



Capacity Development in Europe and the Commonwealth of Independent States

2008



Capacity Development Practice
United Nations Development Programme
Regional Bureau for Europe and CIS

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Dear colleagues and partners,

The last year has been an exciting one: 2008 has seen the establishment of the [Capacity Development Practice](#) – a response to the large increase in demand from our government partners to manage the change process and to develop sustainable national capacities for human development. This has come, in part, from a growing recognition of the importance of a nationally-led and owned capacity development process. The Capacity Development Practice brings you a substantial knowledge and evidence base in growing and retaining national capacity to improve the quality of life for those living in the region of Europe and Commonwealth of Independent States (CIS). Across the region, there are over \$21 million in initiatives that integrate the capacity development approach. Aligned with the UNDP strategic plan and the Regional Bureau for Europe and CIS (RBEC) regional strategy, our activities are based on the specific needs of countries in the region.

To that end, this year also saw the establishment of the [Capacity Development Community of Practice](#) (CoP), whose members met for the first time in September to discuss capacity development priorities in the region and to share knowledge on the practical adaptation, application and impact of the capacity development approach. Together, members mapped the available services, tools and resources related to capacity development and determined the demand for support to UNDP Country Offices and national partners. The CoP is comprised of over 80 experienced national and local government officials, specialist consultants, prominent members of academia, NGOs and think tanks, UN colleagues (representing 22 UNDP Country Offices) and other development partners. The CoP is a space where the knowledge from experience converges with the knowledge from expertise.

Training services continued to be provided throughout 2008, with more than 300 UNDP staff, government counterparts and independent experts now trained on the capacity development approach. More than half of the countries in the RBEC region integrated the capacity development approach into their country programming. We have also seen a trend in 2008 – a shift from a singular focus on individual skills building through training to applying a comprehensive, systemic and systematic approach to national capacity development. We have been supporting an increasing number of capacity assessments, which have included local capacities to absorb funding (IPA), deliver services (capacity assessment methodologies were developed for both), fight corruption, ensure human rights and access to justice, and to prevent and respond to HIV/AIDS. This involved joint missions and assessments, and partnerships with other practices namely, teams working in the areas of human rights and justice, public administration reform and anticorruption and HIV/AIDS.

The year 2008 also saw several important developments occur with our partners. UNDP signed a Memorandum of Understanding with the [Council of Europe](#) and agreed on a common approach to training and capacity development for local

governments (see the [Strasbourg Conference Declaration](#)). We built on our strong partnership with the Netherlands Development Organization ([SNV](#)), and we are also forging new and dynamic partnerships with the [Regional Environmental Center](#), the [Development Partners Working Group on Local Governance and Decentralization](#)¹, local organizations such as the [Standing Conference of Towns and Municipalities](#) in Serbia and the [National Association of Municipalities](#) in Bulgaria.

The following report provides an overview of capacity development services, developments and lessons learned throughout the year as well as priorities for 2009.

We would like to thank you – our partners and colleagues – for your initiative and for your valuable contributions to developing sustainable national capacities. We look forward to working with you, learning from you and providing you with sustainable capacity solutions in 2009.

Sincerely,



Dafina Gercheva
Capacity Development Practice Leader

¹ Development Partners Working Group (DPWG) on Local Governance and Decentralization (LGD) is a donor initiative, launched in April 2006 in Frankfurt. The group is composed of 12 multi and bi-lateral donors, including UNDP and UNCDF, who are committed to join forces and resources for increased efficiency of development aid in the area of local governance and decentralization. The need for applying the principles of the Paris Declaration and thus to deliver development results is the driving force behind this initiative.

Overview of the region - Europe and the CIS

Over the course of the last two decades, countries in Central and Eastern Europe and the Commonwealth of Independent States (CIS) have undergone deep economic, social and political change. New states emerged that had to develop many national capacities from the ground up, and some while facing conflict and threats to human security. Countries across the region responded very differently to the challenges of transitioning to democracy and a market economy. Some have become [European Union \(EU\) member states](#), and many are working towards EU membership status, with the EU providing a framework for many reforms. Countries in Western CIS and Caucasus are concentrating on reforms that will help them to respond to HIV/AIDS, poverty, regional conflict and socio-economic disparities. Countries in Central Asia are focused on governance reforms that strengthen regional cooperation, natural resource management, poverty reduction and a democratic culture.

Across the region, many challenges remain and many are emerging as a result of the financial crisis – in the areas of democratic governance and effective public institutions capable of responding to the crisis and offset its impact on national economies and societies, as well as gender equality, balanced economic growth, environmental sustainability and others. Growing social and economic disparities continue to undermine sustainable development efforts.

Establishing effective public sector institutions at both the national and local level is essential for improving the quality of public services and ensuring human development, and has therefore become a region-wide priority. Considerable investments, both human and financial, have been made, but have not, on the whole, resulted in effective and efficient public institutions.

UNDP is working with national and local governments and citizens to develop capacities that support national priorities, with a strategic and country-led approach to ensure sustainability, while also advocating for inclusive citizenship, human rights, accountability and transparency.

Capacity Development Practice in Europe and CIS

CD - Capacity Development

CA - Capacity Assessment



Albania

- ✔ Programme support for Delivering as One UN
- ✔ CA of municipal institutions for local service delivery

Armenia

- ✔ CD and CA training
- ✔ Local leadership training

Bosnia and Herzegovina

- ✔ CA of municipal institutions for local service delivery

Bulgaria

- ✔ Regional Community of Practice meeting
- ✔ Regional Voice and Accountability training

Croatia

- ✔ CA of municipal institutions for local service delivery
- ✔ CA of Croatian People's Ombudsman's Office

Georgia

- ✔ CD and CA training
- ✔ Programme and project support
- ✔ CA of local government service delivery
- ✔ CD response strategy support

Hungary

- ✔ CD and CA training

Kazakhstan

- ✔ CD and CA training for Central Asia
- ✔ CA of Social Protection system in South Kazakhstan
- ✔ Local leadership training

Kosovo UN Administered Territory under UNSC 1244

- ✔ CD and CA training
- ✔ CA of municipal institutions
- ✔ CA of municipal institutions for local service delivery
- ✔ Project support
- ✔ High level support to Provisional Institutions of Self Government for CD response

Moldova

- ✔ CD and CA training

Montenegro

- ✔ CA of municipal institutions for local service delivery
- ✔ CA for Mjokovac Municipality
- ✔ CD programme support for country office
- ✔ CA of National Anti-Corruption Institution

Serbia

- ✔ CD training for Standing Conference of Towns and Municipalities and UNDP Serbia
- ✔ Assessment of Sombor Municipality, and four more municipalities
- ✔ CD integration in country programming
- ✔ Review of CD impact of programme

The Former Yugoslav Republic of Macedonia

- ✔ CA of municipal institutions for local service delivery

Turkey

- ✔ CA of Ministry of Finance
- ✔ Mobilizing stakeholders for CA of Ministry of Justice

Year in review: Description of services provided

1. *Knowledge services and learning*

A strong demand for training on capacity development and capacity assessments continued throughout 2008, with more than 300 UNDP staff, government counterparts and independent experts receiving training. Countries and UNDP Country Offices (COs) that have benefited from the training include: **Moldova, Hungary** (government representatives and partners involved in the Cserehat Regional Development Programme), **Montenegro, Serbia, Kosovo** UN Administered Territory under UNSC 1244 (hereinafter referred to as "Kosovo"), **Bosnia and Herzegovina, The Former Yugoslav Republic of Macedonia, Croatia and Albania**.

Training covers the capacity development approach and its application, including the capacity assessment methodology, which are adapted to the local context and/or thematic area. Training also looks at how to integrate capacity development into UNDP programming and projects, and how to integrate individual training into broader organizational capacity development. Training events help to form partnerships and often serve as the basis for carrying out assessments and other capacity development initiatives.

An overview of the capacity development approach and the capacity assessment methodology was given at the first ever Capacity Development Community of Practice (CoP) meeting, where specific UNDP Country Office staff provided members of the CoP with country-level examples of projects that have integrated the approach. CoP members were able to ask questions and discuss common issues and challenges, and all voiced the need for additional training on capacity development and capacity assessments.

Many capacity development and capacity assessment trainings are carried out in tandem with pilot assessments as part of the learning process, as in the case of the Standing Conference of Towns and Municipalities (SCTM) in **Serbia** that included a pilot assessment in Sombor municipality as a 'hands-on' training for members of the SCTM.

In **Montenegro**, a capacity assessment training was provided to staff from the Department for Anticorruption Initiative during its comprehensive capacity assessment.

Capacity development and capacity assessment training was provided to capacity development advisors working with capacity development projects in **Kosovo** to help them with advisory, coaching and mentoring support to Provisional Institutions of Self-Government.

A regional training workshop was organized in Bratislava as part of the regional project *Western Balkans on the Path to EU Integration: Strengthening Decentralized Service Delivery*. Training was provided on capacity development and capacity assessment for

public service delivery, including the policy framework, capacity assessment methodology and capacity development strategies. Participants included UNDP and SNV focal points and national consultants in the Western Balkans (**Albania, Bosnia and Herzegovina, The Former Yugoslav Republic of Macedonia, Montenegro, Croatia, and Serbia**) and **Kosovo**.

In partnership with the [UNDP Oslo Governance Centre](#), the Capacity Development Practice developed a [training module on Capacity Development for Accountability and Voice Mechanisms](#) for public service delivery at the local level. The first training was held in Sofia for the members of the Capacity Development Community of Practice. Examples of accountability and voice mechanisms for public service delivery were presented, such as citizen report cards, public expenditure tracking, performance based budgets, and public hearings. Developing capacities for institutionalizing these mechanisms, integrating them into broader reforms and ensuring their sustainability was also discussed. The training served to further integrate the capacity development approach in the area of voice and accountability mechanisms. The training module can be adapted for use in other regions.

2. [Capacity assessments](#)

In 2008, support to capacity assessments continued, adding to the growing list of over 21 capacity assessments in 11 countries in the Europe and CIS region.

The Capacity Development Practice is helping the **Montenegro** Country Office to develop a programme to assess the capacities of local authorities to absorb domestic and international funding, such as the EU Instrument for Pre-Accession Assistance (IPA), as well as to deliver quality public services and improve the wellbeing of citizens. In response to a need identified by EU member states, EU candidate and potential candidate countries, UNDP developed a methodology to assess capacities for strategic planning and project design, project implementation and monitoring and evaluation. The capacity assessment is intended to identify and address issues that will maximize IPA absorption at the municipal level across the country. This includes obtaining, strengthening, maintaining and effectively using capacities over time. The Capacity Development Practice went to Montenegro to gather more information on whether such an assessment would be of use, how to benefit from previous work in this area, and to engage with a broad array of stakeholders who would be involved in such an initiative (including the Council of Europe, OSCE, the Union of Municipalities, SNV, and the Ministry of Interior). The Capacity Development Practice also visited Mojkovac Municipality to better understand their capacity needs and ascertain if the methodology needs adaptation to the local context in Montenegro prior to its use.

Also in **Montenegro**, a capacity assessment of the Directorate for Anti Corruption Initiative (DACI) was carried out in cooperation with the Public Administration Reform and Anti-Corruption teams (Democratic Governance Practice). Focus group and individual

interviews with staff were conducted to check the reliability of results of a self assessment questionnaire, (developed with UNDP Montenegro and DACI and filled out earlier in the year) and to gather useful information on DACI's mandate, concrete activities and capacities at the organizational and individual level. Meetings were held with the Deputy Prime Minister for European Integration, the Commission for Establishing the Existence of the Conflict of Interest, the General Prosecutor's Office, the Criminal Police Department, the Ministry of Justice, the Human Resources Management Authority, the NGO Mans, the OSCE Mission to Montenegro and UNDP Montenegro. Training was provided to DACI staff on the capacity assessment methodology. This allowed the capacity assessment team to understand how DACI cooperates with other state agencies and the main challenges to be addressed for enhancing the capacities of DACI at the level of the enabling environment. Results were shared with DACI and UNDP Montenegro and a set of recommendations were provided for activities to address capacities at the level of the enabling environment, for human resources management, information management, accountability and training. An **Anti-Corruption Assessment Methodology** has been developed by the BRC Anti-Corruption team (Democratic Governance Practice), based on pilot assessments of three anti-corruption institutions as well as DACI, and will be available in 2009.

A new anti discrimination law in **Croatia** has expanded the role of the Croatian People's Ombudsman. To ensure that the Ombudsman is able to effectively carry out its new responsibilities, a capacity assessment was undertaken in partnership with the Human Rights and Justice team (Democratic Governance Practice). Assets and needs were identified related to: structure, strategy and planning, human resources management, performance management, and accountability, and included three specialized Ombuds institutions covering children, gender equality and persons with disabilities. The assessment focused on the possibility of extending the mandate of the Ombudsman to some aspects of the judiciary and the private sector; and proposing human rights curricula for schools. Improved coordination with the courts, police and civil society was a desired outcome. External stakeholders involved in the assessment included: the three specialized ombuds institutions, civil society representatives, the Ministry of Justice, the Constitutional Court, the Parliamentary Committee for Human Rights and National Minority Rights, and the Governmental Office for Human Rights. The possibility of the Ombudsman to act as an overarching institution was explored. UNDP Croatia has developed a follow up project to support capacity development of the Ombudsman.

Partners in **Turkey** were actively engaged when discussing institutional capacity development for improved access to justice. The UNDP human rights based approach, access to justice and capacity development methodologies were reviewed with representatives from the Ministry of Justice, followed by consultations with representatives from the Ministry, Parliament, civil society, and judges and prosecutors. The Ministry hosted a positive and energized workshop that covered the structure and value systems of Turkey's judiciary, as well as challenges and suggested reforms. Around 40 of

the country's top legal minds – including Directors of departments within the Ministry, esteemed law professors, judges and prosecutors from the Union of Bar Associations, Court of Cassation, and Council of State and other courts – made recommendations on how to restructure, redefine responsibilities and increase accountability and transparency. Activities were carried out in cooperation with the Human Rights and Justice team (Democratic Governance Practice).

The Standing Conference of Towns and Municipalities (SCTM) in **Serbia** assists with public administration reform and decentralization. Their Municipal Training Centre was given training on the capacity development framework and capacity assessment methodology, which involved adapting the methodology to the specific context of assessing local capacities for service delivery in Serbia, and included a pilot assessment in Sombor municipality as a 'hands-on' training for members of the SCTM. The assessment focused first on the organizational level, and core issues, which included business processes, human resources and leadership, services to citizens, absorption of EU funds and local economic development, among others. A set of projects and activities was proposed, including the development of resource centres within the municipal administration, and establishing databases for tracking professional development, and for capacity development projects from different departments of the municipal administration. After a capacity assessment in Sombor municipality, the SCTM carried out capacity assessments in five additional municipalities, including civil society and partner organizations in focus group discussions. The SCTM also did a considerable amount of work with the municipalities to develop programming options.

3. Policy advisory and programme and project support

The Capacity Development Practice has provided inputs and support to new strategic initiatives to Country Offices in **Moldova, The Former Yugoslav Republic of Macedonia, Serbia, Bulgaria, Kosovo** and **Montenegro**, as well as the Cserehat Regional Development Programme in **Hungary**.

Support was also provided to UN Country Teams during Common Country Assessment (CCA) and UN Development Assistance Framework (UNDAF) formulation in: **Turkmenistan, Serbia, Bosnia and Herzegovina, Tajikistan, Kazakhstan** and **Armenia**. Assistance included ensuring that capacity development is reflected as per guidelines, providing recommendations on how to integrate capacity development in the CCA analysis, as well as illustrating how capacity development can be a common platform for many UN agency priorities such as the human rights based approach, gender mainstreaming or environmental sustainability.

Policy advice, programme and project support has been provided to Country Offices in **Kosovo** (Capacity Building Facility, Capacity Building for European Integration and Security Sector Programme), **Georgia** (Strengthening Regional and Local Governance in the Kvemo Kartli Region), **The Former Yugoslav Republic of Macedonia** (Support to

Women and Men Equal Opportunities Commission at Local Government Units), **Montenegro** (Assessing and Monitoring the State of Governance in Montenegro, Talent Management and Capacity Development, Capacity Development Programme, Ministry of Foreign Affairs Capacity Assessment), **Turkey** (Institutional Performance Measurement), **Albania** (SNV-UNDP Activity Agreement 4), **Tajikistan** (Localizing the Millennium Development Goals), **Bulgaria** (Management of EU Funds), **Cyprus** (Multiculturalism in the Workplace Training Needs Assessment), as well as the UN Country Team in **Kyrgyzstan** (joint programme on Capacity Development for Accountability and Voice).

Support, input and substantive contributions have also been provided to many Country Offices, assisting them with the development of proposals to the Democratic Governance Thematic Trust Fund, such as in **The Former Yugoslav Republic of Macedonia** (fiscal decentralization, capacity development for balanced and integrated regional development), **Uzbekistan** (balanced and integrated regional development) **Croatia** (supporting Ombudsman), **Montenegro** (assessing and monitoring governance), **Bosnia and Herzegovina** (Municipal Training Needs Assessment) and **Moldova** (Capacity development for performance budgeting).

Support to Country Offices in the Western Balkans and Kosovo continued through the regional SNV UNDP project *Western Balkans on the Path to EU Integration: Strengthening Decentralized Service Delivery* throughout 2008. Project partners include SNV, UNDP country offices in Western Balkan countries (**Serbia, Croatia, The Former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina and Montenegro**) and **Kosovo** as well as the UNDP Western Balkans Cluster (RBEC NY). The project aims to strengthen the capacity of local governance systems for effective and inclusive service delivery and serves as the basis for reviewing current trends in decentralized service delivery and development of concrete country-specific recommendations. Local capacity assessments were conducted in 14 municipalities in all Western Balkan countries and Kosovo, and municipal action plans were developed in close cooperation with government partners, civil society organizations and private sector partners. A comparative regional study is being finalized (to be shared in early 2009), which identifies common trends, challenges and development opportunities in decentralized service delivery with a view to EU integration.

The Capacity Development Practice has access to the world's best capacity development expertise, and helps to bring experts and governments together to benefit programmes and projects; inputs have been provided to numerous countries to support their work including in: **Bosnia and Herzegovina** (Municipal Training System Project, and Assessment of Development Results), **The Russian Federation** (Evaluation of Local Governance Programme 2004 - 2007), **Tajikistan** (Regional and Local Planning), **Kosovo** (Capacity Assessment of Kosovo Protection Corps), **Georgia** (Regional Planning), **Bulgaria** (Managing EU Structural Funds), **Moldova** (Integrated Local Development) and **Ukraine** (Mid-Term Review of UNDP Ukraine Country Programme Action Plan).

4. *Defining Capacity Development Response Strategies*

After conducting a capacity assessment focusing on service delivery in all seven municipalities of the Kvemo Kartli region in **Georgia**, a capacity development response for the short, medium and long-term was formulated, including indicators and a costing of activities. Activities were developed, with local government representatives and UNDP Georgia, based on identified priority areas: human resources; organizational development; accountability; and strategy and planning. Costs of the activities were defined and short-term activities were given priority for funding. Activities were clearly linked to the UNDP country programme, which feeds into the national poverty reduction strategy. Partners and their potential roles, including other UN agencies, were identified.

As follow up to a capacity assessment of the Directorate for Anti-Corruption Initiatives (DACI) in **Montenegro**, a series of capacity development responses are currently under development, in cooperation with DACI staff, the UNDP Croatia Country Office and the UNDP BRC Anti-Corruption team (Democratic Governance Practice). Responses address relationships and dialogue with key partners of the Institute, development of strategy and planning guidelines, and strengthening human resources management, information management and accountability. Training needs are identified and fall into an overall capacity development strategy for the Institution.

To address capacity needs identified and prioritized during the capacity assessment of the **Croatia** People's Ombudsman, a series of capacity development responses are being developed. They address: adapting the structure of the organization to respond to its new expanded mandate since a new anti-discrimination law came into effect; incorporating results based management in overall strategy and planning, as well as budgeting; carrying out an assessment to specify key training needs for staff, offering an incentive package to staff, and developing a recruitment plan; and increasing accountability through a client feedback system, and increasing engagement with civil society through the creation of indicators and clear lines of responsibility.

5. *Partnerships and knowledge sharing*

The Capacity Development Practice has been actively involved in the work of the [Development Partners Working Group on Local Governance and Decentralization](#) (DPWG-LGD) and has contributed to the global debate and efforts towards exploring opportunities for supporting sustainable growth, retention and use of national capacities for local governance and decentralization. All members of the DPWG, as well as experts from academia and research institutions endorsed the need for applying a systemic and systematic approach to capacity development as part of their support to local governance. It was agreed to enhance harmonization of methodologies and experiences, and recommended to apply the UNDP capacity development approach and capacity assessment methodology to all joint donor initiatives in support of LGD. The next meet-

ing will be hosted by UNDP BRC and will take place in Bratislava in May 2009. UNDP will present its experiences with capacity development at the local level, including specific challenges and responses for Europe and the CIS.

Jointly organized by the [Council of Europe](#) and UNDP, the conference “Towards sustainable training systems and effective capacity development in local government” brought together government representatives from across Europe, local government associations, and other partners. Participants discussed how training contributes to capacity development. It was agreed that training is an essential element of capacity development, but to ensure sustainable capacity development, training must be part of an overall capacity development strategy – moving beyond the individual learning of new skills to changing workplace behaviour and enhancing institutional capacity and performance of local authorities. Training should help authorities develop effective and transparent local governance and deliver local public services of the highest standards. The role of international organizations was also discussed and focused on the importance of national ownership, and meeting national needs through effective coordination. Findings and recommendations from the conference can be found in the [Final Declaration](#).

The [Activity Agreement 4](#)² project in **Albania** was studied, in partnership with SNV and the UNDP Poverty Group – particularly how it builds on the extensive experience and lessons learned by UNDP and other donors in developing and strengthening national capacities for sustainable and MDG-based planning. Best practices were developed, in order to facilitate discussion with the UN Country Team as well as for sharing with a global audience as the basis for exploring further collaboration in the areas of civil society and regional and local development. UNDP and SNV are assisting the Government of Albania to make national development strategies more inclusive and participatory, involving government, civil society and private sector stakeholders, at both national and decentralized levels.

UNDP **Serbia**, Government stakeholders and donors, in partnership with the Capacity Development Practice produced best practices and lessons learned for capacity development for democratic governance over the past eight years. Forward looking recommendations for capacity development programming in Serbia were also provided.

2 The UNDP-SNV Country Engagement Plan (June 2007 - April 2009) (Activity Agreement 4) contributes to strengthening capacities at the national and regional level to adopt a participatory, multi-stakeholder approach in the design and development of sector and cross-sector strategies as well as the National Strategy for Development and Integration. The project supports the Government in the conceptualization and implementation of a long-term regional development policy to ensure that regional development is addressed throughout all sector policies. It is jointly funded by UNDP Albania and SNV and implemented by UNDP Albania in close collaboration with SNV, the Department of Strategy and Donor Coordination, the Albanian Ministry of Economy, Trade and Energy, Regional Councils Association, civil society regional networks and local government.

A similar exercise took place in **Bulgaria**. UNDP Bulgaria and the Capacity Development Practice developed and tested a methodology for documentation and analysis of best practices and lessons learned by UNDP and its partners in the area of sustainable local development over the past 10 years.

The capacity development approach was integrated into the Regional Human Development Report *Living with HIV in Eastern Europe and CIS – the Human Cost of Social Exclusion*. The approach has been tailored to look at specific capacities related to HIV/AIDS in the areas of: development planning and mainstreaming; governance of AIDS responses; law, human rights and gender; and public health and development partnerships. In addition, the Capacity Development Practice, in collaboration with the HIV/AIDS Practice, is developing a series of case studies examining the role of local authorities in responding to HIV/AIDS and the capacity constraints they have faced.

Resources for capacity development practitioners

✓ **Capacity Assessment for IPA Absorption – methodology NEW!**

A new methodology is available to assess regional and local capacities to secure EU accession related – Instrument for Pre-Accession (IPA) – funds and use them to achieve medium and long term goals of the municipality, region and country – including improved service delivery for citizens.

In response to a need identified by EU member states, EU candidate and potential candidate countries, UNDP developed the methodology to assess capacities for strategic planning and project design, project implementation and monitoring and evaluation. The capacity assessment is intended to identify and address issues that will maximize IPA absorption at the municipal level across a country. This includes obtaining, strengthening and maintaining capacities over time. The methodology also supports meeting requirements of EU social protection and inclusion. UNDP supports the process at the outset, but the capacity assessment methodology aims to develop sustainable capacities within the country to carry out any subsequent assessments in other areas, relying increasingly on national expertise and resources.

The methodology builds on the experience of a survey and assessment carried out in Bulgaria in 2004 to assess municipal and district capacities to absorb EU Structural and Cohesion Funds.

Developed by the Capacity Development Practice, Bratislava Regional Centre 2008

✓ **Local Service Delivery Capacity Assessment – methodology NEW!**

A new methodology is available to assess the capacity of municipalities to deliver basic services such as drinking water supply, waste management, healthcare and primary education. Access to these services is vital for poverty reduction and achievement of the Millennium Development Goals and is also covered by the European Union (EU) *acquis communautaire*.

Decentralization has transferred many responsibilities to the local level, and many municipalities lack the capacities to deliver these services effectively. Population changes, migration, and urbanization – trends across the region – mean an increased challenge for municipalities to deliver reliable, quality services that meet the needs of all citizens, including those vulnerable to social exclusion.

Developed by the Capacity Development Practice, Bratislava Regional Centre 2008

✓ **Anti-Corruption Assessment Methodology – coming soon!**

Under development by the Democratic Governance Practice – Anti-Corruption Team in cooperation with the Capacity Development Practice, the UNDP capacity assessment methodology was adapted for anti-corruption institutions based on pilot assessments in Tajikistan, Montenegro and Kosovo.

- ✔ **Capacity Development Community of Practice combined experience and knowledge** – members provide practical advice and peer to peer solutions on a wide array of capacity development-related subject matter.
- ✔ **Study on Best Practices and Lessons Learned in Institutional Development in Europe and CIS – coming soon!**
An in-depth look at public sector institutional development, at the national and local level in five countries (Serbia, Bulgaria, Moldova, Georgia and Turkey) with a focus on transition economies and EU accession.
- ✔ **Capacity Development Practice Note**
- ✔ **Capacity Assessment Practice Note**
- ✔ **Capacity Assessment User Guide**
- ✔ **Capacity Assessment Supporting Tool**
- ✔ **Supporting Capacities for Integrated Local Development Practice Note**
- ✔ **Capacity Development during Periods of Transition Practice Note - coming soon!**
- ✔ **New regional Web site: <http://europeandcis.undp.org/cd>**

Lessons learned in 2008

Throughout the year, we have learned some valuable lessons that can improve the results of future work.

- The true value of the Capacity Development Practice lies in its Community of Practice (CoP) members, the experience and expertise they have, and the methodologies developed to support them. As such, the Capacity Development Practice needs to devote much more time and effort to convert the CoP into a knowledge pool and knowledge base, and effective service delivery platform while devising better ways to leverage the knowledge and experience of the CoP practitioners and professionals. This will involve developing a new interactive web-based platform utilizing Web 2.0 tools, as well as encouraging and supporting peer-to-peer mission support within the CoP. More emphasis will be put on advocacy, multi-media communication and knowledge products.
- The Capacity Development Practice needs to move from the 'retail' approach of responding to all requests to a more commodity-driven approach whereby CoP members and external partners can provide training on the topic, policy advice and programme support, carry out assessments and facilitate East-East exchange of good practices in capacity development for public institutions. This will allow the Capacity Development Practice to reach out to many more clients and partners. This includes the need for better integration with other Practices in the Bratislava Regional Centre, the global centres of capacity development expertise, and other partners. Of particular interest for the Capacity Development Practice will be to form [long-term agreements](#) (LTAs) with organizations and businesses to support the growing demand for capacity development services. Indeed, such LTAs do exist already but need to be used more frequently, and new ones developed on specific areas other than areas related to business process reengineering (which are covered by the current LTAs).
- Improved advocacy materials are crucial for capacity development. There is a need for clear messages on what capacity development is (and is not), as well as easy to read information materials and strategic information channels that encourage participation, engagement and information sharing among capacity development practitioners and partners. These will need to be developed in 2009 in cooperation with other practices and the global centres of capacity development expertise.
- The importance of formulating and costing strategic, relevant and well targeted capacity development responses has been recognized and acknowledged by our government partners. Therefore, this will be one of the priority areas in 2009.

- A need was felt to strengthen and intensify the support being offered to our clients in helping them follow through on the changes proposed by the capacity development responses (which can be quite far-reaching). To ensure the effectiveness of capacity development support, the Capacity Development Practice must develop a work stream in the area of change management. Drawing on the UNDP Management Change Team's experience will be invaluable in 2009.
- Dialogue with the European Commission (EC) on capacity development issues must improve in 2009 in order to ensure complementarities and relevance for the support provided to Country Offices and the governments they serve. The EC has recently undertaken [a review of its technical cooperation](#) and is focusing more on capacity development and the commitments made under the Paris Declaration and Accra Agenda. As such, a window of opportunity exists to further this dialogue with EuropeAid and the EC in general. In addition, the Capacity Development Practice has developed a position paper outlining key areas where UNDP can support Government's in their EU accession agenda.
- There is a strong demand for institutional development in middle-income countries, in particular focusing on capacity development for donorship (e.g. new donors); national implementation and procurement; quality service delivery; and sustainable environmental management and implementation at the local level. The Capacity Development Practice will align its activities and focus areas to address this demand. In line with this is a growing recognition that institutional development is a precondition for advancing democracy and forging effectiveness of the state and therefore is central to the work of UNDP. There is, however, a gap in the knowledge base concerning public sector institutional development – best practices have yet to be discerned, and for those cases that were not successful, limiting factors have not been identified. Conceptually, the Capacity Development Practice has been developing both a definition of institutional development and has undertaken a study (currently in draft form, to be published in the first quarter of 2009) applying this definition to UNDP's work in the RBEC region. More specifically, the study uses the UNDP Capacity Development framework to guide the analysis of past and ongoing interventions, in discerning the main capacity development challenges that public institutions are faced with and the impact of UNDP's support on their performance and quality service delivery. The study is based on in-depth analysis of five case study countries chosen from among the New EU Member States (Bulgaria), EU candidate countries (Turkey), EU potential candidate countries (Serbia), and European Neighborhood Policy Instrument countries (Moldova and Georgia). The emerging lessons learned from the study include:

Lessons learned from study on institutional development in RBEC region

- *Institutional development requires a strong investment in policy dialogue with recipient governments to make them aware of the long-term approach to improving governance and discourage a quest for 'quick fixes'.*
- *Ambitious programmes with a complex agenda require investments in terms of sufficient preparatory time and staff resources to elaborate a project rationale, which is based on analysis and evidence. The rationale of such interventions also needs to be fully understood and supported by all stakeholders involved. Both UNDP and the recipient institution need to be ready to make such investments.*
- *The potential consequences of institutional development interventions must be well assessed and understood by all involved stakeholders.*
- *Leadership at the highest level must be ensured; a consolidated platform around which the support will be provided should be determined. This includes a clear agreement with the government and donors on strategic priorities to be addressed in the short-term and long-term.*
- *(New) EU member states' wealth of experience is a valuable and appreciated source for countries undergoing a similar transition process.*
- *Institutional development initiatives yield best results if they are part of a wider effort and based on a common understanding among donors followed by an agreement over the rationale of the intervention.*
- *A clear overall administrative reform strategy is a precondition for any effective reform at the institutional level. Without a clear conceptual framework, progress with institutional change reform is highly unlikely. Institutional development initiatives need to be linked to a government's public administration reform strategies. Capacity development efforts are likely to yield better results when countries have clearly articulated and widely supported strategic goals.*
- *Institutional reforms are often highly complex and politically sensitive, thus require a sound understanding of the reform environment and the vested interests of institutional stakeholders involved. An in-depth analysis assists in acquiring the level of knowledge necessary and enables the identification of possible entry points at the right time with the adequate means of support.*
- *Positive experience with the new UNDP capacity assessment paradigm confirms once again that capacity assessments are a necessary starting point for institutional development interventions.*
- *Quick capacity assessments should be carried out prior to project design, followed by a comprehensive assessment once the project has its overall direction.*

- *Institutional development is a long term process requiring an integrated approach and investment at all three levels. Such interventions are often politically sensitive and constitute highly complex processes, thus often do not always happen as a linear sequence of well planned interventions. Institutional reform hinges on a number of factors such as political will and leadership for real change.*
- *Individual leadership, dedication and commitment to project objectives within UNDP as well as within governments are crucial for successful implementation and necessary institutional changes.*
- *The importance of national ownership is of central importance if institutional development interventions are to yield results and lead to longer-term changes at all three levels.*
- *Interventions in support of service delivery benefitting the wider public can produce quick and visible results and assist in creating a favourable environment for further interventions.*
- *Understanding progress and the impact of capacity development interventions requires the establishment of agreed progress and results indicators at the outset.*
- *Capacity development is a process and capacity development initiatives should be implemented over much longer periods than the life span of a single project.*
- *Institutional development initiatives have a limited impact if the intervention is reduced to the provision of training programmes.*
- *Institutional development responses should never be prepared and launched in a rush. Satisfying immediate needs by one-off activities without consideration of strategic implications might work to the detriment of sustainable changes. Quick interventions are useful only if they are of strategic importance for a particular institution at a given time with a perspective that they lead to wider changes in the long-run.*

Looking ahead – Priorities for 2009

We recognize that the strength and value of the Capacity Development Practice come from partnerships with the members of the Capacity Development Community of Practice. All of our priorities for 2009 revolve around providing them with quality capacity development services while at the same time leveraging their rich practical experience. A first round of discussions on regional capacity development priorities was initiated with the Capacity Development Community of Practice at its first meeting in September 2008. Based on feedback provided by representatives of 22 UNDP country offices as well as analysis of challenges specific to the region, we have identified the following priorities for 2009:

Continued advocacy, advice and support on the capacity development approach

In collaboration with partners, the Capacity Development Practice will provide training, as well as programme, project and other support to country offices.

Continued capacity assessment and capacity development support

Based on expressed needs, support will focus on the following areas:

- (a) Effective and integrated local development:
 - Absorption and implementation of IPA funding
 - Local service delivery and public private partnerships
 - Effective local response to HIV/AIDS
- (b) Aid coordination and aid management
- (c) National implementation and procurement capacities
- (d) Anti-corruption
- (e) Human rights and access to justice

Quality assurance for capacity assessments and capacity development responses

We are now providing more and more support to capacity assessments and are moving to defining capacity development response strategies (as in the case of Georgia). We expect this trend will continue and lead to increased support to implementing response strategies as well as evaluating change in capacity as a result of the capacity development responses, a priority for many Country Offices. We will offer quality assurance criteria for capacity assessments and tools to gauge client satisfaction on the services provided.

Defining support needed in the area of change management

We will be developing change management services for Country Offices in the region, in partnership with the Community of Practice, and drawing on the UNDP Management Change Team and external partners.

Strategic partnerships

We intend to scale up collaboration with leading and prominent regional universities, think tanks, and public institutions for capacity assessment and capacity development support, working closely with the National Implementation Capacities project in Copenhagen, Aid Effectiveness team in New York and Local Service Delivery and Public

Private Partnerships team in Johannesburg. We will develop long-term agreements with specialized consulting firms to ensure that the Capacity Development Practice can respond to the growing demand for capacity development services.

Foster east-east knowledge sharing and learning

Within the sub-regions of Europe and CIS, knowledge sharing on capacity development will be encouraged through the UNDP Mutual support mechanism for UNDP staff and through public institution exchange (between new member states to pre-accession countries and countries that benefit from the European Neighbourhood Policy). This will involve drawing on experience and expertise within the Community of Practice to support capacity assessment and capacity development missions in other countries.

Cross Practice collaboration

Joint programming initiatives with other practices are planned at the regional and local level.

Communications and knowledge sharing

Through a strategic approach to communicating, we plan to contribute to the expanding knowledge and evidence base on capacity development in the region. This includes development of information materials, knowledge products, as well as facilitating the exchange of information through development of an online platform for the Capacity Development Community of Practice.

These priorities are reflected in the *Capacity Development for effective public institutions project (2009 – 2011)*, the regional 'umbrella' initiative for the Capacity Development Practice developed in consultation with members of: the Capacity Development Community of Practice, the global Capacity Development Group including the regional teams in Bangkok, Beirut, Panama and Dakar, as well as specialized teams in Copenhagen (National Implementation Capacities), New York (National Capacities to Manage and Coordinate Aid) and Johannesburg (Capacities for Local Service Delivery and Public Private Partnerships).

Annex: Mission Log 2008

Country or territory	Services	Strategies	Input provided	Partners
Montenegro <i>December 2008</i> <i>October 2008</i>	Advocate and advise on capacity development (CD) policy Assess capacity assets and needs	Capacity assessment (CA)	Determine possibility of applying the two CA tools (IPA absorption and local service delivery) CA of Directorate for Anti-Corruption Initiative (DACI)	DACI staff, UNDP Montenegro, Democratic Governance Practice, Anti Corruption unit
Moldova <i>November 2008</i>	Advocate and advise on CD policy	Knowledge services and learning	Provide training to UNDP CO in Moldova on capacity development and capacity assessment; Programme support	UNDP Moldova
Croatia <i>November 2008</i> <i>February 2008</i>	Advocate and advise on CD policy Assess capacity assets and needs	Capacity assessment	CA of Croatian People's Ombudsman – staff, human rights curricula	UNDP Croatia, Democratic Governance Practice, Human Rights Unit
Bulgaria <i>September 2008</i> <i>August 2008</i> <i>May 2008</i>	Advocate and advise on CD policy	Accountability and Voice Knowledge services and learning	Workshop on capacity development for accountability and voice mechanisms CD Community of Practice Meeting Management of EU funds in Bulgaria Codifying the knowledge and experience in developing effective and sustainable public institutions at the local and regional level	Oslo Governance Centre (OGC) UNDP Country Offices, BRC, SNV, Standing Conference of Towns and Municipalities EU Operational Programmes Managing Authorities, Parliament, and think-tanks Local and regional partners; national association of municipalities; NGOs and think-tanks, Chitalichte
Albania <i>July 2008</i>	Advocate and advise on CD policy	Knowledge services and learning	Activity Agreement 4 project for inclusion in global publication and for discussion purposes for UNCT	SNV, UNDP Poverty Group

Country or territory	Services	Strategies	Input provided	Partners
Kosovo <i>July 2008</i> <i>March 2008</i> <i>February 2008</i>	Formulate and cost CD response strategies Advocate and advise on CD policy	CD response strategy Knowledge services and learning	Assist with Kosovo National Capacity Development Strategy Provide substantive contributions and inputs to the national CD programme for Kosovo CD and CA learning event / training	UNDP Kosovo
Serbia <i>May/June 2008</i> <i>February 2008</i>	Assess capacity assets and needs	Knowledge services and learning Capacity assessment	Knowledge codification of CD best practices and forward looking recommendations for CD programming in Serbia Recommendations concerning placing CD on Serbia's development agenda in the form of a concept note. CD training for the SCTM Municipal Training Centre Pilot assessment in Sombor municipality as a 'hands-on' training for the members of the SCTM	SCTM, Government stakeholders, donors, UNDP Serbia
Hungary Cserehat regional development programme <i>May 2008</i>	Advocate and advise on CD policy	Knowledge services and learning	CD and CA training Share lessons learned on CD with national and local counterparts and stakeholders working in area based development programmes in Hungary	UNDP Cserehat (Regional Development Programme)

Country or territory	Services	Strategies	Input provided	Partners
Georgia <i>April 2008</i>	Formulate and cost CD response strategies	CD response strategy	Define capacity development strategies with regional and local authorities in Kvemo Kartli region Define monitoring indicators and responsible parties for the implementation of the recommended CD responses and activities	Local authorities in Kvemo Kartli region, UNDP Georgia
Turkey <i>March 2008</i>	Assess capacity assets and needs	Capacity assessment	CA of organizational, administrative structure of judicial system and co-facilitation of workshop on restructuring of judicial system	High Council of Judges and Public prosecutors, Court of Cessation, Council of State, UNDP Turkey, Democratic Governance Practice - Human Rights Team
Slovakia UNDP BRC <i>February 2008</i>	Advocate and advise on CD policy	Knowledge services and learning	Regional training for SNV and UNDP CO focal points and local consultants involved in Western Balkans Regional Service Delivery Project	SNV CO focal points, local consultants, UNDP COs in Western Balkans and Kosovo, Democratic Governance Practice