1. UNDERSTANDING CAPACITY DEVELOPMENT

The core of UNDP's mandate is the achievement of sustainable human development, and the instrument for doing this is capacity development. The term capacity development can be defined as follows:

Capacity is the ability of individuals and organizations to perform functions effectively, efficiently and sustainably. The term "capacity development" is preferred to "capacity building"; while capacity strengthening is important so are the retention of existing capacity, improvements in the way in which existing capacity it being utilized, and the retrieval of capacity which has been eroded or lost. Thus capacity development does NOT take place only through the training of additional staff or the creation of new organizations, but requires an enabling environment to ensure that people are used effectively, retained within organizations and structures that need their inputs, and are motivated to perform their tasks.

All projects and programmes need to develop a capacity development strategy and should be evaluated on the basis of whether they addressed the key issues that this involves. Central to evaluation of the project or programme is whether in the formulation of a capacity development strategy it undertook a capacity assessment, and on the basis of this assessment put in place conditions relating to capacity that ensured that the project was both feasible and sustainable.

A capacity assessment involves an analysis of capacity issues such as the following:

- The overall context: an examination of relevant economic, social and political conditions. Factors would include political commitment to capacity development; the functioning of labour and asset markets; the standards of tertiary and professional training institutions, and the extent of the HIV epidemic. Unless a supportive overall...
environment is available then resources will inevitably be wasted; identifying and addressing the policy and programme constraints to capacity development are critical first steps in ensuring that objectives will be achieved.

- The task network: a mapping of the array of organizations engaged in the performance of the function and the inter-organizational relationships involved. The network will generally include non-government as well as government organizations, users as well as providers of services, training institutions, and relationships with regional and overseas institutions. The assessment would examine the extent to which interactions among organizations constrain or enhance the capacity to undertake functions and achieve objectives.

- The organization and its management: the organizational structure, management systems and processes that affect the recruitment, utilization, recognition, motivation and retention of staff.

- The availability of human resources: the quantity and quality of personnel available to the organization, the quality of training available and provided, the degree to which existing human resources are utilized effectively and likely constraints on the future availability of essential human resources.

On the basis of a capacity assessment it is possible to examine the strengths and weaknesses of the existing arrangements for undertaking the project or programme, the reasons for weaknesses in existing capacity and why these have persisted over time, and factors which are undermining existing capacity such as losses of skilled labour due to HIV-related mortality. Such an assessment would also generate insights into past failures and successes in regard to capacity strengthening and how to build on the latter in implementing activities.

What would be the main areas of focus of capacity development strategies in the light of the capacity assessment?

These might include at each level the following: -

- The overall context: sustained investment in human resource development; the strengthening of institutions that mediate and prevent social conflict and build social capital; increased participation of communities in the design and implementation of development programmes, and mechanisms for ensuring that public policy and programmes are delivered in ways that are efficient and respond to the needs of sustainable development.

- The task network: targeted improvements to those parts of the network which are the most important constraints on performance; strengthening mechanisms for coordination; and strengthening mechanisms for systematically involving beneficiaries in the task network.

- The organization and its management: open competitive recruitment and promotion procedures; performance review; recognition and reward structures;
strengthening problem solving procedures and skills; development of external support structures that improve organizational performance.

- The availability and utilization of human resources: management training: processes and reward systems that induce commitment and effective performance by all personnel; identifying and responding to performance constraints; training opportunities related to performance and organizational needs, and responding to changing organizational objectives through human resource investment strategies and programmes.

What is the role of donor organizations in capacity development?

It is self evident that donors have a clear interest in supporting the capacity development strategies of national governments through the full integration of their programme activities with those already underway or planned at country level. This makes it essential that donors formulate their activities for capacity development within coherent frameworks that ensure consistency with what each other is planning to do, and also consistent with national needs and capacities. It may be necessary for donors to support the establishment of coordination machinery, and the strengthening of national capacity to effectively coordinate donor activities.

Now donors need also to avoid those activities that are destructive of national capacity, such as agency recruitment of key staff away from national uses, and the distortion of national pay scales through excessive payments to some nationals. The objectives of donors should be that of supporting national capacity development through human resource investment, and the strengthening of the policy environment for a more effective delivery of projects and programmes that are relevant for sustainable development. Achieving these objectives may in some cases require that donors through their activities seek initially to strengthen the capacity to undertake capacity development as a prior first step towards more effective general performance.

How does one ensure that capacity development is integral to projects and programmes?

It is clear from research that putting in place a capacity development strategy and activities for its implementation at the design stage of projects is a sine qua non for more effective performance. It follows that unless the capacity development issues noted above are addressed at the design stage, and relevant activities identified and implemented as integral to projects and programmes, then there will be only very partial and weak overall performance.

Monitoring and evaluation benchmarks will need to be developed at the design stage of projects and programmes. These benchmarks would reflect the priorities selected for interventions based on an analysis of critical constraints, taking into account the fact that project and programme objectives and modalities will require adjustment during the life of the project [and not be left to end of project evaluation]. The review and evaluation
It follows, of course, that capacity development for undertaking relevant project and programme evaluation may itself have to be supported through specific activities in order to ensure that the capacity for effective monitoring and evaluation is brought into existence. This is the familiar problem that capacity may have to be strengthened so as to have the capacity to do what is required for better development outcomes. It also follows that once such capacity has been developed that mechanisms will be needed to ensure that it is effectively utilized.

2. CAPACITY DEVELOPMENT, THE HIV EPIDEMIC AND EVALUATION

Section 1 sets out the reasons why capacity development is the critical instrument for achieving development objectives, and it reviews those factors relevant to its full integration in projects and programmes. The important question seems to be not whether the principles and criteria for effective capacity development as described earlier are changed in a world of HIV and AIDS. If anything these guiding principles continue to be just as apposite, and the need for capacity development is enhanced rather than diminished. Rather the important issues relate to the way in which the epidemic changes the context within which capacity development strategies are expected to function, and the difficulties of sustaining capacity in the face of the epidemic.

It is worth reviewing those factors which change the context and feasibility of capacity development and the ways in which these affect the criteria that are important for evaluation of projects and programmes. The issues are complex and the particular situations are very diverse, therefore the following discussion should be seen as illustrative rather than definitive. The aim is to increase understanding of the effects that the HIV epidemic has on capacity development strategies and the effects on implementation and thus on evaluation of projects and programmes.

How is the stock of Human Capital affected by HIV and AIDS?

HIV prevalence is concentrated amongst those in the key social and working age groups - between the ages of 15-45. If anything young women seem to get infected at earlier ages than young men and thus lose more years of healthy life. There is evidence that in mature epidemics in many countries of sub-Saharan Africa that more women are infected than men [with a ratio of 6:5]. There is also evidence that at the early stages of the epidemic that HIV infection seems to be if anything greater for those in higher educational and occupational groups, with important implications for the maintenance of both the stock and the flow of those human resources that require substantial social investment. While HIV prevalence may be highest in urban areas it is nevertheless the
case that absolutely the largest numbers of those infected are in rural areas in sub-Saharan Africa.

Rates of HIV prevalence amongst adults in many countries in SSA are now in the range 15-35%, with even higher rates in some locations and cities. The severity of the epidemic affects all social and occupational groups, including both men and women, those with higher level skills and experience and those who are supposedly "unskilled". Amongst the latter category are most of the rural population who in fact have very valuable and hard to replace task-specific experience and skills.

Since HIV is concentrated amongst the core of the working population who have important social roles, the support and socialization of children in particular, then there are bound to be effects both on this generation and on subsequent generations. It follows that not only is the structure within families changed by its experience of the epidemic, including gender roles, but that there are also very important issues to do with maintaining households as productive enterprises.

What can be concluded from the losses of human resources that are critical for capacity development?

Most obvious are the losses of human capital due to the epidemic - skilled, educated, unskilled men and women, in both urban and rural locations. So one important issue is how to sustain production in circumstances of high morbidity and mortality across wide swathes of the active labour force. All programmes and projects have to deal with this fact: how can production be maintained in the face of ongoing and often severe losses of labour? In situations where losses are disruptive precisely because they are not confined to categories of labour that may be "easily" replaceable, but also affect many categories of labour including supervisory and managerial.

It follows -

- That capacity development strategies have to address the maintenance of productive capacity across many sectors of production in both formal and informal productive organizations - in both urban and rural locations.

- That because households are integrally affected both as economic units as well as ones with important social functions there is a need to sustain their capacity in the face of erosion of their economic base through losses of labour and reduction of productive assets.

- That since households are the primary organization for the socialization and care of children anything that erodes their ability to perform these roles will have effects that are inter-generational - on levels of poverty and on the skills and education of the future labour force.
But the effects on capacity are unfortunately not limited to the above and there are at least three other main channels through which capacity is undermined by the epidemic. These are as follows -

• The public sector in all countries is the main supplier of essential goods and services, such as education and health, transport and communications infrastructure, police and military security, law and order, welfare services, etc. But since public administration and public industries will also lose human resources due to HIV and AIDS then their capacity to sustain production will be undermined. The question becomes in part that of how to maintain production under conditions of losses of organizational and human resource capacity?

• Equally important are the general effects of the epidemic on fundamental conditions relating to security and law and order, including the maintenance of political authority and the functioning of associated organizations. It is unclear what the effects will be either directly though their losses of human resources and indirectly through changes in their capacity to deal with intensifying economic, social and political problems. In other words one of the outcomes of the epidemic will be a loss of political authority and a further undermining of the capacity to address mounting problems - in part due to the losses of capacity in a large number of state organizations.

• There is widespread evidence that the HIV epidemic has significant effects on the internal matrix of relations within social and economic organizations - at the level of households, private formal and informal enterprises, and the public sector. In part this is due to the effects on productive relations due to morbidity and mortality that are extremely disruptive, and these reflect losses of experience, management capacity and task-specific skills. In part it is the result of changes in morale within organizations due to the mounting level of mortality. The resulting outcome for many organizations - social and economic is greater dysfunctionality allied to a greater inability to address and solve problems.

Finally, there is the aggregation of all of these effects on development capacity since these will in total be more than the sum of the individual components. This is the simple result of applying the concept of synergy in understanding and measuring the impact of the epidemic in total. Parts of the social and economic system depend for their efficiency on other parts working as "normal" but the HIV epidemic undermines this capacity so that the feed back from one part of the system disrupts the planning and production in other parts. In the aggregate the impacts are multiplied because of these "systemic" effects - including therefore further reductions in capacity throughout the social and economic system.
What does this mean for Evaluation of Projects and Programmes?

There is perhaps no need to detail what the implications of the foregoing are for capacity development and for the evaluation of projects and programmes for this ought to be more or less self-evident. Not only are the kinds of projects and programmes that need to be implemented changed so as to meet the new priorities of those countries that are deeply affected by the epidemic, but projects and programmes have now to deal not only with issues of how to strengthen capacity but also how to maintain it in the face of multiple forces that are systematically reducing existing capacity. This is occurring in conditions, where as noted above, the capacity to address and solve problems is itself diminished by the losses of human resources and the associated reduction in problem-solving capacity within social and economic organizations.

It follows that it is even more essential that all of the factors and principles identified in Section 1 in respect of designing and implementing capacity development be integral to all projects and programmes. It is not that the principles for effective capacity development are intrinsically changed by the epidemic but rather that sustaining capacity becomes an even more central objective for all projects and programmes, along with the aim of ensuring that projects and programmes address how best to achieve their objectives under conditions where both direct and indirect factors are undermining capacity. This must also include the capacity of other organizations [such as what is happening to relevant networks] and of public administration and other state institutions [and thus the public production of goods and services].

What are the Strategic Evaluation Questions where the Objective is Capacity Development?

What follows is intended to provide some guidance to those undertaking evaluation of projects and programmes in countries with high rates of HIV prevalence. It is not intended to be complete but aims instead to generate some insight into the kinds of strategic questions that need to be addressed by evaluators if capacity development as described above is to be realized. It is more of a check-list, as an instrument to ensuring that these important issues are addressed by projects and programmes, and do in fact become an important part of the overall criteria used by evaluators.

Thus: -

- Did those designing the project/programme undertake a capacity assessment? Did the capacity assessment take into account the effects of the HIV epidemic? If not then why not, and what were the consequences for the success or failure of the activity? What lessons can be learned for future projects/programmes from the failure to undertake a capacity development assessment?
• Where an appropriate capacity assessment was undertaken at the design stages of a project/programme what were the main conclusions relevant for the successful completion of the activity? To what extent did the assessment take into account the effects of the HIV epidemic on capacity development?

• What capacity development objectives were set for the project/programme, and what activities were established for the project in pursuit of these objectives? Were objectives and activities appropriate, and if not why not?

• What activities relating to capacity development were undertaken by the project/programme? Did these achieve their objectives, and if not why not?

• How far were capacity development constraints external to the project/programme important for the success or failure in meeting its overall development objectives?

• Did the project/programme from the initial stages address the issues of sustaining its own productive and organizational capacity in the face of HIV/AIDS? What activities were undertaken to achieve this objective, and with what success or failure?

• Performance of the project/programme in part depends on capacity of beneficiaries [eg. of households in the case of poverty alleviation projects, or of small farmers in the case of rural development projects]. Were attempts made to assess their capacity, and what activities were proposed/undertaken to ensure that their capacity was sustained?

• Were those activities aimed at sustaining capacity, eg. of networks of NGOs and CBOs that were external to the project/programme successful or not, and were appropriate lessons drawn from this experience for the operational success of the project/programme?

• Did those responsible for the project/programme undertake regular reviews of performance relative to objectives which included specific attention to capacity development both internal and external to the activity? What actions were taken in the light of periodic assessment of capacity development aims relative to performance, and with what outcomes?

• At the end of project/programme were the lessons of capacity development identified, and what attempts made to ensure that these were transmitted to those who needed to absorb and use these lessons for future development activities?

• Did the project/programme put in place the development capacity essential for sustaining this activity? If not then why not, and what lessons can be drawn from the project/programme about the determinants of the success or failure of such activities in ensuring sustainability under conditions of HIV and AIDS?
CONCLUSION

Capacity development in the circumstances of the HIV epidemic is significantly more difficult to achieve but simultaneously the objective becomes even more important for the successful outcome of projects and programmes. Thus ensuring that projects and programmes at the design stage take account of the many ways that the HIV epidemic undermines capacity in all of its dimensions, both directly and indirectly, and responding to this challenge in ways that lead to effective outcomes become important evaluation criteria. Did the project or programme set out to achieve capacity development, and was it successful in doing so in a sustainable way, becomes perhaps the most important criteria by which to evaluate performance.

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Select Bibliography

There is a large literature on the HIV epidemic and on generic issues of evaluation but relatively little that addresses issues of capacity development and HIV in the context of evaluation. The following are some suggestions for follow up and web sites are given as the most easily accessible way of finding sources.


Human Capital and the HIV Epidemic [hivdev.org.uk]

Responding to the Socio-Economic Impact of the HIV Epidemic in sub-Saharan Africa - Why a Systems Approach is Needed [undp.org/hiv]

The HIV Epidemic and the Education Sector in sub-Saharan Africa [undp.org/hiv]

The HIV Epidemic and Sustainable Human Development [undp.org/hiv]

The Economic Impact of the HIV Epidemic [undp.org/hiv]

Assessment of the Socio-Economic Impact of HIV/AIDS [hivdev.org.uk]