2: Strengthen normative as well as knowledge functions as critical assets for CD

By ensuring that normative advice is cutting edge, of a consistently high quality, timely and readily available at regional and country levels individual agencies, the UN system and country teams offer important assets for capacity development efforts. Similarly, the UN system can more effectively mobilize a wealth of expertise and knowledge in a wide range of specialized areas and from many countries and support learning from practical experience. across countries and regions.

Recommendation 3: Quality manage operations to promote country ownership and CD traction

Operational support, most readily associated with capacity development, can be effective but can equally undermine country ownership and endogenous capacity development. Clear standards and safeguards for operational support can ensure that UN operations respect country ownership, optimize traction for capacity development with national institutions, and keep the aim of lasting capacity development firmly in focus.

Recommendation 4: Reinforce the RC as competent champion for CD

UN country teams have a particular responsibility to ensure that UN system support at country level is effective for CD. The RC as the representative and facilitator of the UN system engagement should have the overall responsibility to strategically advocate and manage the quality of CD support of the UN system in the respective country with a long-term vision for sustainability, in particular in fragile contexts.

Recommendation 5: Pool system-wide knowledge resources in CD to support country-level capacities

Competence in support of capacity development is far from being a given in the UN system. Quality technical support for capacity development is underpinned by an evolving knowledge base. Building on existing services, the UN system should systematically strengthen its backstopping capacity for UN country teams. As CD approaches cut across sectors and technical areas there is particular benefit in knowledge exchange and learning across the entire system.

Recommendation 6: Negotiate a balance between expectations, capacity and funding

Effective support to capacity development requires adequate and reliable core funding that allows strategic and long-term engagement without undue pressures and opportunistic distortions. Donors and the UN system should be able to transparently negotiate expectations with corresponding funding levels across the range of functions that the UN development system carries out in support of CD. Developing countries can also explore their options and make best use of the support the UN system can offer to support national capacity development.

Recommendation 7: Anchor M&E of CD on nationally-led country level evaluations

The UN system may more consistently encourage and support "horizontal" nationally led sector-wide, thematic, or cross-thematic evaluations rather than "vertical" evaluation for agency purposes. For accountability purposes the UN system and its stakeholders may consider a combination of compliance with UN policies and international standards, and stakeholder surveys that are context based (mostly country level), ensuring independence. and impartiality in the process.

Concluding remarks. Based on lessons from past experiences, the review has identified many “default positions” and safeguards for promoting effective support to CD and reducing risks of failure. These can be more systematically mainstreamed in UN operational activities for development. On the other hand it is equally clear that there are neither simple recipes for approaches nor prescriptions for modalities. Effectiveness is also dependent on contextual competence of UN agents that allows identification and implementation of "good fit" approaches.

Capacity development, be it within the UN system or in any other development agency, does not happen overnight. It requires space for risk taking, learning from trial and error, bold strategic choices based on plausible links to promising CD results. It will also require a careful choice of specific and actionable measures that induce and nurture change consistently over time. In particular clear accountability and incentive signals are critical for motivating key agents in the system to change behavior and promote reform.

Finally, the findings show significant perception differentials on UN system performance. In particular, donors have tended to be more critical. This does reflect a major problem that the UN system as a whole needs to address together with its stakeholders. Enhanced publicity will not address the real issues. Nor does recycling of misperceptions help. As a collective effort, capacity development fundamentally requires trust among partners. Trust-building will hinge on increasing objectivity and meaningful evidence, in particular at the country level, on what really constitutes effective support to developing countries in charting their own course.

2. Introduction

*Capacity development (CD) can be defined as "the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time."*³ Not surprisingly the comprehensive concept of capacity development has been used to cover many things. There is a growing understanding that capacity development has to do with change processes in organizations and societies which can be highly political and which revolve around interest and power as driving forces. On the other hand views on capacity development frequently focus on technical aspects, and in practice much of the thinking and reporting on CD continues to be associated with "training", "experts" and other forms of technical assistance.

There is much that is known today on how capacity development can be promoted, and there is no excuse not to bring this knowledge to bear in practice. Capacity development is critical in highly specialized areas, requiring scientific, technical and "hard" knowledge. It is equally evident that effective support cannot be divorced from conducive engagement; from motivation to acquire and use knowledge, and that it often depends on subtle differences in the behaviour of change agents. Because reality is complex, dynamic and not always rational, "softer" skills related to engaging in culturally and contextually sensitive ways and in uncertain long-term processes are as critical as technical competence. In the multi-layered realities of capacity development effective support often depends more on "good fit" rather than "best practice". Even then, we are bound to always make surprising leaps into the unknown. (see margin).

The quest for effectiveness is legitimate and critical albeit the review of the effectiveness of the United Nations System (UNS) in supporting capacity development is a major challenge. The UN system is diverse and evaluative evidence is patchy. Common evaluative criteria cannot be retrofitted and the long-term nature of capacity development sets clear limits to tangibly measuring impact. This report is an attempt to review the evidence and to inform a competent debate and decision making on reforms that can enhance the UN System's effectiveness in supporting sustainable capacity development.

Many examples of good CD results, of innovation and impact have been found as well as a tremendous dedication of UN staff to make a real difference, sometimes against all odds. This review will not do justice to documenting these very rich experiences although the annexes attempt to capture promising practice. Due to limitations in scope and time and for the

"The issue and concerns of capacity development are no longer a matter of debate, nor is it limited to a conversation on concept and theory. As expressed by the General Assembly and resulting 2004 TCPR resolution, as prioritized by the OECD DAC, and as reflected in our Strategic Plans, it is the front and centre of our work."

*Statement by Ad Melkert,
UN Under Secretary General and
UNDP Associate Administrator on
behalf of the undg Executive
Committee. 2007 ECOSOC
Operational Activities Segment*

"Ours could well be another silly fairy tale of the three Persian Princes. The question is, who are the princes: donors or us? Be that as it may, for sure, as we travelled, like the Persians, we were always making discoveries, by accidents and sagacity, of things which the donors and we were not in quest of. The moral of the story so far is the joy and challenge of allowing serendipity to happen in our initiatives to build capacity"

*Source: Udan Fernando
The Serendipity of capacity building⁴*

³ The definition is used in the UN position on capacity development. Further definitions are contained in annex C2. As they are working notions and not subject to discussion in this report, they are mainly drawn from the "Glossary of key terms in evaluation and Results Based Management", published by the OECD/DAC and prepared in collaboration with the UN.

⁴ Udan Fernando tells a capacity development experience from Sri Lanka that did not turn out as intended. He explains "In a letter of 28 January 1754, Horace Walpole says that *'this discovery, indeed, is almost of that kind which I call Serendipity, a very expressive word.'* Walpole formed the word on an old name for Sri Lanka, *Serendip*. He explained that this name was part of the title of 'a silly fairy tale, called The Three Princes of Serendip: as their highnesses travelled, they were always making discoveries, by accidents and sagacity, of things which they were not in quest of....' *Published as INTRAC Praxis Note 29* (<http://www.intrac.org/pages/PraxisNote29.html>)

sake of clarity this report focuses on the critical areas that need attention for improving UNS effectiveness in supporting capacity development on country, regional and global levels.

2.1. Background and objectives of the review

In resolution 59/250, the General Assembly requested the UN System Chief Executives Board for Coordination (CEB), to “*analyse the capacity development efforts of the United Nations development system, and to make recommendations on measures necessary to enhance their effectiveness, including through the improvement of the assessment and measurement of results*”. [para. 29].

The purpose of the analysis requested by the General Assembly is to provide Member States, both at the Assembly and ECOSOC, in their review of operational activities for development, particularly for the 2007 TCPR, with a basis for developing policy guidance on the capacity development work of the UN development system as a whole and its organizations, aimed at enhancing their development effectiveness. As viewed by the Member States, development effectiveness of operational activities is seen in terms of “their impact on the recipient countries as contributions to enhance their capacity to pursue poverty eradication, sustained economic growth and sustainable development.” [Res. 59/250, para.7]

The present report synthesizes the findings of the review that was initiated in mid 2006 to inform the analysis responding to the above request. The review was designed to provide evidence to the following three objectives:

- 1) To assess the effectiveness of the capacity development efforts of the UN development system
- 2) To recommend measures towards enhancing the effectiveness; and
- 3) To recommend improvements in the assessment and measurement of CD results.

2.2. Conceptual framework

The concept of capacity development has evolved. It has been distinguished from “capacity building” which used to reflect the more externally driven injection of capacity, to connote the endogenous nature of the process and include the use and retention of capacity as well as to emphasize the critical importance of the enabling environment. While it may be desirable to find a common language around capacity development as the conceptually more appropriate term, the term of “capacity building” is in effect used interchangeably even where the paradigm shift is acknowledged. This report will not venture into further conceptual debates but will use working definitions that have a broad basis. Please see margin for some and annex C2 for more definitions. Acronyms can be found in Annex C1.

In this paper effectiveness is defined as “*The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance.*” Effectiveness in supporting capacity development depends on a range of factors. Some are internal to the UN system related to its organizational effectiveness and its ability to engage. Other, factors reside in the broader context, the macro-level. The UN system

Capacity Development on the agenda of the General Assembly

In Res. 50/120 (20 Dec. 1995) para. 22, the GA decided that “the objective of capacity building and its sustainability should continue to be an essential part of the operational activities of the United Nations system at the country level, with the aim of integrating their activities and providing support to efforts to strengthen national capacities in the fields of, inter-alia, policy and programme formulation, development management, planning, implementation, coordination, monitoring, and review.”

This was reaffirmed in succeeding resolutions in 1998 (Res. 53/192), para. 37, and 2001 (Res. 56/201) para. 28, both of which stressed that “capacity-building and sustainability should be explicitly articulated as a goal of technical assistance provided by the operational activities of the United Nations system at the country level.”

GA Res. 59/250 preambular para. 11 also reiterated the “..importance of national capacities to eradicate poverty and pursue sustained economic growth and sustainable development as a central goal of the development cooperation of the United Nations system.”

Capacity in the UNDG position paper on CD is defined as “*the ability of people, organizations and society as a whole to manage their affairs successfully*”.

Capacity development is understood as “*the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time*”.

Effectiveness denotes “*the extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance.*”

“Development effectiveness” denotes the achievement of country owned objectives, while “aid effectiveness” refers to the contribution of aid in achieving agreed objectives.

is not the only capacity development agent and its effectiveness depends on making use of its comparative strengths within a changing global and aid environment. Zooming in to the micro-level, effectiveness also depends on the dynamics within the contexts of CD support, most importantly at country level even down to the project. Finally, effective capacity development interventions combine efforts at individual, organizational levels and in the enabling environment.

Capacity development has underpinnings many of which have been widely absorbed in the thinking and deliberations of the UN system. Through the TCPR, member states set out a number of policies to guide the UN development system’s operational activities. General Assembly Resolution. 59/250 (and its precedent GA Res 56/201), contain policy guidance, stipulating that capacity development efforts of the UN development system, should:

- ensure sustainability in capacity building results (para. 31);
- recognize national ownership of development programmes (para. 5), and the responsibility by the Government to coordinate all types of external assistance (para. 6),
- ensure full integration of UN system development assistance in national planning and programming processes under National Government leadership (para. 11) ;
- make the fullest use of national plans and available national expertise and technologies in implementing operational activities (para. 31);
- ensure the promotion and transfer of new and emerging technologies (para. 32); and
- incorporate and mainstream South-South cooperation as a modality of technical cooperation (para. 90, Res. 56/201; para. 80, Res. 59/250).

Specific requests were also indicated by Member States to support programme countries in:

- developing national strategies for capacity building (para. 26); and
- the use of various aid modalities such as system-wide approaches and budget support (para. 30).

The guidance above constitutes a set of principles as well as elements that shape the analytical framework reflected in the clusters of queries that have been developed (see below). UNDP also has adopted a set of 10 "default" principles (see margin) that also provide input into the analytical framework. The notion of "default" is helpful, because capacity development is highly contextual and one size does not fit all. Rigid prescriptions risk being as faulty as a "laissez faire" approach. In the computer world, "default" denotes a computer setting that is most often adequate but permits a customization to serve particular needs better. Similarly, “default principles” reflect clearly defined rules that can be adjusted to the particular context. But even legitimate adjustments remain an exception to the rules and need to be justified. Thus turning around the burden of proof the "default principle" helps to counteract and challenge the natural tendency to pursue the "easier path" or "business as usual", which all too often does not serve capacity development effectively.

Annex D3 provides more detail on the analytic framework. Several analytical lenses have guided the review. Sample questions corresponding to the analytic clusters can be found in the margins. For presentation in this report they are

Sustainability is understood as “the continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time”.

More definitions in annex C2.

Ten default principles on capacity development	
1.	Don't rush. Capacity Development is a long-term process.
2.	Respect the value system and foster self-esteem.
3.	Scan locally and globally; reinvent locally.
4.	Challenge mindsets and power differentials.
5.	Think and act in terms of sustainable capacity outcomes.
6.	Establish positive incentives.
7.	Integrate external inputs into national priorities, processes and systems.
8.	Build on existing capacities rather than creating new ones.
9.	Stay engaged under difficult circumstances.
10.	Remain accountable to ultimate beneficiaries.
UNDP Practice Note on CD	

grouped into six sections as follows:

- 1) Basic trends (see section 3)
- 2) UNS comparative advantages for supporting CD (section 4)
- 3) Approaches, strategies and patterns in supporting CD (section 5)
- 4) Engaging with clients and partners (section 6)
- 5) UN system capacities (section 7)
- 6) CD results, assessment and impact measurement (section 8)

2.3. Methodology and process

A fundamental problem in reviewing effectiveness of the UN system as a whole emerges from the diversity of UN mandates, the complexity of roles on different levels at which CD interventions are made and the gap that separates any intervention from longer-term impact. The review thus uses a combination of approaches that combine macro-measures, primarily the survey results, with micro measures drawn from desk review, country case studies, and consultations that point to specific evidence. The latter cannot provide an adequate picture as the diversity of disparate criteria, the absence of a common basis for measurement, and the coverage of past assessments leave evidence anecdotal and patchy. The former provides a 'collective' sense of effectiveness although the complexity of the system and issues and the individual background of respondents implies varying views, and perceptions and their aggregation only reflects a small sample of the universe. The review thus triangulates perceptions from the survey with micro and anecdotal evidence from the desk review, country studies and consultations.

"Finally, the review of UNEG member country-level evaluations did not focus on assessing methodologies as used in past studies. It does provide evidence, however, that great care will be needed in defining the concrete programmatic elements to be evaluated at a system wide level. The experience of the reviewed evaluations identifies clearly the fact that methodologies which catalogue the contributions of individual agencies cannot be summed to arrive at an assessment of the contributions of the UN system as a whole."
Freeman 2006

For the **desk review**, a wide range of documents have been used. One source is the UNEG Country Level evaluation database that has been subject to several reviews and meta analysis.⁵ While 268 evaluations are accessible, their coverage and relevance is very uneven for the UN agencies as well as countries and periods reviewed. Other data sources include recent agency evaluations either initiated by the agencies themselves or as part of a broader external review, as for instance the DFID assessment of multilateral organizational effectiveness, or the MOPAN surveys that over three years now have provided feedback on the partnership behaviour of individual agencies across a range of countries, including on capacity development aspects. Further sources include a more in-depth probing into particular issues, such a UN reform, funding of the UN, fragile states, knowledge management, CD measurement and others, using policy documents, research papers, informal notes and discussions with relevant individuals.

Self-assessments and client and partner surveys are powerful means for reflecting on performance. The responses in this **survey** have clearly confirmed this. The survey was conceived based on the above framework and adapted to the three principal respondent groups, namely UN agency, UN Country teams, and a third questionnaire addressed to developing country "clients" and partners. The questionnaires were sent officially from UNDESA to all the agencies, to all Resident Coordinators and to all missions to the United Nations as well as a several civil society organizations referred by UN agencies. In parallel, the questionnaire was also sent independently by the

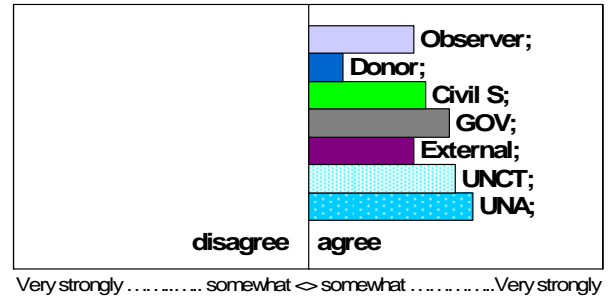
⁵ In summer 2006 a trend analysis was undertaken by Rasheda Selim (2006). A review of 46 was country level evaluation of the UNEG data base was undertaken by Ted Freeman (2006). Further a meta analysis of the UNEG data base has been undertaken by Paul Balogun early this year.

consultant to selected key informants from across different groups of constituencies above. The qualitative side of the review is also strengthened by a number of structured interviews and direct exchanges with individuals, including by telephone, and during the country consultations. The questionnaire was further adapted for country case studies and consultations.

Questionnaires consisted of a section soliciting answers to open questions (see margin). The questionnaires also had a rating part whereby respondents were asked to indicate their level of agreement or disagreement on a 10 point scale. Aggregation of the rating responses allows reflecting of a “quantitative” picture of perceptions per respondent group and comparison among groups.

All questions were posed in a way that agreement would point to a positive contribution to CD. The chart in the margin provides the overall averages approval or disapproval per client group. It shows the legend for each respondent group and the order in which they appear in all the charts, which are presented in miniatures throughout the report. The detailed data are also available in annex A

Overall average ratings per respondent group.



This aggregated chart, like many individual ones, also reflects some issues that a future review of this nature should take into account, including:

- **The scale that was provided has been used in different ways.** Many respondents evidently have perceived an "agree somewhat" rating as being already very low and have not ventured into disagreeing. Others have used the various grades of disagreement to express their views. However, whether ratings had a wider or a narrower amplitude respondents generally used the response options to mark their differences.
- **The most critical ratings come from donor respondents.** Ratings by donors, with few exceptions, are several points below UN self ratings, and they are also markedly below government ratings. Whatever the reasons, this gap is very significant and needs to be addressed.
- **Government ratings tend to be fairly close to those of country teams.** These relatively high ratings may come from intrinsic upward bias as recipient of CD services. It may also reflect a comparative element that judges the UN system in comparison with other external partners. It would be useful for future reviews of this kind to include a comparison with other providers of CD services.
- **Overall the most optimistic ratings are those by UN agencies followed by UN country teams.** One determinant of higher versus lower rating seems to be the degree of association to the context of the questions by country teams versus UN agency headquarters. This report cannot do justice to this nuance. But there is scope to further work out the perception differences that exist between headquarters and field staff.
- **The "observer" group respondents are significantly less critical than the donor group.** If in a next review the "observer" group (academics, consultants, media, and independent experts) can be more solidly drawn upon (in particular on country level) it may be possible to provide a clearer impartial view on realities.

Sample questions as posed in the Client & Partner questionnaire:

1. Please provide typical examples of outcomes (i.e., institutional and/or behavioral changes) at country level resulting from capacity development activities of the UN".
2. Please give one or more examples of approaches promoted and supported by UN agents that have proven to be effective in developing lasting country capacities.
3. What should the UN do to better to strengthen national ownership and align/integrate its operations with country systems and processes?
4. Please indicate what you see as the UN's comparative advantages to support capacity development. What roles should the UN assume more fully (or not assume)?
5. What in your view are 3-5 key factors impeding the UN development system from being more effective in supporting national capacity development efforts?
6. What is the UN's comparative advantage in supporting countries in technological and knowledge acquisition and innovation capacities?
7. What, in your view, are 3-5 critical reforms/actions needed to enhance the UN development system's effectiveness in supporting capacity development?
8. What, in your view, are assessment processes and types of indicators that help assess and measure CD results in a meaningful way?
9. a. Can you cite evidences that show that UN Reforms have made a difference in terms of UN effectiveness in supporting CD? - b. Please indicate below relevant reviews that reflect on the UN's

- Factors that may explain certain "biases" in rating are further discussed in annex A. In any future exercise of this nature further care needs to be taken that these overall trends are probed in more depth. This review was undertaken within a tight timeframe and with modest means. The experience suggests that a refined process, adequately anchored primarily on country level, could be a very useful instrument for meaningfully assessing the effectiveness of the UN system. It also could also be developed into a useful mutual accountability tool for UN system agents and their stakeholders

effectiveness in supporting CD.
10. Are there other key issues that you think the review team should take into account?

The country consultations and studies, although sometimes conducted in less than ideal conditions in the field, have been very useful in putting a reality check on this exercise. The discussions with development practitioners, ministers, donor agents and UN staff, individually, in groups and several workshops corroborated many of the emerging findings and questioned or qualified others. They have deepened the understanding of what developing countries and partners expect from the UN and the challenges that UNCTs face in specific contexts and the dynamics and subtleties that documents cannot convey.

Country consultations have taken place in Liberia, Mozambique, Iran, Bolivia, Nicaragua, East Timor, and The Philippines. Case studies undertaken in Mozambique, Nicaragua and Liberia provide complementary evidence. See annex C4 for Executive summaries

3. Basic trends

This section looks at the global context that impacts on national capacity development and in particular the global aid environment. It further discusses major trends in the UN system, in particular as they relate to ongoing reforms.

"Capacity itself is a public good. All want it but no one wants to pay for it."
UN staffer

3.1. Global forces and counter-forces for capacity development

While most of this review will concentrate on more specific issues relating to CD, it is important to recognize general and global dynamics that have a major impact on country capacities, as well as on those of the UN system. While some of these dynamics constitute obstacles for CD, others may constitute resources that can enhance CD efforts. One of the most serious and clearly hampering factors is the HIV-AIDS pandemic, which is eroding public service capacity and private enterprise alike, especially in the Africa region, and which poses a long-term threat.

"..... all organization of the UN system, in the context of the Millennium Declaration and the major UN conferences, need to assist efforts of programme countries to integrate into the world economy"
[GA Res. 56/201 (para. 11), GA Res. 59/250 preamble].

Other factors relate to economic globalization which may both challenge and support CD. On the one hand international trade and investment linked to domestic private sectors and economic development are critical factors in sustaining economic growth and ultimately sustaining capacities as well. Globalized trade and investment continue to have unequal benefits for the various players involved. Trade alignments shift constantly, with institutional and social conditions playing an important role in determining whether, and to what extent, a country reaps potential benefits. Labour mobility can contribute to better international flows of knowledge and to the formation of international research and technology clusters. Yet migration of the highly skilled in an ever more open labour market also brings along the continuous

"Capacity to influence policies that impact across states. UN should take a stronger stand and command in trade issues and deals and should be able to influence the WTO; need to undertake affirmative actions to influence trade rules and practices."
Government

"The UNDS (UN development system) should carefully review the respective mandates of each UN system organization and articulate the most relevant way of delivery of CD activities, taking into account the country, regional

depletion of talent pools in developing countries and makes clear how essential incentives are in order to retain people.

Information and communication technology (ICT) continues a revolution that is dramatically changing the way how information is acquired, processed and disseminated. This transformation constitutes a major asset for capacity development by connecting knowledge communities around the world. The internet makes knowledge accessible on a demand basis at very low cost thus also changing the nature of CD support. Finally, the new global aid architecture has a significant impact on domestic CD efforts and the way external partners support these. This is further discussed in the next section.

3.2. The global aid environment

Today the UN system operates in an aid environment that has many more development actors that offer CD support services, many with significantly more funding. There has been a steady move in the international aid community towards country alignment and Direct Budget Support. The Paris Declaration articulates this development and defines a framework with the potential to significantly change the “rules of engagement” in development cooperation. Some argue that while this fundamental shift follows the reform policies of the UN System itself over past decades, the UN has been slow in responding. Others contend that the Paris agenda has been donor driven and the UN needs to be careful to stay on the “right” side of the process. In any case, “post-Paris” dynamics are a reality that offer tremendous opportunities and the UN system and developing countries are increasingly engaging.

In all this, capacity development has moved to the center stage of the international development agenda. During the harmonization and alignment process the high level meeting in Rome in 2004 had made very scant mention of capacity issues while in Paris 2005 CD became a fundamental pillar of the mutual commitments. The Paris Declaration refers to capacity issues throughout and includes a dedicated section as well as specific indicators. The Development Assistance Committee of the OECD in collaboration with the UN and the BWI institutions has followed with a policy paper that provides a common reference for the donor community.⁶

It is interesting to note that this rise of capacity development from a technical issue to the global political agenda emerges from a stream of international conferences, research efforts, evaluations and working groups with roots in different constituencies. The UN system itself, and in particular UNDP, has played an instrumental role in these developments. A good number of significant global CD initiatives have seen the light in recent years, including the establishment of the Learning Network on Capacity Development and the consolidation of a professional journal on capacity development (www.capacity.org).⁷

Another issue, which directly relates to capacity development support, arises from the increase in development finance that accompanied commitments to the MDGs, and the emergence of innovations in financing involving the private sector such as the international finance facility for immunisation

and global context in which the specific CD activities are carried out under the coherent policy guideline of CD activities with the commitment and collaboration of the countries in which UNDS is operating.”

UN regional agency

The 2005 review on the UN system and new aid modalities summarized: *“The harmonization and alignment agenda has been developed at the same time as the UN has been focused on internal reforms. The organization has lost some of its momentum and political space, and must make developing its response a matter of urgency.”* (Scanteam 2005)

“The capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives — from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.”

Paris Declaration §22

“I think the UN system should be more

⁶ OECD/DAC, *The Challenge of Capacity Development – Working Towards Good Practice, 2006*.

⁷ Many more could be added, such as .as the development gateway community on capacity development , the capacity collective, etc.

(IFFIm). Delivery bottlenecks for donors and absorption problems in developing countries push towards the creation of global funds with vertical delivery mechanisms. A rising concern was articulated during the last plenary meeting of the Strategic Partnership for Africa in Ouagadougou. There was agreement that there were risks to be addressed of new sources of funding (including global and vertical funds) as a potential undermining element of institutional development and as a source of institutional capacity depletion since they usually function outside government institutions and tend to attract government staff.

The challenge of managing and using the increased funds for service delivery and quick development results on the one hand and for the development of long-term capacities in government and civil society on the other hand marks a fundamental tension. As other development agents, the UN system does need to consider choices between delivering quickly and offering long-term support to developing sustainable capacities.

3.3. Trends in the UN System

The trend analysis undertaken in the initial stages of this review documents a trend across agencies to address CD more systematically within the respective institutions. *"The effort, on one hand has concentrated on analytical work – ranging from developing concepts and framework to formulation of tools, guidelines and approaches; but on the other, it has also focused on supporting countries in developing national capacities – whether human resources or institutional strengthening. [...] The UN system has also given priority to enhance its own capacity to better serve its development mandate."* (Selim 2006a-c)

The Meta-analysis commissioned by DESA in early 2007 also reveals the degree to which UN agencies are already grappling with the issues and recommendations high-lighted in the 2004 TCPR. It concludes that: *"The evaluative evidence indicates that all ten UN agencies focused on building national capacity to pursue poverty eradication, sustained economic growth and sustainable development. In nearly all cases, evaluations identify positive results in this area, especially in the development of policy, where the agencies' contributions can be identified. However, the evaluative evidence also strongly suggests that during design and implementation, agencies pay insufficient attention to addressing those factors that adversely affect the long term effectiveness and sustainability."* (Balogun 2007 see also margin)

The survey signals some agreement that the UN system has improved its effectiveness in supporting capacity development over the recent 3-5 years (see chart #7). There is also recognition that the UN has had a strong focus in support to strengthening capacities for achieving the MDGs (chart #14). However, it is equally evident from the more specific ratings and the open responses that there are many areas of weaknesses and in particular in implementing reform on country level. These will be subject to further discussion in this report.

Several positive trends are recognized by respondents related to the UN Reform process set in motion by the Secretary General in 1997. These include a general move to results-based management, the introduction of the

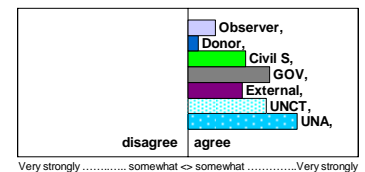
open to discuss trade offs between national ownership and efficiency and effectiveness. Often we are too focused on financial delivery and in meeting project document goals rather than taking a step back to allow national partners to exercise stronger leadership. This is a difficult balancing act but appropriate mechanisms and incentives need to be put in place to shape organisational culture."

UN agency staff

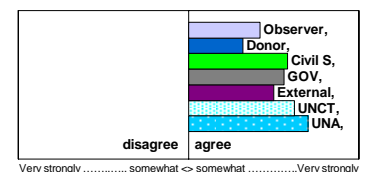
"Whilst varying in their focus, evaluations are almost unanimous in having recommendations suggesting that agencies (i) focus more on linking policy and project work during programming and (ii) invest more in ensuring that government and other partners understand and agree to the capacity and resource implications inherent in scaling up 'pilot' projects before the pilot starts. [...] The evaluative evidence also suggests that while agency staff are aware of the constraints to building such capacity identified in the 2004 TCPR, mainstreaming and implementing the approaches and processes high-lighted in the 2004 TCPR will represent a change by the agencies in terms of how they approach capacity building."

Meta-analysis, Balogun 2007

7. Over the recent 3-5 years the UN has significantly improved its effectiveness in supporting capacity development.



14. Over the recent 3-5 years the UN has effectively focused its support to strengthening capacities for achieving the MDGs.



CCA/UNDAF process and joint programming, the strengthening of the Resident Coordinator system and a move to more coherence. At the same time consultations also surfaced a degree of frustration on all sides about the slowness of reform on country level. These pillars of UN reform are further discussed in the next section on UN capacities.

A frequent critique raised by all respondent groups in the consultations was that UN reforms were too inward looking. The UN system was spending too much time and energy internally, and was thus missing out on opportunities to align and harmonize beyond itself. Skepticism also prevails that reform will be diluted in "turf wars" within the system. Cosmetic changes may drain energy from bolder reform steps that are required to increase system effectiveness. Capacity development could be the unifying objective that can focus the currently fragmented resources and energy in a strategic way.

"[I] see no clear link between UN Reform and improved effectiveness in supporting CD, which is not because it would not lead to improved effectiveness, but because actual UN reform on the ground is so limited – despite being 10 years into the implementation of the SG's UN Reform initiative."

Donor country level

At this point it should be noted, that there has been an important recent **concerted UN system effort** to define the strategic direction for supporting capacity development and to promote an agreed inter-agency approach. A first step to move to a common understanding of CD was initiated in 2002 through an inter-agency workshop convened jointly by DESA and UNDP.⁸ It was followed through with the establishment of the UNDG Task Team on CD in 2005. In October 2006 this group agreed on a common position statement on "Enhancing the UN's contribution to national capacity development." (see box above) The position statement is a response to the TCPR process and reflects a significant step in providing operational guidance for the UN system as a whole and particularly for UN country teams. It should be expected to evolve into a framework that eventually could underpin reviews of UNS effectiveness in support of capacity development

"UNDAF has certainly helped to streamline UN priorities and clarify overlap, but has also meant a great deal of self-occupation of the system. Careful of reform that focus on own 'functioning' rather than improving overall contribution to a national aid-landscape (incl. governments)."

Donor

"The purpose of this UNDG Position Statement is to lay out a new framework for the UN's work at country level to enhance its contribution to national capacity development. It presents in summary form the key legislative background and current development thinking that guides the UN's work; it sets out the positioning framework and key roles for UNCTs to consider; and it provides access to an initial set of tools and resources, including a matrix of optional roles for the UNCTs to undertake during the national planning cycle."

Position Statement on UN system support to Capacity Development (UNDG December 2007)

"Through the Triennial Comprehensive Policy Review of operational activities for development (TCPR), the Paris Declaration on Harmonization and Alignment, and more recently at the 2005 World Summit, Member States have called for the UN system to enhance its efforts particularly at country level to support national capacity development. They expect a major gearing up in the support and success of those efforts in order to meet the internationally agreed goals, including the MDGs. Looking ahead, the UN system's purely financial contribution to development will be significant but small. Member States clearly view capacity development as a comparative advantage of the UN development system.

If the UN at country level is to deliver on these expectations, a major shift is required in the way the UN does business, whether it is in countries that are adjusting to new aid modalities, countries that are facing or recovering from conflict, or countries that face particular challenges (such as HIV/AIDS) in achieving their development goals and targets. UNCTs will have to make capacity development the core of their work, and develop new ways of assessing and achieving capacity development results as a team, in different contexts, clearly making more of a sustained difference than has been the case in the past.

The responsibility of rising to the challenge, however, does not rest solely at country level. The UN at global and regional levels will have to adjust too, creating an organizational environment that facilitates and encourages a shift in the work of UNCTs. Such adjustments relate to strategy and mission, capacity assessment and programming guidance for CD, delivery systems and operational processes, staff incentives, CD progress and results measurement systems and the ability to reconcile results pressures with long-term endogenously led approaches to CD. For the UN system this also implies complementarity and coherence between agencies in supporting programme countries on their CD agendas."

⁸ In pursuit of the instructions of Res. 56/201

3.4. In perspective

- The HIV/AIDS pandemic, globalization, including labour mobility, the internet and the new aid architecture constitute factors with a bearing on capacity development efforts and effectiveness of support.
- There are now more development actors that offer CD support services as well as a steady move towards country alignment and Direct Budget Support. The Paris Declaration embodies commitments with a significant potential for promoting country ownership and capacity development. Country and systems capacities are at the core of the challenge to manage increased flows of development funding.
- There is a general perception of improvement in the UN system's effectiveness in supporting national capacity development particularly towards meeting the MDGs. However, there is insufficient attention in the design and implementation to addressing those factors which adversely affect their long-term effectiveness and sustainability.
- Ongoing UN reforms are likely to have a positive bearing on the UN system's ability to support country CD efforts, but critics contend that too much energy is spent on inward looking discussions and that reforms are not pursued vigorously enough.
- The UNDG position statement on capacity development in response to the TCPR reflects a significant step in providing operational guidance for the UN system as a whole.

4. Comparative advantages for supporting CD

This section discusses the UN "comparative advantage" or "value added" by virtue of its very nature versus the issue of effectiveness. It further reviews where respondents and informants in country consultations saw important roles for the UN system and how effectively these roles were seen to be carried out. Finally the respective roles in terms of normative and analytic/knowledge functions, convening power and the operational engagement are revisited in light of these findings.

4.1. "Virtue" and "effectiveness"

During the consultations for this review several interlocutors pointed out that the UN is not simply "one development agent". The nations of the world have established the UN system as a global institution to help the member states to negotiate, collectively agree on and implement agreements to address global threats and to secure global public goods. The UN system would need to be reinvented if it did not exist. In this sense, also the UN development system is not simply another agent that competes on a global market.

Yet, when it comes to specific services, in the context of this review in support to capacity development, there are legitimate questions around effectiveness and comparative advantages. The UN system is not the only supplier of development knowledge or the only agent for capacity development. There are many more and many financially better endowed agents, partners and competitors, in the development cooperation system. Even more, much acquisition of development knowledge and technology uses other channels, a global private market, an immense knowledge base that can be accessed via the internet or through global knowledge networks, including

"In trade it has the advantage that it is not a trading partner or competitor, so that its assistance is not subject to ulterior motives. Many of those providing the assistance come from a background in trade ministries or other government posts so that they can provide a way of transferring skills from one country to another, without the disadvantage of aid funded by a country which has interests of its own."

Academic

"The UN system should position itself to be able to support its members to use its neutral and impartial services in the management and use of DBS and SWAPs and other pooled funding and through them access to non-commercial expertise in particular in areas that relate to global public goods and services."

UN agency

diaspora networks. Appreciating this broader context the contribution of the UNS can be put in perspective: where does the particular strategic value of the UNS lie?

During the review the comparative advantage of the UN has been evoked derived from its very nature. A multilateral body based in one voice per country makes it in principle a neutral, impartial agent, without a hidden political, economic or commercial agenda. with legitimacy. Its universality implies a presence even where all other partners have pulled out. Some respondents emphasized that the UN needs to be careful to guard its natural competitive advantages as a significant asset that can underpin effective support to CD.

4.2. Views on comparative advantages and roles

The consultations and survey respondents did acknowledge the UN system's **normative and advocacy roles** and emphasized the importance of linking international standards and rights to actual implementation on the ground. During the consultations in East Timor and the Philippines, for instance, it was clear that this normative role was seen as particularly important by civil society, NGOs and senior government executives. However, operational counterparts in the government had the tendency to see the UN as another channel of "funding".

The UN system was frequently cited as a source of global development **knowledge** and for providing access to comparative experiences from other countries. Constituting a vast network that in principle connects experiences from around the world the UN system was seen as facilitating knowledge networking and promoting South-South exchange. It was also held that the UN system was well positioned to facilitate the acquisition and adaptation of innovative techniques and technology.

Consultations and survey responses put a high premium on the UN system's role as a **convener and broker** of partnerships. Respondents further cited support to civil society and the private sector to more effectively participate in national decision making processes, as well as facilitation of multi-stakeholder consensus building processes, for instance around the Poverty Reduction Strategies or brokering issues-based partnerships and coalitions. Some suggested that effectiveness in supporting CD should also be measured by the partnerships the UN is able to broker.

When it comes to country **operations** some informants saw the UN System steadily moving out of an operational role altogether. However, the overall picture is much more nuanced. A good number of government officials made clear that there is a high appreciation for the technical services of the UN system, which mirrors the mandates of national institutions and domains. There is recognition that specialized agencies have a comparative advantage in highly specialized areas of capacity development and are welcome service providers, also because they do not drive any particular economic interests.

Because of its neutral character, the UN system is also seen as having particular advantages that predispose it to play a role in sensitive and complex areas requiring collective action, such as

"UN should use its comparative advantage as a dialogue partner with the governments, to provide a link between Governments own reforms/capacity building efforts and the development of a strong and capacitated civil society, i.e. focus on the demand side of capacity building, at the same time as one is advising government on how the supply side should be provided (for example through reforms at central and local level), ref. answer on next question."

Donor

Please indicate what you see as the UN's comparative advantages to support capacity development?

Views from clients and partners

- Governance: fostering political capacities of governments (top down) and of local institutions (bottom up)
- Support to democratic transition and local election preparations
- Multi-stakeholder consensus-building processes
- Alignment initiatives
- Aid management and coordination, especially in fragile states and post-conflict countries
- Capacity building in post-conflict and/or highly political areas
- Convener and broker of partnerships, bringing together government, civil society and the private sector
- Facilitates participation of societal and government actors
- Development and use of development information and data
- Capacity assessments
- Technological and knowledge acquisition and innovation
- Knowledge networking for program design, management styles, implementation processes, and evaluation methods
- Promotion of knowledge management and ICT
- Advocacy
- Advocate and knowledge manager for human rights, norms, best practices, standards and development goals
- Strengthening national capacities to analyze, monitor and evaluate pro-poor policies and programs
- Setting norms and international standards
- Strengthening government and civil society capacities to cooperate/network

- governance, including elections, oversight functions, accountability, rights protection, local governance, etc.
- broadening evidence including through support to the development and use of development data, statistical systems, national RBM systems as well as in technical areas and sectors.
- fostering analytical and political negotiation capacities for governments and lobbying capacity in civil society.
- supporting aid management and implementation of the Paris commitments (as opposed to "coordination of donors")
- international negotiations, incl. trade
- incentive systems, including options for civil service reform, supplementation schemes and labour mobility
- natural disaster preparedness
- sub-national level and connecting micro–macro political processes
- regional frameworks and trans-boundary challenges.

The UN systems’ direct operational role is not questioned in **fragile contexts**. To the contrary, the UN has been seen as the critical provider for security, rehabilitation and development services in many post-conflict environments. In particular in post-conflict environments, governments and donors also saw an important role for the UN in strengthening district and local administrations as opposed to an upstream role only.

Facing a wide range of demands with limited funding and capacity constraints the UN system has been criticized to spread itself too thin. However, the attempt to do too many things was proffered to put in question effectiveness and more so the sustainability of the UN system's CD support. Donors generally did not regard the UN system as channel to deliver large amounts of development funding and the UN was expected to select opportunities strategically, i.e. prioritize action where it can meaningfully make a difference.

Some respondents pointed to a more active role for the UNS in **piloting** innovative approaches that may then be up-scaled by other development agents. This would imply the ability to take calculated risks and experiment with approaches that can be amplified with the support of better resourced donors. The need to plan for upscaling in case of success from the outset was emphasized. A comparative advantage in terms of focusing on specific experimentation was also emphasized in the 2002 review (see margin).

A related perception particularly common with donors is that the UN system is not necessarily the most **cost-effective** provider of services. (see chart 9 in the margin) The view seems to be related to overall perceptions of organizational effectiveness as well as the perceived dispersion and fragmentation of efforts in small projects and use of short-term advisors. UN staff counters the argument by pointing out that the social benefits that are not easy to measure are more important than being competitive purely in terms of cost, particularly in difficult or post-conflict situations with inherent high risks and uncertainties.

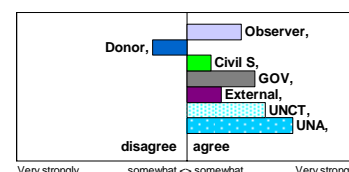
The **box below** provides a snapshot on how effective respondents saw the UN system in CD support roles that are stipulated in the UNDG position statement.

- Support to nationally owned and led development frameworks
- Linking a diversity of government and non-government actors
- Fostering innovative approaches
- Establishment of fora to facilitate the exchange of experiences and to acknowledge best practices
- Networking
- Promotion of South-South cooperation
- Advisory role
- Promotion and implementation of results based management
- Promotion of rights-based development
- Supporting development of national capacities to implement international norms/conventions
- Supporting implementation and reporting on commitments made in UN conferences/ conventions/ summits, including MDGs, human rights, gender, environment, etc.
- Regional/transboundary capacity building interventions could be a relevant UN niche area.

"... the UN system can design and implement its programmes and projects in the field with a view to using them as development experiments. It would focus on more specific tasks rather than broader efforts for which it no longer has the resources. Other international development agencies in both the public and private sectors would help to scale them up to achieve a wider impact. But this more entrepreneurial role would again have implications for the structure and management of UN system organizations."

UN CD study 2002, p.32

9. Compared to other development agents the UN is a cost-effective provider of services for capacity development.

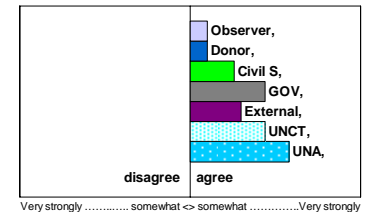


Views on the effectiveness of defined UN system roles

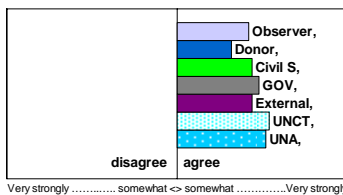
The UNDG position statement identifies 8 key roles for the UN system in support of capacity development. These were integrated into the rating part of the questionnaire. The responses give an indication on how effectively the various stakeholder groups see the UN system fulfill these roles.

Most questions as posed in the survey allows some specific attribution to an identified role. Some, for instance chart 24, are not discriminative enough as they mix too many dimensions. While there are low ratings by donors, notably for capacity assessment and promotion of national RBM, all ratings stay on the positive side. Some roles are more attributable to specific agencies, which is revealed for instance in the lower UN agency rating in chart 21. Variances also seem to reflect the degree of effort that is perceived at either agency head quarter or country team level. It would be useful to refine this barometer of effectiveness for future reviews.

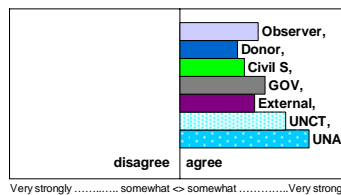
16. The UN effectively facilitates capacity assessments.



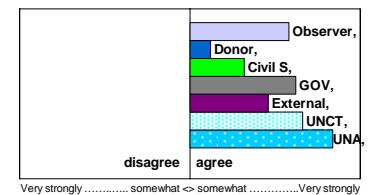
17. The UN effectively supports the capacity to analyse pro-poor policy options.



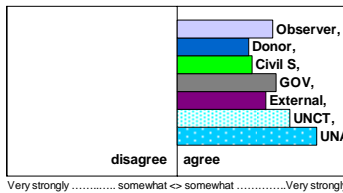
18. The UN effectively facilitates multi-stakeholder consensus-building processes.



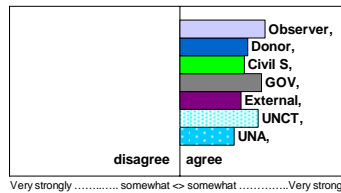
19. The UN effectively strengthens capacities to implement international norms/standards.



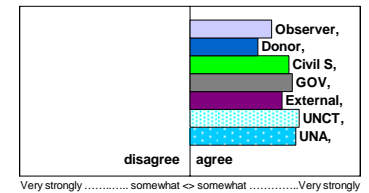
20. The UN effectively facilitates participation of societal and government actors.



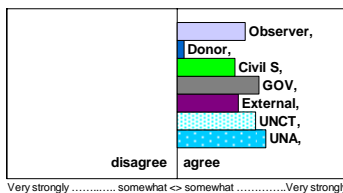
21. The UN effectively enhances capacities for national aid coordination.



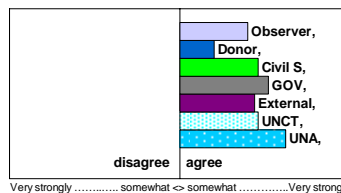
22. The UN effectively supports capacity to develop/use development information/data.



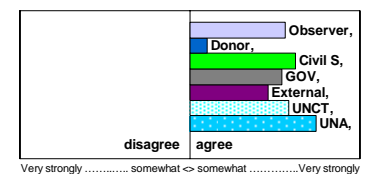
23. The UN effectively promotes national results-based management systems.



24. The UN effectively supports technological and knowledge acquisition and innovation.



25. The UN effectively provides international good practices in capacity development and promote knowledge networking capacities.



4.3. Revisiting UN system functions in support to CD

The discussion above reflects the UN system's comparative advantage in support of capacity development which may be clustered into three areas:

- (1) analytic and normative functions, and related knowledge management and advocacy,
- (2) the role as a convener for multi-stakeholder engagement and broker for partnership, and

"Their [UN system agencies'] role in setting normative standards, thru member states, is less known. The link between normative and operational roles must be understood and promoted. "

(3) operational roles including TC, training and provision of experts. All of these roles - not only the operational functions - are important for UN system support to capacity development.

The UN system is mandated for a wide range of **normative and analytical functions** that are required to manage global public goods. Sound standards, high quality analysis, reliable information, globally brokered agreements, global advocacy and access to relevant knowledge are in themselves fundamentally important contributions to national capacity development. Country stakeholders can draw on this support in a demand driven way. Civil society can use this information to press for change where governments may be slow. And development partners are likely to rely on these assets for their operational work if the agency manages this mandate in a competent and reliable way.

A senior government official in an African country emphasized that the diverse UN system with its funds, programmes and specialized agencies mirrors the areas that any government needs to deal with and thus is important for standard setting and as source of CD support. Generally civil society organizations seem to have a high appreciation for the normative and advocacy roles of the UN system. Examples of analytic functions on country level were referred to as for instance National Human Development Reports, observatories for child rights, reports on food security, etc..

"Roles the UN should assume more fully:

- move (completely) away from a direct implementing role, fostering partnerships with national institutions (government, NGO, etc.), in development and humanitarian aid (foster capacities of central and local governments to prevent and manage disasters, etc.).
- exchange good practices with other countries/regions and share them with local partners, foster knowledge networking capacities regionally.
- foster political lobbying capacities of local governments, private and civil society actors
- measure its impact on partnership rather than implementation."

Donor

ESCAP evaluation emphasizes convening and knowledge functions

In 2006 **ESCAP** commissioned external experts to conduct an evaluation of the organization in order to identify opportunities to further enhance its strategic role and impact. The evaluation noted strengths in ESCAP's convening power and capacity to provide a comprehensive and inclusive regional forum for high-level discussions on a wide range of policy issues, as well as its multidisciplinary and cross-sectoral approach in all areas of its work.

The team recommended that ESCAP could strengthen its thematic focus in providing an inclusive regional forum for member States to exchange views, experiences and knowledge on major policy areas, with a complementary role in providing cutting-edge research and analysis. The team proposed that ESCAP's operational work should strengthen and complement its normative and analytical functions and give adequate attention to sustainability. The evaluation noted that ESCAP could further promote coherence within the UN system and strengthen cooperation with non-UN sub-regional organizations.

"ESCAP should focus on its primary function as an inclusive regional forum for member States to exchange views, experiences and knowledge on major policies dealing with economic, social and environmental issues;"

"ESCAP should re-establish itself as an organization that can undertake cutting edge research and policy analysis, and promote creative solutions to address the changing development needs of its member States;"

"ESCAP must strengthen its cooperation with non-United Nations subregional organizations to achieve synergies with the planning and programmatic processes of these organizations;"

Source ESCAP CD Evaluation 2006

The **convening role** of the UNS has come out as critical at international, global, regional and sub-regional levels to find collective solutions to challenges related to global public goods. Also at country level, facilitating multi-stakeholder processes is generally valued by governments, civil society and the donor community - perhaps more than generally appreciated by UN country teams themselves. The UN is seen to have the legitimacy to help broker partnerships and open dialogue space for stakeholders to negotiate their "own" arrangements. This role can be instrumental in promoting

"The UN's real comparative advantage is to act as an honest broker in politically sensitive situations such as post-conflict transition, volatile election periods etc."

Donor

capacity development as an endogenous, stakeholder-driven process.

But the consultations and interviews have also made the point that many believe that the UN system should take more care in playing this role more competently as part of supporting capacity development efforts. The convener and honest broker role has been emphasized as being particularly important where inadequate systemic capacity issues and collective action problems are critical obstacles to long-term capacity development. This role is often taken for granted within the UN. It requires particular competencies that often are not adequately developed and available within the UN system and in particular at country level. The recommendations in a recent ESCAP review (see box below) resonate strongly with these findings on the importance of convening and knowledge functions.

Finally, the UN system's **operational role** is usually seen as the main support to capacity development. On the other hand, the nearly exclusive emphasis on operations as vector for supporting capacity development needs to be reassessed in the light of the discussion above. Operational support is needed in many LDCs and in post-conflict situations. However, it is here where national ownership and leadership are most vulnerable to distortions due to externally driven interventions and will require a high degree of contextual competence, adequate approaches and ways of engagement, discussed prominently in this report.

The box below summarizes the respective rationales in support of capacity development and gives examples on country/sub-national and global/regional levels.

*"Stakeholders say that when the UN speaks, Governments listen. The UN renders important opinions, based on international agreements signed by Governments, which must translate into policy and policy implementation. The UN provides a neutral venue for dialogue on conflicting and sensitive issues.
Philippines consultations*

*"The promotion of national results-based management systems is another domain where the UN system claims to have a comparative advantage, but there is a lot of rhetoric about the use of RBM in the UN system and its impact. The relevance that the attempts by UN organizations to adopt RBM approaches have enhanced national capacities to achieve more ambitious development goals is in my view far from being demonstrated,"
UN staff*

Box: Overview of UN roles and comparative advantages

Roles	CD rationale	Country/sub-national examples	Global/regional examples
1 analytic and normative functions, related knowledge management and advocacy	<ul style="list-style-type: none"> - reliable (and accessible) norms and knowledge are an asset for CD - government and civil society can make use (advocacy, policy choices) - fully demand driven, non-intrusive allowing for choice 	<ul style="list-style-type: none"> - analytic work on food security, child rights, trade, early warning etc. - NHDR disaggregated to local level - scenario development, HRD, long-term vision, etc. 	<ul style="list-style-type: none"> - international conventions - human rights - technical standards (WHO, ICAO, FAO etc. - knowledge portals - global public goods
2 convener for multi-stakeholder engagement and broker for partnership	<ul style="list-style-type: none"> - offers and protects space for prime stakeholders to negotiate their own solutions - addresses collective action problems and systemic CD issues - helps change dynamics of transformation 	<ul style="list-style-type: none"> - multi stakeholder dialogue, - feed-back and accountability loops, - rules of engagement - legitimize civil society and private sector engagement - country knowledge communities of practice 	<ul style="list-style-type: none"> - international conferences - regional conferences and processes - global and regional knowledge exchange - South-South centres and exchange
3 operational functions, incl. TC, training and provision of experts, etc.	<ul style="list-style-type: none"> - proactive role in advancing knowledge acquisition and redesign of systems - most effective in a "good fit" situation, responding to real demand - added value and trade-offs need to be carefully considered 	<ul style="list-style-type: none"> - active and trusted advisor to government - change agent to overcome collective action problems and address systemic issues strategically - pilot projects - Management of processes in fragile contexts with optimum traction for CD 	<ul style="list-style-type: none"> - regional organizations as change agents - pilot on trans-boundary issues, international movements of skilled labour, refugees - trafficking and other trans-boundary issues.

The consultations have underlined that all these roles are dynamically intertwined. Norm setting without continued reality check is bound to loose the cutting edge. The concrete experience from pilots, networking with practitioners and learning from practical success and error has an influence on

"Broad mandate, especially cross-sectorally and on MDG-related sectors, so that support for capacity development can be broad and – potentially – not

analysis and norm setting in the first place. Conversely the expertise related to international standards is naturally well placed to also support the development of country capacities to implement such norms. The convening role is instrumental both at global and country levels and critical where a plurality of interests require negotiated solutions. In any case, a clearer notion of what is supportive of capacity development can inform support to long-term capacity development.

supply driven. In that sense, the UN can be both an integrating supporter of capacity development as a balancing supporter – in part picking up where other donors are reluctant to go. This is, however, a potential comparative advantage, which can be achieved only by resisting supply-driven mandates within and across agencies." Consultant

4.4. In perspective

- The comparative advantage of the UN is based on its very nature that makes it in principle an impartial agent without hidden political, economic or commercial agenda. The question of whether it is effective and competitive in specific areas of support to CD is legitimate.
- The UNS is valued for its specialized knowledge and for accessing comparative experiences from other countries. This is a "non-intrusive" and essential asset for capacity development. More systematic attention and development of knowledge management systems can strengthen this CD support role.
- The convening role of the UN is well appreciated and the potential demand at the country level is more than UN country teams seem to realize. However, it requires particular competencies that need to be further strengthened within the UN system and in particular, at the country level.
- While middle income countries can procure support from the global market, UN operational support is needed in many LDCs and in post-conflict situations. Operational support requires a high degree of contextual competence, adequate approaches and ways of engagement to support country owned strategies
- A major challenge lies in strategically prioritizing where the UN system's analytic, normative, knowledge and advocacy functions can make the most difference so that other development agents can make their contributions more effectively.

5. UN capacities

This section looks at effectiveness in supporting capacity development from the perspective of the UN system's own capacities. Several dimensions have guided the review, including: strategic vision, programming instruments and operational systems, UN staff skills and incentives, monitoring and evaluation, funding patterns and coherence. Annex B3 provides an overview on impediments that respondents have flagged relating to these areas.

"If there is not a strong dose of CD the UN is missing the boat. The proof will be in the eating."

Senior government advisor

5.1. Vision, mission & strategy

A clear vision is critical to ensure effective support to capacity development and needs to manifest itself in policy statements and strategic guidance, and signals from top-management.

"If an organization want to be able to support capacity development it requires a clear vision. If you looked for one in the UN you would not find it."

Minister

At the **country level**, governments and donors alike do expect from the UN system to play a particular role in supporting capacity development. Some see the World Bank taking the lead in "hardware" development, while the UN system is expected to lead on "software" development (i.e., that constitutes country capacity). Respondents from high government ranks and the donor

"The main problem I see is that UN agency staff are not well-versed in capacity development issues. And this is because capacity development does not

community remarked that a common vision on CD that could guide the UN system and underpin policy dialogue with government and stakeholders was generally lacking. Expectations were frequently expressed that the **resident coordinator system** needed further strengthening to ensure alignment of UN system resources with requirements for capacity development. From a CD perspective the Resident Coordinator, as the principal manager of the interface between the UN system and country agents, can make a major difference if s/he is competent with regard to capacity development, adequately empowered and accountable for managing UN system support to this end.

Globally, capacity building or development has long been integrated in the language of UN guidance. It appears though that the associated vision has not been clear. The adoption of a UN system position statement (see above) now provides a common framework to build on. It remains to be seen whether this statement will have enough support from top UN management and from the UN constituency in order to set in motion a real redefinition of priorities, the establishment of clear default positions for CD, and the (re)allocation of funding that is required to follow through. Throughout the responses it was also a concern that the uncertain funding of UN agencies has a major impact on strategic vision. (see below)

5.2. Programming instruments and policies

Capacity development has been part of programming guidance for a while but ambiguities have allowed to interpret it around the lowest common denominator of TC, training and expert support. Also there has been inherent difficulty to clearly articulate and communicate the operational implications of the concept that requires staff competence as much as rules.

At the country level, the CCA/UNDAF process has been credited with providing significant impetus to more effectiveness in capacity development. Respondents pointed out that as a strategic framework the CCA/UNDAF demands more attention to lessons learned, favours analysis of capacity gaps, fosters dialogue on causes and suitable development strategies, and encourages joint programming. Some countries have moved more than others into joint programming through interagency theme groups (such as in Brazil), through joint knowledge projects (such as the Solution Exchange in India), or through joint thematic efforts, such as between WHO, UNICEF and UNFPA on integrated management of childhood infections in Albania. Joint programmes have increased in number but are still far from being anywhere near the idea of "One programme". South Africa has challenged the country team to go beyond one UNDAF and agree on one Country Programme Action Plan (CPAP) as the basis of engagement for all agencies

Respondents see a number of short-comings: The UNDAF tends to remain fragmented - too much "individual agency programmes stitched together". UN agencies were described as "preferring to do their own projects" rather than align with others. There is significant scope to improve "traction for CD" through closer working with national agents as part of the CD process in particular where national capacities are weak. Insufficient delegation at the country level and consequently limited engagement of non resident agencies came out as constraint that country teams seem generally to be well aware of.

feature strongly in agency policies and procedures, nor in staff training, nor in the signals sent out by agency heads".

Former UN staff

"... the UN system simply does not have the competence to fill its position as a credible dialogue partner on many of these complicated technical and political issues. There is therefore a need for UN to seek partnerships with other donors/actors who can provide the UN with more capacity and constitute a critical mass of support."

Donor

Capacity building should not be an objective per se but an imperative strategic principle. It requires more patience and slower implementation. Pressure in disbursements are destroying efforts in capacity building as they disempower!

UN staff

"National capacity development is still not mainstreamed in the practice of country-level operations in all UN system organizations as a top priority, in spite of what it is reported on paper;"

UN staff

"Through CCA and UNDAF exercises, the UNCTs should more vigorously promote the concept of capacity development and become main point of reference for the coordination of efforts in this area."

UN country team

"The UNDAF is (generally) a statement of strategic intent; it does not operationalise a common UN programme of support that is harmonised and aligned to national priorities. CPAPS have failed in this regard. The UN at the country level needs to move to one operational plan and budget, with commonly agreed outcomes/intended results and M&E framework."

UN country team

"NEX and UNDAF are time consuming structures and strategies that are rarely respected by the UN agencies themselves. These should be replaced by one corporate management and plan that address challenges identified in the strategic plan the UN should have for the particular nation. One-size-fits-all does not work for all."

Civil Society voice

Reflecting a broader trend, the UNCT in Mozambique is currently developing an "UNDAF Plus" to better include non-resident agencies. And an increasing number of agencies, recently UNIDO, UNEP, ILO, ECA, are entering into collaborative arrangements with UNDP.

Finally, risks are also being flagged: As the process requires much internal coordination and negotiation, defining an UNDAF may increase obstacles to broader alignment with national programmes. Some respondents contend that the unified UNDAF process can reduce the innovative potential of individual agency activities by allowing less space for initiative.

Globally, mainstream programming guidance increasingly has assimilated CD principles. The latest UNDAF guidelines are much more explicit on capacity development than previous editions. The UNDG is in the process of adopting a common methodology on capacity diagnostics and there are a wide range of CD related tools available for several agencies. In particular on country level the need was felt to clarify the linkages between guiding frameworks that tend to be perceived as parallel. A recent review of the National Human Development Report system recommends rationalizing these linkages (see margin). UNCT staff also report to be overwhelmed by too much guidance that does not easily translate into practice. Case experiences, analytically sharpened, are perceived as particularly helpful to share experiences and to inspire re-invention of such ideas locally.

In conclusion, the UNDAF process has been instrumental but minds and processes need to change that it graduates from a UN internal bridge builder to an outward looking instrument that more effectively defines and guides UN support to national capacity development efforts.

"Agency head quarters should avoid adding programme priorities or agency specific campaigns outside UNDAF"
UN country team

"The CCA/UNDAF formulation conveys the agreement with the demand for higher level harmonization of operational procedures and, most importantly with the importance of having capacity development mainstreamed throughout UN interventions." UN country team

Rationalizing linkages in country analytic work

Clarify and productively utilize the NHDR's relationship with many other exercises. Such exercises include the Common Country Assessment (CCA), the UN Development Assistance Framework (UNDAF), Country Programme Documents (CPD), as well as civil society organization and private sector reports and national development planning documents, which overlap in various ways. NHDRs may benefit from the data and analyses contained in such exercises and may also influence them. Potential synergies and conflict should be recognized and, where possible, used productively in the preparation of NHDRs.

UNDP (2007)

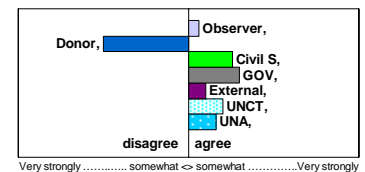
5.3. Delivery systems and operational procedures

Effectiveness in supporting national capacity development efforts cannot be divorced from the "how" the United Nations System engages. This dimension is discussed in more detail in section 7. The focus here is on operational systems which clearly stand out as a problem. (see chart #15) The inadequacy of operational systems got the single worst rating from donors, which may reflect a fundamental critique of organizational inefficiency. But complaints come from governments, partners and country teams alike and this review in itself is an example how cumbersome and slow UN processes can be.

At country level, where operational practice matters most, UN business practices are still far from making use of national systems. They are consistently perceived as rigid, slow and bureaucratic, not easily understood by staff and partners. Governments and country teams voiced difficulties in adapting to ATLAS. "ATLAS has in some ways also reduced flexibility to be responsive, as it does not permit advancing support while "paper work is being done". HACT as new system for harmonized cash transfer is cited as a real improvement by those who are more familiar, and is worrisome for others as implications are not yet understood. This reflects uncertainties and transaction costs linked to piecemeal reforms.

There remains a rather polarized picture on the National Execution Modality.

15. UN operational systems and procedures enable effective use of national systems of management, procurement, auditing, etc.



"The UN is still very much in the project mode." UN Regional advisor

There may have been in the past an over-emphasis on financial and administrative aspects of application of NEX, and not sufficient on building institutional capacity overall for strategic management." UN agency

"Operational flexibility from the procedural point of view is a management requirement that should be further introduced within the UN system"

UN agencies were asked to characterize NEX. Few thought that NEX was actually strengthening country implementation capacities or that it was generally well integrated into national systems. The majority of interlocutors saw NEX units functioning as parallel structures, some specifying that this was a consequence of the project approach. Many specialized agencies report not to use NEX at all or very little. On the other hand respondents also from government emphasized the importance of NEX in particular where government systems for management were not developed. The NEX system was conceived to be flexible to allow transitioning to national systems where possible. It seems that rigidities have build around the modality that hamper more "traction for capacity development" in project or programme management, monitoring and reporting.

Inefficient and inflexible operational systems or "business practice" has opportunity costs also in terms of capacity development. The High Level Panel on Coherence has just repeated what has been on the reform agenda for some time and what this review reasserts as well:

Modernization and reform of business practices, to be led by the Secretary-General, should be implemented urgently. Processes for resource planning, human resources, common services and evaluation must achieve full compatibility as major drivers of coherence in the UN system. [...] Programme countries and donors should be able to see and compare the true overhead costs of delivery through the introduction and publication of consistent administration and back office costs.

The One UN pilots seem to allow for certain liberties that may help achieve reform and eventually lead to "new operational defaults" more conducive to capacity development

5.4. Staff profile & motivation /incentives

UN staff competence is at the centre of the system's capacity to engage in CD and the record is a mixed one. (see chart #2) Weaknesses have been pointed out by many who were consulted and the inadequacy of staff profiles is recognized by country teams. **The challenge revolves around balancing the prevalent project management capacity, with specific technical skills, and multi-stakeholder brokering competences to effectively support CD.**

Many country teams have very competent staff in a range of areas, such as gender, child rights, child health and education, reproductive health, and others. The high rating on promoting the advancement of women and gender equality reflects on the relative success of advocacy and support in this area. (see chart #3). Specialized agencies with specific mandates tend to be particularly appreciated when they have remained at the cutting edge of their technical areas. However, the country level skills profile still predominantly caters very much to a project management mode. Competencies for normative-advisory roles are often combined with programme management roles. The tendencies are then for the UN to recruit profiles that both meet "advisory" and "managerial" competencies, sometimes compromising one or the other. Staff with substantive skills complain losing their skills as their energy tends to be absorbed in "managing" rather than "advising". In the end, UN staff is perceived to be either "micro-managing" or "dictating" to national counterparts.

Further, both groups do not necessarily have adequate competence in

in order to favor the use of national standards." Consultant

"In programme development the UN has missed opportunities to build national capacity to strategize and draft documents. Too much has been done without proper involvement "inhouse" in UN) ." Government

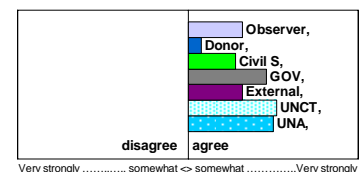
"The UN, potentially, has great legitimacy in many aspects of development. It is seen as independent and standing outside narrowly defined national vested interests. But often it blows this advantage by being overly cumbersome and exceedingly slow. I have found this in all my overseas postings."

Donor

"A mere coordination among UN agencies will not be sufficient; it seems that all stakeholders and partners together with UN agencies should be established under the auspices of the UN Resident Coordinator and hold monthly meetings in the form of task forces and committees to enhance partnership"

Government

2. UN staff generally has the appropriate competencies to support priority country needs for capacity development.



...It is quite clear that most COs are still very much in project management mode. There is still very little conceptual understanding of CD and very little in the way of a structured approach to supporting CD activities. CD is something that takes place within a project and there is very little cross-office or cross-agency discussion on capacity or CD as a theme. UN agencies are simply not staffed to do CD effectively.

UN staff

supporting endogenous CD efforts which often requires a set of softer skills, such as process facilitation, use of participatory techniques, bringing the right people together at the right time, brokering partnerships, the ability to spot opportunities and to build synergies, sequencing of support, analysing complex systemic issues. Problems with cultural sensitivity, language or contextual competence have been cited, in particular for regional advisors. On the other hand, and rather important for supporting capacity development, UN staff is generally acknowledged to be sensitive to political economy issues. (see chart 8)

An example is the role of senior economist, frequently emphasized as being critical for the CD agenda, for several reasons: Firstly, there is a real need to engage on macro-economic issues where many country teams are seen as weak. Secondly, the importance of this role also derives from a perceived responsibility for thinking in synergies. Not surprisingly, senior economists often find themselves drawn into engagement on many strategic matters and tend to be overstretched.

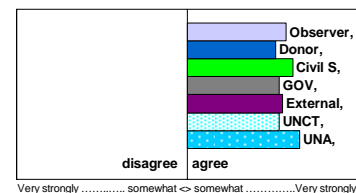
Over the years the demand has changed, but it has been difficult for country teams to readapt. This may be part of a general mindset as much as of real constraints to recruitment and separation of staff and incentive systems for staff. **Incentive systems** often seem to reward less conducive behavior, such as resource mobilization and quick delivery. Informants have also pointed to obstacles including inability to attract and retain talent, no career track for CD specialists, generally lack of advancement and limited opportunity for promotion and mobility in the UN system. There are few incentives for integrative work and engaging in partnerships. Also transaction costs for non-resident agencies remain high.

The demand for CD support has soared in recent years and current levels of backstopping are largely inadequate. The regional support systems that have been put in place works uneven. A full assessment could not be made. But it seems that several technical agencies have been able to decentralize support teams that are perceived as highly competent and attuned to the context.⁹ On the other hand, the UNDP sub-regional support has been seen as technically competent but often lacking adequate contextual knowledge to rapidly connect to country realities. Some have argued that specialists could be further decentralized and work from country base, as it is there where the need is greatest. Whatever the construct, this gap between the need of relevant and context sensitive advisory competence on country level and corresponding regional support mechanisms needs to be addressed.

The overall analysis suggests that a systematic effort of staff upgrading is needed. In addition to mainstreaming CD content in formal UN system training, there seems to be a particular need for more flexible and tailored coaching on the job. The advisory network for CD support needs significant expansion if the shift in mindsets and restructuring on country level is to take effect. It seems important to establish literacy in CD approaches and conducive engagement as selection and promotion criteria including for resident coordinators who have a particular responsibility to manage UN

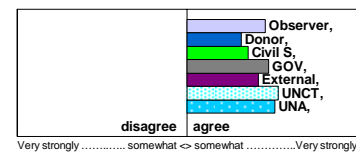
⁹ Similarly, some UN staff emphasized that World Bank staff substantively backstopping country support generally has contextual knowledge that allows even distance engagement and coaching "as if they were in the country".

3. UN programmes consistently promote the advancement of women and gender equality.



Lack of sufficient staff with the cross-sectoral macro-micro capacity and experience consistent with evolving approaches to support of capacity development. [...] Lack of sufficient incentives for this kind of behaviour -- vs. a narrower and less-integrative approach. Consultant

8. UN staff generally has good understanding of political economy issues and takes into account political interests and power relations.



"Needs assessments of CD competencies within UN agencies at the country level –through surveys, in-house focus groups and adaptation of 180 degrees evaluation." - UN country team

"Enhance capacities of UN country personnel so they become resource persons for partners instead of partners seeking resource persons and experts elsewhere" Government

"But to achieve the results that the UN system s seeking to deliver, a lot more needs to be invested in enhancing these technical capacities and making sure that programme and policy staff are provided the resources that enable them to deliver." "You cannot build a great institution on consultants and temporary contract holders." UN regional advisor

"Required is the] "Promotion (e.g. through the UN Staff College) of a reflection to produce a cultural change among UN officials to support national capacity development." - Consultant

"Empower the RC quickly so that they have authority on all Ex-com at least (you will lose some of the best because of the

engagement and country level staff for CD results.

slowness of reform !)" - UN country team

5.5. Monitoring, evaluation & learning systems

Section 8 below will focus on results and measurement issues. Some points need to be flagged here. M&E systems of UN agencies increasingly try to also capture the capacity dimension. There are more evaluations in the UNS that include CD specifically (FAO, ESCAP, UNDP, etc.). The CCA and UNDAF now incorporate capacity development objectives and indicators even if there is more work needed. Yet, M&E is often perceived as an issue of compliance and reporting rather than an opportunity for learning. Staff are pressed for time and thus M&E is conducted in sub-optimal ways or not at all. The recent evaluation of the national human development report system is a case in point. The evaluation team notes that hardly any of the UN country teams has initiated an evaluation of the previous NHDR in the pen-ultimate year before the next report, which is when actual learning could still have taken place. M&E is rather done to "discharge a requirement".¹⁰ A similar picture seems to emerge for UNDAF evaluations.

Even where evaluations are done, the responses suggest that there is an issue with uptake of lessons in a functioning learning loop even within agencies. This review also demonstrates that many lessons exist but remain scattered. There is little permeability between the agencies and even between thematic areas within agencies. In particular from country level the call was made for connecting knowledge platforms and to make cases and more widely available in a digestible form. Several agencies have introduced within their performance plans time for learning and networking. But the codification, sharing and absorption of knowledge remain also an incentive and working culture issue.

Finally, a concern prevails that evaluation offices of agencies will always face some pressures to "tell the good story" to their management and the donor constituency. This may call for more independence in evaluations. More rigor in terms of depth and quality of evaluations has also been suggested. Arguments have been made for anchoring M&E, for learning and accountability purposes primarily on country level to serve domestic constituencies in learning and decision making, as well as for keeping vertical results management light. Surely any agency will require a minimum of corporate monitoring for management purposes. What meaningfully serves RBM purposes without unduly distorting priorities and incentives will need to be explored further.

But RBM can also be problematic by focusing on the tangible, short-term and quantitative which does not necessarily capture factors and developments that are critical for effective capacity development processes (see box) This finding has been reconfirmed numerous times and the problems are so well described that RBM systems in development agencies in general need to face this issue with sincerity.¹¹ The short and long-term perspectives are not mutually exclusive but respective operationalization requires careful attention,

"The UN system still struggled to put in place an organizational system that uses knowledge to strengthen and improve outcomes. (learning for performance) and in addition, use the learning form outcomes to improve policy choices and strategic direction. In practice, too many unconnected "lessons learned" and aimless "best practice" seemed to clutter up the UN system. Staff members were almost invariably overwhelmed with daily operational work, which eroded the space and energy for organizational learning. Staff had too much information and undirected learning pressing in on them. The UN system did try to narrow this 'knowing-doing' gap in the 1990s but more needs to be done to make organizational learning into a core capacity of the UN system."

UN CD review 2002

"There really is an absolutely major need for the UN either to stop doing what it calls evaluations, or do these well. Both technical and institutional issues that presently prevent serious evaluation being commissioned, undertaken and promulgated need major attention"
Academic

"Civil Society assessments should become a fix component of development strategies in order to ensure a balanced approach that focuses on the people and on improving peoples lives. Civil Society should move away from having a watchdog function and should be incorporated and consulted in all steps – needs assessment, strategic planning, monitoring, and evaluation."

Civil Society

"UN agencies should decrease the enormous efforts they are putting in image building and promotion of high profile which underline the efforts and projects of the agencies themselves in stead of focusing on enhancing national capacities. UNICEF is a good example, among the UN agencies, of an agency which implement its own projects thus weakening capacities of national institutions."

Donor

¹⁰ NHDR evaluation

¹¹ see UNDP research, incl. Hauge (2002), Lopes (2003). The European Centre for Development Policy Management (ECDPM) in recent research on capacity development has pursued a strand of work on monitoring and evaluation issues that has pointed to a significant tension between the dominant RBM culture and the requirements for M&E of capacity development. Watson, D. (2005), ECDPM (2006), www.ecdpm.org.

flexible RBM systems and adequate competence to apply them.

CD and RBM - not always an easy couple

Results-based management is a critical factor for organizational effectiveness and can also be a useful tool for effective support to capacity development. As one country team summarized it: "RBM, applied throughout the UN system, helps in: (i) setting-up a coherent programme framework for capacity development activities; (ii) focusing on outcome-level monitoring and evaluation as opposed to project-based micro-management; and (iii) strengthening the UN's accountability for collective results."

DFID's assessment of multilateral organizational effectiveness (MEFF) reveals that "an enormous amount of organizational change is taking place amongst multilaterals, and substantial progress has been made towards more results-focused management systems." (DFID 2005) The DFID assessment points out that some UN agencies, including UNDP, UNFPA and UNIDO have adopted "big bang reforms with considerable impact". Others have moved with incremental, more cautious reforms, such as WHO and IFAD. Several of the standard-setting and small agencies are reported to show slower progress. (see margin)

However, RBM systems also may have drawbacks in terms of CD support. In particular they bear risks of not being in tune with long-term sustainability concerns, and of neglecting processes that are less tangible and difficult to measure, including softer aspects and political dimensions. RBM-based logical frameworks (outcome-output-activities) risk to be used as rigid blueprints that do not necessarily correspond to the real needs and dynamics of CD.

Already the 2002 UNFPA evaluation concluded: "The current preoccupation with results-based management has intensified the bias against a focus on capacity development. Few organizations have managed to adapt their results-oriented procedures to the particular needs of capacity development programmes. Most have used them for 'proving' rather than 'improving'. And RBM has tended to reinforce the tendency to seek short-term gains at the expense of longer term benefits. (UNFPA 2002)

Multilateral Effectiveness Framework (MEFF) Results 2004

The general results indicate that:

- Most international organisations have aspects of RBM systems in place and a process of convergence is taking place
- Nevertheless there is scope for improvement, but the required changes are mostly underway
- Three types of organisational change have been identified: *consolidating reforms*; *'big bang' reforms*; *piecemeal, incremental reforms*
- There is patchy performance in most agencies
- The country level results perspective is much weaker than that for internal performance and partnerships
- Looking across all perspectives, the commonest weakness is in M&E and reporting

Inter-agency comparisons reveal that:

- There are important differences amongst different agency groupings (less marked amongst the MDBs)
- The standard-setting agencies have weaker results, particularly as regards the focus on country level results. However, this is not true for all in this group and many have significant changes underway

5.6. Funding and resource mobilization patterns

Unpredictable funding has long been recognized as undermining UN capacity by making the organization dependent on mobilizing extra-budgetary resources.¹² UN agencies have been criticized to compete with each other for donor funding on country level. Furthermore, cases are reported where the UN effectively entered into direct competition with civil society organizations or government. This situation is likely to increase with more general budget support being provided. The argument was clearly made that in the emerging general budget support environment donors would rather fund government than UN agency trust funds. Governments then could decide where to procure the support they need, consistent with principles of ownership and choice.

On the other hand, it was equally clear during the consultations that in particular donors saw the UN system in a kind of gap filling role in terms of "picking up where others are reluctant to go". While there are areas that

"If the UN is to work more coherently and effectively, both at country level and globally, significant changes are needed to the way donor funding is managed. Current UN funding patterns are highly fragmented, unpredictable and constrained by too much earmarking, which has encouraged duplication and inefficiency. This limits the UN and programme countries from making strategic decisions, and undermines the principles of multilateralism and country ownership."

High-level panel on coherence

"Capacity development efforts not only depend on joint programming efforts

¹² For instance Study on *Mobilising Support & Resources for the United Nations Development Funds & Programmes* carried out under the *Development Finance 2000 Project* initiated by the Swedish Ministry for Foreign Affairs and undertaken from April to October 2000 by Percy Mistry of Oxford International Associates and Niels Eilschow Olesen of COWI. The recent report of the High-level Panel on coherence has underlined the constraints on strategic action and the undermining of national ownership. (see margin) and also complementary background research to the TCPR has underlined this.

cannot simply be addressed in a demand driven mode using the UN country team opportunistically as a “last resort” channel exposes a more fundamental dilemma: In difficult contexts where the UN system is expected to intervene with longer-term strategic vision for effective support to capacity development it often depends on opportunistically mobilized ad hoc funding. The issue of funding is dealt with elsewhere in the TCPR review. But from a CD perspective the following may be considered:

- The arguments presented in this report indicate that there is scope for enhancing effectiveness in supporting capacity development regardless of the funding issue. It requires a clear strategic vision that has sustainable capacity development results at the centre and redeployment of resources in a strategic way.
- However, the deteriorating quality of funding has been rather detrimental and there is an urgent need to address the funding base of the UN systems. Reliable funding the UNCT would enable UN country teams to strategically plan for the long-term CD support rather than swaying opportunistically to capture small amounts of funding.
- All three major roles of the UN system, normative, analytic and knowledge, convening and brokering, and operational support are important for capacity development and require adequate funding. There need to be means to connect norm setting with country support in a dynamic cycle.
- There are many good reasons for leaving the choice of service providers and inputs to developing country governments. A full demand mode is in line with national ownership and can help to ensure "good fit" in support to CD.
- On the other hand the importance of an operational presence of the UN system at country level needs to be recognized particularly in fragile environments and sensitive contexts. This function needs to be strategically and adequately resourced, and not left to ad hoc decisions by individual donors.
- The UN system and its constituency may aim to negotiate an evidence-based performance contract that establishes plausible links between funding the UN system and its effectiveness in supporting capacity development. (see below)

amongst specialized organizations but also on efficient and inclusive field operations and coordination. A clear package of all these elements, in combination with flexible budgeting structures and funding mechanisms is needed for improving the impact of the UN development system in the field. This would (among others) require clarifying the role of UNDP and the RC and sharpening their focus on their core competences in organization, coordination and fund-raising while withdrawing from sectoral and specialized technical assistance."

UN agency

"Although MYFF's do not appear to be securing their aim of assured *multiyear* core funding, they are sharpening programme focus and inducing DFP managements to pay greater attention to outcomes and results. However, donors may be overdoing, somewhat unthinkingly, their emphasis and insistence on wanting firm evidence attributing results and outcomes to the specific programmatic interventions of each DFP. They are in effect asking questions that are fundamentally unanswerable. Neither the theories nor the analytical techniques to provide such answers exist as yet.

In asking for the impossible, donor representatives are placing unnecessary stresses and strains on DFP managements and staff that are entirely avoidable if a sense of proportion is restored in the "question-asking" process. The cost-benefit ratio in most such instances suggests that it is simply not worthwhile to try to accommodate unreasonable questions with impossible answers." COWI (200?)

5.7 Diversity and coherence

From the review it is overwhelmingly clear that the fragmentation of the UN system at country level is regarded as one of the most critical stumbling blocks to more effectiveness in supporting capacity development. As one country team put it: *"The imperfect UN internal coherence in capacity development approaches is one of the most urgent issues to be addressed both at the corporate and country levels (e.g. Agencies' different approaches and methodologies in capacity assessment). Differences in approaches facilitate the diffusion of inconsistent messages to the national partners and hampers*

"To bring about real progress towards the MDGs and other internationally agreed development goals, we believe that the UN System needs to "deliver as one" at the country level. To focus on outcomes and improve its effectiveness, the UN should accelerate and deepen reforms to establish unified UN country teams—with one leader, one programme, one budgetary framework and where appropriate one office (box 1). To deliver as one, UN country teams should also

¹³ Some countries also clearly indicate that they cannot afford to house the UN in one place. Others have indicated that that moving one big office necessarily puts very few building owners or promoters in very strong positions and reduces options.

the achievement of the ultimate objective – the ability of national counterparts to own, lead, manage, achieve, and account for their national development priorities."

This review cannot discuss the issue of how the overlapping and sometimes competing mandates of UN agencies can be rationalized and the recommendations of the High-Level Panel on UN coherence will be further discussed during this year. Strength in coherence at the country level from a capacity development perspective derives on one hand from the ability of a reinvented country team to provide competent and rapid advice and access to the range of development knowledge that the UN system can mobilize globally. It secondly derives from an anticipated ability to overcome the competition, duplications and dispersal of energy and resources in many small projects, divergent operational procedures etc. The UN is unlikely to become a major channel of funding (v.s. IFIs), but it can make a very significant contribution as a competent partner in developing a sound vision and concrete scenarios for the development of long-term technical and systemic capacities.

The imperative for more coherence at country level does not take away from the fact that there is strength in the diversity and specializations within the UN system. Informants from government emphasized that the UN system is a mirror image of the many functions governments need to assume. Government respondents have emphasized the importance of choice of their priorities and the inputs needed for a domestically driven development process. It is evident that "one size does not fit all" circumstances neither for coherence in support nor for capacity development itself. It is not UN standardization or the common premise¹³ that will make a real difference. Effectiveness will hinge on more coherent work of the country teams and flexibility to adapt to actual need and lead on country level. The eight One UN pilots¹⁴ under way may have positive effects for capacity development support in terms of better cross-fertilization, synergies between efforts, mutual learning, joint strategic planning and positioning, with capacity development emerging as a fundamental common objective.

have an integrated capacity to provide a coherent approach to cross-cutting issues, including sustainable development, gender equality and human rights."

High Level Panel

"Heads of agencies of different UN bodies continue to ignore the need for joint thinking, planning and working together as part of a collective effort to make the UN more effective and relevant. Many focus instead on each agencies' individual areas and consequently ignore the system's complementary synergies." Donor

"We look forward to the discussion of the High-level Panel on UN System-wide Coherence report entitled: "Delivering as One". We note that 8 "Pilots" of one-country approach are experiments and should be aligned with national priorities. In this context, it is vital, where required, to ensure that recipient Governments have the capacity to freely determine their own development strategies and priorities. Also, there cannot be a one-size fits all approach. While the UNDP's lead role is essential, the sectoral expertise and specialization of UN agencies should be preserved. The harmonization of the business practices of the UN funds and programmes and the specialized agencies will serve to increase coherence and efficiency."

G77, 2007a

5.8 In perspective

- UN country teams can strengthen their effectiveness in supporting CD by articulating a common vision on how they can support country-led CD efforts and by adopting clear "default positions" for CD, supported by respective operational priorities, structural changes, budget allocations, etc.
- The UNDAF process has been instrumental in reflecting programming guidance which has increasingly taken on CD principles. It is desirable that it graduates from a UN internal bridge builder to an "outward looking" instrument for aligning with country priorities and collaboration with partners.
- In reforming UN operational procedures it is important that they are efficient, flexible, compatible, and synchronized with national systems and processes. Particular responsibility rests with the RC to ensure that "new operational defaults" are applied and that funding and operations are transparent and subject to parliamentary scrutiny.
- Staff competencies in HQ and at country level can be reinforced by upgrading substantive support in CD approaches and promoting conducive ways to engage in CD processes, in particular in complex situations. CD competencies as criteria in selection and promotion may help shape staff incentives for more effective support.
- Monitoring and Evaluation can be reinforced to serve learning purposes rather than accountability

¹⁴ Vietnam, Cape Verde, Albania, Mozambique, Nicaragua, Pakistan,

requirements. There is an inherent tension between RBM system requirements and capacity development support that needs a contextual learning approach.

- Unpredictable funding can undermine UN capacity and distort priorities by making the organization dependent on mobilizing extra-budgetary resources. Reliable and adequate funding is essential in particular in more difficult contexts where the UN systems needs to be able to engage strategically
- Fragmentation of the UN system at country level is one of the most critical stumbling blocks to effectiveness in supporting capacity development. Coherent support to CD processes needs to remain flexible and respond to national ownership and choice.

6. Approaches, strategies and patterns in supporting CD

There is a vast range of innovative approaches to supporting CD that informants have pointed to. This section cannot address the entire spectrum. Instead it will first discuss the fundamental importance of "good fit" for any approach and then concentrate on training and technical experts as modalities that continue to be widely used. There are approaches that are more of a "hands-off" type and more in line with the principles of ownership and choice, such as knowledge networking and facilitating access to knowledge on a needs base. Finally the section will point to the innovative edge in trying to address systemic issues in the enabling environment. Please see annex B for more voices from the survey.

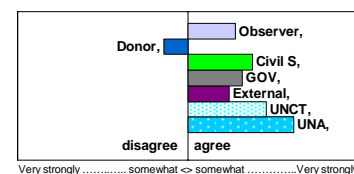
6.1. From "best practice" to "good fit"

Capacity development is an endogenous process that the UN can support in many ways. But UN agents in this sense cannot "do" capacity development. To be effective CD support services need to fit the context and needs and serve domestic agents' efforts in CD. "Best practice" in one country may not be "best". Promising practice needs to be "reinvented" locally to make a positive difference.

Traditional approaches have aimed to transfer knowledge from the outside, help implant the relevant skills to replicate functionalities. During the consultations there were many remarks on inadequate training and experts that did not cater well for the actual needs. Supply driven modes are always running the risk to provide what may not really be needed and are particularly problematic if they come with funding and a "take it or leave it" choice. There was a sense that UN agents tend to replicate traditional practices. The rating on promoting innovative approaches (beyond training and experts) for ensuring more sustainable results is overall rather low. (see chart #13) Higher rating by UN agency headquarters shows that there may be a gap between innovation within the system and at country level.

On the other hand it is equally clear that "traditional" approaches such as training and expert advice are not always wrong. In effect the private sector is a vivid example that they can be very useful instruments. Companies pay for advisors and for regular staff training. In development cooperation this is not always the case and sometimes a taker accepts because of lack of alternatives. Also, many long known short comings persist in the application of these

13. The UN promotes innovative approaches (beyond training and experts) that ensure more sustainable CD results.



Developed countries are developed not only because they acquired capacities, technologies and knowledge. They are developed also because they are able to : (a) adapt and incorporate the knowledge generated by others into their productive systems, their institutions, their societies; and (b) generate their own endogenous new knowledge, through research and innovation. This implies that: (i) the UN assistance has to design long-term oriented and sustainable operations that include the

approaches, such as inappropriate standardization for diverse audiences, rolling out training in top down mode, or inadequate quality management of consultants. Whether these or any other approaches serve to reinforce domestic capacities to analyse, make informed choices, implement them, and adapt to challenges is a question of "good fit"

"Good fit" fundamentally is related to choice by the users of a service. The prime example for such choice is knowledge available on the internet. It is available basically free of charge or at very low costs. It requires initiative and allows selection of what serves the purpose. Even though any knowledge does transport biases and can be of questionable quality, it is up to the user to search for it and to "reinvent" it for the context. In this sense enabling the access to high quality knowledge in a "hands-off" or "non-intrusive" way is very much in tune with an endogenously driven capacity development process. (see also above section 4)

The UN system does not use tied aid, although increased earmarking does limit overall choice in priorities. Governments and civil society seem to agree with UN respondents on a reasonable degree of choice that UN approaches allow, while donors and observers are significantly more critical. (see chart 1) Lines easily get blurred between choice and subtle pressure, between advocacy and salesmanship, between "hands-off" and "hands-on" approaches, and between genuine ownership and intrusion. Fundamental to the discussion of approaches is the importance of competence of UN agents to engage effectively and of operational safeguards that protect genuine choice as the default setting.

6.2. Training

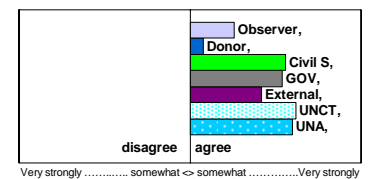
Training does not equal capacity development. It is one technique to "transfer" skill and knowledge. It can be highly effective for CD when training needs are well-defined and techniques used are appropriate. But learning is essentially the voluntary acquisition of knowledge and thus very much dependent on motivation. Many training programmes are reported to have unsustainable results because the organizational and enabling environment that stimulates motivation are not addressed. Training supply that does not speak to actual demand will likely not connect with local management and production systems. One of the consultation meetings, while not providing much insight on the interface of the national institution with the UN, was very telling on this point. The national director remarked on the many trainings she had attended. "Sometimes one goes away and does not know what one has learned". She pointed to the difficulties of integrating training content into the work. In this specific case the institute was looking for "on-the-job-learning" to better connect learning with realities.

The continued relevance of training as modality was stressed throughout the country level consultations. Training can, for instance, be highly effective where individuals as well as absorbing organizations are motivated to learn. One example is UNCTAD's programme on "Trade Related Technical Assistance and Capacity Building on Accession to the WTO". An evaluation of the programme shows that "UNCTAD's technical assistance and capacity building activities are considered to be very relevant, focused and timely, pro-development and responsive to the changing needs of the beneficiary

means to generate the endogenous capacity needed in each sector or area of the assistance; and (ii) that the UN assistance has to help developing countries in adapting the external knowledge to their needs, in assessing their needs by themselves, and invent their own national development processes: this is the real ownership they want to achieve.

Senior UN agency staff

1. UN programmes enable national partners to effectively decide what strategies and inputs are relevant to their development efforts.



One option to encourage on the job learning, that has come out in the consultations, is the secondment of agency staff to national organizations. In Liberia, for instance, UNICEF seconded staff government ministries. It planned and implemented training programmes with them while assisting to identify, select and orient new officers. It also provided its support in enabling access to new technology, including computers and the Internet.

source: Liberia study

➤ All recipients interviewed intimated that UNCTAD's technical assistance and capacity building activities were highly relevant... The recipients also gave high ratings to the content, approach and frequency of technical assistance and capacity building activities... Overall, UNCTAD technical assistance and capacity building training programmes are considered relevant and are valued accordingly. (quoted from UNEG Meta analysis 2007)

countries. Accession to WTO ensures a high degree of motivation. (see margin)

Another example is the e-Biosafety Training network supported by UNIDO. A network of regional academic centres covering Latin America, Europe, and the Asia/Pacific region offers a long-term biosafety training programme in modular format leading to a postgraduate accreditation provided by the network member institutions. It is targeted towards an audience comprising of professionals involved in biosafety within governmental, academic and industrial sectors. This target group promises to benefit most from the training and is generally highly motivated. The modular character of the didactic material, its delivery through a network of universities as well as the involvement of local and regional experts ensures the streamlining of programme to respond to specific regional needs and to address logistical problems such as time zones or languages in an effective and coherent manner. (see margin)

Before precipitating into a training response it is critical to understand well the context and its dynamics and for the clients to identify what is relevant to their needs and what may be most helpful in providing for this need.

- What is really needed and what thus is relevant?
- What is really wanted and appreciated?
- Does the supply correspond to the demand? ("good fit")
- Is the motivation there to learn?
- Are the incentives there to use what has been learned?

Where training is an appropriate response it still needs to be of a professional quality. Too many evaluations show weaknesses that could have been overcome if lessons from the past were effectively integrated in learning. The 2002 UNFPA evaluation articulates shortcomings that can be found in many project evaluations with training components. These relate to pertinence, sequencing, trainee selection, training materials, class size, practice period, training methodology, trainer quality, gender sensitivity, supervision and follow-up. Training as such is not a particular domain of the UN. There are many providers, including increasingly local setups that can deliver training of high quality. There are even international standards for training, including ISO 10015 and adhering to such standards offers one way to promote quality and accountability.

The review and consultations show that "training" is deeply ingrained in mindsets as response strategy to capacity gaps. But there is also a clear upward trend in using more flexible and tailored approaches, that help stakeholders identify their own priorities, learning and development goals. (see margin). An investment in staff sensitization and competence on innovative alternatives to "rolling out" training programmes should help improve overall effectiveness in support to CD.

6.3. The use of experts

Provision of technical experts is still very much part of the TC mix used by the UN, and this is likely to continue, as it does in the private sector as well. The issue again is not "expert or not expert". It is rather that an expert

The e-Biosafety Training is delivered through modern distance learning techniques complemented with interactive teaching methods and extensive on-campus tuition. This concept allows trainees to pursue their biosafety studies in parallel to ongoing professional activities; it keeps costs for travel and accommodation to a minimum and allows for face-to-face tutoring. The training material has been developed by eminent experts. It is under constant improvement to take into account recent developments and needs voiced by the network and is subjected to peer review for quality, topicality and relevance. Emphasis is put on the formation of local professionals to foster the creation of in-country expertise important for the long-term sustainability.

source: UNIDO response

Often training is too standardized and motivation does not facilitate learning and application. Some alternatives to training that have been cited in the responses:

- On the job learning
- Action research
- Coaching, mentoring
- Peer knowledge exchanges
- participatory training methods based on adult learning principles.
- Knowledge networks and knowledge fairs
- Knowledge sharing through collaborative projects
- Focus groups
- South-South knowledge exchange
- Community of practice approach
- on-the-job training combined with long-term supportive supervision
- gradual weaning process that was flexible enough to retrain staff when necessary

"There are perceptions that CD efforts tend to benefit and build the capacities of consultants rather than the client. International experts seem to be suited more for top level policy dialogue (e.g. a

response is not necessarily the best fit in a given situation and may have (very) high opportunity costs. There are some overall trends that can be discerned in the use of experts, namely from long-term technical advisors to short-term advisors, from external specialists to more local consultants, from Northern expertise to South-South cooperation.

Government respondents generally showed appreciation for the flexibility of the UN to provide experts on request. Others have argued that the UN is actually "too easy in supplying experts". Informants made the point that provision of expensive external expertise may not be the right response in the first place and other options deserve sincere consideration. A concern raised in all quarters was that the quality of expert input was not always up to task, either technically or in terms of contextual literacy.

A concern, raised by government informants in particular, is the fact that experts are sent for short-term assignments. This often implies that they do not have the contextual sensitivity, need to spend time learning and when they are gone they cannot easily be brought back for follow up. Also donors expressed concern that by using short-term consultants (6 months to one year) the UN is not being cost-effective in responding to long-term needs. The tendency to spread small amounts (for consultants) to a wide range of activities or projects as opposed to investing in high-quality long-term expertise focused in fewer but strategic areas was raised

former Finance Minister on debt management) and for transferring advanced methods, while local experts who have the advantage of contextual skills can better support implementation of policies and international standards."
Philippines consultation

The biggest thing (change in approach) is probably the reorientation of UNDP [...] to focus on governance, including (for this purpose) capacity development and to start to treat it as a systemic rather than "what experts would you like, Minister?" issue. At the micro level, the focus on accountability to ultimate beneficiaries is noteworthy.
Consultant

"One of the main key factors is the staff incentives. The civil society is never clearly informed of the projects offered by the UN. Instead, the implementation is given to certain organisations & NGOs through friendly ties. The only way out is to have some means for capacity evaluation of various NGOs. This should, of course, be carried out by UN experts."
Iran review

Box: "Gap-filling without shame"

The 1994 Berg Report already coined the phrase "Gap filling without shame". Gap filling, the integration of an external expert into the line functions of an organization, has been regarded as undesirable, because in many cases it represented a "capacity substitution" rather than strengthening capacities in the concerned institutions. The perspectives now are more nuanced pointing to the fact that it is rather a question of how the expert operates and whether there is indeed a strategy that helps domestic incumbents of the respective function to absorb the knowledge and skills and gradually take over responsibilities. In environments that are marked with very low capacities, as for instance in post-conflict, where the graduation rate of doctors is as low as 10 per year, or is reduced because of the people dying from HIV/AIDS, there is no alternative to a degree of capacity substitution. In the recent literature gap filling with appropriate safeguards and exit strategies is again seen as a valuable approach, and preferable to parallel implementation structures.

Coaching for aid management in Afghanistan

"The support to aid coordination could be another example – UNDP provides assistance in a way that is quite similar to "twinning" arrangement. Experts work within the Aid Coordination Unit of the Government - Initially these experts almost did the job for the line officials, but gradually showed/coached how these work should be renovated/continued, and most recently, the ownership over aid coordination is fully assumed by the host Government department. In the near future, we hope that line functions are fully taken over by the Government officials, and that UNDP would concentrate in task-specific assistance."

The most fundamental issue remains the incentives at play. The demotivating effects of salary differentials have by now been well researched and documented. The text in the margins illustrates the vicious circle of double demotivation that ultimately leads to demotivation on the side of nationals as well as on the side of the higher paid expert. For obvious reasons raising the salary of everybody is not an option without adequate resources, a functioning private sector and a solid tax base. Reducing the difference can on one hand be done in some case by providing experts who are willing to work for a low salary comparable to their counterparts. Volunteerism is not necessarily a

A Vicious Circle of Double Demotivation

First, groups will compare their pay for equity (Equity Comparison). Among the higher paid group (e.g., Foreign Expatriate) there may be some discomfort (e.g., Guilt), which combines with other stressors to precipitate turnover (Exit). Alternatively, there may

form of less qualified inputs. It is a social phenomenon that drives many inter personal, inter-family and societal services. Civil society organizations tend to work with many volunteers. UNV has been able to respond in a cost effective way in many countries, such as Ethiopia, East Timor, Rwanda and others. UNVs generally work as integrated experts as advisors and in gap-filling. The term "gap-filling" has marked a failure of TC experts, namely to support CD by "getting" the job done" themselves. Again there is an important questions of dynamics and incentives. (see box below)

For what kind of performance are consultants and experts rewarded? In a results-based culture, it is the result that matters more than the way to achieve it. Achieving the MDGs or service delivery is prone to delivery pressures and measures. Capacity development is more about the way to engage in order to nurture skills and capable institutions to eventually. There are evident trade-offs that need to be openly discussed. But managing experts requires also managing their contribution to CD. At the micro level, simple feedback mechanisms as used for instance to evaluate the quality of trainers and training may be useful. A client feedback from those who have engaged with an expert can be useful in getting a more pertinent reflection on how effective support has actually been. At the macro-level there is no way to short cut the question of incentives, i.e. civil service salaries, careers and merit based remuneration. The SASE scheme in Tanzania has emerged as one model of how the gap between dysfunctional civil service and full civil service reform may be bridged. UNDP has recently started to experiment more openly with support to transparent, national incentive schemes targeting the administration as well as the political level.

6.4. Knowledge Management: A "hands off" approach to CD

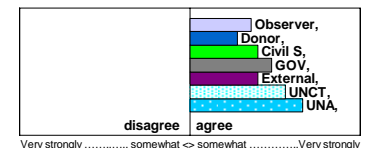
While any knowledge may carry biases, simply facilitating access to knowledge (on demand) corresponds to the principles of ownership and choice. In this sense knowledge offering is a non-intrusive approach to CD and can represent an important asset for CD. The ratings show that stakeholders acknowledge that the UN system has a comparative advantage in facilitating acquisition of relevant ("good fit") knowledge for national capacity development. Even the ratings quoted above on effectiveness in this role suggest that the UN system is doing a reasonable job although many areas for improvement have been quoted.

Some have gone as far as arguing that in the age of ICT and powerful search engines there is no need to go any further. Those who seek knowledge can find it. While this is correct in some ways the review and the consultations indicate otherwise. Government informants put a high premium on reliability of information emphasizing the trust in UN norms and expertise. A second point made relates to the transaction cost to get to specific knowledge when it is needed. An agent with solid experience in a specific area has an obvious advantage in selecting what is relevant. A third point made relates the access to concrete comparative experiences from other countries struggling with the same problems. Such are not necessarily codified and an intermediary role as seen as useful.

be some early effort to work harder, to match the higher pay (Inflate Input). Because nobody however can work 10 or 20 times harder than others, the likely end-result of the equity comparison process is to restore equity psychologically, by implicitly reasoning: "If we are paid more, we must be worth more." Self-attributions like this are not likely to optimize input to the job, and thereby surreptitiously undermine motivation (demotivation 1). That inflated sense of self is then projected to, and sensed among, the lower paid groups. These groups are already feeling Indignation at their lower pay. If they do not Exit (and perhaps contribute to the brain drain) they will Reduce Input to reflect the extent of their under-payment (demotivation 2). This reduction is then sensed in the higher paid groups, becoming a self-fulfilling prophecy for their own self-inflation. That increment in self-inflation then reinforces another round of reduced input, and so on – which ultimately creates a vicious circle. Thus over time double demotivation is observed, a demotivation in both the foreign expatriate's and the local aid worker's behaviour."

(Source: MacLachlan 2005)

12. The UN has a comparative advantage in facilitating acquisition of relevant ("good fit") knowledge for national capacity development.



"In the Philippines, where there is a wide pool of national expertise, many participants in the consultations stated that what they need is better facilitated access to data banks with the support of IT for development specialists and the removal of access fees, or continued and increased support to attend international gatherings on topics as varied as land reform or adherence to CEDAW and assistance with follow-up at country level."

Philippines consultations

UN system investments in knowledge management

The UN system has made significant investments in the knowledge management areas. Four examples may illustrate this:

In recent years FAO has reoriented its vision, within the framework of the FAO Reform, to enhance its role as a knowledge organization. FAO has developed a knowledge forum composed of websites that are accessible to the general public such as "ask FAO", best practices" and "knowledge networks". FAO's knowledge forum provides a direct gateway to the Organization's vast expertise and wealth of knowledge through a series of interactive services. It is also an opportunity to learn from and give a voice to the agricultural community regarding a wide range of issues affecting Food Security and Agricultural Production today.

UNDP has invested significantly in a system of knowledge networks that connect UNDP staff to colleagues dealing with comparable challenges in other countries. The most frequent queries relate to comparative experiences. Knowledge networks are facilitated by network facilitators and contributions are summarized into consolidated replies that remain accessible. A 2004 review found that "the design and implementation of the knowledge program at UNDP is generally sound and is in line with good practice in organizations in the public and private sector." UNDP has made a choice to give priority to connecting people as opposed to collecting knowledge. The review further concludes: "Maintaining the focus on connection, while increasing somewhat the orientation to collection, would be in line with good practice in other organizations."

A third example illustrates how the UNS has in some countries connected development stakeholders in communities of practice. Solution Exchange is a new initiative of the United Nations Country Team in India that offers communities of development practitioners a web space where they can provide and benefit from each other's solutions to the day-to-day challenges they face. Communities are organized around selected development targets of both India's Tenth Five-Year Plan as well as the globally mandated Millennium Development Goals, contributing to their successful achievement. Members come from all organizations - government, NGOs, development partners, private sector, academia - interacting on an ongoing basis, building trust and strengthening their identity as a group.

Another example is the Solomon Island's rural e-mail network for peace and development (People First Network). PFnet is an ICT project comprising a rural email network aimed at promoting and facilitating equitable and sustainable rural development and peace building by enabling better information sharing and knowledge building among and across communities forming the Solomon Islands. PFnet has already established a rural community email network and instigated partnerships to utilise the network for developmental activities such as distance education, agriculture and fisheries, and indigenous business development. PFnet was a finalist of the IICD/InfoDev ICT Stories 2002 and Stockholm Challenge 2002 competitions.

The record shows that there are a significant UN system efforts to improve knowledge management on the level of agencies as well as on country level. For example, FAO's knowledge portal (WAICENT) that covers an impressive number of thematic entry points seems to be well received by its constituency. UNDP has invested in knowledge networks and an independent evaluation attests to a positive contribution. On country level, the "Solution Exchange" in

The FAO knowledge portal

The WAICENT Portal was launched in 2001 and in 2002, won the PIRELLI INTERNETional Award as "Best multimedia product for environmental information". An overhaul 2003 categorized 250 key entry points to subject-matter information. The Portal was found to be effective for users not familiar with FAO. However, test respondents did not know about it, perhaps because hidden behind a not very meaningful label on the FAO home page.

Source: WAICENT self-evaluation 2005

UNDP knowledge networks

"The evidence supplied to us suggests that user feedback on the system is generally very positive. Overall, the system is remarkable, and indicative of a culture that cares passionately about development issues and knowledge."

Evaluation 2004

Solution Exchange - India

"We are connecting people who share similar concerns and interests, bringing them together virtually and face-to-face towards the common objective of problem-solving. As a member of one of our communities, you can proceed with the confidence that you are not reinventing the wheel."

from website

People First Network

In providing improved communications and access to trusted information, PFnet is helping to build peace and national unity. In particular, the popular PFnet web site is being developed into a true development portal and will be used as part of an e-Citizen Initiative aimed and encouraging participation in democratic processes and thus furthering good governance.

from website

"KNOWLEDGE SHARING

- *Providing international best practices; Should further pursue dissemination of models and good practices*
- *UN has access to the practices undertaken by majority of the countries in the world, including staff expertise*

India is a particularly innovative example and visiting the site shows that it attracts vibrant exchange. Also the Solomon Island's rural e-mail network for peace and development (People First Network) has received much positive reviews. These examples may suffice to show the trend. They are presented in more detail in the box below.

Keeping in mind the needs on country level for easy and timely access to relevant knowledge there is a major issue, however, that cannot be addressed by individual organizations in the system. That is on one hand the connection of the knowledge management systems for better permeability and learning across themes and sectors. Secondly it is the easy access of a country knowledge node to the wealth of knowledge residing in currently fragmented databases and with unconnected people. The UN country team currently does not have adequate online tools that would connect them to the knowledge bases of non-resident agencies. But this is critical to engage and respond effectively, competently and timely to requests coming from government or civil society partners.

From this review a strong call can be made for seriously upgrading the UN system wide knowledge management system. ICT today is not the constraint and it is surprising that the technical means are not already put in place. The bottlenecks are people and funding to adequately facilitate knowledge networks and to codify and quality manage content. The tragedy of knowledge management is that ambition often ends with the technical platform.

6.5. Aiming at systemic issues in the enabling environment

The cutting edge in supporting CD can also be found in strategies that are aiming at the systemic issues at the enabling environment level. The UN's role in helping to address collective action problems has been discussed earlier. Many systemic issues are of this nature, going beyond sectors or organizational responsibilities. The UNDG position statement on capacity development, actually articulates capacity development in components that cut across agencies but equally aim at the systemic issues. Further, for the coming years UNDP has identified four critical capacity development response strategies that have emerged from past evidences. These include (a) institutional reform and incentives, (b) leadership capacities, (c) education, training and learning, and (4) accountability and voice mechanisms. (UNDP 2007) This section illustrates innovative practice aiming at systemic constraints with three examples in the area of incentives, accountability as well as management of aid relations.

However capacity development is thought of, it is evident that the issue of **motivation and incentives** is inextricably linked to capacity. It is not only skills that matter. Often civil servants (but not only) are not motivated due to inadequate working conditions or skilled labour cannot be retained in the right place because conditions are better elsewhere. During the consultations the dilemma was depicted to lead to an immense destabilization in particular in environments where salary differentials are fluid with skilled people "permanently on the search for better jobs".

Incentives and retention of skilled people (chart #11) is another area with very

and other resources. Given its presence, it can easily and effectively transmit and share these, esp. to developing and least developed countries.

- Promoting knowledge networking capacities" Government

"All technical agencies must gear their work to promote knowledge management globally as there is very little 'new' technology they can bring to the table." Civil Society

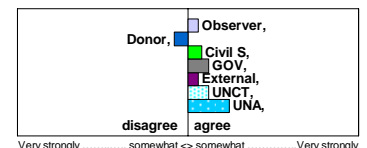
"The UNS needs to strengthen its knowledge management systems and ensure these are readily accessible to national governments and other development partners; more simplified information dissemination techniques need to be developed that cater to the grassroots level ."

Academic observer

"UNCTs "unpack" capacity development into different components that together provide the necessary capacity to reach development goals in the context of a rights-based approach and pursuing "best fit" rather than "best practice". These capacity components are: human resources; public sector accountability; access to information, development knowledge and technology; inclusion, participation, equity and empowerment; financial resources; material resources; environmental resources; and external/international relations. These components are seen as critical and cross-cutting dimensions of capacity development that are relevant to different sectors and the UNCT as a whole. They are essential to the success of a wide range of agency mandates."

UNDG position statement on CD

11. The UN addresses incentives/disincentives so that skilled personnel are effectively used and retained in their country and organizations .



low rating in the survey. There is a broad recognition across all respondent groups that UN support is not adequate in this area. The particularly low rating from governments and civil society may reflect how pervasive this problem is.

The issue emerged in the Mozambique workshop as the single most pervasive problem. Civil service salaries, merit based career management, labour market regulation, are typical dimensions that cannot be addressed within any given sector or organization. In Mozambique (see the example in the margin) the UNS was challenged to help develop scenarios and collect evidence on strategic options to generate the conditions and political will to tackle this collective action problem.

While there are also return benefits from liberalized global labour market, for many LDCs the increased mobility implies for some countries an impossible uphill battle. Brain drain will have a most damaging effect and reduce the benefits for any given country as long as domestic incentive systems are not conducive to attract, utilize and retain skilled staff in national institutions and in the country.

The challenge to map out and finance in each country a viable HR Resource development and management strategy is critical. It is fundamental also because most other investments in development will largely be wasted if collective solutions on this issue cannot be found.

Another key aspect is the **strengthening accountability** relations as a CD strategy. Accountability mechanisms can help shape incentives, provide legitimacy for action, empower people to question bottom up. The capacity of any system requires appropriate feedback loops to self-regulate, adapt and effectively achieve its objectives. This applies to living organisms and people, to organizations and to societies. In the area of promoting child rights, for instance, UNICEF supports the establishment of civil society observatories. Child Rights Observatories have been established in Uruguay, Romania, Morocco and other countries. In Timor Leste demands were also made for further raising the demand for accountability, including human rights standards. This is where civil society plays an important role and where the UNCT needs to establish a clearer strategy of engagement with NGOs/CSOs

A final example of addressing systemic issues is the area of **aid management**. There is a relatively high recognition that the UN systems should play a role in this area. (see chart #10). The clear message from the survey and consultations is that the UNS needs to become better in doing so. The review in Nicaragua where the UN has already been playing a supporting role to Government in managing the post-Paris agenda, recommends: "*The continued development of capacities in aid coordination, particularly in insuring the enabling environment for the implementation of SWAs and budget support is also necessary.*" (Arana 2007)

There has been some progress in recent years to rebuild a support system for

Human Resources for Health

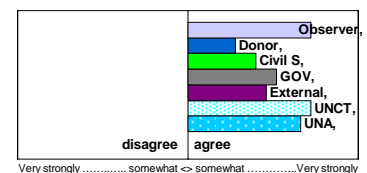
In line with a global awakening of the imminent crisis in human resources for health, the WHO country office has reflected on the situation in Mozambique [...] Long term sustainable financing of the health workforce is beyond the immediate control of the Ministry of Health but requires engagement and collaboration with other Ministerial departments as well as sensitizing the political leadership. Financing development of the workforce should become a key component of systems development support by the international community. The significant impact on funding of averting the HR crisis is demonstrated by early promising results of the Human Resource Emergency Support Programme in Malawi. [...] If the human resources problem is not dealt with now and in full force, development will stagnate and hard-gained successes will quickly dwindle.

Source: WHO Mozambique (2006)

"... the UN could better assist national counterparts in trying to keep skilled people in the country."
UN country team

"I suspect that the UN's promotion of mutual accountability has been a factor in the increasing up take of this mechanism."
Academic observer

10. The UN has a comparative advantage in supporting countries' capacities to manage aid and coordinate external partners.



¹⁵ Royal Government of Cambodia (2007), The Cambodia Aid Effectiveness Report 2007, Cambodian Rehabilitation and Development Board, Council for the Development of Cambodia, May 2007

aid management in the wake of the Alignment and Harmonization debate. An important strategy is to help governments in establishing evidence-based dynamics of engagement with their partners through peer reviews and independent monitoring arrangements. The government of Cambodia has just published a remarkable Aid Effectiveness Report that establishes a baseline for moving forward with evidence-based aid management. By identifying measures that can be taken by both Government and development partners towards these objectives, the Report also contributes to the evolving mutual accountability dialogue.¹⁵

Overall the demand for supporting the development of aid management capacities has increased tremendously but the readiness for effective response remains uneven. There is a rather modest support network for aid management that support the UN country teams in this function. The UN system needs to become more effective in this area. (see below)

While the UN is seen to have a comparative advantage in this area, actual effectiveness is seen to lag behind, notably by donors and UN country team and agency respondents. (see above chart #21)

"A better example was in Cameroon, where the Resident Coordinator picked up an idea, originated by the World Bank of having an independent monitoring group, as in the case of Tanzania, and with an emphasis on capacity.. There was no territoriality on any side, and the UNDP and not the World Bank was clearly the leader"

Former non-UN multilateral staff

6.6 In perspective

- The private sector is a vivid example that training and advisors can be useful instruments for CD. Whether these or any other approaches serve to reinforce the internal capacities to analyse, make informed choices, implement them and adapt to challenges is a question of "good fit".
- Fundamental to the discussion of approaches is the importance of operational safeguards that protect genuine choice by county stakeholders and the competence of UN agents to engage effectively.
- Evaluations show continued quality problems with training, consultants, and their management which the system may more systematically address. Overall CD competencies need strengthening to consider alternative modalities, including more flexible and tailored approaches such as coaching, mentoring etc.
- Expert provision tends to be costly and too frequent, and short-term assignments are often inadequate for long-term support to CD. Salary differentials continue to pose major problems and require are more strategic response to analyze and develop scenarios for a transition to sustainable human resource management.
- There is an emerging effort to operationalize innovative practice aiming at addressing systemic constraints, illustrated by support to developing conducive incentive systems, strengthening accountability relations such as systemic feedback mechanisms, and support to managing aid relations.
- While there are many innovative pockets and initiatives, there is a significant implementation gap in terms of awareness, proposing, and using innovative approaches at country level. The UN system may consider further efforts at improving support to UN country teams in assimilating and applying global CD knowledge.

7. Engaging with clients and partners

Approaches and techniques are one dimension of support to CD. The discussion above has shown how critical the questions of ownership and "good fit" are for capacity development results. This leads to the question of how the UN system and its components engages with country stakeholders and development partner. This section reviews UN systems alignment and integration with country processes and systems and issues related to project or programme management. Further discussed are engagement with civil society and the private sector, and the fundamental question of accountability.

7.1. Alignment, coordinated programmes, use of country systems

Aid effectiveness, alignment and harmonization are in many ways at the heart of capacity development effectiveness of development agencies. Obviously capacity is a condition for exercising ownership. But the flip side is as important, namely that the rules of engagement as reflected in the Paris commitments help level the playing field and establish a basis for ownership and mutual accountability. In the Paris Declaration only two indicators are actually directly attributed to capacity development, namely "Strengthen capacity by co-ordinated support" (Indicator 4), and "Strengthen capacity by avoiding parallel implementation structures" (Indicator 6). Several others, however, are also of particular importance for CD, including alignment to national priorities (indicator 3), the use of national systems (Indicator 5), and the country indicator on mutual accountability mechanisms (Indicator 12). All of these relate to the integration of UN support with national priorities, systems and processes. The issues of Project Implementation Units (PIUs) and accountability will be taken up later in this section.

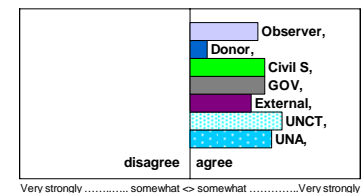
Alignment to national priorities and processes has been on the UN agenda for some time. UN system operations still are characterized by a significant degree of "dualism" between national and UN system operations. As the Meta analysis points out, so far evaluations generally have rather assumed that UN programmes are aligned and have not made this a point of inquiry. The CCA/UNDAF process has been the prime vehicle. According to the RC Annual Report 2005, out of 31 UNCTs preparing CCAs and UNDAFs in 2005, 21 made adjustments such as the use of bridging programmes to ensure that the UN processes were appropriately linked to national development process. In addition, 7 UNCTs decided in 2005 not to undertake a CCA, but rather to focus support to country analytical work thus further aligning its programming processes with those of governments and – often - development partners.¹⁶ The ratings in the responses to the survey also show that there is room for improvement. (chart #6)

Closely linked is the issue of **coordinated programmes**. The Paris review shows less than half of UN system support in the 20 review countries as coordinated programmes while the stipulated goal is 100%. This may be partly due to diverging interpretations of the indicator. However, at least on the interagency level the strategic guidance is clear. The UNDG position statement on CD statement is explicit on the need to act within coordinated programmes which further strengthen existing UNCT efforts in this direction:

“UNCTs assess the level of national and local capacity assets and respond to the identified capacity needs by drawing on, or feeding into, national or sector capacity assessments and capacity development strategies. They would not and should not develop separate or parallel exercises, unless specifically called upon by governments or in special post crisis and humanitarian circumstances the international community, to do so.”¹⁷

"The Paris Declaration, to which the UN Development Group was an active party, also provides key policy orientation which for the most part are already reflected in GA Res. 59/250, viz.: national ownership/country leadership; alignment with national development strategies and procedures/use of country systems and procedures; results-orientation; use of participatory approaches; and mutual accountability." UN staff

6. The UN integrates its programming effectively with national planning processes.



"The competition between UN agencies for funding and the subsequent emphasis on publicity and lack of coordination within the UNCT is not conducive for alignment and harmonization. In most sectors, the promotion of harmonization and alignment is done by bilateral donors and not by UN agencies." Donor

"The prevailing dualism that exist between UN-supported initiatives and the rest of development actions promoted by national actors (and this is linked to the inadequate use of national standards and procedures) is a major source of non-integration of UN initiatives in the national context, with reduced or nil impact on national capacity development;" Former senior UN official

"The UN is still mandate instead of demand driven. This leads to mission creep." Senior UN staff

¹⁶ These data are drawn from a UNDG review of the results of the 2006 Paris Declaration Monitoring Survey.

¹⁷ UNDG (2006)

Evidence from the META Analysis on engagement

Evidence of results on enhancing processes promoting cooperation between the UN system and other development partners (Balogun 2007)

Partnerships and coherence

"xi. Whilst the evaluative evidence provides numerous instances of UN agencies engaging with other multilateral and bilateral entities, there is little evidence that this engagement has been driven by an objective of enhancing the coherence of support to national development priorities. The main impression is that barring cases such as the relationships between IFAD and the IFIs/bilaterals, which can be seen as lowering the overall costs of the loans to governments, most other relationships are confined to discussion of the context within which the agencies work or the seeking of extra-budgetary funding rather than for development of a substantive collaboration and enhanced coherence.

xii. It can therefore be speculated that whilst UN agencies recognise the need for such partnerships, the strong institutional incentives or drivers which would underpin the change in approach required to foster such partnerships may still be lacking in many countries. This may reflect uncertainty in many agencies over how best to engage in budget support processes, which appear to have been a major driver of greater coherence by the bilateral donors and some IFIs."

Information sharing

"23. There is also little evaluative evidence to suggest that UN agencies at country level have systematically shared information on good practices in terms of building national capacity, as suggested in the 2004 T CPR. The evaluative evidence drawn from the ten UN agencies clearly shows that programming staff are aware of the need to enhance coordination and harmonisation and nearly all of the evaluations reviewed include examples of attempts to enhance collaboration and cooperation between the UN agencies and also with the donors. This has however particularly been a challenge for agencies with no in-country representation (UNIDO and IFAD) although the evaluations also provide some evidence that they are trialling approaches to establishing at least some level of permanent representation in-country. However, the evaluative evidence implies that any sharing of information on 'good practices' is likely to have been a by-product of closer engagement in sector working groups, and other coordination fora, by UN agencies and situations where UN agencies have resolved to collaborate closely and engage in joint monitoring approaches rather than due to a more systematic strategy of knowledge sharing.

Alignment

"24. Little evaluative evidence of the degree to which agencies' support is truly aligned with the orientations and priorities found within governments' poverty reduction strategies was found. In most cases, evaluations appear to assume that the support is aligned with national goals and priorities or have analysed the degree to which support is aligned with the documented national strategy. However, the evaluations have rarely attempted to examine whether an agency's support is aligned with the key priorities of the partner government. In addition, the common and extensive discussion in the evaluations of the reluctance of governments to implement or fund innovations or alternatives piloted or advocated by the agencies suggests that assumptions on the degree to which agencies' support is truly aligned with governments' priorities should be examined further in future country level evaluations. "

(Balogun 2007)

Finally, the **use of national systems** shows overall little progress, including in monitoring and evaluation, reporting, public financial management and procurement. Main impediments stated by the respondents included corruption, high risk because of weak capacity and unreliable national data that would compromise quality and specific rules and regulations mandating the use of agency procurement systems. There are obvious trade-offs between efficiency and capacity development. But it is difficult to justify in any case impediments that originate from the UN systems operational systems and business practices. The ratings (chart #15) and the country consultations show a real awareness of this issue by country teams, who are at the interface and apply much effort in patching the incompatibilities internally and with country systems.

"To better align its operations with country systems and processes, the UN has to focus the activities of individual agencies and reduce the huge transaction costs currently spent delivering very little aid in a fragmented manner. Some agencies, fortunately, are much better focused on meeting their objectives than others, UNHCR being a case in point."

Donor

7.2. Managing programmes and projects

Developing and implementing projects and programmes has long been a main way of the UN to "deliver" its support.¹⁸ A project is a framework to manage and account for a set of tasks and resources. It is not in itself an approach to capacity development in the same way as those discussed early. Earlier

" While important contributions have been made to develop sector plans and policies, in some cases, the effort suffered limitations since they were not sufficiently incorporated into mainstream

¹⁸ It is worth recalling that because of the problems caused by projects the programme approach has been piloted and promoted by the UN system in the early 1990. It is probably fair to say that it has been a precursor to programme-based approaches, SWAP and to the alignment debate.

reviews on the UN and CD have already indicated a decline in the UN systems use of conventional projects, a trend that seems to have continued. In any case, country studies and consultations identify many, small and not well connected projects and still widespread use of semi-autonomous (inorganic) PIUs as major impediments to effective support to capacity development. This continued proliferation of projects is also the consequence of the fragmentation of the UN system itself as well as of the efforts of agencies to mobilize supplementary resources often earmarked for specific areas.

Projects and programmes managed outside of the government framework may allow flexibilities that can be conducive to CD. For example, in contexts where a government is not necessarily reflective of the domestic constituency a project may allow CD support to marginalized groups. In post-conflict situations and contexts where capacities are extremely low there may not be much of a choice to secure urgent services. "Out-sourcing" is also a practice that the private sector uses extensively and middle income countries. In particular in Latin America the UN has been used to by-pass bureaucratic bottlenecks and manage significant amounts of funds. Government and donor informants recognized that there will be a need for projects to reduce and manage risk around GBS and to address issues that may "fall through the cracks".

The nature of project implementation units (PIU) varies, including some that are more organic and create more traction for CD within national organizations. Yet, the fundamental problems of projects and in particular of PIUs have been extensively documented. They include lack of ownership and sustainability, high degree of fragmentation, duplication, and lack of synergies in their piecemeal efforts. Governments continue to accept development cooperation as it comes, since in highly aid dependent countries refusing development aid is politically very difficult. Also projects allow for perks that can be very convenient. However, the "default setting" has changed with externally managed projects and project implementation units not being any longer acceptable as the rule but as exception if their rationale can be responsibly demonstrated.

Again the issue is not "project or not project", "PIU or not PIU". It is first of all a matter of genuine choice by clients and again of "good fit". Critical is the question who takes this decision and whether this decision can be demonstrated to better serve the purpose, and not because it is convenient for the external partner and not questioned. Discussion with UN staff suggests that there is a considerable level of awareness about trade offs in terms of CD when accepting or seeking to operationally manage funds and projects. It should be possible to discuss the choices related to CD effectiveness more openly with the relevant stakeholders before taking decisions. If projects are pursued as the better option, care needs to be taken that optimal traction for CD is ensured with the legitimate owners who can ultimately ensure sustainability of results.

7.3. Partnerships, civil society and the private sector

As indicated, the UN is often perceived as inward looking and as absorbed in

activities of the government. In this respect, it is necessary to ensure higher degrees of attention to up-stream public policy and public expenditure issues vis-à-vis routine project management and administration. ."

Arana (2007), Nicaragua case study

"Greater use of national systems, where they meet international standards, for programme and project implementation is often best, as opposed to reliance on PIUs. However, the evidence points to the crux of the matter being the national capacities to manage a range of implementation arrangements – with a focus on who makes the decisions to go with what procurement or project management entity, and overseeing such. This includes the abilities to review when and where more externally driven PIUs make sense, as a specific product driven or interim measure, and how best to transition to local operations, when needed." UN agency

"The UN is not a donor but sometimes behaves as one." UN agent

"While national Government wish to have full control on the use of development resources, they do not necessarily wish to directly manage them. This can particularly be the case for technical assistance."

UN agency

"For example, SETSAN¹⁹ had undergone an intensive technical capacity development process with support of some UN agencies, mostly using PIUs. Despite its growing capacity at the technical level, SETSAN is still struggling to have a sound internal management capacity, even after considerable interventions in CD. This doesn't only reinforce the idea of the PIUs' ineffectiveness, but also shows that CD interventions can improve their impact and sustainability if they are not too much output driven and more outcomes/ results-based and when they also create an opportunity for the capacity used to deliver capacity to spill over the beneficiary organizations

Mozambique case study

"Staff do not seem to have an incentive to coordinate and harmonise with other

¹⁹ Technical secretariat for food insecurity and nutrition

internal reform and coordination processes. It is seen to create weight and demands around UN processes while it could more effectively seek opportunities to engage productively as partner in other processes. Several respondents emphasized that the UN does not have all the required skills within its own staff and could team up with others to complement competencies. Communication is usually not seen as a strong point of most UN agencies, with notable exceptions, such as UNICEF. The Meta- analysis suggests that information sharing is more of a by-product of engagement in sector groups rather than an objective. (see box above) There has also been criticism that there is too much improvisation and inadequately prepared events that then fail to make adequate impact. It comes down to the argument that the UN systems tends to spread too thinly, which implies too much energy absorbed in too many non-strategic processes and too little effort and weight in strategically important ones.

Some have argued in responses and in the country consultations that the UN tends to be rather close to the government and thus may lack a certain critical distance. "Misplaced political correctness" then implies that the UN does not use its weight enough for advocacy for critical reforms and policy dialogue. Others point out that UN agents do have a particular relation with governments and that to act as conveners they need to allow space for different opinions. In responding to this critique in the 2004 MOPAN²⁰ survey, UNDP stressed that its work on democratic governance allowed influencing decision-making on controversial issues. *"Real progress on controversial issues often requires a concerted effort of the international community using different approaches and actors."* The UN system also involves eminent experts to advice in sensitive areas of policy reforms so that strong messages can be reinforced from the perspective of 'global good practice'.

Capacity development is not only a function of government capacities but requires active engagement and capacity development of civil society actors. An engaged **civil society and an unfolding private sector** are critical for capacity development and ultimately the only safeguards that in the long-term a society moves along a path of equitable growth, opportunity and poverty reduction. While there is a general acknowledgement that the UN helps bring civil society actors and government together in dialogue, there is also the observation that the UN carries an inherent governmental bias when it comes to supporting CD efforts. Some argue that the UN at country level, *"also because it recruits from government ranks"*, is not very well attuned to civil society CD needs.

Evidently, the United Nations systems serves Governments as the primary stakeholders and relations between government and civil society are not always easy. From a capacity development perspective there is an argument for UN country teams to competently serve as convener as pertinent. There is also a case for directly supporting civil society capacity development efforts. The issue comes even more to the fore as the importance of strengthening the demand side is increasingly seen as and important factor for capacity development. In a rights based language, rights holders need to be able to

donors efforts"

Donor

"Referring especially to working with civil society groups, I would emphasize that still lacking are strong messages from New York HQ to country offices enjoining the UN Country team to engage more effectively with NGOs/POs, including providing direct funding earmarked for civil society groups, that is not controlled by the government."

Academic observer

"... development interventions in general need to take into account the intercultural nature of society in order to have a significant impact. An aspect that many UN agencies do not seem to consider sufficiently. It also involves the classic discussion about the universality of human rights. While the UN obviously must have a strong commitment to promote universal standards and norms, it should also seek a frank intercultural dialogue, based on mutual respect, to address culturally sensitive issues."

Donor

"Rather, focus on capacity building under one overall umbrella using policy and reform processes as the starting point and put more emphasis on being a constructive and critical partner to government led processes (not just accepting all government proposal)."

Donor

"The general experience is that when inter-governmental decisions are informed by civil society, when actions involve their contributions and sense of ownership, and when monitoring is a joint effort, the results are more sustainable and tangible."

Civil Society view

"That to me is the ideal arrangement: local groups should generate the ideas and initial actions; the UN should be able to identify such groups, recognize the validity of their approaches, and back them."

Academia

"We do not see important outcomes in terms of "civil society capacity development." This is mainly due to the budget support policy and the proved weaknesses of the UN system in terms of relationship with Civil society."

Civil Society view

"Many UN staff members are recruited

²⁰ MOPAN The Multilateral Organizations Performance Assessment Network (see annex A 7.3.a)

articulate their needs, claim their rights and hold duty-bearers to account for guaranteeing those rights and delivering corresponding services.

The UN systems needs to be able to make this case and openly discuss the modalities that engagement with civil society may require. The Framework of Action for Enhancing Engagement with Civil Society reflects objectives and indicative activities. The UN Civil Society Trust Fund established by the SG is a modest start to endow it with appropriate means.

Private sector development is seen by many informants as weak although many examples can be cited. UNCTAD's support to trade related capacity development is a point in case as is the UNIDO-UNDP partnership aiming to increase the importance of private sector development within UNDAF.²¹ Programmes increasingly promote private-public partnerships. AGORA²², for instance, is a public-private partnership between FAO and 37 of the world's leading publishers, WHO, UNEP and Cornell University to facilitate access for poor countries to leading scientific journals. Regional commissions increasingly draw in the private sector, the Regional Seminar on Fiscal Policy organized annually by ECLAC being one example. (see margins) In Brazil, civil and private sector institutions that were engaged in the MDG campaign are active supporters and at times became driving agents in this process. In the Arab States and Africa, UNIFEM is linking government and private sector partners to enhance women's access to and control over the benefits and information and communications technologies particularly to address feminized poverty.

Several informants contend that overall attention by the UN system to private sector and to economic development in general does not seem to be adequate. The Meta-analysis suggests that "*whilst UN support to developing national capacity to produce and compete more effectively in international markets may have been effective, it has not been systematically integrated with the broader policy agenda addressing the promotion of economic growth and employment, as implied in the 2004 TCPR.*" However, economic and private sector development is in the long-term the guarantee for an adequate resource base in any society and for sustaining many of its capacities. A fundamental challenge in this area are also the relations, (as on many other substantive areas as well), with the Bretton Woods Institutions who tend to take the lead on economic issues. On a technical level those UN agencies that have a particular focus on economic and private sector issues seem to maintain sometimes closer links to the BWIs than to the rest of the UN system. However, the interface and modes of cooperation do need clarification strategically and for country level efforts.

7.4. Transparency and accountability

The survey shows a dramatic perception differential on accountability between self assessment and donor views. This may not be a surprise, since the UN system is accountable to its funders who observe individual agencies

from the government sectors of their countries, with little experience of working productively with NGOs/CBOs-POs; they tend to carry over from their home countries anti-NGO biases on the part of some government authorities."
Academia

Inadequate interaction between the UN system and the private sector is a major constraint that hinders the enhancement of the UN potential role in national capacity development
Consultant

"The successful pilot program in Jordan with CISCO Systems has now been upscaled in that country and replications are in full swing in Morocco and Lebanon. Private sector partners—from Microsoft to Lego Robotics—are being drawn into the e-village program that has developed as a spin-off of the CISCO initiative to expand economic opportunity in rural villages, including for women producers."
UNIFEM

"The Regional Seminar on Fiscal Policy organized annually by ECLAC in close collaboration with IMF, WB, OECD, IADB and the Ministry of Finance of Chile in the past 20 years, taking up emerging issues related to fiscal policy. The purpose of this annual forum is to promote debate around current topics of particular interest, mainly in the field of government finance, but also in associated areas, such as monetary and exchange policies, [...] It also offers a special opportunity to establish valuable contacts with top-level national officials and renowned specialists from international bodies, the private sector, academic institutions and research centres."
ECLAC

"From clear signals emitted by the shareholders of the UN and its affiliated institutions will come a re-alignment of accountability and incentive patterns both within UN agencies, and amongst them.
UN country team

²¹ Some positive results have been achieved in this context (see "Joint Assessment UNIDO-UNDP Cooperation Agreement: Pilot Phase (October 2006); www.unido.org, evaluation section)

²² Global online Research in Agriculture (AGORA).

and the system engagement at country level with particularly critical eyes. The perception of the UN as inward looking, not effectively communicating, not effectively partnering, hesitant to enter into SWAPs and pools plays into this perception as does the a view of inadequate organizational effectiveness. The methodological problems with regard to other ratings, particularly an upward bias of government responses, have been mentioned. It is however important to note that more independent observers as well as civil society respondents are much less critical.

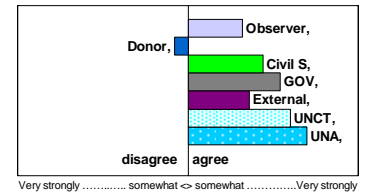
However, even government respondents point out that the UN maintains a tendency to develop projects "internally" and "run with them" with little consultation and traction with the responsible institutions. Budgetary adjustments are sometimes made in a precipitated way and in particular in post-conflict situations senior government informants felt that there was scope for more engagement and transparency with counterparts.

Currently more resources flow in less transparent ways through UN trust funds (earmarked to specific areas of support) than through the UN core budget. As per the review of the Paris declaration only 33% of UN support to government sector reported on government's budget. The argument that all official development finance should be "on the books" and subject to parliamentary oversight also applies to the UN system.

The question of accountability is very close to the crux of the dilemma that can be observed as a vicious cycle of mistrust, tighter control, and opportunistic resource mobilization for projects. The most promising way to address this may be through a more solid evidence base and more open accountability relationship involving all relevant stakeholders, particular at the country level. The Paris declaration stipulates increasingly objective ways to monitor implementation of the commitments. It may be opportune to consider country level mechanisms to independently monitor the quality of aid relations in an inclusive way (the UN being a part) and the comparative effectiveness of support to capacity development. The experiences in Tanzania, Mozambique, Vietnam, Afghanistan, Cambodia are instructive in this regards. The next section on results, measurement and accountability will further discuss this dimension.

The UN lacks strategic focus . It spreads too thinly and is lacking technical capacity to engage competently in several areas.
Donor

4. The UN is a transparent and accountable development partner.



"The UN does not need to publish everything . But it is not acceptable if important programmes are not properly known by government."
Government Minister

"Strengthen the UN Resident Coordinator system and make each UN agency accountable for UN work done in a country", and " Revised UN staff performance appraisal systems (both for field and HQs) that would focus on inputs towards capacity development"
UN country team

"Bilateral political considerations and the corresponding programming choices can impede the efforts of UNCT staff as Gov counterparts may become exposed to conflicting messages and approaches."
UN country team

7.5. In perspective

- The Paris commitments have become an important reference for inducing modes of engagement that respect ownership, create room for choice by developing countries, and thus contribute to more effectiveness in supporting capacity development.
- Alignment to national priorities, processes and systems, use of national capacities and integration with national processes and systems, significant reduction of projects and PIUs, transparency, preference to non-intrusive modes of cooperation that respect national ownership and choice, are part of a "default " set of rules conducive to capacity development.
- Rather than building dynamics around its own processes, including CCAs and UNDAFs, the UN system in general, and on country level in particular, has scope to open up to engage in more outward looking ways, contributing to efforts initiated by others.
- UN agencies and country teams can revisit their ability and reinforce incentives to partners in particular with change agent institutions on regional, sub-regional and country levels and strengthen ways to engage with and support CD efforts by civil society and the private sector.

- The issue of accountability is very central. A regular, inclusive and independent review at country level could provide an effective and honest way to establish evidence and open discourse on quality of engagement and respective contributions of development partners and government to capacity development.

8. CD results, assessment and impact

Measuring capacity, and even more the impact of CD efforts, remains a difficult challenge. However, thinking and practice have advanced within the UN system. This chapter will first review some UN agency efforts to evaluate impact and adjust their policy and practices. This is followed by a discussion of the questions of "How to conceive of CD results?" and of sustainability. Thirdly, the current UN thinking on capacity assessment will be reflected. The fourth section will summarize some elements that are vital for measuring capacity development impact. Finally the chapter comes back to the question that is at the root of this review, namely: "How to evaluate effectiveness of the UN system in supporting capacity development?"

The 2004 TCPR resolution stipulates that "...operational activities for development [...] should be valued and assessed on the basis of their impact on the recipient countries' capacity to pursue poverty eradication, economic growth, and sustainable development." (GA 59/250, para. 7.).

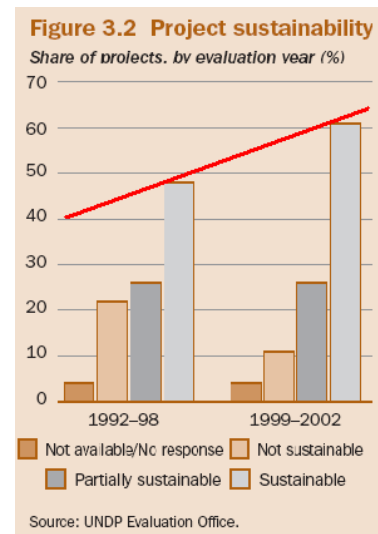
8.1. Evaluations and policy change

UN system agencies have tried to address the CD challenge through evaluations and by adapting their strategic horizon to multi-year planning and results frameworks. The following examples illustrate this.

UNDP, having been at the forefront of the capacity development debate in the early 1990s, in 2001 launched a major research project to explore "Reforming Technical Cooperation for Capacity Development".²³ The 2003 Development Effectiveness Report claimed evaluative evidence that the sustainability of UNDP projects had increased. (see margin) In 2004 UNDP agreed with its Executive Board on a multi-year funding framework (MYFF) intended to stabilize a reliable stream of funds and address the problem that development results needed to be established on the level of longer-term outcomes. Among the six drivers of development effectiveness, three related to capacity development: developing national capacities; enhancing national ownership; and advocating for and fostering an enabling policy environment (the other three drivers of development effectiveness were promoting gender equality, forging partnerships for results; and south-south cooperation. UNDP also made organizational changes, establishing the Capacity Development Group (CDG) in 2004 as substantive promoter of CD learning and guidance and cross cutting to all thematic practices. The MYFF 2004-2007 is currently being reviewed and the Strategic Plan 2008-2011 is under preparation with a next generation of CD indicators.

The **2002 UNFPA** evaluation was very clear about weaknesses and challenges in CD that are not confined to UNFPA alone but indeed critical for UN system effectiveness in supporting CD. The evaluation focused on six core organizational capacities:

1. A common vision on country level



"Almost one quarter of the resources were devoted to training. UNFPA also invested another 18 per cent of funds in technical assistance. The evaluation concluded that these investments often did not result in sustainable capacities and better performance of counterpart

²³ RTC reference

2. Quality of human resource development efforts
3. Nurturing the development of systems as opposed to training
4. Iterative planning, monitoring, and evaluation of programme interventions.
5. Establishing partnerships, inter- and intra-organizational coordination
6. Mobilizing resources for sustainability

The UNFPA evaluation team identified four immediate issues that effectively prevent the agency from being more successful in its efforts to promote capacity development:

- An inherent tension between the short-term goals of project outputs and deliverables and the long-term goals of capacity development;
- A lack of understanding by UNFPA about the complexities of capacity development and what is required for its effective implementation;
- A lack of vision and commitment by partner organizations to become both financially and intellectually independent; and
- A lack of methodology and tools that reflect directly on capacity issues.

Building on these and other insights UNFPA confirms that its medium-term Strategic Plan 2008-2011 strategies will explicitly be geared towards national capacity building. Also "the UNFPA Strategy for Humanitarian Response, Transition and Preparedness places a highest priority to capacity building."

IFAD's 2005 annual report on results and impact showed a somewhat similar picture as UNDP above, for instance in the area of impact on institutions, policy and regulatory frameworks. The report states, "Institutional capacity is frequently a serious constraint on project sustainability because government institutions usually have to sustain project benefits after closure." It notes weaknesses in the diagnostic assessments of institutional capacity that often has led to neglecting the capacity aspect.

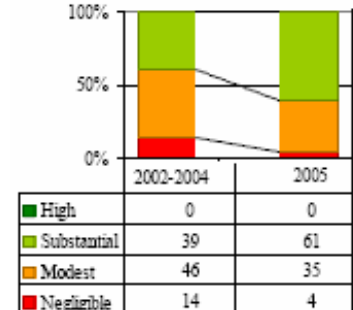
The chart shows that in spite of much better performance ratings (61% of projects, against the previous 39%, were rated as having substantial or high impact on institutions in 2005) the average performance is still "moderately unsuccessful." The evaluation confirms "that this domain requires close attention and that IFAD needs to devise a corporate approach to address capacity building more effectively."

8.2. Assessing capacity

In the quest for measuring impact and effectiveness much can be learned from latest thinking on capacity assessment. Some UN system agencies have to varying degrees introduced indicators for capacity development in their RBM systems as indicated above. The multitude of very specific indicators that UN agencies have put forward in the self-assessment questionnaires reflect a real effort. With 43000 plus downloads (!) a "Brief Review of 20 Tools to Assess Institutional Capacity" leads the list of most solicited documents on the UNDP Capacity Development webpage. This surely reflects very strong interest by practitioners. Capacity assessment has also been an issue the undg working group on CD is currently addressing. The undg position statement proposes a 5 step approach for integrating a Capacity Development Framework into UNDAFs and Country Programmes (see margin):

organizations. A fundamental reason is that while the UNFPA-funded programmes studied used most of the strategies for developing the core capacities mentioned above, they did not approach capacity development in a comprehensive and strategic manner. **UNFPA, like many donor organizations, did not focus effectively on the capacity and performance of counterpart organizations.** Indeed, the capacity and performance of counterpart organizations were not seen as results that are essential to achieve sustainable reproductive health and population and development programme outputs and outcomes. **Rather, the achievement of short-term project and programme results seemed to drive the process.** There are several reasons for this situation (as discussed in chapter 4 of this report). These reasons include the lack of external incentives for funding longer-term programme interventions aimed at developing competent organizations that can define and achieve their own development objectives." UNFPA 2002

Comparison of Percentage Ratios
– Impact on Institutions,
Policy and Regulatory Framework



Source: IFAD 2005 Impact Evaluation

UNDG 5 step approach for integrating a Capacity Development Framework into UNDAFs and Country Programmes

- Step 1: Engagement with Partners and Building Consensus
- Step 2: Assessing Capacity Assets and Needs
- Step 3: Designing Capacity Development Strategies
- Step 4: Implementation of CD Strategies
- Step 5: Evaluation of CD Efforts

The UN Development Group's capacity assessment methodology builds on an instrument developed by UNDP in recent years. It is instructive as it combines dimensions that have shown to be fundamental to include in assessment. The three dimensions are:

- 1) **points of entry at different levels** – enabling environment, organisation and individual - with the notion of zooming in and out across levels as pertinent;
- 2) **core issues** or capacity components - In the UN Development Groups position these are: human resources; public sector accountability; access to information, development knowledge and technology; inclusion, participation, equity and empowerment; financial resources; material resources; environmental resources; and external/international relations.(see margin).
- 3) **functional (and specific technical) capacities**, recognizing that .technical competencies and systems will work in tandem with analysis, planning, management and monitoring, capacities that go beyond specific sectors or technical areas.

A capacity assessment is a snapshot in time. Done a first time it establishes a baseline that can be used to for comparing with a later assessment. As such monitoring and evaluation of progress in capacity development can be an iteration of capacity assessments and is often applied as such. As the complexity of capacity development is becoming better understood one may eventually expect a reasonably reliable system of measuring progress in this way ex-post.

The more fundamental challenge, however, is measuring effectiveness of CD and support to CD in terms of long-term outcomes or sustainability, for instance sustainable behavioral, cultural or economic change. Given that capacity development is a long-term process present action is separated from desired future outcomes by a categorical gap made up of complexity, risk and time. On the other hand, a fairly solid capacity assessment methodology naturally points to key factors that will be important for meaningfully measuring results and to some degree will also allow projections on likely long-term impacts.

8.3. CD results and sustainability

The most frequently raised concern in evaluations and the survey relates to impact and sustainability of results. A "result" can be defined as "the output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention." The definition draws attention to the fact that not all results are intended and that results can also be negative. Boosting capacity in one organization, sector or population group may come at the expense of others. Results may be of a more direct nature (outputs) or may be removed in space and time from actions to support capacity development (outcome). But what actually are results of capacity development? The survey responses offer an instructive panorama of ways to express CD results.

One way of talking about results is to tell a story. In fact in the survey there were more than 80 case stories that respondents referred to as embodying CD results as well as approaches to achieve them. Annex B1 provides an index of these case experiences. Consultations underlined that *case stories* are highly

"UNCTs "unpack" capacity development into tangible components that when addressed together often provide the necessary capacities to reach development goals in the context of a rights-based approach. Such is based on pursuing a "best fit" rather than "best practice" approaches as the local context is the primary determinant in a CD approach. These capacity components are: human resources; public sector accountability; access to information, development knowledge and technology; inclusion, participation, equity and empowerment; financial resources; material resources; environmental resources; and external/international relations. These components are seen as critical and cross-cutting dimensions of capacity development that are relevant to different sectors and the UNCT as a whole. They are essential to the success of a wide range of agency mandates. (see annex)*
 UNDG position statement
**In the annex, the UNDG position spells out potential support areas relating to these capacity components*

Impacts: Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Sustainability: The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Story telling as strategy.
 One valuable contribution to enhancing effectiveness of CD support would be to broaden an accessible knowledge base of "success stories" and less successful

regarded by practitioners to learn from global experience.

Many respondents have emphasized the CD results are *for someone or for an entity*. Capacity results may be for people and organizations on the "*supply side*" (*duty bearers*), where many efforts have focused. They may also strengthen voice and claims of *rights holders* ("*demand side*"), of poor people, women, children or particular marginalized groups.

Further, there is an acknowledgement that *capacity is an end in itself*. In its most fundamental form it is about capacity for making choices, assuming control over one's life as expressed in the Human Development concept.

On the other hand many of the responses point to the fact that a result relates to capacity to perform a specific task or achieve an end (for something specific), such as for combating HIV/AIDS, for trade negotiations, for achieving one or the other MDG or international goal, for service delivery, for better management and so on. This more instrumental expression of results aims at performance in achieving certain objectives.

CD results are also articulated in more *generic terms*, such as "organizations strengthened", "people trained", "strategies produced" or "conventions ratified" that cut across sectors and technical specializations. CD results can be of a "**harder**" **technical** nature, for instance managing civil aviation or industrial innovation and development, or food security analysis; or they can be of a more "**functional**" **nature**, such as long-term visioning, analysis, partnership building or plain good management.

Finally, many results proposed in the survey are actually *phrased as activities or approaches* that may imply some results, for instance, "preparation of an applications guide", or "training", "gender mainstreaming", "awareness raising", "social mobilization", etc. From a semantic point of view one may argue that strictly speaking these activities and approaches are not CD results but could be rephrased as such. On the other hand the emphasis on processes do alert to an important aspect of capacity development.

Process matters as much as results. As discussed earlier, stakeholder participation, ownership and respect, awareness, transparency and accountability, motivation define characteristics of CD processes that are more likely to actually lead to sustainable impact. In particular given the long-term nature of CD, indications on process may actually reflect on whether CD efforts go into the right direction. This offers part of a response to the challenge of impact measurement (see below).

This multifaceted overview on survey responses highlights many ways in which the UN system contributes to capacity development. However, many excellent individual results may not actually add up to ultimate impact. One response to the sustainability conundrum lies in the dynamic system nature of capacity where many dimensions come together in synergy to nurture the emergence of capacity. From the above summary *several dimensions with elements at dynamic interplay* can be discerned, including:

1. Supply side versus demand side (for whom?)
2. Means versus end (for what purpose?)
3. Technical versus functional /"hard" versus "soft" (for what type?)
4. Entity versus systemic /local vs national/global (where manifested?)

experiences" in supporting capacity development.

Different constituencies

Some quoted capacity results for government constituencies in the executive, legislative and judicial branches, for central government, local administrations or particular institutes. But there are also many examples for strengthened civil society organizations, civic engagement, universities, journalists and the private sector, for instance, "increased competitiveness", "increased production in machine tools", etc..

Many facets of specialized results

Corresponding to the wide range of mandates of UN agencies, capacity results are often identified in rather specific terms in different sectors and domains, e.g.: statistical capacity for population census, good governance, self-reliance in manufacture and procurement of contraceptives, or capacity to comply with international standards, such as in food safety, labor standards, refugee protection, environmental conventions and clean production

Importance of "soft" capacities

The responses reflect an increasing acknowledgement of the importance of "softer" capacities relating to managing relations, leadership, conflict mediation, facilitation of multi-stakeholder processes, protection of legitimate space for participation, capacity to innovate and others. (see previous section)

Results also have a "physical place. In geographic or political terms results also are cited at national and sub-national and local levels. But capacity results are also achieved on regional and global levels where UN organizations operate, as for instance, "regional coordination mechanisms for negotiation of global instruments".

The trend analysis, undertaken in the initial stage of this review, makes this point clearly: "One theme that came out consistently in the preceding review and trend analysis is that capacity development initiatives may look very promising and they may produce good results in the immediate and the short-run, but the litmus test for their success is their sustainability." (Selim 2006)

5. Result versus process: both matter!

The recent DESA meta-analysis of 28 country-level evaluations echoes this picture. It summarizes that *"weaknesses in capacity-building programmes are explained by diverse problems, such as inadequate assessment of needs, insufficient long-term perspectives, inability of recipient Governments to provide sufficient financial and administrative support to operate and maintain systems, focus on producing outputs rather than on the effectiveness of processes, focus on individuals rather than institutions and societal agents, and resources spread thinly over too many activities, rather than being devoted to programmes in areas where the agencies have strong distinctive substantive competencies."* (Balogun 2007)

"Many processes simply take too long and the UN support runs out of steam before tangible outputs and results are achieved leaving frustration at the receiving end behind.."

Donor

The fact that different elements constitute critical bottlenecks in different contexts shows that there is a need for a healthy balance among a range of factors. The review suggests that many practitioners see that capacity development effectively needs to combine efforts at all levels: individual, organizational and in the enabling environment. Failing to acknowledge the interconnectedness in practice however continues to generate sub-optimal and sometimes wasteful activism in guise of capacity development

"Outcomes are often fine at the organisational level, but do not take adequate account of the triple objectives of unleashing, enhancing and developing capacity or see capacity in a broader systemic context.. The same applies to donors in general. The difficulty is that the UN, and particularly the UNDP, has the opportunity and responsibility to play a lead role in capacity development in the context of the Paris Declaration, so it is more important that the UNDP and UNDG get to it right -- and its shortcomings are more serious -- than for other development agencies."

Former senior official in a partner organization

Examples abound. For instance, while it can be argued that learning is always a value in and of itself, training people to work in an environment where they cannot meaningfully use their skills risks being wasteful. Changing structures without upgrading the skills of people and developing the culture to use them is equally up for failure. Hugely inadequate civil service salaries in many countries have highly pervasive effects across all sectors and undermine many CD efforts. The box below features conclusions and examples from Mozambique. And the Nicaragua study equally emphasizes: *"Greater articulation in the operational activities is needed across the three interrelated levels of institutional capacity development, i.e. the enabling environment, organizations and individual capacities. Isolated initiatives with little chance of sustainability should not be supported."* (Arana 2007)

The importance of addressing capacity at all levels Examples from Mozambique (Macuane 2007)

Mozambique is not the only country where policy formulation is far ahead of implementation capacities. A conclusion from the country case study is that : *"... human resources capacity development effectiveness has more prospects when it is targeted to areas with high demand of services and when technical skills are combined with proper organizational capacity. Although the examples mentioned above [on the right] are not entirely conclusive, these examples show the interconnectedness of the different CD dimensions and how they reinforce each other."*

CD support to the Environment Ministry

"As part of the process of creating the necessary human capacity to deal with the environment area, the project funded regular university courses at the undergraduate and post-graduate levels (Masters). [...Beneficiaries] made an agreement to work for the ministry after graduating. In its initial phase, to stimulate well qualified people to join the sector, the donors, including UNDP, funded the salaries of key staff, which were much higher than the regular public service salaries. When the funding was terminated, most of the well qualified people fled, and the ministry experienced some capacity problems."

CD support to the national assembly

"The example of the support to the National Assembly shows that a capacity development intervention in this area that is targeted to a very fluid staff and also is not combined with the strengthening of the organization, mainly in its management component, tend to perform poorly. At the end of the process neither the individuals nor the organization have a tangible result of the CD process."

To better understand which factors are critical for impact and sustainability, it is useful to see what these evaluations point to as being impediments to sustainability. A further review of the meta analysis data reconfirms many of the key issues identified earlier key, including human resources and skills, incentives and motivation, funding, ownership, leadership and participation, systemic issues, politics, power and interests, transparency and accountability. (see for more detail annex) *Such factors need to be prominent in risk assessment, design of programmes to CD, and in exit strategies as well as in finding practical ways of measuring likelihood of sustainability.*

In the survey, one of the lowest ratings relates to the UN system being perceived as not planning for transitioning effectively from external support to country sustained efforts. Exit strategies of UN programmes are either not put in place, are inadequate, or unrealistic (chart #5). The responses show more optimism on the part of governments, but a particularly high degree of inadequacy in terms self-awareness in the UN and low marks by donors and observers.

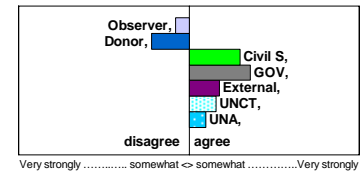
The problem is somewhat inherent in the project focus. Most CD support is conceived with limited scope, focused on areas that can be somewhat "controlled". Broader systemic constraints may be acknowledged as externalities and risks. But many individual projects neither have the mandate nor the means to tackle broader systemic issues in the enabling environment. On the other hand, the consultations suggest that the UN system as an impartial multi-lateral development partner is expected to play a more proactive role in advocating for a more holistic perspective and in establishing evidence that allows collective measures for broader systemic changes.

8.4. The quest for indicators of impact and sustainability

Based on discussions in the previous sections, it can be seen that capacity development is not a simple concept and it there are no set rules and standards for measuring its results, but there are options. It is nevertheless incumbent to seek clarity on the potentials and constraints to finding practical ways of approaching this issue. Drawing from the lessons of the past, from evaluative experiences, and the findings in this report, a number of considerations in this direction can be offered:

a) It is important to be realistic about what the measurement of CD is up against. Measuring capacity development is complex because many factors need to work in a synergetic way to produce capacity outcomes and because the lengthy timeframe makes any certain link between interventions and actual outcomes uncertain. Any combination of proxies thus amounts to an imperfect measure. In addition any given indicator will have its own measurement problems and even precise indicators are bound to lose sharpness because of problems of interpreting correctly. At the individual level, for instance training can be benchmarked but sustainable effects can only be assumed or would require a continued monitoring effort.

5. UN programmes usually have realistic "exit strategies" that help ensure sustainability even after UN support ceases.



*"Exit strategies for CD need to be more deliberately incorporated in programme design and discussions with national partners, including systems of incentives to sustain capacities."*²⁴

Philippines consultations

Confusing logframes (project results) and capacity development results should be avoided. Capacity development processes are sometimes difficult to predict."
"Country-specific development results framework/indicators that clearly show one's contribution to the national development objectives/priorities."

Development Bank

The World Bank "Worldwide Governance Indicators Project" has attempted to measure governance with six aggregate governance indicators covering 213 countries over the past decade, namely (1) Voice and Accountability, (2) Political Stability/Absence of Violence, (3) Government Effectiveness, (4) Regulatory Quality, (5) Rule of Law, and (6) Control of Corruption. Indicators of capacity and sustainability potential should become part of the Human Development framework.

²⁴ Quoted from the mission report.

Institutional or cultural changes are much more difficult to measure. CD indicators need to take into account that development is often not linear at all and that there are ups and downs. Capacity investments may even be dormant and come to fruition once a conducive combination of conditions is in place. Thus any attempt to measure capacity will require utmost caution to not inadequately interpret a set of selected proxies. Lessons can be learned from attempts to measure Governance. (see margin)²⁵

b) Plausible links, strategic choices, and "building blocks" may be more helpful than unrealistic attribution. Because of the categorical gap that separates today's action and results from tomorrow's CD outcomes and impact, an attempt to appreciate effects may rely on more or less plausible links that may make a particular intervention likely to contribute to long-term sustainable capacity. An investment in education is likely to have an impact on overall human resource development in a country. Strengthening accountability encourages dynamics whereby people can claim their rights and exert a degree of pressure on service providers. Thus if capacity development cannot be observed and measured directly it may be practical to measure factors that with some likelihood contribute to it and can be measured also in the shorter term.

c) Capacity development depends on a sound balance among a range of factors that act in synergy. There are a range of factors that relate to the sustainability of capacity development efforts. In different contexts they are not the same, which again makes the point that the combination of factors matters. Lack of one of them may jeopardize overall impact and sustainability. The challenge of achieving sustainable capacity development results may be likened to the key factors that allow a plant to grow, including soil and nutrients, water, air, light and a certain temperature. If any of these factors is in rare supply it becomes a bottleneck and the plant cannot grow. If in a similar way one was to pick a set of essential factors that together favour the development of capacity in a given system, one could draw them from the existing instruments and lessons learned, as reflected in the passages above and agree on what is meaningful and practical to monitor.

d) One set of factors is offered in the capacity components that are specified in the UNDG position statement. Capacity development indicators would thus relate to:

- Availability and retention of the needed human resources
- Degree of public sector accountability
- Access to information, development knowledge and technology
- Multi stakeholder inclusion, and participation
- Financial resource allocation, management and oversight
- Availability, management and maintenance of material resources
- Management of environmental resources
- Effectiveness in management of external/international relations

This set has been formulated by the UN Development Group on the basis of

In a recent review, six suggestions were made on ways forward that are also relevant to measuring capacity development: (1) recognize, disclose, and take seriously margins of error in all indicators need more transparency, less 'false precision', and less 'elevator economics'; (2) make effective use of existing indicators and diagnostics, and continue to improve and innovate; (3) identify (existing and new) "action-worthy" indicators, combining them with "outcome" indicators; (4) avoid exclusive reliance on any one indicator or source without checks & balances from others; (5) match indicators/tools with desired objectives; (6) acknowledge and exploit complementarity among different types of indicators: objective & subjective; action-worthy & outcome; aggregate & individual.

Kaufmann 2007

An instructive example is offered by the DFID CAR Framework. The purpose is to develop a common language and "to provide to the outside world, notably to Parliament, the electorate and other government agencies, a simple and comprehensible summary message about what 'governance' actually means in DFID practice. ("What are you folks actually trying to do?" "We are trying to make governments more capable, accountable and responsive.")"

Moore/Teskey 2006

Detailing aggregate indicators

Example: Accountability

Public Sector accountability could further be measured with detailed indicators relating to actions that promote accountability:

1. Establishing reliable, legitimate and pro-poor "rules of the game";
2. Increasing transparency, access to information and awareness;
3. Establishing facts, broaden evidence and increase objectivity;
4. Mandating and maintaining regular monitoring and control;
5. Improving access of poor to recourse and arbitration;
6. Moving accountability loops closer to the people;
7. Strengthening meaningful participation in political process;
8. Strengthening voice and ability to articulate. Source UNDP working paper²⁶

²⁵ See for instance Kaufmann (2007) for a discussion of measurement challenges with regard to global governance indicators under three principles: 1. All indicators have measurement error, 2. There are no silver bullets, and 3. Links from policy actions to outcomes are complex

many evaluations and collective expertise within the UN system. It may be improved or rationalized differently. But the set above already constitutes a useful basis for an indicator set against which to measure capacity development. Aggregate indicators could be further detailed, as for instance in the example in the margin drawn from UNDP's work on accountability.

e) Subjective indicators are as important as objective measures - a mix of quantitative and qualitative indicators is required. Specific outputs can surely be measured in quantitative terms. The number of trainees for instance can be measured. Also the existence or non-existence of a factor contributing to CD can be identified, such as, for instance, the existence of an access to information law, ratification of an international convention, or training material availability. However, the existence of a law does not speak to its enforcement, the establishment of an accountability mechanism does not reflect on whether it works, and the number of people trained does not indicate whether they are likely to use their new skills or make a contribution where they were expected to work. Qualitative means are important for adequately interpreting data. The fundamental question is, which indicators are relevant and meaningfully reflect on potential impact by monitoring "building blocks or mile stones in the enabling environment and with a plausible link to impact. (see above)

f) Stakeholder voice is one of the most effective ways of reflecting on complex issues and development over time Not surprising perhaps is that most responses emphasized the usefulness of asking beneficiaries how they perceive the state of affairs. The most frequently mentioned instrument were stakeholder surveys, including beneficiaries, clients, partners, staff, citizens, employees etc. and other participatory ways of evaluating. Stakeholder voice may be solicited through interviews, focus groups, workshops, participatory reviews, open and frank discussions, etc. The question remains as to how many client and partner surveys can be undertaken before all the response capacity in developing countries is drained and actual capacity development paralyzed. The UN system is already complex itself. Furthermore there are many other bi-lateral, multi-lateral and civil society development partners that fundamentally face the same accountability issues.

The discussions made also clear that even changes in behavior and social dynamics can be measured, such as the intensity of relations, (for instance the frequency of communication or meetings between Ministries), vibrancy engagement of civil society, or functioning of accountability loops.

"CD results, by definition, cannot be assessed/measured within a short timeframe. In addition, there are many risk factors, susceptible as they are to political changes since CD requires high-level political commitment. As such, any impact assessment must be done with a long timeframe, and indicators must be qualitative, not only quantitative."
UN country team

This is a tough one. The recent DAC guidance on capacity development was not able to shed much light on this question. Client surveys are, of course, useful. More attention is needed by the UNDP and the donor community in general to indicators of longer-run capacity – not limited to individual institutions – specifically on intermediate outputs that track well with future capacity and future effective use of capacity across and within sectors

Consultant

8.5. How to measure UN system effectiveness in support to CD?

Finally to close the loop it is useful to look back on the general challenge to evaluate effectiveness in supporting capacity development, and notably the effectiveness of the UN system. This review has put the emphasis on stakeholder feedback as a meaningful measure. It also has applied a framework of analytic dimensions that may prove to be valuable for further reviews. In a nutshell these include 4 pillars: (1) UN capacities (2) UN comparative advantages and roles (3) Approaches, strategies and patterns (4) Engaging with clients and partners, (see summary in margin)

As has been pointed out, there are serious methodological difficulties to assess UN system effectiveness in supporting CD. "Retrofitting" the

Summary of dimensions for assessing UN system effectiveness in supporting capacity development

- (1) UN capacities: considering (a) vision, mission & strategy; (b) programming instruments and policies; (c) delivery systems and operational procedures, (d) staff profile & motivation /incentives, (e) monitoring, evaluation & learning systems; (f) funding and resource mobilization patterns; (g) diversity and coherence
- (2) UN comparative advantages and roles

²⁶ Drawn from "Accountability, voice and responsiveness" as CD strategy," recently discussed at the UNDP-convened international conference "Let the Evidence Speak," held in November 2006 in Madrid

analytical perspectives on past evaluation evidence may illustrate lessons and trends. It is however methodologically questionable, if not indeed impossible, to establish hard evidence. Neither the quite disparate criteria, nor the absence of a solid basis for measuring, nor the coverage of past assessments allow a clear picture and surely do not sustain a system-wide assessment.

As the COWI review on mobilizing support and resources for the UN points out that certain questions are fundamentally unanswerable. (see margin) Trying to answer them either leads to artificial constructs or very questionable attribution of results. : *Equally the DESA commissioned study on "Evaluability of the UNDAF" asserts: "The reality is that it is highly unlikely that any evaluation would be able to identify a contribution linking UN agency interventions identified in the UNDAF with shifts in the national goal level indicators, as is assumed in results frameworks, in the 4th year of a 5 year programming cycle. This is because if capacity building is the main focus of UN agency interventions, it is highly unlikely that the benefits will be discernable within such a short period of time."* (Balogun 2007)

Measurement of effectiveness may thus focus on what can be measured and to a certain degree attributed to the UN. The DESA commissioned study on "Evaluability of the UNDAF" thus *"proposes to clearly disconnect monitoring outcomes of the UN country programme from the national goals they may contribute to and recommends that "The focus of monitoring under the UNDAF process should be to monitor the degree to which the overall UN programme is likely to add value."* (Balogun 2007)

What can be monitored are actual results in terms of outputs of a country programme. If the programme was in the first place well conceived to support capacity development this may be a fair measure. Whether the programme has taken into account what is known about capacity development may be measured through compliance with corporate policy including compliance with international quality standards. Relevant elements for a policy and guidance on capacity development have been discussed above and may inform RBM systems. On the other hand, whether the UN systems engages in effective ways on the other hand is best judged by country stakeholders who understand the context and the soft side of efforts that cannot be captured through aggregation on the global system-wide level.

A further important consideration relates to cost and benefits of M&E.

Evaluation is a costly exercise and assessment of capacity development is no exception. For the present review many professionals have spent a sizable amount of time to respond to questionnaires, dialogue in interviews, search and compile information, participate in meetings, analyze data, review findings and draw conclusions. The real cost of such evaluation goes way beyond the average 5% of overall programme budget and the brunt is born by people in developing countries. It is their time that is usually not counted but effectively drawn away from domestic efforts. Given the fundamental methodological problems it is debatable what level of resources the UN system (and any development agency) can afford to spend for discharging accountability to its funders. As the above study on mobilizing support and resources for the UN *"The cost-benefit ratio in most*

important for supporting CD, namely: (a) analytic and normative functions, related knowledge management and advocacy; (b) convener for multi-stakeholder engagement and broker for partnership; (c) operational functions, incl. TC, training and provision of experts, etc.

(3) **Approaches, strategies and patterns** in supporting CD, emphasizing "good fit" over "best practice, considering traditional approaches such as training and experts, and innovation including "hands-off" approaches and aiming at systemic issues in the enabling environment

(4) **Engaging with clients and partners, including** alignment, coordinated programmes, use of country systems; managing programmes and projects with "CD traction"; partnerships, civil society and the private sector; transparency and accountability.

"Although MYFF's do not appear to be securing their aim of assured multiyear core funding, they are sharpening programme focus and inducing DFP managements to pay greater attention to outcomes and results. However, donors may be overdoing, somewhat unthinkingly, their emphasis and insistence on wanting firm evidence attributing results and outcomes to the specific programmatic interventions of each DFP. They are in effect asking questions that are fundamentally unanswerable. Neither the theories nor the analytical techniques to provide such answers exist as yet. [...] In asking for the impossible, donor representatives are placing unnecessary stresses and strains on DFP managements and staff that are entirely avoidable if a sense of proportion is restored in the "question-asking" process. The cost-benefit ratio in most such instances suggests that it is simply not worthwhile to try to accommodate unreasonable questions with impossible answers." COWI (2000?)

"For those who believe in the concept of ownership, the whole idea of measuring the success of outside intervention seems a contradiction."

Academic observer

"Very difficult to measure [CD] results, partly because other influences will affect the outcome (including the fact that a country may have a strong need for support, and therefore requested it, but also normal national changes) and also because countries and individuals do not like to attribute their success to the efforts of others. It may be easier to identify reasons for failure, as these are more likely to be

such instances suggests that it is simply not worthwhile to try to accommodate unreasonable questions with impossible answers." COWI (2000)

Evaluations usually serve two purposes, namely learning and accountability. Depending on the prime purpose the exercise will take particular perspectives and benchmarks. The review shows that often accountability, reporting and compliance concerns dominate at the expense of actual learning. For instance, the latter requires serious reflection and admission of failure and a readiness to learn for improvement. The former tends to exert pressure to tell the good story and emphasizes compliance, deadlines and control. This distinction of purpose is important for designing M&E systems.

Close linked is then also the question who's purposes M&E serves.

Firstly, the **perspective of the capacity development support agent**, on country level the UN country team. For the UNCT (but equally in other contexts supra and sub-national) the prime purpose of M&E relates to the need to identify where the UN system can add value with its mandate in a given context. The rationale for CD support and M&E is very much driven by contextual needs and what makes sense in given circumstance and in alignment and synergy with country and other efforts. Country teams are guided by corporate policy, RBM and incentives but equally feel the constraints and sometimes mismatch of corporate exigencies and measures versus the specific challenges and possibilities they face.

Secondly, the **perspective of UN agency and system head quarters.** There is an evident need for any development agency to monitor whether country programmes contribute to objectives. There is the purpose of learning and cross-fertilization in terms of lessons learned across countries. Yet, accountability concerns, need to report and demonstrate evidence is an important driver shaping the purpose and parameters of corporate RBM systems. Aggregation of data around corporate indicators and benchmarks faces profound methodological challenges and implies losing a lot of contextual sharpness and meaning. Linked to the methodological challenge and the question of independence of evaluation there also remains the perception that many corporate RBM systems are not objective enough in providing sound evidence.

Thirdly, and most importantly the **perspectives of the country government** and domestic stakeholders. For the purpose of national decision making the UN system is but one of many partners supporting national efforts. While there can be many angles for an assessment, for both learning and accountability, the emphasis will generally be on understanding the CD challenges and measure progress by looking at the full picture as it matters for the country. A sector or thematic evaluation, for instance, would naturally review multitude of efforts: government, domestic stakeholders and external partners, including UN agency contributions.

Ownership being with the country it is here where the epicenter of action lies and where most legitimately a judgment can be made on what constitutes a valuable contribution in support to CD and to what degree they synergize. On the other hand, the fact that many development agents, multi-

attributed to others. "

Academic

"I think the soft side of capacity lends itself better to qualitative and participatory approaches to assessment, such as Most Significant Change. We also need to encourage people to think about the costs and benefits of traditional M&E systems which are onerous for partners while producing little change in behaviour.

Researcher

"I have mentioned on previous occasions the intrinsic tension we face as a development organisation between the long-term development process, which inherently requires patience and perseverance, and the challenge of ensuring that we also demonstrate the tangible results that our programme countries and partners rightly expect from us. [...] Ideally, we should be able to measure, not just the immediate outcomes of development programmes, but also try to measure the actual long-term sustainable capacity improvements that our partnerships and joint activities bring about. It is hard, but we should remember that this is the final objective, not an outcome which may be transitory, even if it is measurable and fair, but the long-term sustainability of institutional structures behind these outcomes."

Former senior UN official

"Client surveys, asking a range of NGO and GO partners about UN functioning are a useful way for UN to 'look in the mirror' as current assessment methods are mostly internal and the answering at times is self congratulatory and non critical, and as UN is criticized for shielding itself against outside comments"

UN country team

"Presently, UN monitoring and evaluation efforts are focused on outcomes/results. However, to efficiently measure CD, impact evaluations and public policies' assessments may be more appropriate. As a complement, client surveys and participatory evaluation methods are useful to further detail and understand evaluation results. Also, in line with the reform, capacity development effectiveness will be more meaningfully evaluated if we consider the system as a whole, instead of individual agencies".

UN country team

lateral and bilateral and private face similar challenges in demonstrating results and their respective "value added" leads to a multiplication of evaluative exercises. This underlines that there are definite trade-offs between agency driven efforts geared to "vertical" accountability purposes and "horizontal" country level learning, decision-making and accountability purposes."

"To some extent, the "system" that has been put in place is too elaborate and too time-consuming. Monitoring the benchmarks has become an activity in itself, at the expense of sufficient attention to implementation leading to intended development results."

UN country team

An appreciation of the costs and benefits of different approaches of gathering evidence would require stepping beyond the purpose of this review. But the findings suggest that it would be important to consider this in more detail, carefully considering respective opportunity costs in terms of effective contribution to capacity development on country level. It also poses a more fundamental question for further UN system reviews of effectiveness in CD that follow a country external logic with limitations in scope and perspective. It may be ultimately more beneficial and telling to aim for **country level comprehensive development system assessment**

Problems of attribution will always be there unless the support has been very narrow and limited in scope. Should not prevent UN from attempting larger, more comprehensive efforts, which should primarily be assessed through qualitative instruments and, wherever applicable, client surveys.

Donor representative

In sum, future reviews of effectiveness of UN system could employ a combination of organizational compliance monitoring and stakeholder feedback in the contexts where capacity development is actually taking place. The former may focus on compliance with organization policies and guidance as well as on the application of international standards such as ISO norms for training and advisory service, standards for project management, financial management or RBM. Also, programme evaluations will always be of value for organizational learning and for illustrating results.

Linking ombudspersons for more effective support to capacity development

A complementary idea that emerged during the consultations relates to reinforcing where possible existing ombudsman functions that link the country level to agency headquarters and their constituencies. The in-country ombudsperson could channel complaints straight to the appropriate forum in-country and to counterpart ombudspersons in the respective agency headquarters, the DAC, the UNDG, the GA as pertinent, etc. Such a system would represent an actionable measure and help change the dynamics of engagement for capacity development on country level. It would represent a relatively minor investment that could also make a review of effectiveness in supporting capacity development more accurate, more honest and anchored in evidence where it matters most: on country level.

This may be complemented by assessing UN system's reputation in the respective CD contexts, global, regional and primarily on country level. The respective stakeholders can judge best whether and how the UN system effectively contributes. Such review is likely to be most valuable if it is

- **country-based** and adapted to context and national needs
- **comprehensive**, covering all development partners
- **independent**, transparent and evidence-based

Effective continuous feedback and additional evidence could be assured by linking the function of a country level ombudsperson with respective functions in development agency headquarters. (see margin) The UN is the appropriate forum to consider such a shift in assessment practice that more consequently corresponds to country purposes. Transcending the UN focus in favour of a system of comprehensive country based assessments is likely to be more realistic, practical, cost effective, and more meaningful for UN accountability to its stakeholders.

8.6. In perspective

- In recent years several UN agencies have reviewed their efforts in capacity development and taken measures to improve their effectiveness. Current thinking of capacity assessment combines a number of elements that are directly relevant for measuring impact, including the inter-connected capacity levels, the complementarity of technical and cross-cutting capacities and a range of key issues.

- Capacity results can be conceived in a wide range of ways. Frequently even excellent outputs do not add up to sustainable results. Sustainability that depends on a healthy balance in synergy between a number of key factors that need to inform risk assessment, exit strategies and M&E efforts.
- Such key factors are articulated in the UN position statement on CD as capacity components, namely human resources; public sector accountability; access to information, development knowledge and technology; inclusion, participation, equity and empowerment; financial resources; material resources; environmental resources; and external/international relations
- For accountability purposes the UN system and its stakeholder should consider a combination of compliance with UN policies and international standards and stakeholder surveys that are context based (mostly country level), comprehensive and independent.
- The UN is the appropriate forum to consider such a shift in assessment practice that more consequently corresponds to country purposes. Transcending the UN focus in favour of a system of comprehensive country based assessments is likely to be more realistic, practical, cost effective, and more meaningful for UN accountability to its stakeholders.

9. Conclusions and Recommendations

This review confirms that within the UN development system there is a tremendous wealth of experience, institutional capacity, and many competent and dedicated managers and staffers. UN agents and agencies contribute to achieving significant capacity development results towards achieving the internationally agreed development goals.. The case experiences referred to by respondents to the survey, desk reviews and country studies bear witness to this. While the analysis has also pointed to strengths of the UN system, it has concentrated on weaknesses and dilemmas that require strategic and operational choices. Overall, the UN system's capacity to support capacity development is uneven and only slowly becoming embedded in policies, operational systems, competency profiles and incentive structures.

Capacity development is a multifaceted, and not yet well understood challenge. The long-term and endogenous nature, the fact that all learning is voluntary and requires motivation, the political economy dimensions and the resulting need to engage for "good fit" in specific and often complex contexts militate against prescriptions. On the other hand it is evident that there is a real need for guidance. To facilitate the move from "business as usual" to greater effectiveness, the notion of the "default" principles lend useful perspective. A default setting is a clearly established starting position or rule that can be adjusted to suit the context, provided there is a sound rationale in terms of effectiveness for CD that justifies deviation from the norm.

UN reforms have generally been supportive of more effectiveness in CD. These include measures to increase country ownership and choice, alignment with national planning systems, results-based management, increased CD traction in operations and use of national implementation systems, a reinforced resident coordinator function that can mobilize the full UN system effectively, as well as measures to improve organizational effectiveness and to reduce transaction costs, such as increased coherence, harmonization in cost-recovery, and others. However, progress is perceived as slow and uneven, not applicable to the entire system, not only by donors, but equally by developing country governments and there is a sense of impatience among UN country teams. Piecemeal reforms can be extremely unsettling and counter-productive to effective CD support. Some reforms need to go all the way in order to show effect, comparable to a treatment with antibiotics, which is only effective if a full course is taken,

The UN system is highly complex in its institutional make up and its governance structure and processes exert diverse demands and marching orders. Mandates of agencies and ways of operating differ significantly. Different governing boards do not necessarily speak the same language and member countries are sometimes inconsistent in their positions. Partners and competitors also have their agendas. And country realities rarely follow technical

rationality but are by nature highly political. UN managers and staff try to operate within these pressures. Conflicting demand cannot be resolved easily and certainly not from within any individual agency. The UN system needs to set clear standards ("defaults") for effective support to capacity development while leaving space for diversity.

The UN system, funds, programmes and specialized agencies need to strike a balance between advocacy and responsiveness to national needs and preferences. There is significant need to further strengthen the ground rules and dynamics that safeguard and reinforce national ownership, alignment and truly home-grown capacity development processes with promise of sustainable results. On the other hand, the UN system needs to be able to intervene with a long-term view in highly difficult and fragile contexts. Effective advocacy is required to safeguard and promote "Global Public Goods", which are reflected in the norms, standards, treaties, conventions and rights. This requires a significant degree of autonomy and strategic vision for the UN system.

The situation is complex to say the least. Yet reform measures cannot be just cosmetic. Effective measures to enhance the UN system's effectiveness in supporting capacity development need to be underpinned by clear definition of responsibilities, by shifts in corresponding powers and (re-)allocation of budgets. It is up to the UN system, its constituencies in developed and developing countries to assume real ownership and establish mutual accountability for collective results.

Recommendations for consideration in the follow up are made around 7 clusters:

Recommendation 1: Reinforce UN functions in convening and brokering multi-stakeholder processes

The UN system's comparative advantage as impartial convener, broker and facilitator can more fully be brought to bear in support of CD processes. This includes convening and professional management of policy dialogues on all levels. It implies inducing and facilitating dialogue and constructive engagement of stakeholders, legitimizing the voice of marginalized people and protecting time and space against undue pressures in the negotiation of "home-grown" development path.

- a. **Capacity development most often depends on stakeholders to negotiate their own solutions.** Even in highly developed countries political deadlocks can prevent finding sensible solutions. The UN system needs to be able to **play a conducive role** in fragile and highly sensitive contexts in bringing stakeholders together and supporting dialogue and consensus building.
- b. **As UN country teams upgrade their competence in playing the role of strategic conveners, mediators or facilitators** domestic and external stakeholders may increasingly rely on this function. **Establishing accountability and incentives for high quality service** can be achieved by including this dimension in staff performance appraisal and overall evaluation of organizational performance .
- c. There is scope for **further improving management of global, regional and subregional gatherings** to strengthen substantive exchange related to capacity development dimensions. There are also opportunities to increase traction for learning, networking and in particular South-South exchange.
- d. **Member states can solicit the UN system's facilitation role**, aimed at ensuring informed and consistent positions (on country and international levels) and upgrade their engagement in substantive policy dialogue on strategic capacity development aspects, including in ECOSOC, GA and other governing bodies.

Recommendation 2: Strengthen normative as well as knowledge functions as critical assets for CD

By ensuring that normative advice is cutting edge, of a consistently high quality, timely and readily available at regional and country levels individual agencies, the UN system and country teams offer important assets for capacity development efforts. Similarly, the UN system can more effectively mobilize a wealth of expertise and knowledge in a wide range of specialized areas and from many countries and support learning from practical experience. across countries and regions.

- a. **Technical knowledge is a key asset in capacity development to which the UN SYSTEM can more effectively facilitate access and accept accountability for a consistently high quality service.** All UN

agencies can maintain conducive channels of access for those seeking access, including direct knowledge exchange through line ministries, knowledge networks and through the UN country team.

- b. **UN country teams can be developed as gateways to the full spectrum of development knowledge that the UN system can mobilize**, including from non-resident agencies. Upgrading of information systems and staff competency mix can improve response to national demand in a competent and timely manner. For instance, substantive policy briefs in a matter of 5 days can be part of the performance agreement.
- c. On agency HQ level as well as UN system wide **upgrading knowledge management systems** in a way that effectively connects supply and demand of development knowledge is a critical investment for more effective CD support. This can include a mix of knowledge networks, codifying of experiences and lessons, professional management of knowledge related to CD practice. It requires a minimum operational degree of systems compatibility and upgrading of UN agency and system-wide learning functions.
- d. **Specialized agencies may focus on strengthen regional and subregional support capacities**. The UN can engage more fully with relevant regional partners, such as regional and subregional organizations, think tanks and knowledge networks as service providers. UN advisors' performance for CD implies a combination of sound technical knowledge with contextual competence in the countries they support.

Recommendation 3: Quality manage operations to promote country ownership and CD traction

Operational support, most readily associated with capacity development, can be effective but can equally undermine country ownership and endogenous capacity development. Clear standards and safeguards for operational support can ensure that UN operations respect country ownership, optimize traction for capacity development with national institutions, and keep the aim of lasting capacity development firmly in focus.

- a. **It would be useful to define UN system wide default positions, which guide operations to optimize contribution to endogenous capacity development**. UN country teams can actively collaborate with governments and other stakeholders to use the mutual commitments of the Paris Declaration in support of CD. Rules of engagement around alignment, simplification, use of national systems rather than parallel projects constitute a "default" that can be adapted by genuine national choice as may be conducive for CD.
- b. **The UN system, should articulate areas that require modes of engagement that deviate from the operational default**, be it for "extended" advocacy, innovation through pilots, risk management and vertical accountability, or for complex or fragile contexts that require more controlled or flexible modalities in the interim. The UN and its constituencies may usefully consider the relevance of the Paris principles also in supporting the UN system that is collectively owned.
- c. **Where justifiable UN agents may manage projects and programmes with optimal traction for CD** and keep in mind that the ultimate objective is the capacity of national agents to handle required tasks. The UN SYSTEM, in particular the country teams, need to **negotiate with governments a clear understanding, space, scope and modalities for civil society partnership**.
- d. **It is important that UN country teams are able to strategically analyze and address systemic capacity issues in the enabling environment**. Such support areas may include: incentives to attracting, motivating, effectively using and retaining human resources; accountability mechanisms, national coordination and management of aid and strengthening capacities on sub-national levels.
- e. **Staff competency, incentive, and support systems need to promote** long-term sustainability rather than short-term delivery and put a premium on partnerships and competent advice rather than resource mobilization, programme management and delivery. UN country teams can further strengthen analytic and substantive advisory skills as well as competencies in process facilitation.

Recommendation 4: Reinforce the RC as competent champion for CD

UN country teams have a particular responsibility to ensure that UN system support at country level is effective for CD. The RC as the representative and facilitator of the UN system engagement should have the overall

responsibility to strategically advocate and manage the quality of CD support of the UN system in the respective country with a long-term vision for sustainability, in particular in fragile contexts.

- a. **A common vision on CD is critical to guide UN country team's efforts, policy dialogue and programming with government and other stakeholders.** Country teams can engage more effectively in an outward looking way, strategically seeking opportunities, ensuring "good fit", and nurturing synergies and partnerships, able to defend a long-term vision against undue delivery pressure and particular interests.
- b. **The UN country team needs to manage the quality of staff advisory services and consultants for effective CD.** TORs need to provide clear guidance on expectations, including CD progress and results benchmarks. Consultants should combine solid technical competence with a conducive mindset, inter-cultural and inter-personal skills, adequate language, contextual and facilitation skills. 360° performance appraisal by clients and peers including appraisal for effective CD engagement may be considered as a standard procedure.
- c. **UN staff needs to be particularly competent in engaging in unstable and complex conditions** to identify opportunities for capacity development as early as possible during the emergency. Contextual competence, brokering, mediation and change management skills need to be given even greater attention. Even where national authorities are absent the UN country team can more effectively facilitate interim accountability arrangements for its own operations as well as for the development community.
- d. **Capacity development is everybody's business and should become an explicit responsibility of the resident coordinator as manager of the UN system engagement on country level.** Making effective support to capacity development an explicit element in the performance compact of the RC, including as important selection and promotion criteria, is a simple, actionable measure that sends a clear signal on CD priorities and shapes the incentive structure for the entire UN country team and support system.
- e. **The RC requires the internal legitimacy, authority and resources to balance national demand and multiple UN mandates for effective CD support.** Access to specialized substantive support should underpin RC and country team support to identifying CD needs and conducive approaches together with country level and UN system stakeholders.

Recommendation 5: Pool system-wide knowledge resources in CD to support country-level capacities

Competence in support of capacity development is far from being a given in the UN system. Quality technical support for capacity development is underpinned by an evolving knowledge base. Building on existing services, the UN system should systematically strengthen its backstopping capacity for UN country teams. As CD approaches cut across sectors and technical areas there is particular benefit in knowledge exchange and learning across the entire system.

- a. **A major concerted effort is required to upgrade mandates, programming instruments, staff skills and incentives, operational systems, M&E systems etc.** for more effective support to capacity development. Capacity development does require time and leadership. Building on existing capacities a CD resource facility as a priority investment may be lead from the highest level of the UN development systems, through the CEB and the UNDG mechanisms.
- b. **The CD resource facility would promote cutting edge CD learning suited to address systemic CD challenges as well as sectoral support.** The UNDG position statement identifies areas of priority confirmed in this review. Equally there is an increasing need to mainstream CD competence and approaches within specific sectoral work and instruments as well.
- c. **Charged as UN system think tank and policy entity, a CD resource facility would bring together various strands of CD pioneering work,** including the HLCP interagency effort (2002), the UNDG task force on CD, the UNDP capacity development group, UNEG and others. Such a facility could operate in a networked fashion with a synergizing facilitator and focal units in all UN funds, programmes and specialized agencies. It would work as integral part of the UN SYSTEM knowledge support system (recommended above) and through a competent team of global and regional policy advisors.
- d. **The CD resource facility may undertake research and development of policy guidance and instruments,**

facilitate knowledge networking and codify knowledge and case experiences. There is a broader community of practice on CD and the UN resource facility would need to stay well connected to the global debate and initiatives that contribute to expanding the CD knowledge base and actively seek partnerships, in particular with knowledge institutions and networks in the South.

- e. **It is important to integrate upgrading UN system capacity into the mainstream of the UN reform, operations and training processes,** e.g; CCA/UNDAF alignment, one UN pilots, coherence, RBM. Beyond training, systematic development of CD competence at all levels may have a strong component of coaching/mentoring of staff including for example as part of individual development plans.)

Recommendation 6: Negotiate a balance between expectations, capacity and funding

Effective support to capacity development requires adequate and reliable core funding that allows strategic and long-term engagement without undue pressures and opportunistic distortions. Donors and the UN system should be able to transparently negotiate expectations with corresponding funding levels across the range of functions that the UN development system carries out in support of CD. Developing countries can also explore their options and make best use of the support the UN system can offer to support national capacity development.

- a. **The inadequacy of funding in quality and quantity has a direct bearing on UN system effectiveness in supporting CD.** The systemic shift of replacing core with supplementary ad hoc funding has contributed to an erosion of the strategic ability of the UN system that is critical for effective support to capacity development. Resorting to ad hoc supplementary funding fuels a vicious circle, undermining UN system capacity, eroding trust and further substituting core with earmarked funding, etc.
- b. The UN system supports capacity development through its analytic, normative and advocacy work, through its role as convener as well as through operational work. **All three functions are important to national capacity development efforts and require adequate funding.**
- c. **From a capacity development perspective it is desirable that clients have "untied" choice of inputs and providers of services. But there are limits.** Promotion of global public goods, including human rights, cannot exclusively rely on country demand only. Strategic UN engagement is required in particular in environments where lack of capacity or commitment means that governance systems do not adequately represent the constituencies. Therefore, ad hoc solutions to funding are fundamentally inadequate.
- d. **Quality, levels, channels and sources of UN funding need to be well informed by the roles the UN system is expected to perform.** Different funding mixes come with different incentive signals. All stakeholders have options to promote a sound balance between expectations, capacity and funding.
- **UN country teams and agencies** have some scope to revisit their engagement strategically from a capacity development perspective.
 - **Donors** can consider improving the quality of funding by abandoning earmarking and contributing to solid core funding. Earmarking for capacity development in a broad way with few strings attached may be another option.
 - With increased flows of development finance and direct budget support **developing countries** may actually have a margin to reassert their stake in the UN development system on country level and perhaps even globally.

Recommendation 7: Anchor M&E of CD on nationally-led country level evaluations

The UN system may more consistently encourage and support "horizontal" nationally led sector-wide, thematic, or cross-thematic evaluations rather than "vertical" evaluation for agency purposes. For accountability purposes the UN system and its stakeholders may consider a combination of compliance with UN policies and international standards, and stakeholder surveys that are context based (mostly country level), ensuring independence. and impartiality in the process.

- a. **Care needs to be taken that the perceived need to measure impact of CD efforts does not lead to indicators in RBM that may motivate actions that undermine long-term capacity development.** The

measurable may not be meaningful; the accurate may not be practical; the comprehensive may not be timely. What can be aggregated globally may not be useful for country stakeholders. UN country teams should strengthen their ability and support country-led capacity diagnostics.

- b. **CD indicators may identify a selected set of key factors that dynamically combine over time in nurturing capacity**, like a plant that grows with adequate supply of soil and nutrients, water, air, light and heat. Such key factors are articulated in the UN position statement on CD, such as Human resources & incentives, Leadership, Knowledge access, Accountability and participation. Sustainability indicators would usefully be integrated in the Human Development framework
- c. **Choices for monitoring and evaluating capacity and capacity development should be further explored in light of opportunity costs and benefits for capacity development.** M&E costs go way beyond the 5% evaluation budget that is usually indicated as standard. It involves a very significant time investment by informants - and primarily in developing countries. From a capacity development perspective there is benefit to favour systems that are primarily attuned to country purposes.
- d. **For accountability purposes the UN system and its stakeholder may consider a combination of compliance with UN policies and international standards and stakeholder surveys** that are context based (mostly country level), comprehensive and independent. The function of a country ombudsman for aid effectiveness linked to an ombudsperson in UN, DAC or other agency headquarters may be considered to reinforce accountability for effective support to CD.
- e. The UN is the appropriate forum to consider such a shift in assessment practice that more consequently corresponds to country purposes. Transcending the UN focus in favour of a system of comprehensive country based assessments is likely to be more realistic, practical, cost effective, and more meaningful for UN accountability to its stakeholders.

Concluding remarks. Based on lessons from past experiences, the review has identified many “default positions” and safeguards for promoting effective support to CD and reducing risks of failure. These can be more systematically mainstreamed in UN operational activities for development. On the other hand it is equally clear that there are neither simple recipes for approaches nor prescriptions for modalities. Effectiveness is also dependent on contextual competence of UN agents that allows identification and implementation of "good fit" approaches.

Capacity development, be it within the UN system or in any other development agency, does not happen overnight. It requires space for risk taking, learning from trial and error, bold strategic choices based on plausible links to promising CD results. It will also require a careful choice of specific and actionable measures that induce and nurture change consistently over time. In particular clear accountability and incentive signals are critical for motivating key agents in the system to change behavior and promote reform.

Finally, the findings show significant perception differentials on UN system performance. In particular, donors have tended to be more critical. This does reflect a major problem that the UN system as a whole needs to address together with its stakeholders. Enhanced publicity will not address the real issues. Nor does recycling of misperceptions help. As a collective effort, capacity development fundamentally requires trust among partners. Trust-building will hinge on increasing objectivity and meaningful evidence, in particular at the country level, on what really constitutes effective support to developing countries in charting their own course.