

PART III – IMPLEMENTING THE PLAN

Chapter 2 – Preparing a Capacity Development Program

The CDP, to be implemented effectively, requires a set of competencies and institutional arrangements that should be present in the LGU. This set of competencies and institutional arrangements comprise an organization's capacity.

2.1 What is capacity?

The CIDA-LGSP defines capacity as “*the abilities, skills, understandings, attitudes, values, relationships, behaviors, motivations, resources and conditions that enable individuals, organizations, networks/sectors and broader social systems to carry out functions and achieve their development objectives over time*”¹.

This definition classifies capacity into three levels:

1. *Individual capacity* which refers to the knowledge, skills, attitudes and values of individual employees;
2. *Institutional capacity* which pertains to the organizational structure, systems and processes, motivation system, leadership, technologies, physical facilities and other organizational components that help make the system operate; and,
3. *Systems/sector capacity* which pertains to policies, societal values or attitudes, development frameworks, institutional arrangements and other elements that affect the enabling environment.

2.2 What is capacity development?

Further using CIDA definition, capacity development refers to “*the approaches, strategies and methodologies used to improve performance at the individual, organizational, network/sector or broader system level*.”² Among its key objectives are to:

1. enhance or more effectively utilize skills, abilities and resources;
2. strengthen understandings and relationships; and
3. address issues of values, attitudes, motivations and conditions in order to support development goals.

2.3 What is a capacity development program (CapDev Program)?

A *capacity development program* is a document that seeks to rationalize and strategically focus the capability building efforts of LGUs. It outlines the capability building interventions or programs that need to be undertaken to address an identified capability deficiency. The benefits derived from capacity development planning are not only confined to Plan implementation but they can also last even beyond the plan period.

The CapDev Program outlines the capacity development strategies, programs and initiatives that need to be undertaken to address identified organizational competency gaps, indicating the target groups, specific approaches that are recommended, resources required and the timeline. It requires that the implementation period of the program also covers the 3-year

¹ CIDA-LGSP

² Ibid

term of the local chief executive that also coincides with the term-based plan of the LGU, or the ELA, which should, in turn be the basis for setting the annual priorities of the LGU as articulated in the annual investment plan.

2.4 What is the difference between a CapDev Program and a Human Resource Development Plan?

If the capacity development plan focuses only on human resource development, then it is referred to as Human Resource Development (HRD) Plan. The HRD plan is a component of the broader CapDev Program, the latter encompassing other elements comprising the organization.

At the individual level, or HRD, capability enhancement is not only confined to training. There are other modes to enhance the skills and knowledge of people in an organization. These include:

1. coaching,
2. mentoring,
3. exposure trips/exchange program, etc.

At the organizational level, capacity development interventions may include the following:

1. installation or mainstreaming of systems and structures,
2. improvement of work processes,
3. introduction of new technologies, and/ or
4. enforcement of rules.

2.5 What are the steps in formulating a capacity development plan?

There is no “one way” to capacity development planning. Nonetheless, following are some suggested steps:

1. *Establish the organizational and individual competencies* that are needed to implement the CDP.
 - a. What capacities should be present in the LGU to support the implementation of priority programs and projects?
2. *Examine existing capacity vis-à-vis desired competencies.*
 - a. Does the LGU have adequate leadership, management, technical skills, organization arrangement, motivation, technology and equipment, systems and procedures, regulations, ordinances, and funds to accomplish the goals of the CDP
3. *Identify capacity gaps.*
 - a. Where are gaps in capacities?
 - b. Which capacity areas need to be prioritized?

Available local government performance management systems such as the Local Governance Performance Monitoring System (LGPMS) should be able to provide useful information on the organizational capacity of the LGU.

4. *Identify priority strategies or actions* that need to be taken to improve capacities.
 - a. What should be done to improve or develop capacities?
5. *Prepare a capacity development plan and budget.*
 - a. How much time, effort and budget would be required to make improvements in the present capacity of the LGU and is it worth it?
6. *Assign roles and responsibilities* to achieve the goal and the capacity objectives.
7. *Monitor the plan* and make adjustments as required.
 - a. *Should goals and objectives be adjusted given present capacity?*

Box ___ Some Tips in Capacity Development Planning

- *Conduct a separate orientation on Capacity Development Planning* - Proper grounding of the Planning Team, and other LGU department heads who will be closely involved in the activity on capacity development concepts and tools would be useful in implementing the activity.

By its very nature, capacity assessment may appear threatening to some LGU staff and constrain them from giving accurate information. It is therefore important that LGU department heads are thoroughly oriented on and understand the process as they are the key informants.

- *Generating accurate information on the LGU's administrative and operational capacity* - An LGU capacity profile is usually not readily available. It may require substantial data gathering work, and therefore, take sometime. The Planning Team may utilize a combination of techniques in generating the required information.
- *If necessary, engage the services of an external facilitator/advisor to assist the Planning Team in assessing capacity and developing a Comprehensive Capacity Development or HRD Plan.*

**Table ___
Sample Format of a Capacity Development Plan**

Sectoral Goal	Priority HRD/Capacity Development Intervention	Target Office Staff	Desired outcome	Implementation Details (timeframe, who are involved)
<i>Example 1:</i> Increased own-source revenue	Computerization of real property tax	Treasurer's Office, Assessor's Office	Revenue collection from RPT increased by %	1 year, treasury staff
<i>Example 2:</i> Improve access of the poor to quality primary health care services	Training of rural health workers	Rural health workers	Upgraded knowledge and skills of rural health workers on primary health care	2 weeks, all rural health workers in the LGU

2.6 *Is there a need to prepare a separate capacity development or human resource development plan?*

While the preparation of capacity development or human resource development program may require a separate process, the activities and budget related to making capacity improvements should be part of the goal and objectives under the Institutional Sector of the CDP. Key interventions to develop the required capacities for Plan implementation may either be integrated in the design and budget of sectoral programs and projects or be all placed under the Institutional Development cluster.

If capacity improvement measures are integrated in the design and budget of sectoral programs and projects, the budget and operational plan for capacity development, e.g. training, should be part of the overall plan, annual budget and the three-year investment plan for the particular program goal. This keeps all the program activities that need to be carried out, as well as the budgets, together and makes implementation and accountability clearer. This also reduces the vulnerability of capacity development or HRD budget from being totally slashed should there be budgetary constraints within the LGU.

At the same time, there may be good reasons for wanting to see capacity improvement interventions in one place. For example, many training interventions may be proposed, and rather than having them scattered and uncoordinated, it may be more efficient to bring them together under the responsibility of the HRD person or to integrate them into the LGU's HRD plan or Development Administration/Institutional Development section of the CDP. This strategy however puts the plan at high risk of being the first to go, as has been the practice of many LGUs as it is given the least priority.

Box _____

Example of Capacity Assessment for a Revenue Goal

The LCE together with other stakeholders sets a goal to double the amount of real property taxes collected over the next 3 years. In the process of setting the goal, several issues were identified:

- There is no computer or software available in the LGU
- There are staff available but they lack computer skills
- The treasurer will retire at the end of this year
- The revenue code is out of date
- Many people are behind in their tax payments

Clearly, more detailed work will have to be done. There will be a need for budget estimates (cost of computer, software and training). Other information, e.g. how can we find out about better tax assessment methods? Why are people behind in paying their taxes? will be needed. One of the managers will have to be assigned responsibility for developing an operational plan over the coming months. Perhaps a small task force will be needed to gather more information and to follow up on this work.

In preparing the operational plan for this result area, the following issues may have to be addressed:

- What professional and personal qualities a new treasurer should have?
- How should job descriptions of lower level staff be improved?
- What kind of staff skills and experience are necessary?
- Do we have the right kind of organizational arrangements?
- Are changes in existing procedures, regulations and ordinances needed?
- How are we going to maintain the equipment?
- How do we motivate citizens to pay taxes?

2.7 What other tools can be used in preparing a Capacity Development Program?

1. **LGPMS** – LGPMS results for input indicators (structures, policies, administrative systems, managerial and technical competencies, tools, facilities, equipment and financial resources of the LGU) provide a relatively comprehensive picture of the capacity level of LGUs. They can set a good starting point for gauging the capacity level and identifying the capacity needs of the LGU. Further examination of the sub-indicators assigned to particular indicator and the rating scheme can describe the nature of a deficiency if such exists, and how it might be addressed. The strategies and actions to address the deficiency/ies would form part of the LGU's Capacity Development Program.
2. **SCALOG** – The use of SCALOG takes off from a strategic plan of an LGU such as a Comprehensive Development Plan (CDP) or an Executive and Legislative Agenda (ELA). It presupposes that any effort to improve LGU capacity should be geared towards contributing to the attainment of development objectives and goals outlined in these LGU plans.ⁱ Using SCALOG as a tool is to ensure that the Capacity Development Program will help define the necessary capacity requirements for effective and efficient implementation of the LGU's priority programs and projects.

ⁱ Maria Concepcion Pabalan, et al. *How to Formulate an Executive and Legislative Agenda for Local Governance and Development: Facilitator's Guide*, Philippines-Canada Local Government Support Program, 2004, Manila, Philippines.