

United Nations Development Programme  
Draft Project Document



## CAPACITY DEVELOPMENT STRATEGIES AND DIAGNOSTICS

*UNDP defines capacity as “the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.” Capacity development (CD) is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. Capacity development is considered by UNDP to be indispensable for increased development effectiveness and vital to the achievement of the Millennium Development Goals (MDGs).*

*Against the background of a global commitment to fighting poverty, and pledges to increase the volume of aid, the capacities to negotiate, manage, oversee and effectively utilise development finance for human development ends have acquired even greater urgency. The Millennium Summit Declaration, Paris Declaration on Aid Effectiveness and the Outcome Document of the World Summit reflect this prominence.*

*Over the past few years it has also become evident that a more rigorous approach to CD is required. The objectives of this project are to further develop, codify and test the applications of capacity development practices and ensure effective use of evidence-based knowledge products and assets for each element of the capacity development process. These applications, which would support sustainable and consistent development of capacity, would be integrated into national development plans and poverty reduction strategies, and in turn would increase effective utilisation of resources to realise progress towards achieving the Millennium Development Goals.*

*This project will support the continued deepening of the evidence-based capacity development knowledge and methodology through case study documentation and analysis; tracking and monitoring of capacity development in the core strategy areas defined; support to theme/sector and geographic adaptation of diagnostics and tools; and evaluation of capacity development contributions to development results. The intent of such knowledge gathering, analysis and sharing is to enable capacity development practice to influence and be integrated into national development policy, MDG-based strategy and public financial management, at national and local levels.*

*This work will also facilitate the common work of the UN system in development cooperation, and provide the methodologies, case evidence and tools to support UN country team work on capacity development, underpinning the CCAs/UNDAFs and programme design.*

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Country: Global Programme

Expected Outcome(s)/Indicator (s)<sup>1</sup>: \_\_\_\_\_  
(CP outcomes linked to the Strategic Plan goal and service line)

Expected Output(s)/Annual Targets<sup>2</sup>: \_\_\_\_\_  
(CP outputs linked to the above CP outcome)

Implementing partner: UNDP - Bureau for Development Policy  
(designated institution/ executing entity)

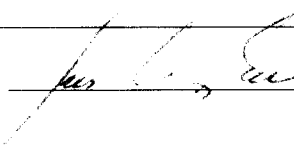
Responsible parties: \_\_\_\_\_  
(implementing entities)

Programme Period:	2007-2011
Programme Component:	Capacity Development
Project Title:	Capacity Development
Project ID:	
Project Duration:	2007-2011
Management Arrangement:	DEX

Budget	US \$8.5 million
General Management Support Fee	
Total budget:	US \$8.5 million
Allocated resources:	US \$534,000.00
• Government	
• Regular	
• Other:	
○ Donor	
○ Donor	
○ Donor	
• In kind contributions	
Unfunded budget:	

Agreed by: \_\_\_\_\_

Agreed by: \_\_\_\_\_

Agreed by (UNDP):  \_\_\_\_\_

<sup>1</sup> For global regional projects, these are outcomes identified in GP/RP

<sup>2</sup> For global regional projects, these are outputs identified in GP/RP

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## 1 Situation Analysis

UNDP defines capacity as “the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.” Capacity development (CD) is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. Capacity development is seen by UNDP as a primarily endogenous and domestically driven process, which is indispensable for increased development effectiveness. It is an inherently political and complex process that cannot be rushed, and outcomes cannot be expected to evolve in a controlled and linear fashion.

Capacity Development is at the core of UNDP's mandate of human development, since it is the foundation for widening choices and seizing opportunities, and cuts across all practice areas. UNDP is engaged in strengthening skills, systems and processes for analysis, planning, service delivery and accountability, in its effort to support capacity development for the achievement of the MDGs at local and national levels.

Against the background of a global commitment to fighting poverty and strengthening effective governance, and pledges to increase the volume of aid, the capacities to negotiate, manage, oversee and effectively utilise development finance for human development ends have acquired even greater urgency. The Millennium Summit Declaration, Paris Declaration and the 2005 World Summit Outcome Document reflect this prominence. The capacities of all development stakeholders, be they small community groups, individual leaders, national institutions or global entities, are therefore at the very heart of the matter.

Among the core capacity development issues is the state's ability to deliver basic services to the poor. Identifying pathways within the enabling environment and at the organisational level for scaling up effective service delivery is often a “make or break” step for progress towards the MDG targets, especially at local levels. This includes managing and facilitating non-state actors, such as the domestic private sector and households, to engage actively in the development process. A systematic capacity development approach, which is based on endogenous processes and is outcome-driven, can offer a way of supporting countries as they address underlying cross-cutting capacity constraints, and effectively utilize existing capacity assets and anchor them in national development strategies. The articulation of capacity development strategies, such as knowledge services and learning, leadership development, institutional reform and change management, mutual accountability mechanisms and incentive systems, are best tested by their application.

Over the past few years it has become evident also that a more rigorous approach to CD is required if its importance is to be fully appreciated. This includes taking concrete steps to mainstream capacity development strategies and diagnostics throughout development finance, policy and programme efforts, such as in the preparation and monitoring of PRSs and national and local development plans. Therefore, in addition to a capacity diagnostics methodology, UNDP has drawn together case evidence in key CD strategy areas to support countries in responding better to national and local capacity needs, and making effective use of their capacity assets. Indicators of CD progress and monitoring mechanisms that embed these measures, whether in programme performance or results-based management, are all parts of a concerted effort towards the same end.

Such efforts also contribute to the role of the wider UN development system in the work to help countries anchor the MDGs in national development strategies and ensure access to the full range of capacities required to meet these goals. The approach to capacity development presented here is endorsed by the UN and the OECD DAC, and is articulated in many partner organization policies and programmes as well.

UNDP is supporting UNDESA in evaluating the UN experience of capacity development in preparation of next year's Triennial Comprehensive Policy Review (TCPR). UNDP's Administrator has stated that he is “confident...that we will be able to report good progress next year against the 2005 World Summit and TCPR resolutions calling for a renewed UN system focus on supporting capacity-development strategies in partner countries.”<sup>3</sup>

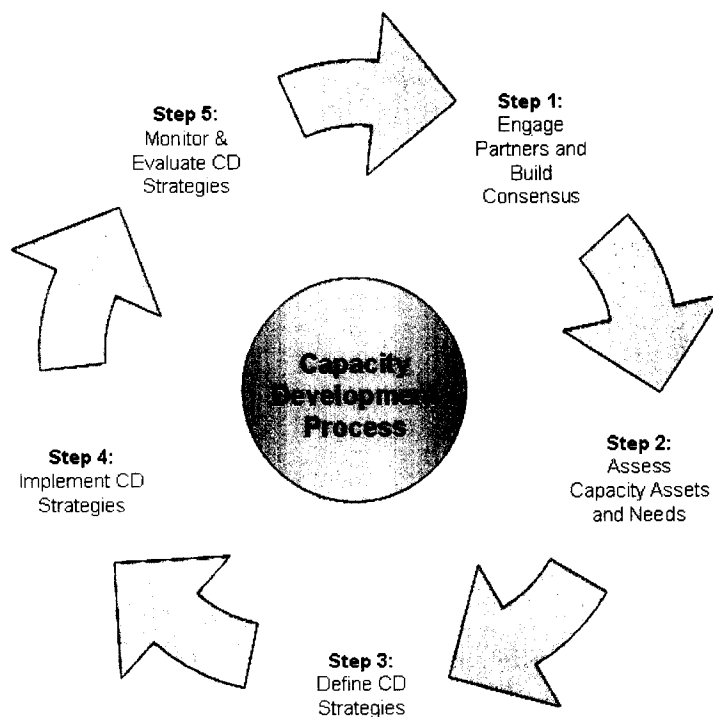
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<sup>3</sup> Kemal Dervis's Statement to the Executive Board of UNDP/UNFPA, 11 September 2006.

UNDP recognizes that a country's capacity resides at three levels: the enabling environment, organisational and individual. Within all three levels there are five types of functional capacities: 1) engage in multi-stakeholder dialogue; 2) analyse a situation and create a vision; 3) formulate policy and strategy; 4) budget, manage, and implement; and 5) monitor and evaluate.

The diagram below shows UNDP's articulation of the cyclical nature of the capacity development process, with Step 3 requiring that capacity development strategies be defined. In order to complete this step, it will be necessary to recognize the key characteristics of CD strategies and the different strategies that may be applied toward different priority capacity investments.

**Figure 1: UNDP Capacity Development Process Steps**



Key Characteristics of Capacity Development Strategies

What makes a capacity development strategy different from any other kind of development strategy? The key points of departure, intended for further discussion among Country Teams, are the following: capacity development strategies differ from other development strategies in that they:

- Take a systemic approach to the capacity assets and capacity needs in a country
- Require the engagement of multiple stakeholders, often across sectors, in an approach to integrated development challenges
- Seed and support longer-term endogenous processes, and hence entail a mapping and understanding of existing capacities as a starting point
- Guide and systemically strengthen specific skills, knowledge and access to decision-making as inherently empowering

- Facilitate information and knowledge sharing in the public domain to facilitate larger, societal capacities
- Constitute a strategic choice of a course of action or "building blocks" worth investing in for long-term contributions to capacity
- Can be described in fairly concrete terms and measured in terms of capacity changes over time
- Install rules, roles and dynamics for capacity development change and are robust enough to carry through shocks

The following **seven capacity development strategies** are considered by UNDP as priorities for our engagement and investment, and are key to sustainable development results. They may be applied to address capacity development needs in a variety of sectors that speak to integrated approaches to development. The selection and adaptation of the specific menu within these capacity development strategies should be predicated upon findings from a capacity assessment exercise, suited to that local context:

Capacity Diagnostics:

Needs and capacity assessments, measurement and monitoring, advisory services, local R&D...

Knowledge Services and Learning:

Large group training, technical and tertiary education, on-the job skills transfer, focus groups...

Leadership Development:

One-on-one coaching, mentoring, management skills development...

Institutional Reform and Change Management:

Results-based management, performance management systems, functional reviews, PAR in transitions, procurement services...

Multi-stakeholder Engagement Processes:

Process facilitation, institutional twinning, e-networks, community dialogue spaces, integrated planning and problem analysis...

Mutual Accountability Mechanisms:

M&E processes, social watch, peer and partner reviews...

Incentive Systems:

Salary supplements, non monetary benefits, pay and compensation...

## **2 Project Background**

### **2.1 Context and Achievements to Date**

This project is a natural evolution of recent and current capacity development and capacity diagnostics projects, specifically the Reforming Technical Cooperation for Capacity Development initiative (RTC) and the Capacity Development Innovation Facility (CDIF) and the Capacity Diagnostics for Human Development projects. RTC, and subsequently CDIF, have focused on mainstreaming capacity development in UNDP, the UN system and development partner work through the development and dissemination of policies, tools and programme actions. The Capacity Diagnostics programme was spun off from CDIF as demand increased from practitioners in the field for specialized capacity diagnostics support. These projects have generated valuable assets from conceptual publications through to practical user guides and tools, including:

***Theoretical and Case Study Publications***

- Capacity for Development: New Solutions to Old Problems
- Developing Capacity Through Technical Cooperation

- Ownership, Leadership, and Transformation: Can We Do Better for Capacity Development?
- Capacity Development Strategies: Let the Evidence Speak (A Case Book) (forthcoming)

#### **Policy and Practice Notes**

- Practice Note on Capacity Development
- Practice Note on Capacity Assessments
- Practice Notes on Aid Management, Procurement Capacities, Private Sector Development & PPP (forthcoming)
- Practice Note on Localising the MDGs (forthcoming)

#### **Resource Guides and Tools**

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

## **2.2 Project Rationale**

As the creation of theoretical and methodological capacity development content continues, there has been a logical increase in demand from various constituencies for support for implementation of such strategies and diagnostics. It is incumbent upon the global team to continue to provide the assets and resources necessary to support implementation.

A key way in which this project serves this purpose is by acting as a catalyst for mainstreaming capacity development within the practices and the regional bureaux. This is of particular importance in conflict and post-conflict environments and in the management of the major vertical funds, i.e., the Global Environment Facility (GEF) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). Efficient application of CD strategies in these situations can accelerate funds allocation and increase absorptive capacity. For instance, new and increased investments in areas such as vaccines and malaria prevention, the introduction of new seeds, the provision of computers and other learning technologies to rural schools, will soon hit a dead-end if the institutions to plan for and manage them, the citizens groups to demand and monitor them, and the technical skills to deliver and maintain them appropriate are absent.

This global project serves to harness the knowledge capital of the organization that is often hidden in regional or thematic silos. It increases efficiency of capacity development implementation by making available a well analyzed body of evidence based on real-life applications across the UN organization and beyond. It avoids duplication of effort by making these resources both broadly available and specifically relevant – obviating the need for re-creation of fundamental research, development of approaches, leaving thematic and regional practitioners free to focus on the adaptation of materials to their individual contexts. It also strives to push forward the thinking on capacity development strategies, particularly challenges and successes in their application.

The project is aligned with and supports many capacity development initiatives already underway at the global, regional and country levels. There will be close collaboration with Capacity 2015 regional programmes, which have been laying the foundation for further capacity development work and can provide a vehicle for transition funding. There will be coordination with MDGS regional projects, as the Capacity Assessments are complementary to the MDGS Needs Assessments, in that both are needed to support the operationalization of MDG-based agendas. Additionally, the project is aligned with country capacity development programmes that have been recently supplemented by TRAC 2 resources, and by

the UNDP-partner CD projects such as under AA4 with SNV. Adaptation work on the capacity assessment tools and strategies, for specific applications within the Practice areas, is also underway.

Finally, the effectiveness of the project will be based on the support of UN Country Teams in definition and implementation of capacity development policies and programmes, and on collaboration with the Regional Bureaux in its rollout and application.

### **2.3 The Role of the UN System in Capacity Development Strategies and Diagnostics**

Capacity development is a central dimension in all development practitioners' work. As such it is everybody's business and responsibility to support it effectively. Through this project, UNDP provides leadership at both the Headquarters level as well as across the regions in mainstreaming capacity development. Specifically, by institutionalizing global experience and making available knowledge products and assets, UNDP hopes to promote a more systematic approach to capacity development across the UN system; to facilitate engagement of the UN system at the country level in national and local development planning processes; and to ensure a stronger, more coherent role of the UN at the local level. This work also facilitates the UN system as a key partner to support the strengthening of national systems and tools in the priority areas identified in-country, and the integration of capacity objectives into any national, sector or thematic strategy.

UNDP will focus on the CD strategies as outlined here, and on applications in those areas covered by its five Practices: poverty reduction, governance, HIV/AIDS, energy and environment and crisis prevention and recovery. The UN specialised agencies each have their technical fields of competence and will focus on deepening of national capacities in those sector and technical specialisations. These are mutually reinforcing and complementary roles and are essential to cover the comprehensive MDG-based agendas articulated in national development strategies. The capacity development framework developed by UNDP embraces and supports this UN system-wide approach and is intended to underpin the CCAs/UNDAFs and programme design more specifically.

## **3 Project Overview**

### **3.1 Objectives**

The overall objective of this project is to further mainstream capacity development within and across UNDP and the UN system more generally by providing leadership in the creation and systematic application of capacity development policies, methodologies, processes and tools. Specifically, the objectives are to develop and codify "default" capacity development knowledge capital and good practices and ensure effective use of evidence-based products and assets for each element of the capacity development process outlined above. A complementary objective is to provide further research and insights on key areas of the seven capacity development strategies, as application challenges and successes are identified and collected. This should in turn support sustainable and consistent development of capacity.

### **3.2 Project Results**

- Further mainstreaming of capacity development into the national decision-making process,
- Higher quality and more integrated approaches to capacity development planning, programming and implementation, including through better coordinated international support
- More effective application of each element of the capacity development process, and of each capacity development strategy in particular
- Further mainstreaming of capacity diagnostics into new areas of development cooperation through collective processes of identifying issues, research agendas, and evidence for codification and application
- More effective use of capacity development indicators and measurement of progress, for development effectiveness, aid effectiveness and organizational effectiveness.



- Common standards for evidence-based capacity development knowledge products and assets (frameworks, methodologies and tools) for application in capacity development programmes and projects
- Increased capacity development knowledge networking and exchange among and between national development practitioners, UNDP, the UN system and the international development community

### **3.3 Strategy and Activities**

The project will continue building a capacity development strategies and diagnostics body of evidence and methodological guidance that provides access to the most relevant and appropriate approaches, tools and resources for the entire capacity development process. Over time, a practical, country-driven knowledge base should become a rich resource for UNDP and UNDG staff as well as for national development practitioners and partner institutions for CD applications. It will continue to evolve flexibly based on feedback and national demand. It will formally launch capacity development applications, as given below, with effective on-going management of the tools and the measurement of progress and development effectiveness.

#### **1) Assess Capacity Assets and Needs**

Build on momentum developed through the publication of the Capacity Assessment Practice Note and initial rollout of the “default” capacity diagnostics methodology. Work with Regional Bureaux in leveraging regional capacity development teams to deploy further.

- Host a global event on Capacity Diagnostics to present UNDP's capacity diagnostics methodology to a wider group of partners, donors, government officials, UNDP, UN and other colleagues in order to create a community of practice on capacity diagnostics.
- Continue rollout and training programme through regional “training of trainers” workshops, select implementation support and development of a VDA module on capacity diagnostics. Incorporate lessons learned during training exercises into materials.
- Refine Capacity Diagnostics Methodology, including User's Guide, Supporting Tool and training materials based on feedback and lessons learned during the global event and rollout across regions.
  - Develop case studies representative of various scenarios (based on varying scale and scope of assessments) and incorporate into supporting materials.
  - Develop application notes to support use of capacity assessment methodology in various contexts, e.g., thematic, sectoral, regional. Coordinate with focal points to support adaptation of methodology for key applications, e.g., procurement, environmental management, aid effectiveness.
- Mainstream process into development planning with support of regional advisors.
- Leverage capacity diagnostics methodology to assess internal organizational effectiveness.
- Facilitate development of joint capacity diagnostics efforts through use of common capacity diagnostics methodology through the UN system.
- Develop external partnerships to support the development and rollout of the capacity diagnostics methodology.

#### **2) Define Capacity Development Strategies and Actions, including Definition of Progress Indicators and Costing**

Build on base of knowledge and momentum already created through the development of working papers on each of the capacity development strategies, and continued application of these strategies through the country offices.

- Host a global event on Capacity Development (in conjunction with the event on Capacity Diagnostics cited above) to present UNDP's capacity development principles and strategies to a wider group of experts and practitioners and to deepen the body of knowledge and ground evidence of what works and what does not work in capacity development through the sharing of lessons learned and best practices.
- Build a team of experts in each region for each capacity development strategy to support regional application of strategies.
- Create "start-up kits" for each capacity development strategy, including policies, methodologies and tools; case studies; guidelines for mainstreaming; roster of experts.
- Build on knowledge capacity and country/case-based body of evidence already developed to refine capacity development strategy working papers and publish capacity development book, in UNDP's continuing series on capacity development. Papers focus on capacity development strategies in practice, specifically operational opportunities and challenges, and are supported by case studies.
- Create and manage a mechanism for a "watching brief" on emerging issues vis a vis the capacity development strategies; ensure coordination with regional team to ensure country-specific input.
- Conduct more detailed research and case study development for priority areas in the capacity development strategies, e.g., leadership, change management, accountability and incentives.
- Explore possibility of additional capacity development strategies within practices and service lines.
- Translate working papers into training materials as necessary; conduct training programme across regions.
- Mainstream capacity development strategies into development planning process with support of regional advisors.
- Incorporate capacity development strategy indicators into assessment of internal organizational effectiveness.

- Facilitate development of joint programming actions by leveraging common capacity development strategies through the UN system.
- Develop partnerships to support the development and application of the capacity development strategies – with UN partners, regionally based institutions and donor partners.

### **3) Implement Capacity Development Strategies**

Address implementation “stumbling blocks” for each capacity development strategy and provide support for high-priority capacity development investment areas.

- Research and develop point of view on primary “stumbling blocks” to development of capacity, and feed this into national, UN system and partner work.
- Create and manage a mechanism for a “watching brief” on emerging issues on application of the capacity development strategies (similar to the watching brief in section above).
- Build capacity development communities of practice for development practitioners, including national counterparts, UN and donor staff, to foster networking and knowledge sharing. Leverage existing partnerships and mechanisms, e.g., the South-South Unit, and explore new partnerships.
- Develop application notes for each capacity development strategy that detail how to apply each strategy in various contexts, e.g., statistical literacy, national aid policy and management, democratic governance, MDG-based national planning, procurement and localization.
- Build case studies that demonstrate operational successes and challenges for each capacity development strategy.
- Mainstream content into programme and project implementation with support of regional advisors.

### **4) Monitor and Evaluate Capacity Development Strategies**

Create mechanism to monitor and evaluate effectiveness of capacity development strategies, using the indicators developed in point #2 above as a point of departure.

- Research and provide indicators and mechanisms for measuring capacity development for development effectiveness, capacity development strategies (outputs) and capacity development more generally (outcomes).
- Develop training materials; conduct training programme across regions.
- Mainstream (output and outcome) indicators for effectiveness (organizational, aid and development) into monitoring and evaluation process with support of country and regional advisors.
- Develop and implement recommendations for using results-based management system to capture organizational effectiveness.
- Facilitate use of common capacity development indicators for joint UN programming, where agreed.

## **3.4 Project Outputs**

### **1) Assess Capacity Assets and Needs**

- a. “Default” capacity diagnostics application materials, including User’s Guide, Supporting Tool, case studies, application notes
- b. Increased awareness of “default” capacity diagnostics methodology within the UN system and beyond
- c. Team of capacity diagnostics experts (“trained trainers”) who can be called upon by any capacity development practitioner to conduct a capacity diagnostic
- d. Common, unified approach to capacity assessment by the UN system

- 2) Define Capacity Development Strategies and Action, including Definition of Progress Indicators and Costing
  - a. Publication of capacity development strategies; and additional research on key priority areas within each capacity development strategy
  - b. Trained team of capacity development strategy experts in each region
  - c. "Start-up kits" for each capacity development strategy
  - d. Network of southern institutions well versed and focused on CD strategies and diagnostics
  - e. Additional resources on capacity development strategies, e.g., application notes, watching briefs
- 3) Implement Capacity Development Strategies
  - a. Evidence-based knowledge and assets on implementation challenges for each of the seven capacity development strategies – what works and what does not work in various contexts
  - b. Use of common default methodologies for capacity diagnostics and capacity development strategies among UN country teams
  - c. Ongoing insight, lessons learned and good practices regarding application of capacity development strategies
- 4) Monitor and Evaluate Capacity Development Strategies
  - a. Set of capacity development indicators and programme indicators
  - b. UNDP Results Based Management system adapted by CD standards and indicators
  - c. Evaluative methodologies embedded with CD indicators
  - d. Global thematic reviews on CD (for UN system in 2006/2007, as response to TCPR resolution; and for UNDP as a thematic evaluation in 2007/2008)

### 3.5 Possible Constraints

The project attempts to standardise and systematise a body of knowledge that UNDP has long looked at, as its bread and butter. The best practice and tools out there may be extensive and so varied as to limit the ability to scan and collate systematically in the given period of time. Selectivity and prioritisation will therefore be critical, so as not to drown in mountains of information.

The project will primarily rely on in-house expertise using UNDP staff, at global and regional levels, who will not be able to devote 100% of their time to the project. These staff will come from multiple UNDP units, from HQ as well as the field. Other resources will be provided as needed by external consultancies and partner organisations. Coordination will therefore be critical to the success of the project. The project requires full-time CD experts in diagnostics and CD strategy areas, and if a corporate priority then needs such support to establish and fund such project posts, at global and regional levels.

## 4. Project Budget

This effort, if it is to be successfully mainstreamed through UNDP development efforts, would require both core and non core funding support in the amount of US \$8.5 million covering the five-year period 2007 through 2011. Financial resources to support this project are therefore estimated from both the Global Programme and bilateral donor resources through cost-sharing.<sup>4</sup>

Estimated global programme funds per annum:	\$700,000
Estimated bilateral cost sharing per annum:	<u>\$1,000,000</u>

<sup>4</sup> Current (2006) global programme funding for the CDIF (\$150,000) and Capacity Diagnostics project (\$300,000) is expected to be continued through their budget cycles (ends Dec 2006). The funding for this project is complementary to these existing funding available for 2006, which are already fully committed and will be expended by December 2006.

Total estimated budget per annum: \$1,700,000  
Total estimate budget for 5 year period (2007-2011) \$8,500,000

(A detailed project Results and Resources Framework is provided in the Annex.)

## **5. Management Arrangements – Project Organization**

The Project Executive Group (PEG) is responsible for the overall direction and management of the project as follows: ownership of the project; commitment of project resources; approval of specifications; prioritise project issues; review reports and plans; recommend actions on changes. Members of the PEG will include (at a minimum) a chair from the BDP's Capacity Development Group, a representative from a Regional Bureau or CO representing users' needs, and a BDP representative from outside the Capacity Development Group. The PEG should be represented by no more than 5 members.

*Project Manager/Coordinator:* He/she would report on progress each quarter to the Oversight group, and is responsible for day-to-day management and coordination; planning of expert input; financial resource planning and control; quality control, and content monitoring; quarterly reporting on progress.

*Project Assurance:* Under the direction of the PEG, one or more individuals will provide project assurance and quality reviews to confirm the quality of the deliverables being produced by the project, as well as confirm the validity and completeness of the processes followed in the project.

*Design Team:* The design team(s) are defined as required to produce project deliverables and provide design support under the direction of the Project Manager. Design Team member should include representatives appropriate for production of deliverables, including, e.g., representatives from a core group of country offices, BDP, RBx, regional centres, and external expertise as required.

*Review Group(s):* As required for the needs of each diagnostic area or deliverable according to the plans of the Project Manager and PEG, a review group will be established to provide design inputs and review of analysis and deliverables. Review Group membership should include pilot country office representatives, stakeholders, and partners as appropriate to review approaches, designs, roll-out plans and suggested revisions. The Review Group will function through electronic communications to a large extent.

*Project Expertise:* The project will pursue the above using staff and expertise from BDP, the Regional Services Centres (to include relevant regional programmes) and leveraging UN system experts, external consultancy and partner expertise as required to help develop specific elements of each product and service offered. Four CD strategies/diagnostics experts are envisaged to join the regional CD Advisor teams in Africa (1) and Asia (1) the global CDG team (2), with the latter supported through this project and the regional posts supported by the respective Regional Bureaux.

## **6. Monitoring and Evaluation**

### **6.1 Quality Expectations**

The "customer" for this project will be field-based UNDP staff involved in capacity development policy support and CD programme definition, implementation, and monitoring. The quality expectations are to be approved by the User Review Group.

### **6.2 Acceptance Criteria**

Acceptance criteria for the diagnostic tools developed will be defined during the design stage of the project. These acceptance criteria must be approved by the Field-Based Representative in consultation with the User Review Group.

The Project Oversight group has overall responsibility for the success of the project outcome and its effective management. Quality aspects will be critical in achieving the required results.

### **6.3 Project Control**

The Project Oversight group will review the project at key management decision points to be reviewed and agreed within the group. For example, a review will take place to approve this project document, to review the analysis of existing diagnostic tools, and to review the diagnostic designs.

The Project Manager will provide highlight progress reports and updates to the Project Oversight group members on a bi-monthly basis.

Responsibility for all day-to-day controls will rest with the Project Manager/Coordinator. Overall responsibility for the successful delivery of the project will rest with the Project Oversight group.

## **7. Legal Context**

The administration of this project shall be governed by UNDP rules and procedures as defined in the Results Management Guide within the policy context defined by the Executive Board.

## Annex 1. Results and Resources Framework

<p><b>Intended Outcome:</b></p> <ol style="list-style-type: none"> <li>Enhanced development effectiveness through better definition and improved implementation of capacity development diagnostics and strategies</li> <li>Widespread availability of assets and resources necessary to support capacity development implementation</li> <li>Effective knowledge network of capacity development practitioners</li> </ol>			
<p><b>Outcome Indicators:</b></p> <ul style="list-style-type: none"> <li>Capacity development mainstreamed within the practices and the regional bureaux</li> </ul>			
<p><b>Applicable Service Line:</b></p> <ul style="list-style-type: none"> <li>MDG country reporting and poverty monitoring</li> <li>Frameworks and strategies for sustainable development</li> </ul>			
<p><b>Partnership Strategy</b></p> <ul style="list-style-type: none"> <li>With the objective of further mainstreaming capacity development within and across UNDP and the UN system more generally, this project will be a coordinated effort 1) managed by the Capacity Development Group within the Bureau for Development Policy, 2) in response to demand from UNDP bureaux, and 3) in coordination with partner agencies through UNDG.</li> <li>The project will also coordinate with partners outside of UNDP, by soliciting participation from external organizations, e.g., regional institutions, private sector organisations, bilateral agencies, international funding institutions, and independent experts.</li> </ul>			
<p><b>Project title and ID (ATLAS Award ID): CAPACITY DEVELOPMENT STRATEGIES AND DIAGNOSTICS</b></p>			
<b>Intended Outputs</b>		<b>Output Targets for (years)</b>	<b>Indicative Activities</b>
<b>Project Management</b>		<b>Responsible parties</b>	<b>Inputs</b>
Manage overall project, including content development and resource management		Project Coordinator	Project coordinator (1)  Capacity Development Strategy Experts (one on training and education, and one on leadership and change management)
			\$975,000 (\$195,000 per year x 5 years)  \$1,200,000 (2 resources x \$120,000 per resource per year x 5 years)
<p><b>1. Assess Capacity Assets and Needs</b></p>			
1.1. Team of trained experts in UNDP's "default" capacity	Team of experts on capacity development diagnostics (Nov 06)	Coordinate global Capacity Development event, e.g.,	Led by the project manager, with input from
			Global Capacity Development (\$275,000 (covered by

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Intended Outputs	Output Targets for (years) and onward)	Indicative Activities	Responsible parties	Inputs
diagnostics methodology (internal and external)		invitations, budget, conference logistics, content preparation – to support both capacity development diagnostics and strategies	internal and external content experts  Regional Capacity Development Specialists	Event  existing 2006 budget)
1.2. Rollout of capacity development framework and capacity diagnostics methodology to RBx	Training at regional service center/SURF level (Dec 07) and at country level (Dec 09)  VDA Training module on Capacity Diagnostics (Mar 07)	Coordinate with RBx to design regional training plan. Refine training materials. Rollout training across regions. Incorporate lessons learned during training exercises into materials  Design VDA training module	RBx Capacity Development Focal Points	Regional training sessions, with support from RBx (1 RSC/SURF visit per region + 4 CO visits per region)  \$400,000 (travel to RSC/SURF)  \$400,000 (travel to COs)  \$25,000 (internat/natl consultant)
1.3. Refined Capacity	Refined Capacity Diagnostics	Solicit lessons learned and	Expert	\$30,000



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<b>Intended Outputs</b>	<b>Output Targets for (years)</b>	<b>Indicative Activities</b>	<b>Responsible parties</b>	<b>Inputs</b>	
<p>Diagnosics methodology</p> <p>1.4. Case studies on capacity diagnostics</p> <p>1.5. Application notes on capacity diagnostics for key sectoral/thematic areas, e.g., procurement, aid effectiveness</p>	<p>methodology, including case studies and lessons based on testing and application (Jun 08)</p>	<p>case studies. Research and document case studies</p> <p>Define application areas. Coordinate with sectoral and thematic advisors on application notes</p>		<p>solicitations</p> <p>(Internati/natl cons. for case studies)</p> <p>\$30,000 (Internati/natl cons. for application notes)</p>	
<p>1.6. Application of methodology for assessment of internal organizational effectiveness</p>	<p>Application of capacity diagnostics methodology into internal organizational effectiveness assessment tools (Dec 07)</p>	<p>Coordinate with OSG to adapt capacity diagnostics methodology for internal assessment</p>		<p>Coordinate with OSG on assessment of internal organizational effectiveness</p> <p>\$50,000 (internati/natl cons.)</p> <p>\$50,000 (expert consultations)</p>	
<p>1.7. Coordinated joint capacity diagnostics efforts across the UN system</p>	<p>Joint corporate assessment methodology to underpin UNDAF (Dec 06)</p>	<p>Coordinate with UNDG WG on CD to develop joint programming position statement</p>		<p>Coordination with UNDG Working Group on Capacity Development and BOM on joint capacity diagnostics efforts</p> <p>Partnerships with southern regional institutions</p>	<p>\$100,000 (internati/natl cons.) – to be used for partnership actions across project activities</p> <p>\$100,000 (travel)</p>
<p>1.8. Partnerships to support the development and rollout of the capacity diagnostics methodology</p>	<p>Key partnerships established to support rollout of training and application of capacity diagnostics in each region (Dec 07 and onward)</p>	<p>Develop partnership plan that defines support needs and criteria for partnerships. Identify and contact external experts to solicit participation in rollout. Train partners in capacity diagnostics. Initiate rollout; monitor and evaluate.</p>			
<b>2. Define Capacity Development Strategies and Actions</b>					

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<b>Intended Outputs</b>	<b>Output Targets for (years)</b>	<b>Indicative Activities</b>	<b>Responsible parties</b>	<b>Inputs</b>	
2.1. Sharing of lessons learned and good practices from leading external practitioners		Coordinate global Capacity Development event, e.g., invitations, budget, conference logistics, content preparation – to support both capacity development diagnostics and strategies	Led by the project manager, with input from internal and external content experts	Expert solicitations	\$100,000 (internat/natl cons.)
2.2. Team of experts on each UNDP capacity development strategy	Team of experts on capacity development strategies (Jan 07 and onward)		Regional Capacity Development Specialists		
2.3. Start-up kits for each capacity development strategy	Start-up kits (Feb 07 and onward)		RBx Capacity Development Focal Points		
2.4. Working papers on seven capacity development strategies, addressing operational opportunities and challenges	Publication of capacity development strategy book (Jun 07)	Coordinate with lead authors to incorporate input from global CD event. Coordinate with content editor to refine working papers. Coordinate with publishing house to manage publication of capacity development strategies book		Capacity Development working paper leads and editors	\$100,000 (in addition to publishing costs, covered by existing budget)
2.5. Watching brief on emerging capacity issues for capacity development approach	Watching brief mechanism establishing and ongoing (Jun 07)	Develop mechanism to monitor and evaluate emerging issues vis a vis capacity development approach		Watching brief manager	\$100,000
2.6. More detailed research and case study development for key priority areas within each capacity development strategy	Publication of more targeted research on capacity development strategies (Dec 07)	Conduct in-depth research on priority areas		Research, analysis and publication on priority areas	\$1,000,000
2.7. Exploration of additional capacity development strategies	Research findings (Dec 08)	Research and brainstorm on additional capacity development strategies, within practices/service lines		Research and analysis	\$100,000
				Expert	\$100,000

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2.8. Training materials for capacity development strategies	Training at regional service center/SURF level (Dec 07) and at country level (Dec 09)	Translate capacity development working papers into training materials, supported by case studies and application notes Develop training plan with each RBx. Rollout training across RBx		consultations Training materials Regional training sessions, with support from RBx	\$100,000 (internat/natl cons) \$400,000 (travel to RSC/ SURF) \$400,000 (travel to CO)
2.9. Rollout of training re capacity development strategies					
2.10. Capacity development strategies mainstreamed into development planning process	Capacity development strategies incorporated into UNDP User Guide (Dec 08) Capacity development strategies incorporated into Strategic Plan and programme arrangements, for 2008-2011 cycle	Incorporate capacity development strategies and indicators into User Guide. Coordinate with BOM to incorporate language, and secure approval. Incorporate capacity development strategies and indicators into 2008-2011 Strategic Plan. Coordinate with OSG to incorporate content and metrics into Strategic Plan		User group input Regional input (1 visit per region)	\$50,000 (internat/natl cons) \$55,000 (travel)
2.11. Incorporation of capacity development strategy indicators into assessment of internal organizational effectiveness	Capacity development strategies incorporated into internal organizational effectiveness assessment tools (Dec 07)	Coordinate with OSG to adapt capacity development strategies into internal organizational effectiveness assessment		Coordinate with OSG on assessment of internal organizational effectiveness	Combined with expense in line item 1.6
2.12. Coordinated joint programming efforts across the UN system	Common application of capacity development strategies	Coordinate with UNDG WG on CD		Coordination with UNDG Working Group on Capacity Development	
2.13. Partnerships to support the development and	Key partnerships established to support rollout of training and	Develop partnership plan that defines support needs		Partnerships with southern regional	Combined with expense in line item 1.8

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application of capacity development strategies	application of capacity development strategies (Dec 07 and onward)	<ul style="list-style-type: none"> <li>and criteria for partnerships</li> <li>▪ UN system</li> <li>▪ Regionally based</li> <li>▪ Donor partners</li> </ul> Identify and contact external experts to solicit participation in rollout. Train partners in capacity development strategies. Initiate rollout; monitor and evaluate		institutions
<b>3. Implement Capacity Development Strategies</b>				
3.1. Analysis of primary "stumbling blocks" to development and implementation of capacity development strategies	Recommendations regarding approaches to implementation for each capacity development strategies (Jun 07) Testing and documentation of innovative approaches (Jun 08)	Conduct expert panels to identify stumbling blocks and develop innovative approaches to overcoming them. Document resulting recommendations, supported by case studies Test recommendations in real-life situations	Led by the project manager, with input from internal and external content experts Regional Capacity Development Specialists RBx Capacity Development Focal Points	Expert consultation Missions for test cases and support to Country Offices on applying capacity development strategies Watching brief manager
3.2. Watching brief on emerging capacity issues for capacity development approach	Watching brief mechanism establishing and ongoing (Jun 07)			\$450,000 (internat/natl cons) \$400,000 (travel to RSC/ SURF) \$400,000 (travel to COs) \$100,000
3.2. Communities of practice for development practitioners	Capacity Development Community of Practice with Capacity Development Network and Workspaces (Jun 08)	Establish roster of interested parties. Determine needs and interest of a capacity development community of practice. Define and develop mechanism for sharing information	Capacity Development Knowledge Network Facilitator	Input from review group on content and structure of communities of practice Knowledge Network
				\$100,000 (internat/natl cons) \$25,000 (internat/natl)

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Intended Outcomes	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p>3.3. Application notes for each capacity development strategy</p> <p>3.4. Case studies for each capacity development strategy</p>	<p>Application notes (Jun 08)</p> <p>Case studies (Jun 08)</p>	<p>Define application areas. Coordinate with sectoral and thematic advisors on application notes. Incorporate implementation challenges and innovative approaches into application notes</p> <p>Solicit lessons learned and case studies. Research and document case studies</p>		<p>consultant</p> <p>\$30,000 (Internat/natl cons. for case studies)</p> <p>\$30,000 (Internat/natl cons. for application notes)</p>
<p>3.5. Capacity development content mainstreamed into programming and project implementation</p>	<p>Capacity Development strategies incorporated into UNDP User Guide (Dec 08)</p>	<p>Draft language to be incorporated into User Guide and Strategic Plan. Coordinate with BOM to incorporate language, and secure approval. Coordinate with OSG to incorporate content and metrics into Strategic Plan</p>		<p>Coordinate with BOM and OSG on incorporation into resource and development planning processes at corporate levels</p>
<p><b>4. Monitor and Evaluate Capacity Development Strategies</b></p>				
<p>4.1. Analysis of results-based management system for capturing organizational effectiveness</p> <p>4.2. Analysis of indicators and mechanisms for measuring capacity development, including series of evaluations to dig deeper into measuring effectiveness and efficiency of capacity development strategies</p>	<p>Set of capacity development indicators and programme indicators (Dec 07)</p>	<p>Collect and analyze RBM systems, both within the UN system and among external parties</p> <p>Develop recommendations on capacity development indicators and programme indicators</p> <p>Establish review group to evaluate the analyze and recommendations</p> <p>Conduct evaluations as to whether capacity</p>	<p>Led by the project manager, with input from internal and external content experts</p> <p>Regional Capacity Development Specialists</p> <p>RBx Capacity Development Focal Points</p> <p>EO</p>	<p>Consultant</p> <p>Expert consultations</p> <p>Series of evaluations</p> <p>\$50,000 (internat/natl cons)</p> <p>\$30,000 (internat/natl cons.)</p> <p>\$125,000 (intetnat/natl cons)</p> <p>\$75,000 (travel)</p>

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Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
4.3. Development and rollout of training re measurement of capacity development	Training at regional service center/SURF level (Dec 08) and at country level (Dec 09)	<p>development strategies are effective and efficient</p> <p>Develop training plan and materials</p> <p>Conduct training across regions and Country Offices with support of RBx</p>		<p>Training materials</p> <p>Regional training sessions, with support from RBx</p> <p>\$30,000 (internat/natl cons.)</p> <p>\$400,000 (travel to RSC/ SURF)</p> <p>\$400,000 (travel to CO)</p>
4.4. Coordinated use of development indicators across the UN system				<p>Coordination with UNDG Working Group on Capacity Development</p>
4.5. Capacity development measurement mainstreamed into programming and project implementation	<p>UNDP Results Based Management system adapted by CD standards and indicators (Dec 09)</p> <p>Evaluative methodologies embedded with CD indicators (Dec 08)</p> <p>Global thematic review on CD (for UN system) (Dec 07)</p> <p>Global thematic review on CD (for UNDP as a thematic evaluation) (Dec 08)</p>	<p>Define TORs for thematic reviews of capacity development. Coordinate with review bodies to support evaluations.</p> <p>Draft language to be incorporated into User Guide and Strategic Plan.</p> <p>Coordinate with BOM to incorporate language, and secure approval.</p> <p>Coordinate with OSG to incorporate content and metrics into Strategic Plan</p>		<p>Coordinate with BOM group on incorporation into development planning processes</p> <p>Coordination with EO on evaluation of CD</p>