

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, DC 20314-1000

EP 5-1-1

CEMP-CN

Pamphlet
No. EP 5-1-1

30 June 2009

Management
CAPACITY DEVELOPMENT - INTERNATIONAL

Distribution Restriction Statement
Approved for public release;
distribution is unlimited.

CEMP-CN

Pamphlet
No. EP 5-1-1

30 June 2009

Management

CAPACITY DEVELOPMENT - INTERNATIONAL

TABLE OF CONTENTS

PARAGRAPH	PAGE
1. Purpose.....	1
2. Applicability.....	1
3. Distribution Statement.....	1
4. References.....	1
5. Definitions.....	1
6. USACE Capacity Development Business Practice.....	1
7. USACE Capacity Development Framework.....	2
8. USACE Capacity Development Planning and Implementation Process.....	7
9. Relationships between Programs and Projects.....	9
10. Stakeholders and Interfaces.....	13
11. Roles and Responsibilities.....	16
APPENDICES	
Appendix A - References.....	A-1
Appendix B - Definitions.....	B-1
Appendix C - USACE Capacity Development Role in Full Spectrum Operations.....	C-1
Appendix D - Program Level Planning and Implementation.....	D-1
Appendix E - Project Level Planning and Implementation.....	E-1
Appendix F - Capacity Assessment Process.....	F-1

LIST OF TABLES

	PAGE
Table C-1. Water Resources Capacity Development Role During Stability Operations.....	C-4
Table F-1. Capacity Assessment Worksheet.....	F-6
Table F-2. Guidelines for Assigning Probability Score for Each Capacity Gap.....	F-7
Table F-3. Guidelines for Assigning Consequence Score to Each Capacity Gap.....	F-8

LIST OF FIGURES

	PAGE
Figure 1. USACE CD Business Practice Interface With Other Organizations.....	3
Figure 2. USACE Capacity Development Framework.....	4
Figure 3. Framework Applied to a Sample Infrastructure Project.....	6
Figure 4. USACE CD Planning and Implementation – A Five Step Process.....	8
Figure 5. Use Flexible Approach to Achieve Sustainable Outcome.....	9
Figure 6. Relationship Determination for CD Planning and Implementation.....	11
Figure 7. Alignment of CD with USACE Project Management Processes.....	12
Figure 8. Alignment of CD with Civil Military Emergency Preparedness Program.....	13
Figure 9. Some of the Systems Of the Lacor Hospital, Uganda.....	15
Figure C-1. Elements of Full Spectrum Operations Combined with Operational Themes.....	C-1

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, DC 20314-1000

EP 5-1-1

CEMP

Pamphlet
No. EP 5-1-1

30 June 2009

Management
CAPACITY DEVELOPMENT - INTERNATIONAL

1. Purpose. This pamphlet provides general guidance and a framework for the planning and implementation of international capacity development (CD) for programs and projects conducted or supported by the U.S. Army Corps of Engineers (USACE). Engineer Regulation (ER) 5-1-16 (Capacity Development – International) has been developed as a companion document to this EP. ER 5-1-16 sets the USACE policy and serves as the requirements basis document for planning and implementation of CD on USACE international programs and projects.
2. Applicability. This pamphlet applies to the planning and implementation of CD on all USACE international programs and projects. The CD business practice applies to all programs and projects implemented in support of full-spectrum operations conducted external to the United States, which includes offense, defense, and stability operations.
3. Distribution Statement. Approved for public release, distribution is unlimited.
4. References. See Appendix A.
5. Definitions See Appendix B.
6. USACE Capacity Development Business Practice. CD has increasingly gained world-wide recognition as being fundamental to effective governance, capability enhancement, enhanced ownership, and successful program and project operation and sustainability. USACE has been directly involved in infrastructure reconstruction projects in countries all over the world, with an emphasis on those areas in which USACE maintains core competencies. These types of projects have provided valuable lessons learned and have helped raise the issue of CD to the forefront of United States Government (USG) policy. These lessons learned supported the USACE CD business practice as a mechanism for ensuring that CD is considered and implemented as appropriate for USACE international programs and projects. Both United States (U.S.) civilian and military agencies are revising their methods to increase the level of focus on CD as an integral part of planning for, preventing, and responding to international all-hazard events.

a. The Army's Full Spectrum Operations (FSO) Field Manual 3-0 Operations is the Army's doctrine for how it will conduct offensive operations, defensive operations, stability operations, and civil support operations. CD has direct applicability during stability operations and, to a more limited extent, offensive and defensive operations, so it is important that USACE leadership, program managers, and project managers consider the use of CD as USACE supports FSO. Information on how CD functions within FSO is provided in Appendix C.

b. The following definition of CD, as authored by LTG Henry J. Hatch (Ret.), has been adopted by USACE and is consistent with definitions used of numerous other USG organizations, foreign nations, international organizations (IO) and non-government organizations (NGO).

"Capacity Development is the building of human, institutional and infrastructure capacity to help societies develop secure, stable and sustainable economies, governments and other institutions through mentoring, training, education, and physical projects, the infusion of financial and other resources, and most importantly, the motivation and inspiration of people to improve their lives."

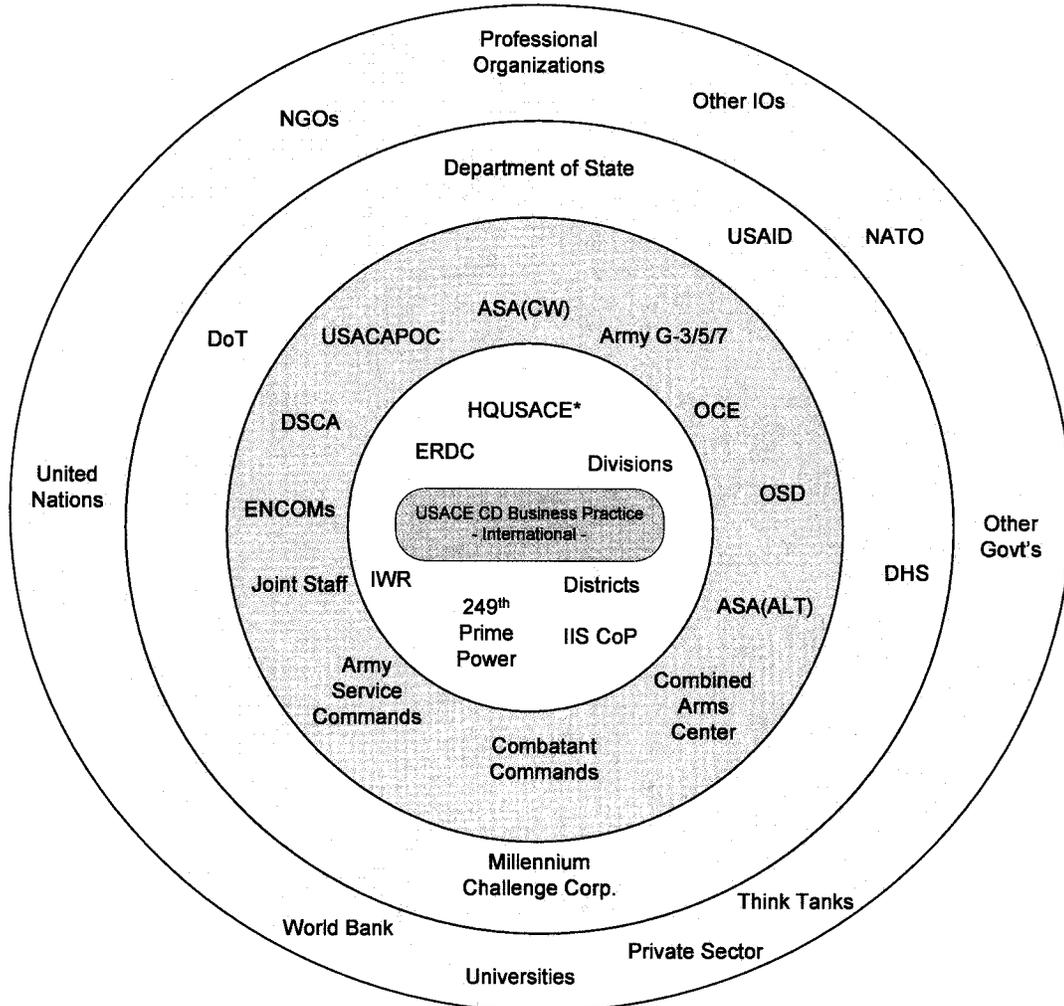
c. This definition illustrates that CD is a process or tool that leads to desired outcomes such as self-reliance and sustainable improved conditions in a host nation. CD is appropriate within specific projects to construct or refurbish physical facilities and infrastructure systems. It is also appropriate in a broader application through various programs that provide the societal structure necessary for *"the motivation and inspiration of people to improve their lives"*. A well-coordinated combination of CD activities may be necessary at various levels to achieve the desired outcomes.

d. The USACE CD business practice serves as a focal point for CD planning, implementation, and overall management of the CD process within the USACE mission areas and serves as the functional area resource for USACE Program Managers and Project Managers. This role requires direct interface and contact with the staff and management of numerous organizations, as shown in Figure 1. The CD business practice operates as a Sub-Community of Practice (Sub-CoP) and has direct access to all the organizations shown on Figure 1.

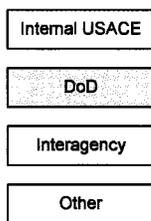
7. USACE Capacity Development Framework. CD activities range from very simple to highly complex so a consistent, yet flexible framework is necessary for USACE to support the range of activities and operating environments. The USACE CD framework sets the basic parameters for planning and implementation; provides a tangible element for USACE staff to interface with CD stakeholders such as service recipients, donors, other governments, and the private sector; and promotes ownership of CD initiatives. USACE staff should work within the established framework and its underlying principles as they plan and implement CD.

a. Capacity Development Framework Levels. The framework applies to CD in all international USACE mission areas. This framework was selected because it is consistent with frameworks used by several key foreign government development agencies and international organizations involved in CD.

Figure 1. USACE CD Business Practice Interface With Other Organizations.



Glossary



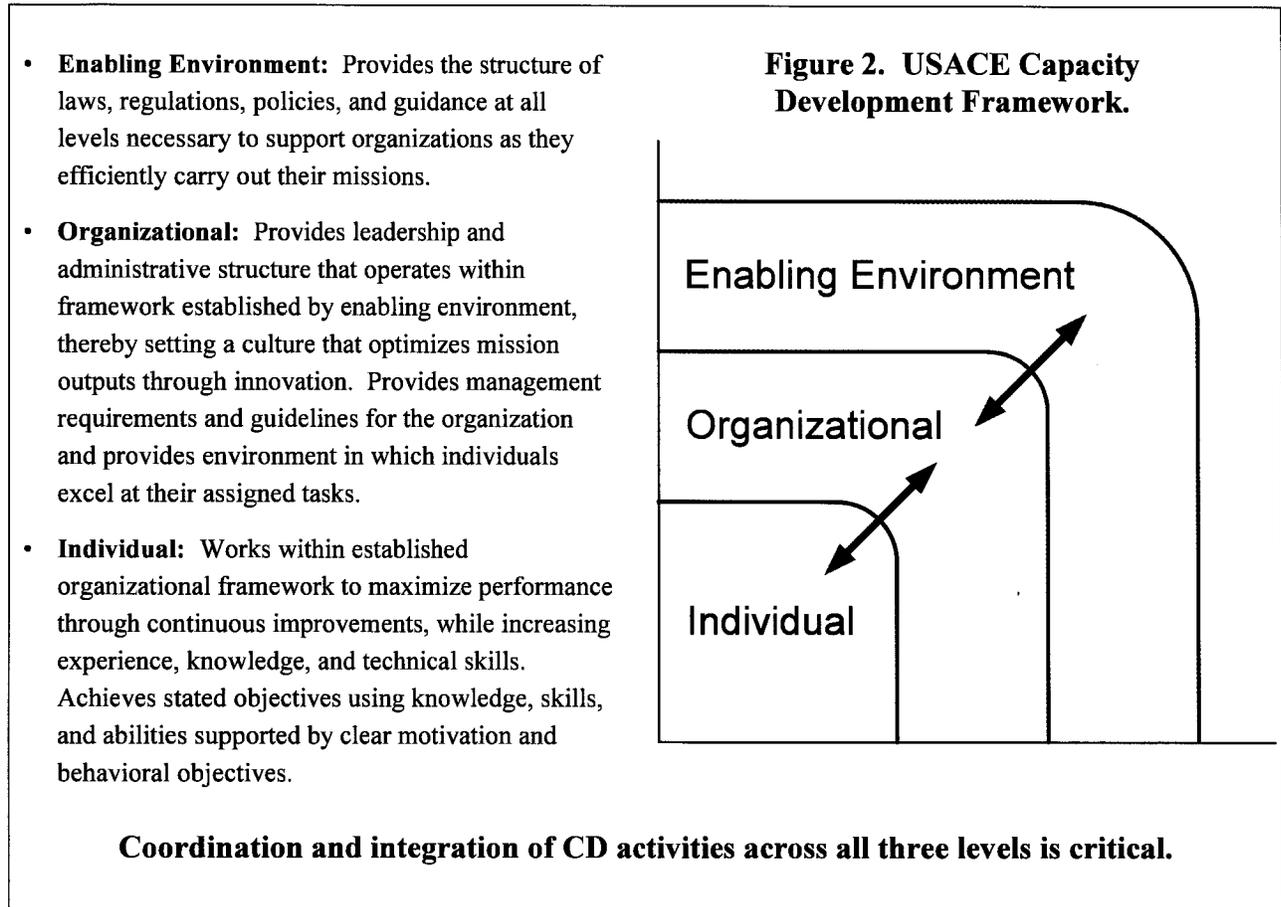
- *HQUSACE Directorates
- Military Programs
 - Contingency Operations
 - Civil Works
 - Contracting
 - Counsel
 - Strategy and Integration
 - Research and Development
 - Public Affairs

ASA(CW) – Assistant Secretary of the Army for Civil Works
ASA(ALT) – Assistant Secretary of the Army for Acquisition, Logistics and Technology
DoT – Department of Transportation
DHS – Department of Homeland Security
DSCA – Defense Security Cooperation Agency
ENCOM – Engineer Command
ERDC – Engineer Research and Development Center
HQUSACE – Headquarters
IIS CoP – Interagency & International Community of Practice

IO – International Organizations
IWR – Institute for Water Resources
NATO – North Atlantic Treaty Organization
NGO – Nongovernmental Organization
OCE – Office of the Chief of Engineers
OSD – Office of the Secretary of Defense
USACAPOC – US Army Civil Affairs Research and Psychological Operations Command
USAID – US Agency for International Development

(1) The framework recognizes the three broad “levels” of CD, as described below and as illustrated in Figure 2. These levels are not intended to operate independently, but rather as a system with each level complementing the others. CD activities are interdependent within and

between levels and program or project success is unlikely unless CD is integrated across all three levels.



(a) Enabling Environment. The enabling environment (strategic level) sets the conditions under which CD activities are conducted for programs and projects at the organizational and individual levels. This includes policy frameworks, legal systems, regulations, political institutions, and market economy considerations. USACE generally has a subordinate or supporting role to other USG organizations (e.g., Department of State [DoS]), foreign governments providing assistance in this area, the host national government, international organizations, and NGOs.

(b) Organizational. The organizational level (operational level) is comprised of leadership, administrative structure (e.g., payroll system, human resources system, decision-making processes), and culture required to achieve external and internal goals. Organizations are strongly influenced by the enabling environment and the organizational level serves as a link between the other two levels of CD, as shown in Figure 2. It does not have rigid boundaries and the structure varies as necessary to fit the situation. Continuity of organizational practices across programs and projects is often challenging, due to the wide variety of circumstances that can impact CD planning and implementation. USACE may have a lead role or a subordinate role at this level of CD.

(c) Individual. The individual level (tactical level) pertains to the knowledge and skills of individuals who are responsible for conducting particular work scopes. This includes the motivation and ability to appropriately set behavioral objectives and achieve those objectives using that knowledge and skill set. Individuals are strongly influenced by the organizations in which they work. USACE may frequently have the lead role at this level of CD as it pertains to USACE programs or projects.

(2) The framework operates as a system without hard boundaries between the three levels. The levels are provided as a general framework through which issues are identified and analyzed by stakeholder organizations and individuals. Each level is interdependent with the others and a failure at any level has the potential to limit the success of a program or project. The levels typically involve several stakeholders that have different interests, mandates, and areas of expertise. This system approach is successful only when there is agreement between the stakeholders regarding roles and responsibilities for CD.

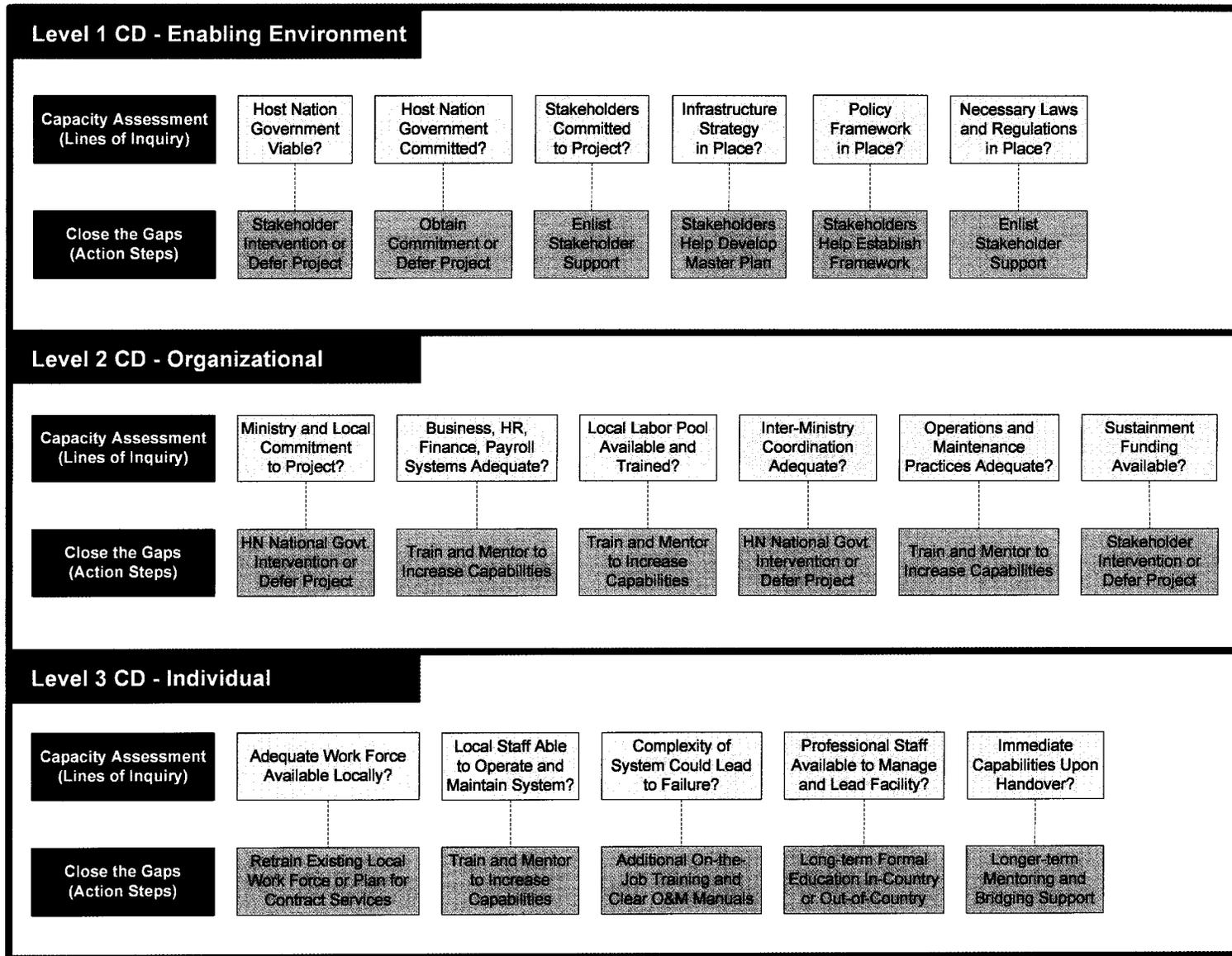
(3) Figure 3 shows how elements of a typical program or project undertaken or supported by USACE may require coordination between the three framework levels. This example is a project for new or refurbished infrastructure. USACE would have responsibility for a defined set of elements or activities, but the stakeholders engaged at all three levels will be critical to success of the project. The lines of inquiry shown in the capacity assessment are representative of the types of questions that USACE and other stakeholders should ask at the beginning of the project. Actual lines of inquiry and resulting actions will be more comprehensive and detailed on a real project.

b. USACE Role in Framework. USACE is an executing agent, which means it conducts work at the direction of others (e.g., Department of Defense [DoD], U.S. Agency for International Development [USAID], or Combatant Commands [COCOM]).

(1) USACE, in this capacity, does not typically set policy or make unilateral decisions on the extent to which CD will be employed on specific programs or projects. The role and responsibility of USACE varies with the definition of each program and project. USACE involvement is often determined first by its customer and second by the stakeholders during the initiation and planning phase. A USACE customer, another stakeholder with a lead role, or a host nation may determine that CD is not necessary or appropriate or will not be used in a given situation. USACE has the responsibility to document its input to the stakeholder team, including the host nation or service recipient, in every case. Refer to Appendix D, Section 1.c.(2)(d) and Appendix E, Section 1.c.(2)(b).

(2) USACE should consider the basic need for CD as it develops its mission analyses to define its strategic role in the international arena. The mission analysis will result in defined USACE capabilities and organizational structure. The mission analysis will include consideration of CD at any of the three framework levels and will support the overall planning process. Consideration of CD during the primary or secondary mission analysis has the potential to impact the manner in which USACE accepts and carries out the mission. The mission will benefit from the early review of CD needs at every level. The detailed capacity assessment process described in Appendix D and Appendix E is conducted at a secondary level, once the USACE mission has been defined and programs or projects are being established.

Figure 3. Framework Applied to a Sample Infrastructure Project.



8. USACE Capacity Development Planning and Implementation Process. Successful CD implementation is based on sound planning and incorporation of CD into the requirements development phase of USACE programs and projects. Optimum results occur when there is a strong advocate during the planning and implementation stages. USACE is typically one of multiple stakeholders for programs and projects. The USACE representative to the stakeholder group should always be an advocate for CD. This does not mean that CD will always be adopted, but the stakeholders should always consider the applicability of CD at the beginning of the planning process.

a. The CD planning and implementation process, as shown in Figure 4, begins during the program or project planning stage and continues through completion, transition, and evaluation of results. The USACE model for CD is based on a traditional five-step approach of:

- (1) determining applicability,
- (2) planning the work,
- (3) doing the work,
- (4) assessing the results, and
- (5) incorporating feedback to continuously improve results on future programs and projects.

b. The CD planning and implementation principles and processes are basically the same, whether CD is being applied to an entire program or to a specific project; however, some of the specific steps may vary between programs and projects. Therefore, the detailed guidance for planning and implementation of each of the five elements shown in Figure 4 is provided in two separate appendices. Planning and implementation of CD at the program level is explained in Appendix D and planning and implementation of CD at the project level is explained in Appendix E. Separation of the information into these two appendices allows the reader to focus on the aspect on which he or she is working, i.e., a program or a project.

c. Each program or project has unique aspects of CD that must be considered in the context of current, “on-the-ground” conditions. CD planning and implementation must account for numerous circumstances and then be tailored to best fit the needs and the situation. These considerations include both internal and external factors. Each circumstance is different and must be treated individually within the USACE CD planning and implementation process, as shown on Figure 5.

d. The USACE CD business practice has adopted four principles that are consistent with the principles of numerous other organizations and donors involved in CD around the world. These principles are critical to CD planning and implementation and are supported by many years of experience. The principles and supporting experience bases are:

(1) Local ownership and participation at the national, regional, and local levels are vital. CD is fundamentally an endogenous process that involves attaining, strengthening, adapting, and maintaining capacity over time, in response to emerging opportunities and challenges. When

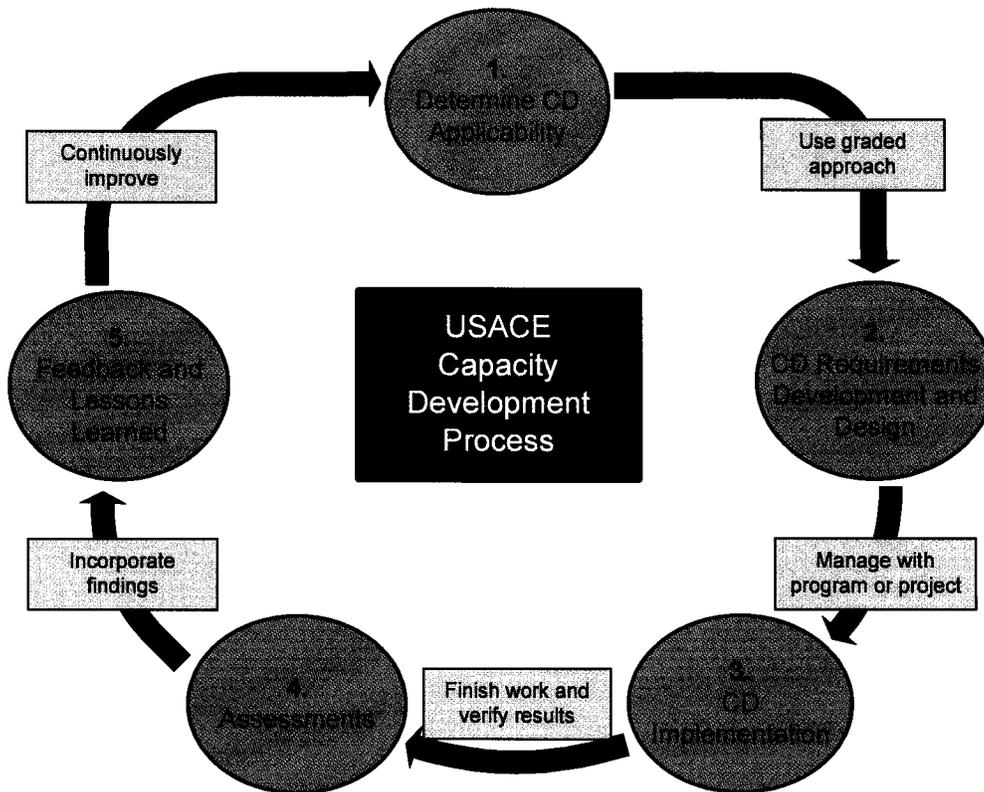
communities have direct input into design, implementation, management, and evaluation of projects, returns on investments, and sustainability of the project is enhanced.¹

(2) Actions must be consistent with societal, political, and cultural context. To effectively conduct CD activities, one must understand better how the society organizes itself, how development takes place, and what critical capacities are required to make transformation work.

(3) Considered thought must be given to sequencing of CD activities. Think and act in terms of sustainable capacity outcomes. Achieving a “best fit” approach to CD implies a high level of flexibility in implementation methods.

(4) Timing of CD assistance is a key to success. The CD process cannot be rushed.²

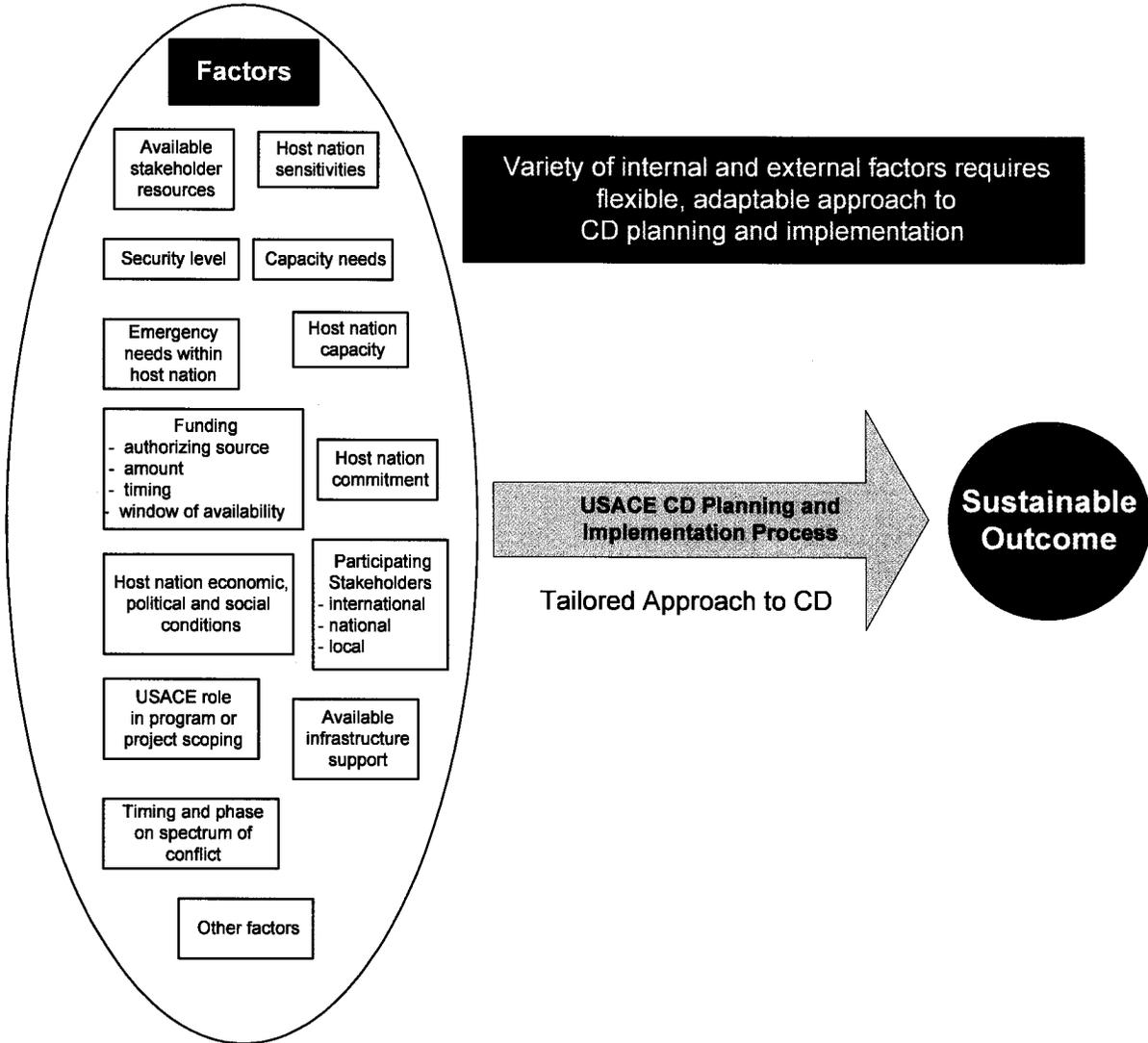
Figure 4. USACE CD Planning and Implementation – A Five Step Process.



¹ Organization for Economic Cooperation and Development, February 1, 2006.

² United Nations Development Programme, 2006.

Figure 5. Use Flexible Approach to Achieve Sustainable Outcome.



9. Relationships between Programs and Projects. USACE conducts its missions in the form of programs and projects within the U.S. and abroad.

a. The terms programs and projects are used extensively in this document and differentiation between the two is important.

(1) Program -- a collection of related projects, services, routine administrative and recurring operational processes, or some mixture of these, which are managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may be categorized by funding source, customer, similarity of scope, or other common criteria for which resources are allocated and collectively managed.

(2) Project -- a temporary endeavor undertaken to create a unique product, service, or result. A project includes specific activities with a defined cost, scope, and completion schedule.

b. The steps for CD planning and implementation have been described separately for programs (Appendix D) and projects (Appendix E), even though they have many common elements. Appendix F contains detailed instructions for conducting the capacity gap analysis and developing CD mitigation actions. The reader should go to the appropriate section for guidance on CD planning and implementation, so he or she can focus on the most relevant information after reading Sections 10 and 11.

c. The types of CD activities for a program might include long-term training, out-of-country training, or longer range activities that could result in a minor or major cultural change over time. The types of CD activities for a project are generally tailored to the specific project with a focus on the immediate objective of sustainable operations by the host nation or service recipient following project completion. A single program may contain numerous projects; for example, the Iraq Reconstruction Program contained over 3,000 separate projects. The application of CD to these projects was critical to success.

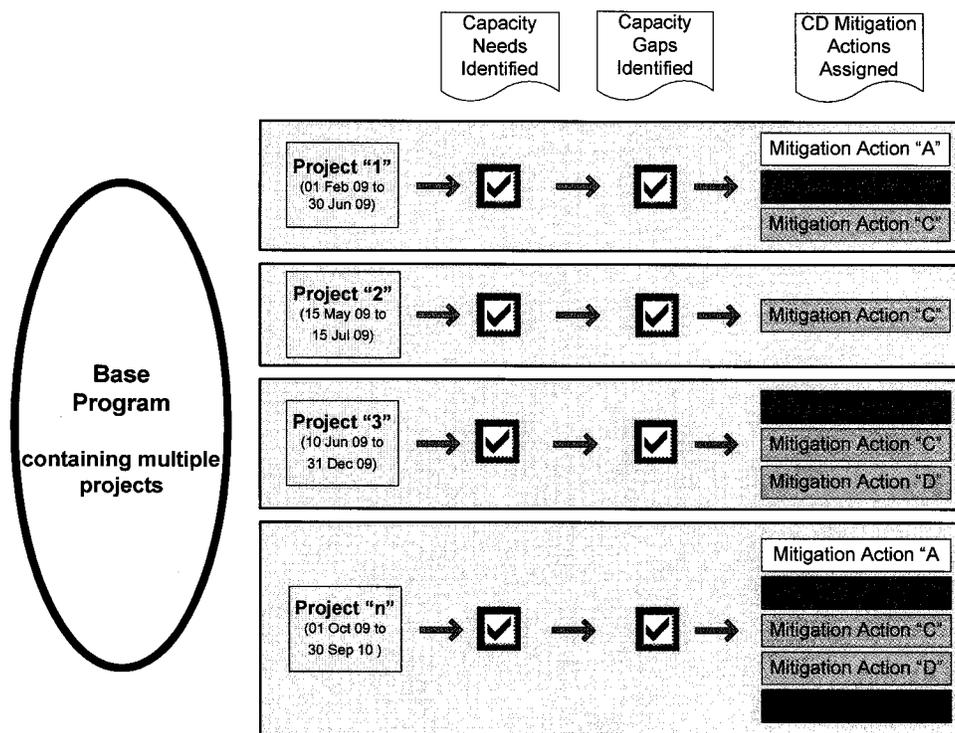
d. The relationship of programs to projects is important in the planning and implementation of CD. Programs and projects often contain interdependencies that must be considered and addressed to optimize solutions and to achieve successful outcomes. Determining program and project relationships is appropriate during the following steps, which are more fully addressed in Appendix D, Appendix E, and Appendix F:

- (1) analysis of capacity needs to support the program or project;
- (2) identification of existing capacity gaps within the host nation; and
- (3) implementation of CD mitigation actions to close the capacity gaps.

e. The key in optimizing CD efforts is to remember that these elements are often intertwined and must be managed in a holistic manner. The USACE Program Manager or Project Manager should always look for a systems approach in CD planning. The simple process of assessing the capacity needs for a certain program or project may result in an understanding that the same capacity needs exist for a number of other areas. The capacity gap assessment and mitigation actions can then be conducted on a broader level to meet a systemic need.

f. Another example would be the spillover effect that a certain type of training may have on other programs or projects of a similar type. A CD mitigation action to be conducted by one of the stakeholders may have cross-sector benefits that reach beyond the current program or project. CD that supports a specific program may result in a transfer of knowledge that will bolster the host nation's capabilities on a wide variety of non-related programs. Management training, for example, provides the host nation personnel with the tools necessary to manage in a variety of settings as well as the ability to train others who may support various programs or projects for the host nation. Use of a systems approach to CD requires the USACE Program Manager or Project Manager and the stakeholders to conduct detailed planning and sequencing of activities to optimize the benefit and reduce the costs. Figure 6 illustrates how CD mitigation actions can be applied in a systematic way to increase effectiveness and efficiency.

Figure 6. Relationship Determination for CD Planning and Implementation.



The same (or similar) mitigation actions may apply to more than one project. Careful planning and sequencing of project schedules and mitigation actions can result in more effective CD for host nation or service recipient, as well as efficiencies and lower costs for CD implementation.

g. A mitigation action, for example Mitigation Action “B” as shown on Figure 6, illustrates how an action may apply to more than one project. A mitigation action may also be critical to the success of multiple projects. A mitigation action designed to address capacity gaps at Level 1 or Level 2 of the USACE CD framework (Figure 2) may be directly related to other projects. The timing for implementing a mitigation action must be determined in consideration of other project schedules that are dependent on this mitigation action.

h. The USACE Program Manager or Project Manager should, therefore, always look for ways to use targeted solutions to meet the needs of the program or project at hand and to adapt mitigation actions, as appropriate, to meet additional needs of the host nation. This is an efficient and cost-effective method of increasing permanent capacity of the host nation and is based on the concept of “multiplication”, rather than “addition”.

i. The project life-cycle management process that USACE has adopted is documented in the USACE Business Process Engineering Regulation (ER 5-1-11). This Engineering Regulation

refers to the project life-cycle management steps described by the Project Management Institute³. This process, whether related to construction or to non-construction, has four distinct phases, which consist of:

- (1) project initiation;
- (2) project planning;
- (3) project execution and control; and
- (4) project closeout.

j. Figure 7 shows the relationship of CD steps to the typical USACE project life-cycle management phases. Planning for CD activities must occur at the initial stages of project development (i.e., project initiation and project planning) to ensure that CD activities are defined, assigned, funded, and scheduled. CD activities occur throughout the life-cycle of projects, ensuring that the appropriate CD actions are planned and integrated into the projects to achieve the project objectives. This integration prevents the problem of having to address CD as a last minute activity that is not supported by either the project budget or the project schedule. Programs also have key points at which the integration of CD should be considered and included in the program design and implementation.

Figure 7. Alignment of CD with USACE Project Management Processes.

Phase 1 Project Life Cycle Project Initiation	Phase 2 Project Life Cycle Project Planning	Phase 3 Project Life Cycle Project Execution and Control	Phase 4 Project Life Cycle Project Closeout
Phase 1 FMS FMS Case Development and Case Implementation	Phase 2 FMS Funding Received by District/Division and Planning for Project(s) within the Case	Phase 3 FMS Execution of Project(s) within the Case	Phase 4 FMS Closeout of Project(s); then Closeout of the Case
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">CD Step 1 Determine CD Applicability</div> <div style="border: 1px solid black; padding: 5px;">CD Step 2 Requirements Development and Design</div>	<div style="border: 1px solid black; padding: 5px;">CD Step 2 Requirements Development and Design</div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">CD Step 3 CD Implementation</div> <div style="border: 1px solid black; padding: 5px;">CD Step 4 Assessments</div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">CD Step 4 Assessments</div> <div style="border: 1px solid black; padding: 5px;">CD Step 5 Feedback and Lessons Learned</div>

k. USACE has other major programs under which it performs work internationally and for which CD should be considered. The Foreign Military Sales (FMS) program, for example, may have projects that require significant levels of CD to enable the host nation to perform the necessary levels of management, operation, and maintenance for sustainable operations. The

³ A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Third Edition, Project Management Institute, Inc., 2004

steps involved with the funding and project life-cycle processes under FMS are slightly different from standard project life-cycle management and are also illustrated in Figure 7. The introduction of CD into the FMS program by USACE should occur as early as possible in the process to ensure that CD is planned, funded, and implemented as a key component.

1. Other USACE programs may vary the manner in which CD activities are sequenced, so sufficient flexibility must exist to fit the needs and objectives of the program. Figure 8 describes the phases associated with planning and conducting work activities under the Civil Military Emergency Preparedness (CMEP) program.

Figure 8. Alignment of CD with Civil Military Emergency Preparedness Program.

<p>Phase 1 CMEP Conduct Survey of Current Status and Develop Report</p>	<p>Phase 2 CMEP Create Roadmap, Identify Gaps, and Develop Requirements</p>	<p>Phase 3 CMEP Build Capabilities through Design and Execution of Workshops/Seminars</p>	<p>Phase 4 CMEP Test Capabilities through Table Top Exercises</p>
<p>CD Step 1 Determine CD Applicability</p>	<p>CD Step 2 Requirements Development and Design</p>	<p>CD Step 3 CD Implementation</p>	<p>CD Step 4 Assessments</p> <p>CD Step 5 Feedback and Lessons Learned</p>

10. Stakeholders and Interfaces. Stakeholders are those organizations or individuals that have a positive “stake” in the outcome of the USACE program or project or have the ability to influence the outcome. The outcome can be either short-term or long-term and its effect can be either direct or indirect. The level of stakeholder involvement in a USACE program or project varies significantly depending on scope, size, circumstances, and eventual impacts to the international community.

a. Stakeholders should be identified early in the program or project planning phase, as they must be directly involved in planning and often in execution of the program or project. Examples of stakeholders with which USACE may interface on programs and projects include, but are not limited to:

- (1) USG departments and agencies:
 - (a) DoS,
 - (b) USAID,
 - (c) DoD,
 - (d) Departments of the Army, Navy, Air Force and the Marine Corps,

- (e) U.S. Combatant Commands, and
- (f) USACE.
- (2) Other organizations:
 - (a) host nation or service recipient, including local representatives;
 - (b) foreign governments;
 - (c) international and donor organizations;
 - (d) NGOs;
 - (e) private sector;
 - (f) professional associations; and
 - (g) educational institutions.

b. Figure 9 illustrates the types of stakeholders that may be involved in a straightforward health sector project. The Lacor Hospital⁴ is a construction project in Lacor, Uganda. The number of stakeholders shown in this example underscores how a single facility or project can be subject to a wide variety of interests. The interrelationships between the numerous stakeholders in this example were mutually reinforcing and contributed to the development of the hospital's overall legitimacy and resilience. Stakeholders who found themselves part of conflicting systems and sets of interests, on the other hand, faced quite different CD challenges.

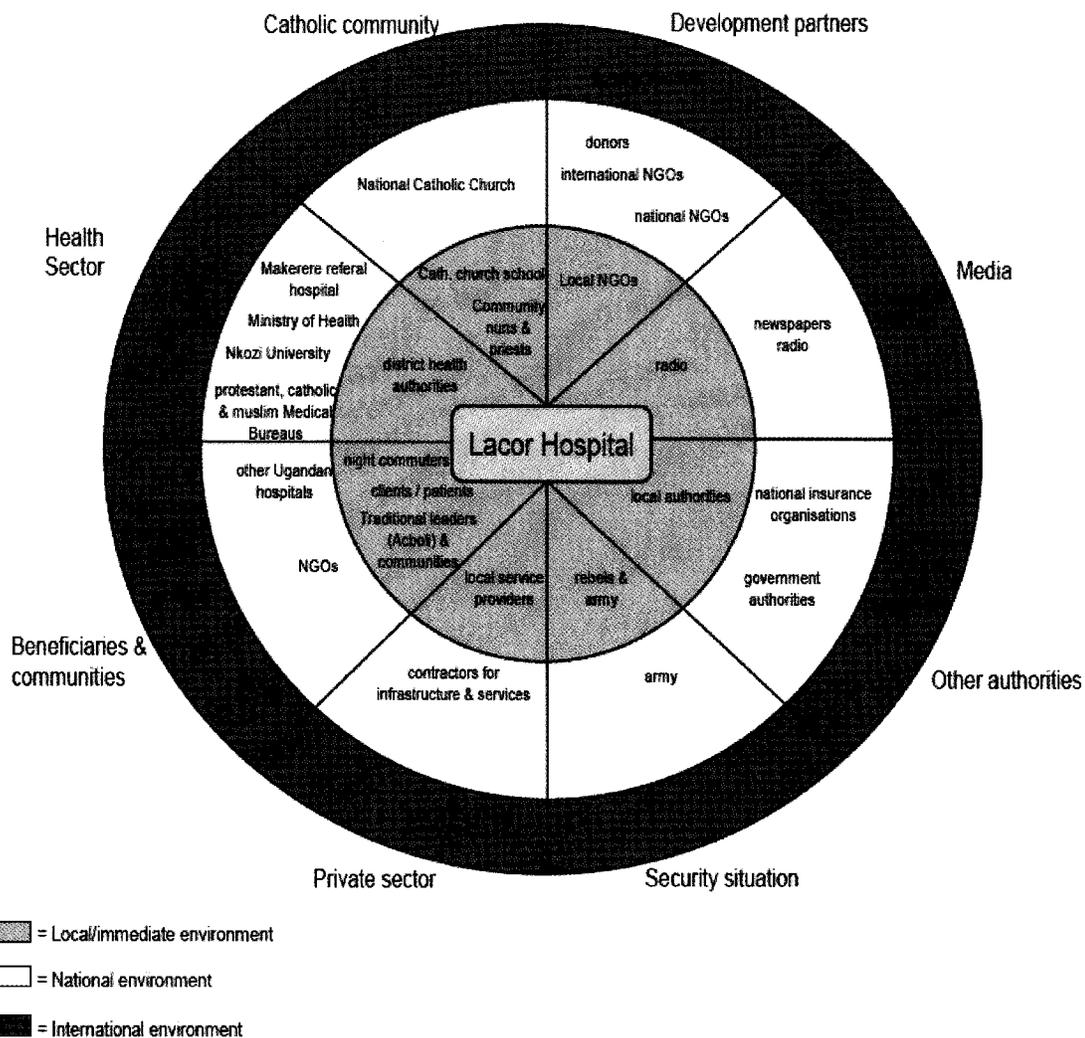
c. Active and substantive participation and ownership by the host nation has been documented by USACE and numerous other organizations involved in international CD as perhaps the most critical factor in achieving sustainability. USACE must ensure that the host nation or other service recipient is appropriately engaged and willing to participate before beginning a program or project that involves CD.

d. The CD process should include a method of documenting the roles and responsibilities of each of the stakeholders during the initiation and planning phases of the program or project. The documentation provides each stakeholder with information about what other parties will be doing on the program or project. The objectives of this documentation process are to:

- (1) allow each stakeholder to understand the roles of other parties;
- (2) provide a means of coordination of activities within the stakeholder group;
- (3) avoid redundancy, conflict, or gaps in implementation actions; and
- (4) formally commit each stakeholder to the general implementation actions that they will undertake (including scope and funding) to make the program or project successful.

⁴ Source: Capacity, Change and Performance Study Report, European Centre for Development Policy Management

Figure 9. Some of the Systems Of the Lacor Hospital, Uganda.



Source: Capacity, Change and Performance Study Report, European Centre for Development Policy Management

e. The documentation is not intended to address every detailed action that a stakeholder must implement; those agreements will be developed on an as-needed basis as the program or project planning phase progresses, with mid-course adjustments during execution. There is no single mechanism for documentation due to the array of scenarios, number of stakeholders, size, and scope of programs or projects, and existing systems that may be in use. A simple Memorandum of Understanding (MOU) between the stakeholders can be an effective method of documenting stakeholder agreements and commitments. This is not the only mechanism that can be used and the formality of the document should reflect the size, complexity, and number of stakeholders involved in the program or project. Samples of USACE MOUs that may be applicable to CD are located on the Headquarters (HQ) USACE website at <http://www.usace.army.mil/CEMP/iis/Pages/ModelAgreements.aspx>.

f. USACE, within the scope of its responsibility, will ensure that programs or projects that contain extensive CD be formally coordinated with these organizations, as appropriate for the circumstance. This structure will provide each party with a clear understanding of expectations, performance standards, and schedules and will allow each to budget and plan their CD activities. Lines of communication and authority must be clearly understood by all involved parties to ensure that each party understands the activities being conducted by others. These communication lines also serve as a forum to raise implementation issues and to achieve solutions.

g. Coordination among key USACE customers and partners will be critical during the process of establishing the USACE plans and procedures to ensure:

- (1) proper synchronization of basic CD concepts, methods, and framework;
- (2) agreed-upon CD roles and responsibilities of USACE vis-à-vis external customers and partners;
- (3) lessons learned and other customer or partner needs are identified and considered;
- (4) customer satisfaction with the USACE CD business practice; and
- (5) successful implementation of CD throughout USACE programs or projects.

h. The stakeholders should always include USACE and representatives from the host nation or service recipient and will often involve other USG organizations (e.g., DoS, USAID, and other departments or organizational units within the DoD), foreign governments, NGOs, other public and private sector local national representatives, international organizations, civil society organizations, or professional associations. A stakeholder may have a direct role in management or administration of the program or project, or may be implementing another program or project that has a linkage or direct connection with the program or project, or it may simply have a strong interest in the outcome. USACE may be in a lead role or a support role, depending on the nature of the program or project and the nature of the stakeholders involved. The lead organization should clearly identify the roles, authorities, and responsibilities of each stakeholder. The lead organization may refine the list of stakeholders over time to stay current with changing direction, evolving conditions, and the life-cycle phases of the program or project.

11. Roles and Responsibilities. USACE may be called upon to have the lead role within a partnership of organizations, depending on the scope of the program or project and the specific circumstances. USACE will facilitate communication between all the parties involved in CD in these cases and HQUSACE and Major Subordinate Commands (MSC), which include centers, laboratories, divisions, and districts, all have direct responsibilities within the CD business practice. Field Force Engineering (FFE) teams, such as the Forward Engineer Support Team (FEST), may also have CD responsibilities, depending on the mission. The general CD responsibilities for these USACE organizational units are described below.

a. HQUSACE. HQUSACE has responsibility for numerous functions related to CD, ranging from management of the CD business practice to oversight of field implementation. These HQUSACE functions are as follows:

(1) CD Sub-Community of Practice (CoP). The CD business practice is managed at HQUSACE by a Sub-Community of Practice (Sub-CoP) under the International and Interagency Services CoP. The CD Sub-CoP has several responsibilities for establishing and maintaining CD policies and managing the business practice. The CD Sub-CoP has the following responsibilities:

- (a) serve as the subject matter expert for CD within USACE;
- (b) coordinate and oversee the activities of the multi-disciplined CD CoP members;
- (c) develop and maintain CD Engineer Regulation, CD Engineer Pamphlet, and other guidance documents for use in the field;
- (d) develop and maintain a training plan, training requirements, and associated training materials for CD planning and implementation and provide training to targeted USACE staff engaged in international full-spectrum operations programs or projects, as appropriate;
- (e) conduct CD presentations at workshops and national/regional forums;
- (f) respond to specific requests for technical support on planning and implementation of CD for specific programs or projects;
- (g) advocate for CD with customers and stakeholders.
- (h) track and maintain CD lessons learned from programs and projects;
- (i) provide reports and conduct briefings for USACE senior leadership and external organizations, as appropriate, on the extent and effectiveness of CD implementation.
- (j) monitor and evaluate implementation of USACE CD business practice, policies, and guidance.
- (k) interface with U.S. Army, other USG agencies/departments, NGOs, professional associations, and other public and private organizations engaged in international CD.

(2) International and Interagency Services (IIS) CoP. The IIS CoP provides policy and guidance for USACE services to other US agencies, foreign governments, and international organizations. The CoP establishes, maintains, and coordinates relationships at the national and sub-national level. The CoP, working in partnership with others, also assists in the development of DoD, Department of the Army, and DoS security objectives, programs, and plans. The IIS CoP is responsible for CD advocacy in all the services it provides to other organizations as a means to providing sustainable solutions to water resources, infrastructure, and environmental challenges internationally and to enhance national security objectives. The IIS CoP is also responsible for carrying out program and project level CD planning and implementation.

(3) Liaison Officers. The USACE Liaison Officers to the Combatant Commands (COCOM) and Army Service Component Commands (ASCC) are responsible for CD advocacy within their respective COCOM and MSC Commanders, coordinating USACE CD activities with the COCOM, facilitating CD requirements development, coordinating external requests for USACE CD assistance, and integrating elements of the CD business practice into Army warfighter and joint exercises, as appropriate.

(4) Directorate of Contingency Operations. This Directorate serves as the focal point for USACE command and control of civil and military contingency operations. The organization will be responsible for leading the development of command contingency doctrine; maintaining readiness; providing oversight of contingency program development and execution; and developing and publishing contingency plans. The Directorate is responsible for reviewing all CD business practice policy and guidance documents and incorporating CD into contingency doctrine, plans, and programs, as appropriate.

(a) G-35, Plans, Doctrine, and Strategic Initiatives. The G-35 develops plans and doctrine for USACE support to the Department of Homeland Security and the Federal Emergency Management Agency for civil disaster response in the U.S. and support to DoD COCOMs for military contingencies in their respective areas of responsibility. The G-35 is responsible for integrating CD into its overall planning processes and documents. Examples include planning for the U.S. Department of Army strategic initiatives assigned to USACE under the U.S. Army Campaign Plan and the U.S. Army Action Plan for Stability Operations.

(b) G-37, Training and Exercises. The G-37 plans and executes individual and collective contingency-related training, utilizing exercises and education programs supported by the Annual Training Guidance and doctrine, to build and maintain credentialed and trained expeditionary teams and individuals capable of delivering USACE support to contingency operations through forward-deployed and reachback capabilities. The G-37 is responsible for providing guidance, recommendations, support, and training mechanisms. The G-37 is also responsible for identifying opportunities to incorporate CD into training events and exercises.

(c) G-39, Future Concepts and Requirements. The G-39 identifies deficiencies in stability and contingency operations tools, processes, plans, and procedures; develops experiments for new concepts; and integrates approved concepts into operational use. The G-39 is responsible for identifying opportunities to incorporate CD into G-39 activities, as appropriate.

(d) Corps of Engineers Remedial Action Program (CERAP) Division. The CERAP Division establishes processes to identify best practices and critical systemic issues resulting from USACE military and civil contingency missions and institutionalizes the evaluation and corrective action program elements necessary to improve future response capabilities. The CD Sub-CoP uses the CERAP as an assessment tool for evaluating effectiveness of CD planning and implementation.

(5) Field Force Engineering (FFE). FFE teams are a USACE expeditionary asset which can deploy in support of overseas stability operations. The teams provide technical engineering, contract construction, real estate acquisition, and environmental planning to the COCOM and their Army component commands during contingencies, exercises, and peacetime engagement. Host nation CD is a part of every FFE team's mission statement and Mission Essential Task List (METL) and is included in their training Programs of Instruction (POI). CD is considered in every task for the host nation or service recipient that an FFE team executes.

(a) Forward Engineering Support Team – Advanced (FEST-A). The FEST-A is an engineer planning and design team with core competencies in engineering disciplines. The FEST-A conducts basic infrastructure assessments and prepares statements of work to repair damaged infrastructure that will be sustainable after transfer to the host nation or service recipient. The

primary focus of FEST-A CD activities is at the individual and organizational levels of the CD framework.

(b) Forward Engineering Support Team – Main (FEST-M). The FEST-M is an expeditionary mini-district that is capable of executing larger-scale contract construction. The primary focus of FEST-M CD activities is also at the individual and organizational levels of the CD framework. However, the FEST-M should be prepared to engage at the enabling environment level.

(c) Other FFE Teams. The Contingency Real Estate Team acquires real estate for USG forces and government agencies in the host nation. The Environmental Support Teams conduct environmental baseline surveys for USG base camps and provide recommendations for environmental cleanup and remediation to US forces. The teams could play a role in CD planning and implementation at the individual and organizational level, although the METL tasks for these teams focus on support to USG forces and government agencies.

(d) Theater Engineer Commands (TEC) and Deployable Command Posts (DCP). The TEC and DCP provide theater level command and control for full spectrum engineer operations in support of Joint Task Forces in a contingency environment. The TEC, acting in a similar manner to other USG military organizations, may provide an overarching CD engagement strategy for the host nation, and seek out ways to build capacity by partnering with engineers from the host nation's armed forces. The TEC also has the capability to plan and implement CD through their Facility Engineer Detachments and reserve FEST-A's.

(6) Institute for Water Resources (IWR). The IWR engages international participants on water resources related issues and works to establish international policy and guidance in this area. The IWR also houses the International Center for Integrated Water Resources Management (ICIWaRM), a United Nations Education, Scientific and Cultural Organization (UNESCO)-endorsed category II water training facility and the Conflict-Resolution & Public Participation Center (CPC), which provides conflict resolution and public participation training and outreach. The IWR role on CD consists primarily of providing technical assistance and conducting training. The IWR can also participate in technical partnerships through various agreements with other national government organizations.

b. Major Subordinate Commands. The MSCs consist of USACE divisions, districts, contingency districts, centers, laboratories, and other USACE organizations. The CD roles and responsibilities of the organizational units within the MSCs are as follows:

(1) USACE Divisions. The Division level is focused on carrying out the responsibilities of the Regional Business Center, with a focus on operational planning and management, program management, relationships, and quality assurance. The Division has responsibility and authority to plan and utilize resources in a manner that is efficient, effective, and consistent with laws and regulations to execute the mission objectives. The Division ensures that appropriate quality control processes and systems are in place within the region to achieve quality projects and products that meet the expectations of our partners and stakeholders. The CD roles and responsibilities for divisions are as follows:

(a) determine most effective and appropriate manner to implement CD policy and guidance throughout the Division's Area of Responsibility, to include its assigned COCOM;

- (b) monitor and evaluate CD activities;
- (c) carry out program-level CD planning and implementation; and
- (d) advocate for CD with customers and stakeholders.

(2) USACE Districts. The district is responsible for executing all work assigned to it by the Regional Business Center. The CD roles and responsibilities for districts are as follows:

- (a) advocate for CD with customers and stakeholders;
- (b) conduct CD planning and implementation at the program-level and the project-level, and;
- (c) conduct quality control activities for district actions.

(3) Contingency Districts. Three contingency districts were established under the approved 14 August 2008 Transatlantic Division (TAD) concept plan. These “requirements only” districts are assigned to TAD and are available to support larger-scale stability operations missions in a mature theater. The contingency district role regarding CD is to assist in development of CD requirements and technical support, as requested.

(4) Centers, Laboratories, and Other USACE Organizations. The USACE centers, laboratories, and other organizations provide research and development, engineering, and technical expertise to enhance internal capabilities and to support USACE customers and partners. The roles and responsibilities for these organizations are as follows:

(a) Engineer Research and Development Center (ERDC). The ERDC mission is to provide science, technology, and expertise in engineering and environmental sciences in support of the armed forces and the nation. ERDC, through its seven laboratories and multiple research facilities which span across the country and world, possesses a combination of basic research and applied engineering expertise that it can utilize to support international CD efforts. ERDC resources support the following CD related efforts:

- develop design, engineering, construction, and maintenance standards that integrate social and cultural customs of a specific region or host nation;
- develop sustainable engineering solutions for site-specific locations;
- technical assistance in system-wide environmental and water resource management;
- specialized training of host nation or service recipient personnel, as requested by program or project manager;
- technology transfer to host nation or service recipient; and
- technical and engineering support to program and projects to assist in CD planning and implementation.

(b) Other USACE Centers and Organizations. The roles and responsibilities for other USACE centers and organizations, to include Centers of Expertise, are as follows:

- technical assistance and/or conduct training, and
- technology transfer to host nation or service recipient.

FOR THE COMMANDER:

Six (6) Appendices

APP A – References

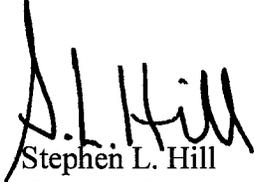
APP B – Definitions

APP C – USACE Capacity Development Role in Full
Spectrum Operations

APP D – Program Level Planning and Implementation

APP E – Project Level Planning and Implementation

APP F – Capacity Assessment Process


Stephen L. Hill
Colonel, Corps of Engineers
Chief of Staff



APPENDIX A

References

- A-1. U.S. Army Corps of Engineers Capacity Development White Paper, CEMP, 30 June 2008
- A-2. USACE Campaign Plan, V7.1, 05 February 2009 (Goal 1, Objective 1a)
- A-3. FRAGO 5 (Task Update) to Operations Order (OPORD) 2007-09, U.S. Army Corps of Engineers (USACE) Readiness XXI Implementation
- A-4. FM 3-0, Operations, <http://www.army.mil/usapa/>
- A-5. FM 3-07, Stability Operations, <http://www.army.mil/usapa/>
- A-6. Capacity Development Assessment Guidelines, 20 March DRAFT, United Nations Development Programme
- A-7. USACE ELL User's Guide, Enterprise Lessons Learned Site Users Guide, <https://kme.usace.army.mil/ELL/ELL%20Training%20Materials/ELL%20User%20Guide.doc>, December 2007
- A-8. Handbook on Monitoring and Evaluating for Results, United Nations Development Programme, Evaluation Office, 2002
- A-9. Capacity, Change and Performance Study Report, Discussion Paper No 59B, European Centre for Development Policy Management, April 2008
- A-10. ER 5-1-11, USACE Business Process, November 2006
- A-11. *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Third Edition*, Project Management Institute, Inc., 2004
- A-12. *The Challenge of Capacity Development: Working Towards Good Practice*. Development Co-operation Directorate Development Assistance Committee. Organization for Economic Cooperation and Development, 01 Feb 2006.
- A-13. *Capacity Development Practice Note*, United Nations Development Programme, July 2006.
- A-14. *Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations*, DoD Directive 3000.05, 28 Nov 2005. (<http://www.dtic.mil/whs/directives/corres/html/300005.htm>)
- A-15. *Management of Interagency Efforts Concerning Reconstruction and Stabilization*, National Security Presidential Directive 44, 07 Dec 2005. (http://www.dtic.mil/doctrine/training/presdir_44.pdf)
- A-16. Civil-Military Cooperation Policy, US Agency for International Development, Office of Military Affairs, 28 July 2008. (http://www.usaid.gov/our_work/global_partnerships/ma/documents/Civ-MilPolicy)

APPENDIX B

Definitions

Asset Transfer: Process of handing over or transferring ownership of an asset related to a program or project to a host nation or service recipient.

Capacity Development: The building of human, institutional and infrastructure capacity to help societies develop secure, stable and sustainable economies, governments and other institutions through mentoring, training, education, and physical projects, the infusion of financial and other resources, and most importantly, the motivation and inspiration of people to improve their lives.

Defensive Operations: Combat operations conducted to defeat an enemy attack, gain time, economize forces, and develop conditions favorable for offensive or stability operations.

Field Force Engineering: Provides agile, responsive technical engineering and contract construction support capabilities to Combatant Commanders and their Army components worldwide during contingencies, exercises, and Domestic/International disaster response through the implementation of the U.S. Army Corps of Engineers (USACE) Field Force Engineering doctrine.

Full-Spectrum Operations: The Army's operational concept: Army forces combine offensive, defensive, and stability or civil support operations simultaneously as part of an interdependent joint force to seize, retain, and exploit the initiative, accepting prudent risk to create opportunities to achieve decisive results. They employ synchronized action—lethal and non-lethal—proportional to the mission and informed by a thorough understanding of all variables of the operational environment.

Monitoring Trigger: A specific element that serves as a warning sign to identify a risk that is not being addressed by a current mitigation strategy.

Offensive Operations: Combat operations conducted to defeat and destroy enemy forces and seize terrain, resources, and population centers. They impose the commander's will on the enemy.

Program: A collection of related projects, services, routine administrative and recurring operational processes, or some mixture of these, which are managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may be categorized by funding source, customer, similarity of scope, or other common criteria for which resources are allocated and collectively managed.

Project: A temporary endeavor undertaken to create a unique product, service, or result.

Regional Business Center: An operational concept that envisions the Division office and its Districts acting together as a regional business entity. The concept includes vertical and lateral integration of organizational capabilities, resource sharing, technical expertise, project management, and project delivery to broaden and enhance the range of services and quality within a region.

Risk Factor: An existing element or condition with the potential for significant impact that can prevent a program or project from achieving the desired outcome.

Service Recipient: Any party that may be the beneficiary of USACE mission services including foreign governments and citizens, United States Government (USG) departments or agencies, state and local governments, and the private sector.

Stability Operations (joint): An overarching term encompassing various military missions, tasks, and activities conducted outside the United States in coordination with other instruments of national power to maintain or reestablish a safe and secure environment, provide essential governmental services, emergency infrastructure reconstruction, and humanitarian relief.

Stakeholder: Organizations or individuals that have a “stake” in the outcome of the U.S. Army Corps of Engineers (USACE) program or project or have the ability to influence the outcome in a positive manner. (Note: The term “Stakeholder” in this Engineer Pamphlet refers to an organization that seeks a positive outcome for the program or project. It does not include other organizations that have a stake in the program or project and would seek to have it fail [e.g., insurgents or rebels]).

Sustainability: The planned end-state where the service recipient or host nation can continue to utilize the service or product received without additional support or with minimal support from the USG or other parties.

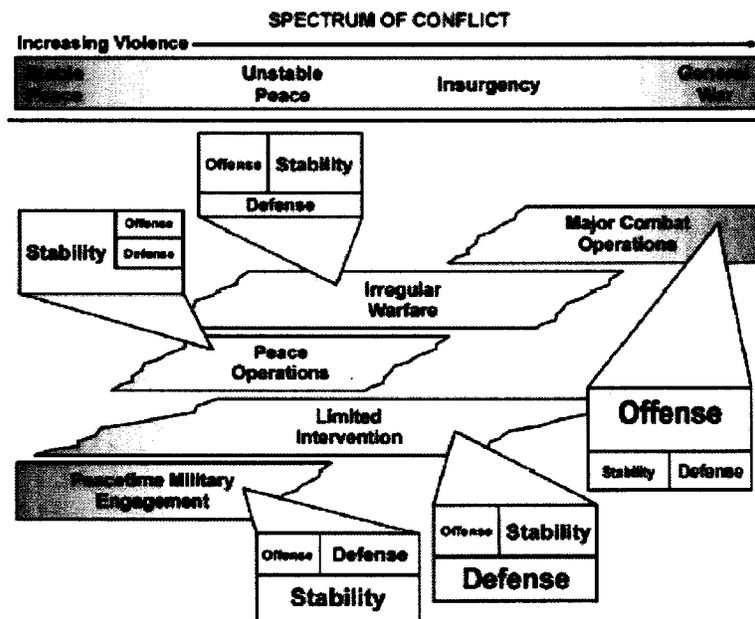
APPENDIX C

USACE Capacity Development Role in Full Spectrum Operations

Full spectrum operations (FSO) is the term used to describe the U.S. Army’s suite of defensive, offensive, stability, and support operations. The U.S. Army Corps of Engineers (USACE) mission is executed in the context of FSO; therefore, the role of Capacity Development (CD) within the USACE mission is also executed in the context of FSO. The four operational elements of FSO (defensive, offensive, stability, and civil support) require different types and levels of CD at different times in the spectrum of conflict. The identification and application of the right CD activities at the right time is essential to optimizing support in these areas. The USACE CD business practice for international settings will include the FSO operational elements of offense, defense, and stability operations. Civil support will be addressed in a separate USACE Engineer Regulation and Engineer Pamphlet for domestic application.

FSO takes place throughout the spectrum of conflict, which is further broken into a number of operational themes, each which provide a distinct opportunity for CD implementation. These themes range from peacetime military engagement to major combat operations, as shown in Figure C-1. The themes, coupled with the elements of FSO provide various opportunities for CD. These opportunities are tied to the level of support required by the mission, the status and capabilities of the indigenous government, and the security conditions.

Figure C-1. Elements of Full Spectrum Operations Combined with Operational Themes



Source: FSO (2008)

1. Offensive and Defensive Operations. Advanced planning teams for USACE assess conditions in a foreign nation during offensive or defensive operations to determine the extent to which a viable infrastructure system exists and to identify the steps necessary to upgrade the infrastructure to minimum threshold conditions that will meet the basic needs of the citizens. USACE also begins CD activities as offensive forces secure the environment for Stability Operations (SO). USACE supports CD during offensive and defensive operations by advising the maneuver commander on infrastructure targeting to minimize the reconstruction effort needed to restore essential services following kinetic operations.

Opportunities for direct CD activities by USACE during offensive and defensive operations, with the exceptions noted above, are limited and are not the focus for USACE within these operational components; therefore, CD activities during offensive and defensive operations are not discussed further in this paper.

2. Stability Operations. CD during SO is typically carried out by a number of stakeholders including the host nation government, donor governments, international organizations, non-government organizations (NGO), and private sector organizations. The key participant, as emphasized in lessons learned is the host nation government. The makeup of stakeholders is different in each case and the group will be formed to meet the particular needs of the host nation. Each participant has core competencies and roles that fit together to provide a strong framework for CD.

The USACE CD role within SO is substantial, compared to its role during offensive and defensive operations. SO is present and necessary to varying degrees as part of each operational theme shown in Figure C-1 and promotes a stable environment through which the host nation can function. The USACE CD role within SO, therefore, will be considered during pre-conflict and peacetime as well as in conflict and post-conflict environments, as discussed below.

a. Pre-conflict. The opportunities to apply sustainable CD are clearly much greater within secure environments and when host nation public and private sector representatives are available to work with USACE in partnership arrangements.

(1) USACE can carry out CD activities under SO in a pre-emptive mode rather than a reactive mode during periods when there is no conflict and security conditions allow maximum flexibility. This is a period in which formal interaction with key host nation personnel can occur to strengthen their technical, scientific, engineering, management, and leadership capabilities.

(2) It is also the period in which USACE mentors civil and military emergency responders through seminars, workshops, and exercises so they will be better prepared to plan for and respond to disasters. Effective, timely disaster response by the host nation reduces the likelihood of undesirable outcomes such as future conflict resulting from an inadequate response or a lack of essential services. CD is an essential component of the USACE CMEP program. It enhances the ability of the combined civil and military components of the government to prepare for, respond to, recover from, and mitigate the impacts of future disasters. This service provided through CMEP increases the resilience of the host nation by addressing the adequacy of existing plans, helping identify and eliminate flaws, and stressing the importance of inter-ministerial and multi-sectoral communication both within nations and between the countries in a region. The result is a stronger civil society within the Host Nation.

b. Conflict. The USACE CD role during periods of full military intervention (i.e., major offensive and defensive operations) is understandably limited.

(1) The key CD activities that can be performed during this period involve reconnaissance teams, such as the Field Force Engineering (FFE) teams, that can work with available host nation staff to assess status of critical infrastructure/key resources that are necessary to support the basic and life-saving needs of the local populations. The FFE teams can mentor the host nation staff on how to conduct emergency assessments and how to restore services on a priority basis in a hostile environment.

(2) USACE may also use this time to take key individuals from the conflict zone and provide focused or long-term training in a safe environment that will enable host nation staff to conduct their work more effectively upon return in a post-conflict environment.

c. Post-Conflict. The USACE initial CD roles during post-conflict SO are aimed at supporting sustainable resumption of vital services for the local population. This meets the humanitarian need and helps restore the public confidence in the indigenous government. The post-conflict period may not offer a fully protective security setting, but will typically provide a reasonable security setting in which training and other CD activities can be accomplished in a normal manner. Resumption of normal CD activities will also occur during this period, such as the CMEP program with its role in helping host nations prepare for and respond to the consequences of emergency events such as natural disasters, major accidents, and terrorist attacks.

3. Operational Themes. Operational themes, as described in the Army Field Manual⁵ and as shown on Figure C-1, occur throughout the spectrum of conflict. The role of CD may occur at any point during the spectrum of conflict and within any of the operational themes. The type and extent of CD activities vary within the operational themes, as necessary to support the mission. Table C-1 includes a number of CD activities that might be conducted by USACE as part of an international water resources project. This general example shows where CD activities might be appropriate during the five operational themes of full spectrum operations.

a. Peacetime military engagement: military activities involving other nations which are intended to shape the security environment during stable peace including multinational training events and exercises, foreign military financing, recovery operations, nation assistance, and international military education and training.

b. Limited intervention: activities that take place for a clearly defined purpose and which have a limited end state such as foreign humanitarian assistance, consequence management, foreign military financing, evacuation operations, and sanction enforcement.

c. Peace operations: activities conducted in support of diplomatic efforts to establish and maintain peace such as peacekeeping, peace building, and peacemaking operations, peace enforcement, and conflict prevention.

d. Irregular warfare: principal activities include counterinsurgency, counterterrorism, antiterrorism, and unconventional warfare.

⁵ Army Field Manual No. 3-0, 27 February 2008.

Table C-1. Water Resources Capacity Development Role During Stability Operations.

USACE Water Resources Capacity Development Activities	Operational Theme				
	Peacetime Military Engagement	Limited Intervention	Peace Operations	Irregular Warfare	Major Combat Operations
Promote host nation capabilities by increasing opportunities for higher education and training in water resources in times of peace.	✓	✓	✓		
Provide focused training opportunities for host nation water resources personnel at safe locations outside of conflict locations in times of conflict.		✓		✓	✓
Promote advancement of professional organization chapters (e.g., ASCE or American Water Works Association) in host nation to support training and mentoring of host nation water resources staff.	✓		✓		
Engage host nation government as an active participant in building, rebuilding, or restoring water resource systems and provide necessary training and mentoring to manage, operate, and maintain systems.	✓	✓	✓	✓	
Work with host nation to identify and protect critical infrastructure.	✓	✓	✓	✓	✓
Jointly assess status of water resource systems with host nation personnel, with focus on solutions to immediately improve or repair damaged systems (e.g., use of Forward Engineer Support Teams).		✓		✓	✓
Work with host nation government to build, rebuild, or restore water resource infrastructure, systems, and equipment on an emergency basis, with focus on priority systems. Mitigate short-term impacts of outages, provide temporary stop-gap systems, relevant training, spare parts, etc.	✓	✓	✓	✓	
Issue contracts to local firms, as appropriate and as permitted by security conditions, for rebuilding/restoring water resource systems.	✓	✓	✓	✓	
Require language in large business contracts to include (1) use of local firms and citizens, and (2) mentoring and training of local firms and citizens.	✓	✓	✓	✓	
Issue contracts to world-class firms or professional associations to train and mentor host nation personnel (public and private sector) in current, efficient methods of water resource management.	✓		✓		
Improve and possibly expand host nation water resource infrastructure, systems, and equipment and provide necessary training and mentoring to manage, operate, and maintain systems.	✓		✓		
Train host nation personnel in IWRM skills including water resources master planning, life-cycle management, program/project management, current technologies, etc.	✓	✓	✓	✓	
Facilitate relationships between governments and organizations that are involved in policy and technical issues related to water resources management.	✓		✓		

e. Major combat operations: activities characterized as joint operations often waged between uniformed armed forces of nation states and which seek to destroy or defeat the enemy's armed forces and seize terrain.

APPENDIX D

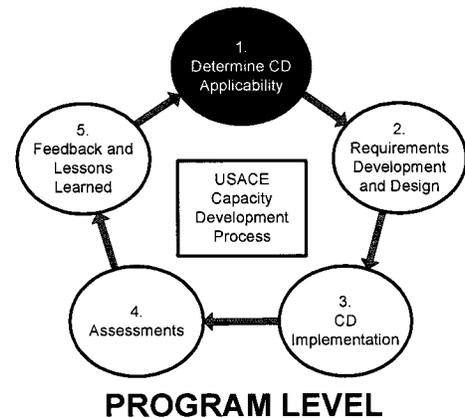
Program Level Planning and Implementation

NOTE: Appendix D applies only to implementation of capacity development (CD) at the “Program Level”. The reader should skip this section and go directly to Appendix E for guidance on implementation of CD at the “Project Level”.

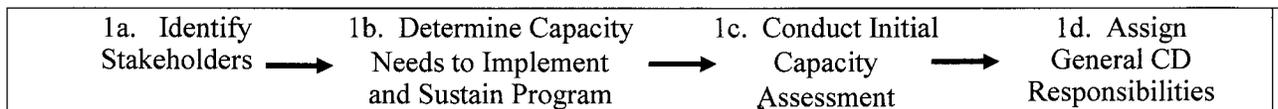
This section describes the five steps for program level implementation of CD.

1. Step 1. Determine Capacity Development Applicability.

The U.S. Army Corps of Engineers (USACE) and other stakeholders determine the extent to which CD should be integrated to achieve short-term objectives and the desired end state. This determination can range from “not applicable” to an extensive level of CD implementation that is critical for success. The CD framework adopted by USACE is described in Section 7 and illustrates the three levels of CD that may require a coordinated effort by various organizations. It is a useful tool to help the organizations identify and integrate levels of responsibility for CD from the programmatic level down to the detailed project level. The CD applicability determination must be made by the stakeholder group. The host nation or service recipient must be directly engaged in the determination as a key stakeholder.



Determining Applicability -- Key Elements



The following are the key elements in determining the appropriate level of CD to be conducted within a program.

a. Identify Stakeholders. The initial step in determining CD applicability is identification of the various organizations or individuals that have a stake in the outcome of the program. These are the “stakeholders”. Each stakeholder has a direct interest in the outcome of the program and should be involved in program planning and execution. Additional information on stakeholder identification, involvement, and coordination is provided in Section 10.

b. Determine Capacity Needs to Implement and Sustain Program. The capacity needs are equivalent to the capacity requirements or capabilities that must be necessary and available to plan, implement, and sustain the program. The Program Manager and stakeholders should consider capacity needs for the program at all three levels of the USACE CD framework (Enabling Environment, Organizational, and Individual) as shown on Figure 2.

(1) Determination of capacity needs is the first step in the capacity assessment process. The capacity assessment process is described further in this section and Appendix F contains specific instruction on how to assess the capacity of the host nation to sustain a program with minimal assistance from external organizations. Appendix F also includes instructions on how to estimate risk to program sustainability due to CD factors and the process of assigning CD mitigation action to the stakeholders to close the capacity gaps identified.

(2) The stakeholders should determine the capacity needs by reviewing the program elements and objectives and listing the capabilities or capacity that will be necessary to plan, implement, and sustain the program. A certain set of capabilities will be essential during the planning and implementation phase and additional capabilities may be necessary during the sustainment phase. Appendix F, Section 1, includes a list of capacity categories that should be considered in determining capacity needs for the program. This list should be viewed as a starting point and should be tailored to meet the unique aspects of the program and the societal values and cultural conditions that exist within the host nation. See Appendix F for a more in-depth discussion of the capacity assessment process.

c. Conduct Initial Capacity Assessment. This evaluation is done by comparing the capacity needs, described above, to the currently available capacity within the host nation or service recipient to meet those needs. This is done through a two-step process to identify and characterize any capacity gaps that maybe present and to determine CD activities, as appropriate for the program.

(1) Review Capacity Needs. The first activity is for the stakeholders to review the capacity needs with consideration of all three levels of the USACE CD framework levels 1, 2, and 3 as shown on Figure 2. Each stakeholder should contribute to this understanding through its expertise on technical issues and on implementation of CD at the framework levels.

(2) Assess Available Capacity. The second activity is determination of whether any gaps in required capacity exist at the program level. A gap in required capacity may be the absence or dysfunction of necessary elements required for success or a gap may be the presence of obstacles to success. The initial capacity assessment requires a systematic approach, because a weakness or gap in capabilities at any critical point may jeopardize the entire system and the success of the program. The USACE Program Manager and stakeholders should consider the gaps in capacity at all three levels of the USACE CD framework levels 1, 2, and 3 as shown on Figure 2 and Figure 3. The capacity needs between these three levels are closely related and highly interdependent. The degree to which CD is planned with a broad focus across all three levels and implemented as a system will have a significant impact on the program outcome and sustainability. Two potential areas to always consider at this point are (1) whether the host nation or service recipient is committed to the program and is willing to actively participate in the program, and (2) whether effective stakeholder coordination exists and will continue to exist throughout the program.

(a) The capacity needs for the program provide the basis for the assessment. The description of each gap may be entered at this time on the capacity assessment worksheet (Appendix F, Table F-1). The stakeholders may wish to wait until Step 2 (Requirements Development and Design) to enter data onto this worksheet. The framework level and the category of the capacity gap are also recorded on the worksheet. A list of proposed capacity categories is provided in

Appendix F, Section 1; however, this should not be considered as a comprehensive list. Additional categories may be necessary and the final categories should be tailored to meet the needs of the program.

(b) The stakeholders will determine the extent, if any, to which the program should address CD, based on stakeholder knowledge and available information at this point in time. Identification of the capacity needs is a very important step and provides the basis for completing the capacity assessment during Step 2 of the CD process (Requirements Development and Design).

(c) The stakeholders should always consider opportunities presented by the program to increase the capabilities and capacity of the host nation or service recipient even if the increased capacity is not required to directly support the program. The program may provide an excellent platform to enhance the capabilities of individuals so they can work more productively and efficiently on other programs and projects.

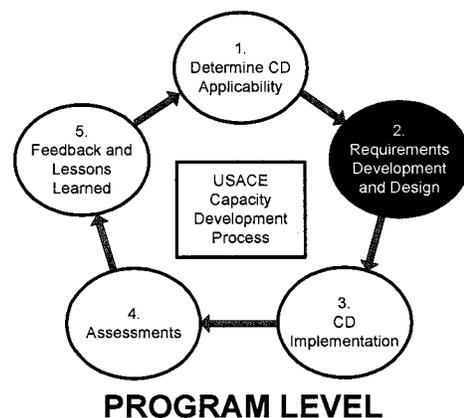
(d) The stakeholders may determine that CD is “not applicable” to certain programs. This determination would be made when the stakeholders agree that the host nation or service recipient already has the necessary capacity to sustain the program elements to be transitioned to the host nation or service recipient. The USACE Program Manager should document this decision in the Program Management Plan or comparable document.

d. Assign General CD Responsibilities. The stakeholders should identify programmatic actions that could be employed to reduce the identified gaps and risks and maximize potential CD opportunities. They should then prioritize the actions and agree on general responsibilities for actions that may be required by the respective organizations with the objective of closing the gaps and reducing the risks. It is important that there be stakeholder consensus on the way ahead for CD at the program level and that this consensus be documented in a manner that establishes a general commitment by each stakeholder to carry out assigned responsibilities. This level of commitment will be necessary in order to proceed in the planning process.

This is the point at which each stakeholder must be able to describe the general authorities and funding sources it has for CD planning and implementation for a specific program. It is also the point at which the stakeholders should identify key authorities or funding deficiencies that could constrain the CD effort. The issue of authority and funding must be clear and, if necessary, resolved, before the stakeholders move to Step 2 (Requirements Development and Design).

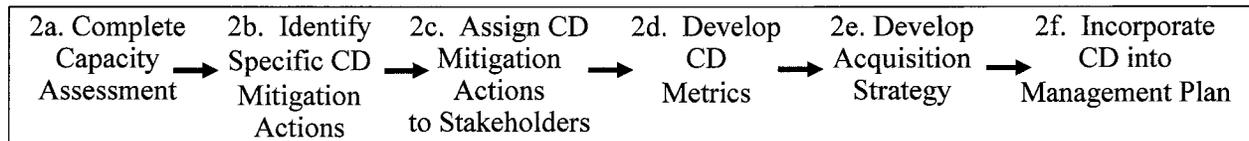
2. Step 2: Requirements Development and Design.

This is a key step that involves all the planning and stakeholder coordination to ensure that CD activities are incorporated into the program specific planning documents. This is the detailed planning phase for CD and ties to the phases 1 and 2 of the program life cycle example as shown on Figure 8. This begins with the output from the initial capacity assessment completed in Step 1, above, builds on the results to estimate the programmatic risks associated with any gaps in available capacity, and results in development of



specific CD mitigation actions to reduce or eliminate the gaps. This step also addresses other CD design elements that may be necessary, such as development of CD metrics and an acquisition strategy. Finally, the CD activities must be priced, scheduled, and added into the Program Management Plan or corresponding document, as appropriate.

Requirements Development and Design -- Key Elements



a. Complete Capacity Assessment. The stakeholders should analyze the results from the initial capacity assessment that was conducted in Step 1 (Determine CD Applicability). This will provide an understanding of the baseline conditions and the general level of capabilities and capacity that will be required of the host nation or service recipient to help develop the program, to participate in the program, and to sustain the program. The list of identified gaps in available capacity within the host nation serves as the starting point for Step 2 (Requirements Development and Design).

(1) The complete capacity assessment will include identification of CD mitigation actions and assignment of mitigation actions to stakeholders. The USACE Program Manager and stakeholders will document their findings and issue recommendations to do one of the following:

- (a) proceed with the program with stakeholder commitment to plan and implement assigned CD activities;
- (b) cancel or defer program until capacity is available;
- (c) restructure program to meet existing host nation capacity;
- (d) proceed with the program as defined without addressing CD, even though CD may be applicable (i.e., USACE directed by customer to undertake program without CD); or,
- (e) proceed with the program without CD, because CD is not applicable or necessary for program success and sustainability (i.e., available capacity in host nation is sufficient).

(2) Appendix F contains specific instructions on how to conduct the capacity assessment and includes a worksheet to record program information, capacity gaps, estimates of risk to the program caused by the capacity gaps, mitigation actions to close the gaps, and the lead stakeholder organization to lead the mitigation actions. The capacity assessment is summarized below and the details are provided in Appendix F.

(3) The process of identifying capacity gaps that may exist is followed by an estimation of the programmatic risks if the capacity gaps are not addressed and mitigated. The baseline risk is estimated for each gap, by capacity category (Appendix F, Section 1). Appendix F provides additional details on how to conduct the risks for probability, consequence, and total risk. This is a qualitative risk assessment process and results in a risk rating of “minimal”, “low”, “medium”, “high”, or “critical” for each capacity gap. The estimated risk for each gap is entered on Table F-1.

(4) An early capacity assessment, before substantial commitment of resources, identifies key risks that could significantly impact program success and sustainability as well as potential CD opportunities that could create long-term capacity benefits for the host nation. It allows time to develop mitigation strategies to close the identified gaps during program planning and execution. Potential mitigation strategies for the “show stoppers” or gaps with the potential to be single points of failure for the program should be a primary focus of stakeholder attention and should later be integrated into the Program Management Plan.

(5) The capacity assessment process described above will result in a baseline risk estimate. Conditions change over time and may require a reassessment of risk presented by capacity gaps. Changes can be due to effective implementation of mitigation actions to reduce or eliminate the gaps or it can be due to other external influences that may increase or decrease the baseline risks. The capacity assessment should be updated as additional information is obtained and as program conditions significantly change. The frequency of reassessments should be driven by the duration of the program and the extent to which conditions are known to be changing.

(6) The stakeholders should seek consensus on the risks and the associated impacts, considering which risks can be effectively mitigated through programmatic adjustments and which risks may be most effectively reduced through direct CD implementation. There may be cases in which the stakeholders decide that CD is not required to support the particular program or that additional CD activities beyond those already undertaken are unnecessary. The stakeholders should document their decision to take no further action regarding CD.

b. Identify Specific CD Mitigation Actions. The stakeholders should develop a mitigation action(s) to close each capacity gap and to reduce the overall capacity risk to the program. More than one mitigation action may be appropriate for a single gap. The stakeholders share the responsibility for developing the CD activities for the program. Each stakeholder should identify candidate activities, based on areas of expertise and authorities, for consideration by the group. The CD activities should be focused on filling the gaps identified in the capacity assessment and should be integrated to meet specific needs and to obtain specific results. The host nation or service recipient must fully participate and agree to the final CD mitigation actions for the program.

c. Assign CD Mitigation Actions to Stakeholders. USACE and every other stakeholder must work within their authorities, areas of expertise, and established budgets as they implement CD in support of a program. The CD objectives should be refined into specific CD tasks and each task should be assigned to a stakeholder that has the legal authority to accomplish the task, the necessary funding to accomplish that task, and the willingness to serve as the lead for design and implementation of the mitigation action. Each mitigation action should be assigned to a stakeholder that will assume the lead role for implementation of the mitigation action. This information, along with a date for completion of each mitigation action is recorded on Table F-1.

(1) The methods by which each stakeholder carries out its CD responsibilities should be developed by the stakeholder and resources should be assigned to support the program objectives and schedule. One method for documenting roles, responsibilities, and commitments is a Memorandum of Understanding (MOU). The MOU templates on the Headquarters (HQ) USACE Website provide examples of how an MOU between multiple stakeholders can be developed and maintained for CD responsibilities

(<http://www.usace.army.mil/CEMP/iis/Pages/ModelAgreements.aspx>). Other methods of documenting consensus can be used, and the lead agency within the stakeholder group should determine the best method for the circumstance.

(2) The stakeholders should address the potential secondary CD opportunities not directly related to sustainability of a specific program when considering mitigation actions. This could include partnering with the host nation during program design and implementation which would result in knowledge transfer that would benefit the host nation when undertaking future programs and projects.

d. Develop CD Metrics. Metrics provide a method by which CD activities can be assessed during program implementation and, in some cases, after program completion. Metrics are pre-determined, measurable elements that are necessary as part of any assessment and are used to determine the effectiveness of the CD activities in meeting program goals. A metric(s) should be established for each major CD activity that is considered key to program success. Each metric should be accompanied by a schedule so the CD activity can be evaluated against the program timetable. A contingency plan may be appropriate for certain critical CD activities to provide a pre-determined pathway for immediate corrective action in the event the assessment indicates the CD activity is insufficient. Metrics should be based on quantifiable outputs and outcomes wherever possible.

(1) Monitoring triggers are those specific elements that serve as warning signs to identify a risk that is not being addressed by a current mitigation strategy. The purpose of monitoring the trigger is to allow adequate preparation for the initiation of the risk mitigation strategy. Monitoring triggers also provide valuable information from which the USACE Program Manager can prepare routine progress reports. The USACE Program Manager and stakeholders have the responsibility to define the monitoring triggers most applicable to the capacity needs identified for the program. Each monitoring trigger should be scheduled to ensure a review is done at the appropriate time. Monitoring triggers are assigned to the mitigation strategy at the time the strategy is identified.

(2) Monitoring triggers are specific to the mitigation strategies selected to fill identified gaps and could be based on external and internal factors or conditions such as:

- (a) enabling environment takes longer time than anticipated to mature;
- (b) host nation is not able to sustain program after transition;
- (c) stakeholders, including host nation, disagree on a technical basis to address a critical activity;
- (d) significant operations and/or maintenance issues are identified;
- (e) schedule and/or budget gaps remain despite implementation of mitigation strategy; and
- (f) shortfalls are identified in available funding to implement mitigation strategy due to changes in priorities by stakeholders or inaccurate forecasts.

e. Develop Acquisition Strategy. The USACE Program Manager should consider CD when establishing the contract acquisition strategy for the program. Knowledge of local capabilities and commitments will help guide the Program Manager in developing the right balance between

self-performing work, assigning work to other stakeholders, contracting to major firms, hiring local residents for various types of work, and contracting to local businesses. USACE should develop strategies for how and when it will access private sector organizations to obtain their capabilities and support. This may include the need to develop or update a MOU directly or through other partner agencies to allow USACE to rapidly activate and fund CD initiatives conducted by these entities.

(1) USACE performs much of its international program work through contractors. Funding for CD should be maintained as a distinct element and the prime contract statement of work and deliverables should address CD, as applicable. This identity and prominence will ensure that CD does not get overlooked as budgets, including contingency budgets, and schedules become stressed during the term of the contract.

(2) The objective is to improve the level of CD performance which leads to improved program results. USACE may consider the following in the process of developing private sector contracts when CD is an important factor in program success:

(a) determination of the types of contract vehicles most suitable for the program as a whole and for CD;

(b) model language, with clear incentives and disincentives related to CD delivery that is appropriate for the type of contract (e.g., award fee, cost plus fixed fee, fixed price, etc.); and

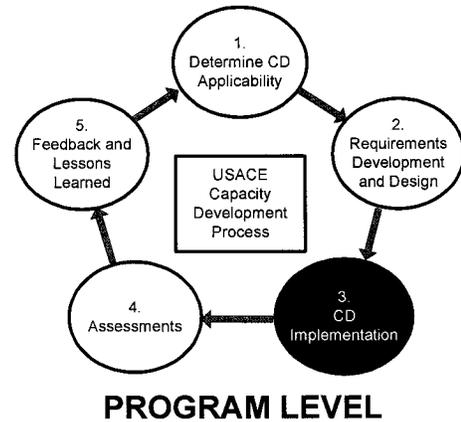
(c) model language related to employment/hiring goals and subcontracting goals aimed at increasing the competence and viability of the local workforce, local or regional businesses, small businesses, and women-owned businesses, where authorized and appropriate.

f. Incorporate CD into Program Management Plan. The Program Management Plan describes the basic elements and components of the USACE program. This Plan provides important guidance on how the program will be managed and should include a description of activities to be completed under each of the five steps of CD. Stakeholder recommendations from the capacity assessment regarding programmatic risk should be documented in the Program Management Plan or similar document, as appropriate. The Program Management Plan should include provision for broad CD activities to occur within the scope of the program, but should not include detailed activities that are planned and implemented by the stakeholders at the project level. The process for planning and implementing project-level activities is addressed in Appendix E.

(1) CD should be inserted into the Program Management Plan as early as possible so the CD requirements and activities can be managed along with other program elements. This prevents the possibility that CD may be overlooked during program development and then either added late in the process or eliminated due to budget and schedule constraints.

(2) The outputs and recommendations from each of the preceding activities in this section (i.e., complete capacity assessment, develop specific CD mitigation actions, assign CD mitigation actions to stakeholders, develop CD metrics, and develop CD acquisition strategy) should be summarized and contained in the Program Management Plan. This will document the responsibilities, agreements, and assignments of each of the stakeholders in relation to CD implementation.

3. **Step 3: Implementation.** This is the step in which CD activities and mitigation actions are conducted by USACE, the stakeholders, and their representatives. Implementation of CD activities is done as part of overall program implementation, since CD has been planned and integrated into the program planning documents. Final resource planning and assignment of specific resources is the first step of implementation. The responsible parties then conduct the CD activities consistent with the program plans and schedules. It may be necessary to make mid-course adjustments to CD activities based on on-the-ground conditions, so flexibility for such adjustments is an important element of successful implementation. Finally, documenting and tracking the CD activities is necessary for easy retrieval of information to support internal management requests, external requests and audits, and to support the lessons learned program.



Implementation – Key Elements

3a. Finalize CD Planning and Assign Resources	→	3b. Conduct CD Activities	→	3c. Make Mid-course Adjustments To CD Approach	→	3d. Track and Report Progress
---	---	---------------------------	---	--	---	-------------------------------

a. **Finalize CD Planning and Assign Resources.** USACE and other stakeholders with a program level CD responsibility conduct their final planning and coordination activities to support implementation. This includes final alignment of resources, making minor schedule adjustments, finalizing contracts, and interfacing with other stakeholders. Close communication is required with the host nation or service recipient to ensure their full participation and support.

b. **Conduct CD Activities.** Everything done thus far has been part of the planning and preparation that leads up to CD implementation. Implementation is the stage at which CD activities or mitigation actions are carried out, as appropriate for the program. USACE and each of the other stakeholders conduct their work in an integrated manner, coordinating with other stakeholders and other engaged parties as necessary to support the program. A high degree of interaction is required between the stakeholders during the implementation stage to optimize the CD process. The role of the host nation or service recipient during the planning and implementation of CD activities is critical to success and cannot be overstated. This is a lesson that has been learned by the United States Government (USG), international organizations(IO), non-government organizations (NGO), and foreign governments on numerous programs around the world. The level of involvement by the host nation or service recipient will vary, depending on the scale and complexity of the CD activities, the extent to which capacity gaps exist, the security environment, and other factors that must be considered on a case-by-case basis. The USACE Program Manager should work closely with other stakeholders in an effort to engage the host nation or service recipient in a meaningful way throughout the implementation process.

c. Make Mid-course Adjustments to CD Approach. The planning activities leading up to CD implementation will rarely be implemented without some degree of mid-course adjustment. The on-the-ground conditions will be dynamic and it is important that USACE and the other stakeholders have sufficient flexibility to alter the CD approach as necessary to meet the program objectives. Mid-course adjustments may be based on real-time information and feedback obtained during program implementation or on the results of formal assessments conducted during implementation.

d. Track and Report Progress. USACE will be expected to track and report on the CD activities undertaken. A method of tracking and reporting will be required to allow the USACE management chain to view the status of CD planning and implementation at any time. Progress should be tied to the metrics (see Step 2, Requirements Development and Design) whenever possible. Previous experience has shown that it is necessary to have readily available information to enable managers to reinforce or change direction and to establish priorities for future actions. Experience has also shown that USACE Program Managers can expect to receive information requests from USACE Senior Leadership and from outside organizations on the number and type of CD activities being conducted and on the efficacy of the USACE CD activities as a whole.

(1) The need to document CD activities and to track and report on progress is driven by multiple requirements, including the following:

(a) The USACE Program Manager must understand the extent of CD activities that have occurred or will occur in the program, because CD is a program element.

(b) Contractors will be reporting on CD activities and accomplishments, because their fee may be dependent on completion of CD elements.

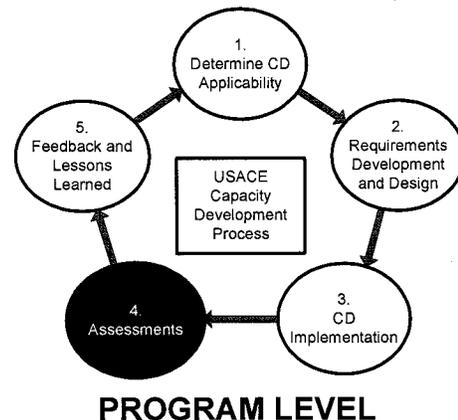
(c) Progress and issues associated with CD planning and implementation will be used to support the USACE lessons learned program.

(d) Internal or management assessments of CD activities will depend on accurate information regarding completion of CD activities over a time period, as well as the quality issues associated with the activities. The term “quality” is a measure of how effective the CD activity was in achieving its objective.

(e) USACE Senior Leadership and external parties (e.g., Congress, Government Accountability Office (GAO), Army, special investigative organizations, or news media) will have an interest in program efficacy and the extent to which CD has had a positive influence in the outcome. Proper documentation of CD activities will be critical in supporting formal external program assessments.

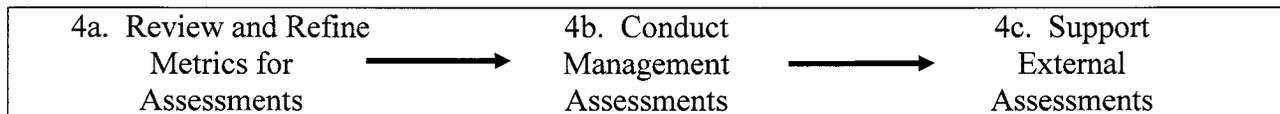
(2) HQUSACE CD business practice staff will have the responsibility to maintain the tracking and reporting system and will interface with USACE Program Managers to assist them in entering new information into the system. Existing methods and systems within USACE will be used for tracking and reporting to the extent practicable. Information could consist of tabulated data and narrative reports such as training session summaries and After-Action Reports for emergency response exercises or contingency events.

4. Step 4: Assessments. Assessments of CD effectiveness at the program level will be valuable tools contributing to the goal of continuous improvement. Assessments or audits can be done in a variety of ways and can focus on specific elements of a program or can serve as a review of an entire program. Appropriate metrics will be developed during the program planning stage (i.e., prior to program implementation, to the extent possible) and will serve as benchmarks for future assessments. Adjustments to metrics can be made during program implementation to reflect the dynamic nature of the program.



Internal program level assessments will be performed internally by USACE staff, with contractor support as appropriate. These assessments will focus on the extent to which (1) CD was built into the program during the requirements development stage and whether adequate funding for CD was provided; (2) USACE conducted the CD activities as planned; and (3) the completed CD activities achieved the desired outcomes.

Assessments -- Key Elements



a. Review and Refine Metrics for Assessments. Assessments of CD performance should be based on a combination of output metrics and outcome metrics that are tailored to the program under assessment. Output metrics are readily available during and immediately following the CD implementation and can be directly compared to the planned CD activities.

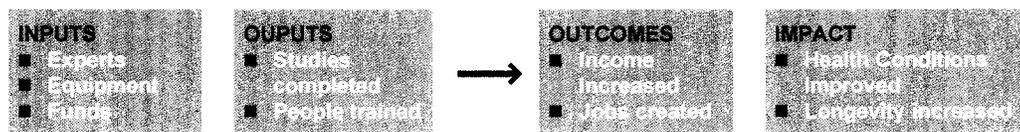
- (1) Output metrics may consist of elements such as:
 - (a) number of training sessions held;
 - (b) number of people trained;
 - (c) number of emergency exercises conducted;
 - (d) out-of country training completed;
 - (e) number and dollar value of U.S. small business contracts;
 - (f) number of host nation workers hired;
 - (g) number of host nation women hired;
 - (h) prime contracts contain CD provisions; and
 - (i) number and dollar value of local contracts issued, to include small businesses and woman-owned businesses.

(2) Output metrics should be quantified, with benchmarks established during the program planning process so there is a clear understanding of expectations during program implementation and a clear record of activities to support any assessments or inquiries regarding program accomplishments. A program plan, for example, might include a provision for training 300 host nation workers on a particular topic within the first year of the program. An assessment can readily determine whether that provision was met through evaluation of training records.

(3) USACE implementation of CD at the program level will eventually be measured by outcomes, rather than outputs. Measurable outcomes provide a more comprehensive picture of the long-term effectiveness of CD and its contribution toward sustainability, increased self-reliance, knowledge, skills, and abilities of host nations and other service recipients. Outcomes, by their nature, are more qualitative than outputs and typically require a much longer period before a reasonable assessment of effectiveness can be made. Desired outcomes should be identified as the program is developed and they should be included in the Program Management Plan, as stated in Step 2, Requirements Development and Design. Examples of outcome metrics related to CD include the following:

- (a) sustained management of program by host nation with minimal support from external resources;
- (b) reduction in occurrence of worker-related injuries over first three years of the program;
- (c) infant mortality caused by infantile diarrhea and related diseases significantly reduced by provision of potable drinking water; and
- (d) qualified host nation emergency response teams able to respond to event scenes anywhere in large urban area within specified time limit.

(4) The United Nations Development Programme (UNDP) developed the following general diagram to show how inputs and output metrics lead to outcomes that have eventual impacts that lead toward the desired results. The UNDP refers to this as the “results chain”.



Source: Handbook on Monitoring and Evaluating for Results, UNDP 2002

(5) Demonstration of success through outcome measurements will require time, perhaps several years or a generation, before trends change in a consistent manner and become the new baseline. This pattern is typical for any similar program (e.g., a safety training program) in which the extent of an outcome is realized through acquisition of knowledge, stability of the work force, and modification of behavior.

b. Conduct Management Assessments. Management assessments of CD effectiveness will be valuable tools toward the goal of continuous improvement. Assessments or audits can be

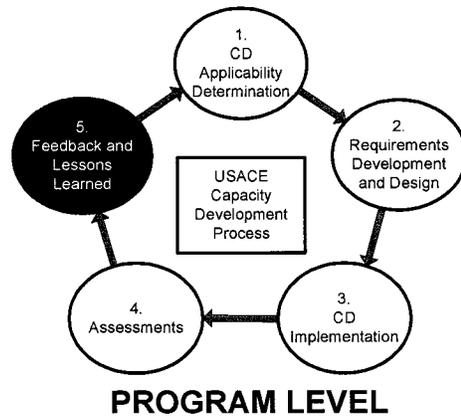
done in a variety of ways and can focus on specific elements of a program or can serve as a review of an entire program.

(1) Management assessments of the program will be performed internally by USACE staff, with contractor support as appropriate. Management assessments can be performed by any combination of USACE staff, including USACE leadership, CD business practice staff, or field office staff, depending on the situation. Stakeholders may also participate in these management assessments, as appropriate. The purpose of management or self-assessment is to identify and document ways in which CD can be planned and carried out more effectively.

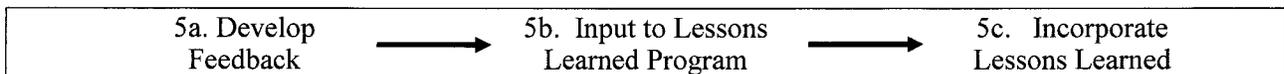
(2) Each CD management assessment should be staffed appropriately for the scope of the assessment, to include USACE staff with expertise in (1) assessment processes; (2) CD activities; and (3) functional or program area being assessed. Other specialized disciplines, such as training, data management, or contracting, should be included on the assessment teams, as necessary.

c. Support External Assessments. External or independent assessments are conducted by other organizations or third parties that specialize in assessments and audits (e.g., GAO, Army Audit Agency, or Inspector General). USACE will assign a cognizant staff member from either the Major Support Command unit or the USACE CD business practice to serve as liaison to any external agency staff conducting an audit or assessment of USACE CD activities. The USACE assessment liaison will have access to other USACE resources, as needed, to support the assessment.

5. Step 5: Feedback and Lessons Learned. Gaps or deficiencies noted during assessments and the associated recommendations for improvement will be incorporated into the USACE lessons learned system, as appropriate, to further improve the effectiveness of CD planning and implementation. Positive findings or noted best practices also will be used to document and reinforce specific CD activities that add value. The USACE Program Manager is responsible for providing feedback to the CD Community of Practice (CoP). The HQUSACE National Program Manager for CD is responsible for entering this feedback into the USACE Enterprise Lessons Learned Program (ELLP) on behalf of the CD CoP. These lessons will then be incorporated into current and future practices to ensure the USG investment is not lost or sub-optimized and that local citizens are supplied with the essential services necessary to support a sustainable economy, government, and infrastructure.



Feedback and Lessons Learned -- Key Elements



a. Develop Feedback. Development of a record of CD implementation steps, along with findings from formal and informal program assessments, provides the information necessary to make program improvements. The USACE Program Manager or designate assembles and records positive and negative program impacts that are related to CD. The Program Manager obtains this information or feedback from USACE staff involved in the program, host nation or service recipient personnel, contractor staff, and other stakeholders. Formal and informal assessment findings also provide a valuable resource for feedback on the effectiveness of CD activities. The USACE Program Manager submits this feedback to the USACE National Program Manager for CD any time significant feedback is obtained.

b. Input to Lessons Learned Program. The USACE National Program Manager for CD has the responsibility to enter the feedback obtained from the Program Manager into the USACE ELLP. The National Program Manager for CD serves as the CD CoP gatekeeper for the ELLP, in accordance with the Enterprise Lessons Learned Program (ELLP) Users Guide (see Appendix A, reference A-7). The National Program Manager for CD may draw from the expertise of the CD CoP members as subject matter experts in determining whether specific input should be added to the ELLP.

c. Incorporate Lessons Learned. Each USACE Program Manager should access the ELLP at the beginning of a program and at key decision points in the program to determine if there are any CD lessons learned that would add value to the program, increase program effectiveness, and support sustainability. The USACE Program Manager should bring such lessons learned to the attention of the stakeholders for consideration and possible incorporation into the program, other similar programs, or future programs.



APPENDIX E

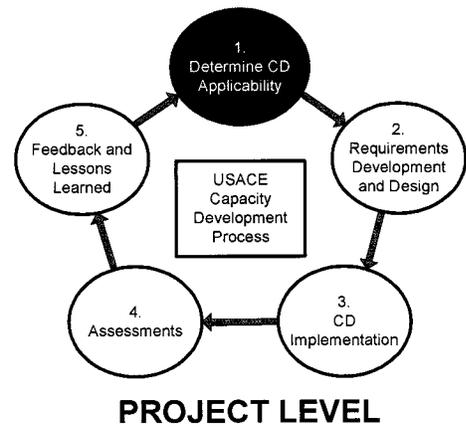
Project Level Planning and Implementation

NOTE: Appendix E applies only to implementation of capacity development (CD) at the “Project Level”. The reader should skip this section and go directly to Appendix D for guidance on implementation of CD at the “Program Level”.

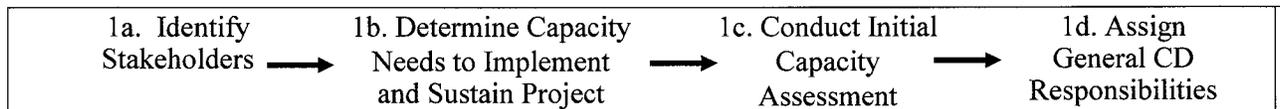
This section describes the five steps for project level implementation.

1. Step 1: Determine Capacity Development Applicability.

The U.S. Army Corps of Engineers (USACE) and other stakeholders determine the extent to which CD should be required to achieve the project objectives and the desired end state. This determination can range from “not applicable” to an extensive level of CD implementation that is critical for success. The CD framework adopted by USACE is described in Section 7 and illustrates the three levels of CD that may require a coordinated effort by various organizations. It is a useful tool to help the organizations identify and integrate levels of responsibility for CD at the detailed project level. The CD applicability determination must be made by the stakeholder group. The host nation or service recipient must be directly engaged in the determination as a key stakeholder.



Determining Applicability -- Key Elements



The following are the main elements in determining the appropriate level of CD to be conducted within a project. The approach for determining the applicability of CD at the project level is typically more specific than the programmatic level, because the project generally has additional parameters that must be considered in detail. The following describes the sequence of activities that comprise the phase of determining CD needs and applicability at the project level.

a. Identify Stakeholders. The initial step in determining applicability is identification of the various organizations or individuals that have a stake in the outcome of the project. These are the “stakeholders”. Each stakeholder has a direct interest in the outcome of the project and should be involved in project planning and execution. Additional information on stakeholder identification, involvement, and coordination is provided in Section 10.

b. Determine Capacity Needs to Implement and Sustain Project. The capacity needs are equivalent to the capacity requirements or capabilities that must be necessary and available to

plan, implement, and sustain the project. The USACE Project Manager and stakeholders should consider capacity needs for the project at all three levels of the USACE CD framework (Enabling Environment, Organizational, and Individual) as shown on Figure 2.

(1) Determination of capacity needs is the first step in the capacity assessment process. The capacity assessment process is described further in this section and Appendix F contains specific instructions on how to assess the capacity of the host nation to sustain a project with minimal assistance from external organizations. Appendix F also includes instructions on how to estimate risk to project sustainability due to CD factors and the process of assigning CD mitigation action to the stakeholders to close the capacity gaps identified.

(2) The stakeholders should determine the capacity needs by reviewing the project elements and objectives and listing the capabilities or capacity that will be necessary to plan, implement, and sustain the project. A certain set of capabilities will be essential during the planning and implementation phase and additional capabilities may be necessary during the sustainment phase. Appendix F, Section 1 includes a list of capacity categories that should be considered in determining capacity needs for the project. This list should be viewed as a starting point and should be tailored to meet the unique aspects of the project and the societal values and cultural conditions that exist within the host nation.

c. Conduct Initial Capacity Assessment. Details of the project are typically not well defined during project initiation (Phase 1 of the project lifecycle); however, an initial capacity assessment should be conducted at this point. The level of assessment detail should be commensurate with the knowledge of the project and information available from similar projects. An early assessment, before substantial commitment of resources, identifies key risk drivers that could significantly impact project success and sustainability. It allows time to consider general mitigation strategies that could be used to close the identified gaps during project planning (Phase 2) and project execution (Phase 3). Mitigation strategies for the “show stoppers” or gaps with the potential to be single points of failure for the project should be the focus of stakeholder attention and should later be integrated into the Project Management Plan.

The USACE Project Manager has responsibility for conducting the initial capacity assessment for USACE projects together with all key stakeholders and may enlist the support of others, such as the Project Delivery Team (PDT) to actually conduct the assessment. The USACE Project Manager should take an active role in promoting and participating in the capacity assessment process when the project is led by another organization.

The initial assessment is done by comparing the capacity needs, described above, to the currently available capacity within the host nation or service recipient to meet those needs. This is done through a two-step process to identify and characterize any capacity gaps that maybe present and to determine the appropriate number, scope, and delivery mechanism(s) for project-level CD activities.

(1) Review Capacity Needs. The first activity is for the stakeholders to review the capacity needs with consideration of all three levels of the USACE CD framework levels 1, 2, and 3 as shown on Figure 2. Each stakeholder should contribute to this understanding through its expertise on technical issues and on implementation of CD at the framework levels. Identification of the capacity needs is a very important step and provides the basis for completing

this initial capacity assessment and supports the more detailed capacity assessment to be conducted during Step 2 of the CD process (Requirements Development and Design). Project risks are comprised of a variety of elements, including cost and budgetary risk, schedule risk, human health and safety risk, technical and logistical risk, security risk, political structure and stability risk, and long-term economic risk for the host nation (see Figure 3). The stakeholders should seek consensus on the risks and the associated impacts, considering which risks can be effectively mitigated through project-level planning and adjustments and which risks may be most effectively reduced through direct CD implementation. There may be cases in which the stakeholders decide that CD is clearly not required to support the particular project and they should document their decision to take no further action regarding CD.

(2) Assess Available Capacity. The second activity is determination of whether any gaps in required capacity exist at the project level. A gap in required capacity may be the absence or dysfunction of necessary elements required for success or a gap may be the presence of obstacles to success. The initial capacity assessment requires a systematic approach, because a weakness or gap in capabilities at any critical point may jeopardize the entire system and the success of the project. Two potential areas to always consider at this point are (1) whether the host nation or service recipient is committed to the project and is willing to actively participate in the project, and (2) whether effective stakeholder coordination exists and will continue to exist throughout the project.

(a) The capacity needs for the project provide the basis for the assessment. The description of each gap may be entered at this time on the capacity assessment worksheet (Appendix F, Table F-1). The stakeholders may wish to wait until Step 2 (Requirements Development and Design) to enter data onto this worksheet. The framework level and the category of the capacity gap are also recorded on the worksheet. A list of candidate capacity categories is provided in Appendix F, Section 1; however, this should not be considered as a comprehensive list. Additional categories may be necessary and the final categories should be tailored to meet the needs of the project.

(b) The stakeholders will determine the extent, if any, to which CD should be planned and incorporated into the project, based on stakeholder knowledge and other available information. This conclusion is critical, because it will result in a decision or recommendation to (1) continue with the CD process in Steps 2 through 5, or (2) proceed with the project without planning and implementation for CD. The stakeholders may determine that CD is “not applicable” to certain projects. This determination would be made when the stakeholders agree that the host nation or service recipient already has the necessary capacity to sustain the project to be transitioned to the host nation or service recipient. The USACE Project Manager should document this decision in the Project Management Plan or comparable document.

(c) The stakeholders should always consider opportunities presented by the project to increase the capabilities and capacity of the host nation or service recipient even if the increased capacity is not required to directly support the project. The project may provide an excellent platform to enhance the capabilities of individuals so they can work more productively and efficiently on other programs and projects.

(d) USACE and other stakeholders use the capacity assessment process to determine whether gaps exist in the capacity or capability of the host nation or service recipient to manage and sustain the project after handover with little or no support from the United States Government

(USG) or other stakeholders. This step is essential, because the stakeholders will use this information to close any gaps that are identified during the assessment.

(e) A gap at any level in the framework shown on Figure 2 presents a risk to project sustainability. The weak link in the chain can result in significant impacts to project outcomes. The USACE Project Manager and stakeholders should consider the gaps in capacity at all three levels of the USACE CD framework levels 1, 2, and 3 as shown on Figure 2 and Figure 3. The capacity needs between these three levels are closely related and highly interdependent. The degree to which CD is planned with a broad focus across all three levels and implemented as a system will have a significant impact on the project outcome and sustainability. The extent to which the USACE Project Manager and the stakeholders can identify and address potential gaps during the project initiation and planning phases will increase the likelihood of a successful, sustainable project.

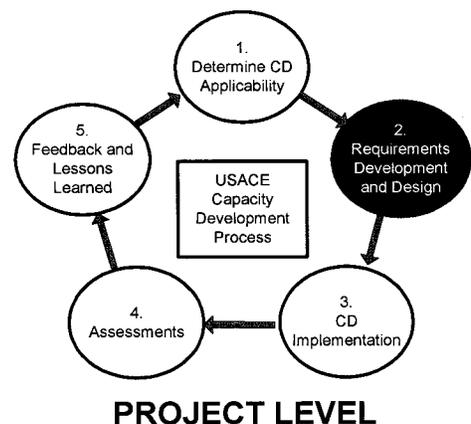
d. Assign General CD Responsibilities. The USACE Project Manager and stakeholders should identify general actions that they can employ to reduce the identified gaps and risks. The stakeholders should then prioritize the actions and agree on general responsibilities for actions that may be required by their respective organizations with the objective of closing the gaps and reducing the risks. Each stakeholder should have clear authorization to implement the CD activity and should have funding available, as necessary, for successful implementation. It is important that there be stakeholder consensus on the way ahead for CD at the project level before proceeding to Step 2 (Requirements Development and Design) of the USACE CD process.

(1) This is the point at which each stakeholder must be able to describe the general authorities and funding sources it has for CD planning and implementation for the project.

(2) It is also the point at which the stakeholders should identify key authorities or funding deficiencies that could constrain the CD effort. The issue of authority and funding must be clear and, if necessary, resolved, before the stakeholders move to Step 2 (Requirements Development and Design).

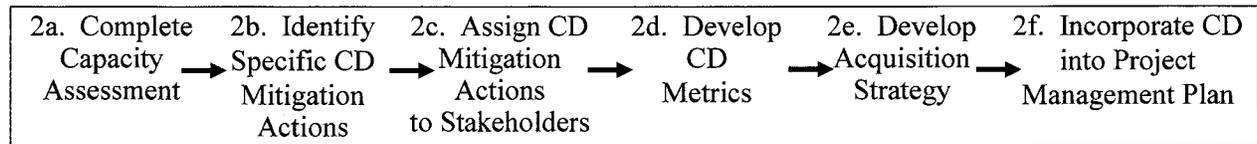
2. Step 2: Requirements Development and Design.

This is a key step that involves planning and stakeholder coordination to ensure that CD activities are incorporated into the project specific planning documents. This begins with the output from the initial capacity assessment (Step 1, above) and builds on the results to refine the estimate of project risks associated with any gaps in available capacity and to develop specific CD mitigation actions to reduce or eliminate the gaps. The process now involves the definition of the specific CD activities to be completed and assignment of each activity to one of the stakeholders authorized and funded to conduct that activity. This step also addresses other



CD design elements such as development of CD metrics and an acquisition strategy. Finally, the CD activities must be priced and scheduled and added into the Project Management Plan or corresponding document, as appropriate.

Requirements Development and Design -- Key Elements



a. Complete Capacity Assessment. The stakeholders should analyze the capacity assessment that was conducted in Step 1 (Determine CD Applicability). This will provide an understanding of the baseline conditions and the general level of capabilities and capacity that will be required of the host nation or service recipient to help develop the project, to participate in the project, and to sustain the project. Each stakeholder should contribute to this understanding through its expertise on technical issues and on implementation of CD at the framework levels 1, 2, and 3 (Figure 2). The list of identified gaps in available capacity within the host nation serves as the starting point for Step 2 (Requirements Development and Design).

(1) The complete capacity assessment will include identification of CD mitigation actions and assignment of mitigation actions to stakeholders. The USACE Project Manager and stakeholders will document their findings and issue recommendations to do one of the following:

- (a) proceed with the project with stakeholder commitment to plan and implement assigned CD activities;
- (b) cancel or defer project until capacity is available;
- (c) restructure project to meet existing host nation capacity;
- (d) proceed with the project as defined without addressing CD, even though CD may be applicable (i.e., USACE directed by customer to undertake project without CD); or,
- (d) proceed with the project without CD, because CD is not applicable or necessary for project success and sustainability (i.e., available capacity in host nation is sufficient).

(2) Appendix F contains specific instructions on how to conduct the capacity assessment and includes a worksheet to record project information, capacity gaps, estimates of risk to the project caused by the capacity gaps, mitigation actions to close the gaps, and the lead stakeholder organization to lead the mitigation actions.

(3) The process of identifying capacity gaps that may exist is followed by estimation of the project risks if the capacity gaps are not addressed and mitigated. The baseline risk is estimated for each gap, by capacity category (Appendix F, Section 1). Appendix F provides additional details on how to conduct the risks for probability, consequence, and total risk. This is a qualitative risk assessment process and results in a risk rating of “minimal”, “low”, “medium”, “high”, or “critical” for each capacity gap. The estimated risk for each gap is entered on Table F-1.

(4) An early capacity assessment, before substantial commitment of resources, identifies key risks that could significantly impact project success and sustainability as well as potential CD opportunities that could create long-term capacity benefits for the host nation. It allows time to develop mitigation strategies to close the identified gaps during project planning and execution. Potential mitigation strategies for the “show stoppers” or gaps that serve as single points of failure for the project should be a primary focus of stakeholder attention.

(5) The capacity assessment process described above will result in a baseline risk estimate. Conditions change over time and may require a reassessment of risk presented by capacity gaps. Changes can be due to effective implementation of mitigation actions to reduce or eliminate the gaps or it can be due to other external influences that may increase or decrease the baseline risks. The capacity assessment should be updated as additional information is obtained and as project conditions significantly change. The frequency of reassessments should be driven by the duration of the project and the extent to which conditions are known to be changing.

(6) The stakeholders should seek consensus on the risks and the associated impacts, considering which risks can be effectively mitigated through project adjustments and which risks may be most effectively reduced through direct CD implementation. There may be cases in which the stakeholders decide that CD is not required or will not be used to support the particular project and they should document their decision to take no further action regarding CD.

b. Identify Specific CD Mitigation Actions. The stakeholders should develop a mitigation action(s) to close each capacity gap and to reduce the overall capacity risk to the project. The stakeholders share the responsibility for developing the CD activities for the project. Each stakeholder identifies candidate activities, based on areas of expertise and project responsibilities. The CD activities should be focused on filling the gaps identified in the capacity assessment and should be integrated to meet specific project needs and to obtain specific results. More than one mitigation action may be appropriate for a single gap. The CD activities should be focused on filling the gaps identified in the capacity assessment and should be integrated to meet specific needs and to obtain specific results. The host nation or service recipient must fully participate and agree to the final CD mitigation actions for the project.

c. Assign Specific CD Mitigation Actions to Stakeholders. USACE and every other stakeholder must work within their authorities, areas of expertise, and established budgets as they implement CD in support of a project. The CD objectives should be refined into specific CD tasks, and each task should be assigned to a stakeholder that has the legal authority to accomplish the task, the necessary funding to accomplish that task, and the willingness to serve as the lead for design and implementation of the mitigation action. Each mitigation action should be assigned to a stakeholder that will assume the lead role for implementation of the mitigation action. This information, along with a date for completion of each mitigation action is recorded on Table F-1.

(1) The methods by which each stakeholder carries out its CD responsibilities should be developed by the stakeholder and resources should be assigned to support the project objectives and schedule. One method for documenting roles, responsibilities, and commitments is a Memorandum of Understanding (MOU). The MOU templates on the Headquarters (HQ) USACE Website provide examples of how an MOU between multiple stakeholders can be developed and maintained for CD responsibilities

(<http://www.usace.army.mil/CEMP/iis/Pages/ModelAgreements.aspx>). Other methods of documenting consensus can be used and the lead agency within the stakeholder group should determine the best method for the circumstance.

(2) The stakeholders should address potential secondary CD opportunities not directly related to sustainability of a specific project when considering mitigation actions. This could include partnering with the host nation during project design and implementation which would result in knowledge transfer that would benefit the host nation when undertaking future projects.

d. Develop CD Metrics. Metrics provide a method by which CD activities can be assessed during project implementation and, in some cases, after project completion. Metrics are pre-determined, measurable elements that are necessary as part of any assessment and are used to determine the effectiveness of the CD activities in meeting project goals. A metric(s) should be established for each major CD activity that is considered key to project success. Each metric should be accompanied by a schedule so the CD activity can be evaluated against the project timetable. A contingency plan may be appropriate for certain critical CD activities to provide a pre-determined pathway for immediate corrective action in the event the assessment indicates the CD activity is insufficient. Metrics should be based on quantifiable outputs and outcomes wherever possible.

(1) Monitoring triggers are those specific elements that serve as warning signs to identify a risk that is not being addressed by a current mitigation strategy. The purpose of monitoring the trigger is to allow adequate preparation for the initiation of the risk mitigation strategy. Monitoring triggers also provide valuable information from which the USACE Project Manager can prepare routine progress reports. The USACE Project Manager and stakeholders have the responsibility to define the monitoring triggers most applicable to the capacity needs identified for the project. Each monitoring trigger should be scheduled to ensure a review is done at the appropriate time. Monitoring triggers are assigned to the mitigation strategy at the time the strategy is identified.

(2) Monitoring triggers are specific to the mitigation strategies selected to fill identified capacity gaps and could be based on external and internal factors or conditions such as:

- (a) enabling environment takes longer time than anticipated to mature;
- (b) host nation is not able to sustain project after transition;
- (c) stakeholders, including host nation, disagree on a technical basis to address a critical activity;
- (d) significant operations and/or maintenance issues are identified;
- (e) schedule and/or budget gaps remain despite implementation of mitigation strategy; and
- (f) shortfalls are identified in available funding to implement mitigation strategy due to changes in priorities by stakeholders or inaccurate forecasts.

e. Develop Acquisition Strategy. This section addresses both the general acquisition strategy for the project and specific contracting elements that should be considered for prime contractors.

(1) Project Acquisition Strategy. CD does not dictate the specific project acquisition strategy, but it should be one of the factors considered by the stakeholders. USACE and other stakeholders must determine how to best carry out the overall project and this determination should be made during the initiation and planning phases.

(a) USACE and other stakeholders perform much of their international project work through the use of prime contractors and lower-tier subcontractors. The project acquisition strategy should specify the balance between the work to be carried out by each stakeholder and the work to be carried out by contractors. The USACE Project Manager and stakeholders should consider CD when establishing the contract acquisition strategy for the project. Knowledge of local capabilities and commitments will help guide the Project Manager in developing the right balance between self-performing work, assigning work to other stakeholders, contracting to major firms, hiring local residents for various types of work, and contracting to local businesses.

(b) Funding for CD should be maintained as a distinct element and the prime contract statement of work and deliverables should address CD, as applicable. This identity and prominence will ensure that CD does not get overlooked as budgets, including contingency budgets, and schedules become stressed during the term of the contract.

(c) Consideration of awarding prime contracts to local or regional firms should be made, because the use of local or regional firms is, in itself, a form of CD and helps develop the local capacity. The USACE Project Manager should develop strategies for how and when they will access private sector organizations or public institutions such as universities to obtain their capabilities and support. This may include the need to develop or update a MOU directly or through other partner agencies to allow USACE to rapidly activate and fund CD initiatives conducted by these entities.

(d) The project acquisition strategy should also address the types of contracts that would be most effective for the work to be performed and part of this determination should be based on the necessary CD activities to be carried out by the stakeholders and the contractors. Key considerations of the contracting strategy include the types of contracts most effective for delivery of services (e.g., award fee, firm fixed-price, cost plus fixed-fee, time and materials, etc.). It should also include the balance of issuing prime contracts to local or regional firms with prime contracts issued to larger firms from outside the region.

(e) The objective is to improve the level of CD performance which leads to improved project results. USACE may consider the following in the process of developing private sector contracts when CD is an important factor in project success:

- (1) local conditions (capacity of local/regional resources to support project);
- (2) security conditions in region (permissive or non-permissive);
- (3) cost-savings through direct contracting to local/regional firms;
- (4) unique aspects of project that may limit local/regional contracting opportunities;
- (5) opportunities for increasing the use of local/regional resources;
- (6) determination of the types of contract vehicles most suitable for the project as a whole and for CD;

(7) clear incentives and disincentives related to CD delivery that are appropriate for the type of contract (e.g., award fee, cost plus fixed fee, fixed price, etc.);

(8) employment/hiring goals and subcontracting goals aimed at increasing the competence and viability of the local workforce, local or regional businesses, small businesses, and women-owned businesses, where authorized and appropriate;

(9) local university, private sector, or government personnel capable of project design work, conducting project-related training, or other CD-related activities;

(10) quality and timeliness of products and services adequate to meet project needs; and

(11) project design/configuration modifications leading to increased opportunities for CD activities and involvement of local nationals.

(2) Prime Contract Requirements for CD. CD should be planned as a fundamental project element during the project initiation and planning phases so the appropriate language regarding CD can be developed and included in the prime contracts. The prime contractors should have responsibility and accountability for completion of assigned CD activities and the contracts should include incentive or penalty provisions related to this work scope.

(a) Funding for CD must be maintained as a distinct element and the contract statement of work and deliverables must address CD. This identity and prominence gives CD an appropriate level of visibility so it does not get overlooked as budgets, including contingency budgets, and schedules become stressed during the term of the contract.

(b) The USACE Project Manager should work closely with the assigned USACE office of counsel, the USACE Contracting Officer, and/or the Principal Assistant Responsible for Contracting (PARC) to ensure that the appropriate contract provisions, incentives, and penalties are included to ensure that CD is recognized as a key contract element. The objective is to improve the level of CD performance which leads to improved project results. USACE should consider, at a minimum, the following in the process of developing private sector contracts when CD is an important factor in project success and sustainability:

(1) contract language, with clear incentives and disincentives related to CD delivery, appropriate for the type of contract, where authorized;

(2) commitments to employment/hiring of local people, where authorized;

(3) subcontracting goals aimed at increasing the competence and viability of the local and regional workforce, local or regional businesses, small businesses, and women-owned businesses; and

(4) reporting criteria that demonstrate how the prime contractor is meeting its goals and commitments toward local employment, local/regional subcontracting, and provision of direct CD services as required by the prime contract (e.g., training, mentoring, provision of spare parts, and potential technical support after project handover).

f. Incorporate CD into Project Management Plan. The Project Management Plan describes the basic elements and components of the USACE project. This Plan provides important guidance on how the project is to be implemented and includes a description of activities to be completed under each of the five steps of CD. Stakeholder recommendations from the capacity

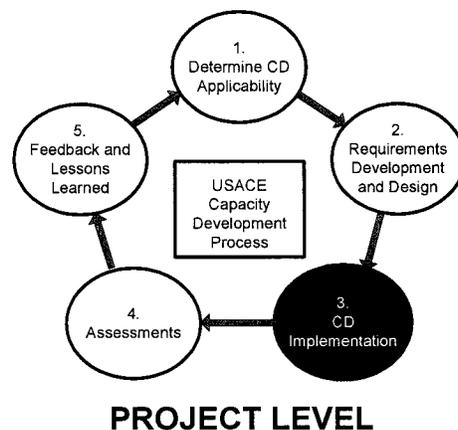
assessment regarding project risk should be documented in the Project Management Plan or similar document, as appropriate.

(1) The Project Management Plan should include provision for CD mitigation activities within the scope of the project. CD should be inserted into the Project Management Plan as early as possible so the CD requirements and activities can be managed along with other project elements. For example, certain CD activities may require additional approvals, guidance, or authority. This prevents the possibility that CD may be overlooked during project development and then either added late in the process or being eliminated due to budget and schedule constraints.

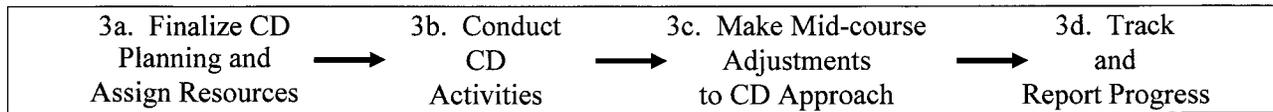
(2) The outputs from each of the preceding activities in this section (i.e., complete capacity assessment, develop specific CD mitigation actions, assign CD mitigation actions to stakeholders, develop CD metrics, and develop CD acquisition strategy) should be summarized and contained in the Project Management Plan. This will document the responsibilities, agreements, and assignments of each of the stakeholders in relation to CD implementation. The following are elements related to CD that should be included in the Project Management Plan.

- (a) general method of interface and communication between Project Manager and the CD stakeholder organizations (including host nation or service recipient);
- (b) general scope and extent of CD activities necessary to support project sustainability;
- (c) roles and responsibilities for stakeholders in conducting capacity assessment;
- (d) assignment of stakeholder responsibilities for designing and completing CD activities;
- (e) commitment of stakeholders to design and complete CD activities (e.g., MOUs);
- (f) method of tracking, recording, and reporting progress on CD implementation;
- (g) internal project assessments planned to review CD planning and implementation;
- (h) process for documenting CD lessons learned; and
- (i) transition plan host nation or service recipient.

3. Step 3: Implementation. This is the step in which CD activities are carried by USACE, the stakeholders, and their representatives. Implementation of CD activities is done as part of overall project implementation, since CD has been planned and integrated into the project planning documents. Final resource planning and assignment of specific resources is the first step of implementation. The responsible parties then conduct the CD activities consistent with the project plans and schedules. It may be necessary to make mid-course adjustments to CD activities based on on-the-ground conditions, so flexibility for such adjustments is an important element of successful implementation. Finally, documenting and tracking the CD activities is necessary for easy retrieval of information to support internal management requests, external requests and audits, and to support the lessons learned program.



Implementation – Key Elements



a. Finalize CD Planning and Assign Resources. USACE and other stakeholders with a project level CD responsibility conduct their final planning and coordination activities to support implementation. This includes aligning resources, making minor schedule adjustments, finalizing contracts, and interfacing with other stakeholders. Close communication is required with the host nation or service recipient to ensure their full participation and support.

b. Conduct CD Activities. Everything done thus far has been part of the planning and preparation that leads up to CD implementation. Implementation is the stage at which CD activities are carried out, as appropriate for the project. USACE and each of the other stakeholders conduct their work in an integrated manner, coordinating with other stakeholders and other engaged parties as necessary to support the project. A high degree of interaction is required between the stakeholders during the implementation stage to optimize the CD process. The role of the host nation or service recipient during the planning and implementation of CD activities is critical to success and cannot be overstated. This is a lesson that has been learned by the USG, international organizations, non-government organizations, and foreign governments on numerous projects around the world. The level of involvement by the host nation or service recipient will vary, depending on the scale and complexity of the CD activities, the extent to which capacity gaps exist, the security environment, and other factors that must be considered on a case-by-case basis. The USACE Project Manager should work closely with other stakeholders in an effort to engage the host nation or service recipient in a meaningful way throughout the implementation process.

c. Make Mid-course Adjustments to CD Approach. The planning activities leading up to CD implementation will rarely be implemented without some degree of mid-course adjustment. The on-the-ground conditions will be dynamic and it is important that USACE and the other stakeholders have sufficient flexibility to alter the CD approach as necessary to meet the project objectives. Mid-course adjustments may be based on real-time information and feedback obtained during project implementation or on the results of formal assessments conducted during implementation.

d. Track Progress and Report Progress. USACE will be expected to track and report on the CD activities undertaken. A method of tracking and reporting will be required to allow the USACE management chain to view the status of CD planning and implementation at any time. Progress should be tied to the metrics (see Step 2, Requirements Development and Design) whenever possible. Previous experience has shown that it is necessary to have readily available information to enable managers to reinforce or change direction and to establish priorities for future actions. Experience has also shown that USACE Project Managers can expect to receive information requests from USACE Senior Leadership and from outside organizations on the

number and type of CD activities being conducted and on the efficacy of the USACE CD activities as a whole.

(1) The need to document CD activities and to track and report on progress is driven by multiple requirements, including:

(a) The USACE Project Manager must understand the extent of CD activities that have occurred or will occur in the project, as CD is a project element.

(b) Contractors will be reporting on CD activities and accomplishments, because their fee may be dependent on completion of CD elements.

(c) Progress and issues associated with CD planning and implementation will be used to support the USACE lessons learned program.

(d) Internal or management assessments of CD activities will depend on accurate information regarding completion of CD activities during a time period, as well as the quality issues associated with the activities. The term “quality” is a measure of how effective the CD activity was in achieving its objective.

(e) USACE Senior Leadership and external parties (e.g., Congress, Government Accountability Office [GAO], Army, special investigative organizations, or news media) will have an interest in project efficacy and the extent to which CD has had a positive influence on the outcome. Proper documentation of CD activities will be critical in supporting formal external project assessments.

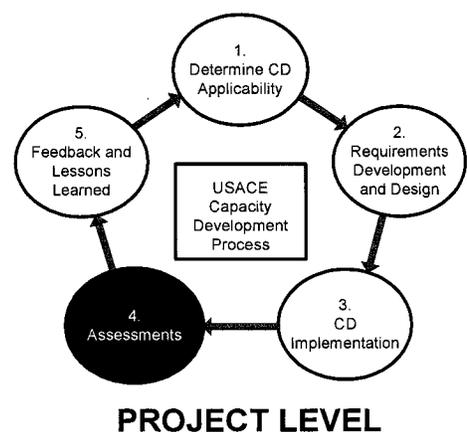
(2) HQUSACE CD business practice staff will have the responsibility to maintain the tracking and reporting system and will interface with USACE Project Managers to assist them in entering new information into the system. Existing methods and systems within USACE will be used for tracking and reporting to the extent practicable. Information may consist of tabulated data and narrative reports such as training session summaries and After Action Reports for emergency response exercises.

4. Step 4: Assessments. Assessments of CD effectiveness will be valuable tools contributing to the goal of continuous improvement. Assessments or audits can be done in a variety of ways and can focus on specific elements of a project or can serve as a review of an entire project. Appropriate metrics will be developed during the project planning stages and will serve as benchmarks for future assessments. Adjustments to metrics can be made during project implementation to reflect the dynamic nature of the project.

Internal project assessments will be performed by USACE staff, with contractor support as appropriate.

These assessments will focus on the extent to which (1) CD was built into the project during the requirements development stage and whether adequate funding for CD was provided;

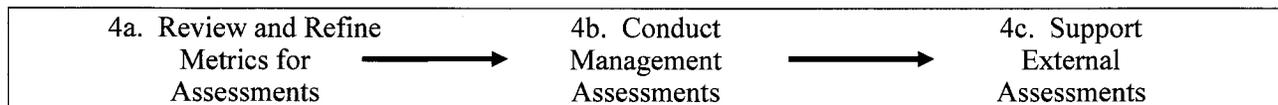
(2) USACE conducted the CD activities as planned; and (3) the completed CD activities achieved the desired outcomes.



Internal assessments can be performed by any combination of USACE staff, including HQ leadership, CD business practice staff, or field office staff, depending on the situation. The purpose of internal or self-assessment is to identify and document ways in which CD can be planned and carried out more effectively.

External assessments are conducted by other organizations or third parties that specialize in assessments and audits (e.g., GAO, Army Audit Agency, Federal Emergency Management Agency, or Inspector General). USACE will assign a cognizant staff member from either the USACE CD business practice or from a field location to serve as liaison to any external agency staff conducting an audit or assessment of USACE CD activities. These assessments similarly will focus on the extent to which (1) CD was built into the project during the requirements development stage and whether adequate funding for CD was provided, (2) USACE conducted the CD activities as planned, and (3) the completed CD activities achieved the desired outcomes.

Assessments -- Key Elements



a. Review and Refine Metrics for Assessments. Assessments of CD performance will consider a combination of output metrics and outcome metrics. Output metrics are readily available during and immediately following the CD implementation and can be directly compared to the planned CD activities.

(1) Output metrics may consist of elements such as:

- (a) number of training sessions held,
- (b) number of people trained,
- (c) number of emergency exercises conducted,
- (d) out-of country training completed,
- (e) number and dollar value of U.S. small business contracts,
- (f) number of host nation workers hired,
- (g) number of host nation women hired,
- (h) prime contracts containing CD provisions, and

(i) number and dollar value of local contracts issued, to include small businesses and woman-owned businesses.

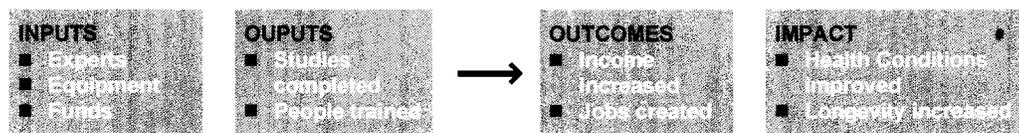
(2) Output metrics should be quantified, with benchmarks established during the project planning process so there is a clear understanding of expectations during project implementation and a clear record of activities to support any assessments or inquiries regarding project accomplishments. A project plan, for example, might include a provision for training 300 host

nation workers on a particular topic within the first year of the project. An assessment can readily determine whether that provision was met through evaluation of training records.

(3) USACE implementation of CD at the project level will eventually be measured by outcomes, rather than outputs. Measurable outcomes provide a more comprehensive picture of the long-term effectiveness of CD and its contribution toward sustainability, increased self-reliance, knowledge, skills, and abilities of host nations and other service recipients. Outcomes, by their nature, are more qualitative than outputs and typically require a much longer period before a reasonable assessment of effectiveness can be made. Desired outcomes should be identified as the project is developed and they should be included in the Project Management Plan, as stated in Step 2 (Requirements Development and Design). Examples of outcome metrics related to CD include the following:

- (a) capability of host nation to manage and sustain completed project facilities, systems, and equipment with minimal support from external resources;
- (b) reduction in occurrence of worker-related injuries over first three years of the project;
- (c) infant mortality caused by infantile diarrhea and related diseases significantly reduced by provision of potable drinking water; and
- (d) qualified host nation emergency response teams respond to event scenes anywhere in large urban areas within 15 minutes.

(4) The United Nations Development Programme (UNDP) developed the following general diagram to show how inputs and output metrics lead to outcomes that have eventual impacts that lead toward the desired results. The UNDP refers to this as the “results chain”.



Source: Handbook on Monitoring and Evaluating for Results, UNDP 2002

(5) Demonstration of success through outcome measurements will require time, perhaps several years or a generation, before trends change in a consistent manner and become the new baseline. This pattern is typical for any similar project (e.g., a safety training program) in which the extent of an outcome is realized through acquisition of knowledge, stability of the work force, and modification of behavior.

b. Conduct Management Assessments. Periodic management assessments of CD effectiveness will be valuable as part of the goal of continuous improvement. Assessments or audits can be done in a variety of ways and can focus on specific elements of a project or can serve as a review of an entire project.

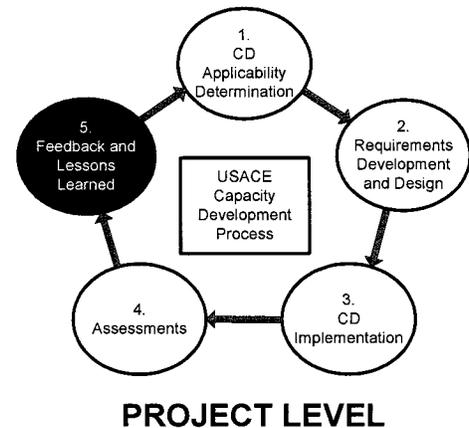
(1) Management assessments of the project will be performed internally by USACE staff, with contractor support as appropriate. Management assessments can be performed by any combination of USACE staff, including HQ leadership, CD business practice staff, or field office staff, depending on the specific situation. Stakeholders may also participate in these

management assessments, as appropriate. The purpose of management or self-assessments is to identify and document ways in which CD can be planned and carried out more effectively.

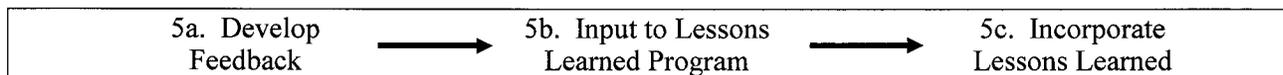
(2) Each CD management assessment should be staffed appropriately for the scope of the assessment, to include USACE staff with expertise in (a) assessment processes, (b) CD, and (c) functional area being assessed. Other specialized disciplines, such as training, data management, or contracting, should be included on the assessment teams as necessary.

c. Support External Assessments. External assessments are conducted by other organizations or third parties that specialize in assessments and audits (e.g., GAO, Army Audit Agency, or Inspector General). USACE will assign a cognizant staff member from either the Major Support Command unit or the USACE CD business practice to serve as liaison to any external agency staff conducting an audit or assessment of USACE CD activities. The USACE assessment lead will have access to other USACE resources, as needed, to support the assessment.

5. Step 5: Feedback and Lessons Learned. Gaps or deficiencies noted during assessments and the associated recommendations for improvement will be incorporated into the USACE lessons learned system, as appropriate, to further improve the effectiveness of CD planning and implementation. Positive findings or noted good practices also will be used to document and reinforce specific CD activities that add value. The USACE Project Manager is responsible for providing feedback to the CD business practice. The HQ USACE National Program Manager for CD is responsible for entering this feedback into the USACE ELLP. These lessons will then be incorporated into current and future practices to ensure the USG investment is not lost or reduced and that local citizens are supplied with the essential services necessary to support a sustainable economy, government, and infrastructure.



Feedback and Lessons Learned -- Key Elements



a. Develop Feedback. Development of a record of CD implementation steps, along with findings from formal and informal project assessments, provides the information necessary to make project improvements. The USACE Project Manager or designate assembles and records positive and negative project impacts that are related to CD. The Project Manager obtains this information or feedback from USACE staff involved in the project, host nation or service recipient personnel, contractor staff, and other stakeholders. Formal and informal assessment findings also provide a valuable feedback resource of feedback on the effectiveness of CD

activities. The Project Manager submits this feedback to the USACE National Program Manager for CD whenever significant feedback is obtained.

b. Input to Lessons Learned Program. The USACE National Program Manager for CD is responsible for entering the feedback obtained from the Project Manager into the USACE ELLP. The National Program Manager for CD serves as the CD Community of Practice (CoP) gatekeeper for the ELLP, in accordance with the ELLP Users Guide (see Appendix A, reference A-7). The National Program Manager for CD may draw from the expertise of the CD CoP members as subject matter experts in determining whether specific input should be added to the ELLP.

c. Incorporate Lessons Learned. Each USACE Project Manager should access the ELLP at the beginning of a project or at key decision points during the course of the project to determine if there are any CD lessons learned that would add value to the project, increase project effectiveness, and support sustainability. The Project Manager should bring such lessons learned to the attention of the stakeholders for consideration and possible incorporation into the existing project, other ongoing projects, or future projects.

APPENDIX F

Capacity Assessment Process

This appendix describes the process for assessing current capacity for a program or project and determining whether additional capacity is necessary for its success. The capacity assessment process establishes a baseline of what capacity may be necessary to implement a program or project and promote sustainability of a program or project after transition or handover to the host nation or service recipient. The capacity assessment is conducted for the purpose of identifying, understanding, and estimating the “risk” to program or project sustainability resulting from unmet capacity needs, also referred to as “capacity gaps”. The assessment process is used to evaluate the current capacity, identify areas in which capacity should be enhanced to meet the program or project objectives, and to identify the potential for restructuring programs or projects so they can be met by existing capacity.

Section 1 provides general background for conducting a capacity assessment for any type of program or project. Section 2 describes the process of estimating capacity risk through a qualitative method and the use of a standard worksheet.

1. Background. The capacity assessment is used to estimate the risk to the program or project based on current or unmitigated conditions. It should be repeated, as necessary during the course of the program or project to reassess the risk as mitigation actions are employed by the stakeholders or to account for major changes in program or project conditions.

a. The United States Army Corps of Engineers (USACE) Program or Project Manager (hereafter referred to as “USACE Manager” in this appendix) and other stakeholders should determine the need for capacity in a program or project by considering various capacity categories in the Capacity Development (CD) framework (Figure 2). This determination should include the extent to which sufficient systems, assets, and processes must be in place during program or project execution and upon completion to promote the objectives and sustainability. Capacity needs should be addressed through a systems approach, where consideration is given to interrelationships and linkages of CD needs at all levels of the framework.

b. Capacity categories to consider include, but are not limited to:

(1) **Communications:** Methods and value of vertical and horizontal communications within the government and between/among stakeholders to support informed decisions about the activities and operations needed to support the program or project.

(2) **Funding:** Financial resources for the development, implementation, and sustainment of the program or project.

(3) **Governance:** National, regional, and local government stability, access to information and financial resources, and levels of commitment to the program or project.

(4) **Institutions:** Political, educational, professional, economic, market, religious, cultural, and recreational systems needed to support and sustain the program or project.

30 June 2009

(5) Labor pool: Capability and availability of local labor (public and private sector) to meet the quantity and skills requirements of the program or project.

(6) Legal framework: Laws and regulations and their enforcement, decision processes (e.g., government transparency, accountability.)

(7) Physical infrastructure: Physical assets of the key host nation organization(s) that are either internal to the program or project or external to the program or project. These are the physical assets necessary for success and include structures and layout, computer systems, transportation, telecommunications, work environment, and other key infrastructure necessary to sustain the program or project.

(8) Organizational processes: Operations of the key host nation organization(s) that are either internal to the program or project or external to the program or project. These processes are necessary for success and include statements of objectives, goals and methods, administrative structure (e.g., human resources, accounts, budget, finances, contracting, payroll, staff salary and support), leadership and management, decision processes, timely delivery and schedule adherence, problem identification and resolution, roles and responsibilities, monitoring and evaluation, incentives, accountability, feedback and learning, internal/external communications, health/safety organization, research and development, general operating environment, independent audits, and interactions with stakeholders and product/service customers.

(9) Personal behavior: Personal attitude toward ethics, accountability, management, responsibility, work in general, problem and/or conflict resolution, and other people that may affect the program or project.

(10) Personal skills: Current personal capabilities, and desire for continuous improvements to support the success of the program or project.

(11) Social norms: Community behavior and attitude toward the program or project, cultural and societal values of the host nation and service recipients, local customs, discrimination, and corruption that may affect the success of the program or project.

(12) Stakeholder processes: Stakeholder operations, decisions, commitment, capabilities, availability, interactions with other stakeholders, and funding that affect the success of the program or project.

(13) Support infrastructure: Materials, services, and information that are external to the key host nation organization(s), and may affect the success of the program or project, including technologies, security, economic, communications, transportation, natural resources (water, air, land, and minerals), energy, housing, medical, food, agriculture, raw or processed materials, supply/contracting/consulting vendors, and water/wastewater utilities.

(14) Other: To be defined as appropriate for the program or project setting.

c. Not all the categories listed above may be relevant to a specific program or project. Those that are relevant will become the benchmarks against which existing capacity is measured. The USACE Manager and stakeholders should compare their collective assessment of existing capacity against these benchmarks to identify areas that require improvement during the course of the program or project. Any benchmarks must be set in consideration the societal and cultural values of the host nation and the political context under which the work will be performed.

United States Government (USG) values or other western norms may or may not be appropriate for certain aspects of the program or project. The following elements should be considered and estimated by the USACE Manager and the stakeholders:

- (1) probability or likelihood that a capacity gap will occur;
- (2) consequence that a capacity gap may have on program or project completion and viability;
- (3) risk to program or project completion and sustainability for each capacity gap; and
- (4) risk to program or project completion and sustainability through cumulative impact of all capacity gaps.

d. The USACE Manager and stakeholders should jointly plan a risk mitigation strategy for each capacity gap that will improve the chance of meeting program or project objectives and sustainability. Evaluation of probability and consequence should take into account any risk mitigation actions that are in place when the assessment is conducted.

2. Capacity Assessment Worksheet. The capacity assessment is conducted by the USACE Manager and other stakeholders in a workshop setting or other forum appropriate for the program or project. It is documented on a simple worksheet, shown on Table F-1. The capacity assessment worksheet serves as a uniform program or project template for information related to each capacity gap. This worksheet is maintained as a “living” compilation of data and information and should be updated as significant new information becomes available, as mitigation actions are undertaken and completed, and as external factors alter the conditions under which the program or project will be implemented and sustained.

a. The USACE Manager should use the following information during a stakeholder workshop setting to complete the capacity assessment worksheet:

- (1) objectives in conducting the capacity assessment at this time;
- (2) basis for including specific stakeholders;
- (3) description of the assessment process and the capacity assessment worksheet;
- (4) background and context of the program or project, including its goals and objectives, description, funding sources and levels, and current status;
- (5) summary of previous capacity assessments, if any; and
- (6) host nation strategy, USG strategy, Commander’s Intent, or other guidance materials.

b. The capacity categories shown in Section 1 should be considered as appropriate for the program or project, along with additional categories that may be necessary. The capacity categories should be considered in terms of all three levels of the USACE CD framework (Figure 2). The USACE Manager and stakeholders should consider the example issues and basic lines of inquiry shown in Figure 3 as a starting point in completing the capacity assessment worksheet, expanding as necessary, to meet the specific program or project attributes.

c. The USACE Manager and stakeholders should focus their CD planning to close the capacity gaps that result in the highest risk to the program or project (i.e., “critical” or “high” risk rating). They should also consider addressing gaps that present any level of risk if

implementation of the mitigation action can be quick, easy, and inexpensive (i.e., “low-hanging fruit”) and sustainable. The USACE Manager and stakeholders should strongly question mitigation actions for which implementation is difficult, expensive, and time consuming relative to the potential for significant risk reduction. Mitigation actions to address “medium” risk capacity gaps are addressed next, in an effort to further strengthen the program or project. Mitigation actions to address “low” or “minimal” risk capacity gaps are addressed in the context of optimizing the results after more serious threats have been addressed or as other CD specific opportunities arise. The presence of multiple “critical” or “high” risk capacity gaps should cause the USACE Manager and stakeholders to consider wholesale changes to the program or project, or even question program or project viability and timing. Mitigation actions may or may not result in reduction of risks to acceptable levels in these cases. The USACE Manager should report these conclusions back through the management chain to senior leadership, as appropriate.

d. The USACE Manager and stakeholders should determine whether there are opportunities within the program or project to increase the capabilities and capacity of the host nation or service recipient, even if the increased capacity is not required to directly support the program or project. The program or project may provide an excellent platform to enhance the capabilities of individuals so they can work more productively and efficiently on other programs and projects. This creates a win-win scenario in which the program or project benefits from the direct input and contribution of host nation resources and the host nation benefits by acquiring expanded capabilities for its resources (e.g., host nation government staff, private sector within the host nation, or host nation university staff). The steps for the capacity assessment process and completing the capacity assessment worksheet (Table F-1) are described below.

(1) Enter Program or Project General Information. Enter the program or project name, program or project number, start date and scheduled completion date at the top of the capacity assessment worksheet (Table F-1).

(2) Identify Capacity Needs. The USACE Manager and stakeholders should agree on the capacity needs to support the program or project during the initiation phase of the program or project. This is a key step in the process, because everything that follows is dependent on an accurate identification of capacity needs. The USACE Manager and the other stakeholders (including the host nation or service recipient) identify capacity needs related to the program or project and evaluate whether sufficient capacity exists for the completed program or project to be sustainable. The capacity categories shown in Section 1 serve as the guideline for consideration of capacity needs at each of the three levels in the USACE CD framework level (Figure 2). The capacity assessment worksheet (Table F-1) does not include space to record capacity needs, so this step should be performed prior to beginning the worksheet.

(3) Determine Framework Level and Capacity Category. The USACE CD framework level (Figure 2), and general capacity categories (Section 1) should be considered in the process of identifying capacity gaps and this information should be entered on the capacity assessment worksheet (Table F-1). This will quickly indicate whether there is a trend toward gaps at a certain framework level or within certain capacity categories.

(a) A capacity gap may exist at multiple framework levels (e.g., funding may be a limiting factor or gap at both the enabling environment level and at the organizational level). The enabling environment factors are comprised of issues such as host nation government structure, laws, regulations, and national policies.

(b) The organizational factors include such items as ministerial, regional, or local systems, including administrative, business, and infrastructure. The individual level would consider items such as availability of an adequately trained workforce, on-the-job training provisions, and equipping facilities with adequate spare parts.

(4) Identify Program or Project-specific Capacity Gaps. This is the process in which the USACE Manager and the stakeholders identify the capacity gaps that have the potential to substantively impact the short-term and long-term program or project sustainability. A capacity gap is simply the difference between the capacity need, described above in (2) and the existing capacity of the host nation to meet that need. A capacity gap may be a gap in the ability of the host nation to support the program or project during the design or implementation phase or it may be a gap in the ability of the host nation to maintain the program or project after handover without assistance from external organizations. The group should use judgment on whether a gap has the potential to significantly impact the program or project outcome and should achieve consensus on whether to carry each gap through the subsequent steps. A short summary of the capacity gap should be entered on the capacity assessment worksheet (Table F-1).

(5) Estimate the Probability that the Capacity Gap Will Occur. The USACE Manager and stakeholders should assign a probability rating to each of the identified capacity gaps. This is a qualitative process, based on rating options of minimal, low, medium, high, or critical; the rating criteria are provided in Table F-2. Credit should be taken in the probability rating for the mitigation actions if a gap has been identified and actions are planned to mitigate or reduce the likelihood of its occurrence. The unmitigated risk should be used to compare and evaluate the anticipated efficacy of the mitigation actions.

(6) Estimate the Consequence of Capacity Gap. The USACE Manager and stakeholders should assign a consequence rating for each capacity gap. The initial rating should reflect existing conditions and subsequent ratings should reflect the effectiveness of stakeholder mitigation actions that will be undertaken to reduce the consequence of the capacity gap.

Table F-1. Capacity Assessment Worksheet

Program/Project Name:			Program/Project Start Date:				
Program/Project Number:			Scheduled Program/Project Completion Date:				
Capacity Gap		Capacity Gap Rating Scores: Minimal, Low, Medium, High, or Critical			Selected Mitigation Action(s)	Lead Stakeholder for Mitigation Action	Comments
Description	Framework Level and Category	Probability	Consequence	Total Risk			
1							
2							
3							
4							
5							
6							
7							

Table F-2. Guidelines for Assigning Probability Score for Each Capacity Gap

Score	Description of Probability
Minimal	<p>Mitigation action is assigned to stakeholder with commitment for schedule and funding. - AND - Mitigation action has achieved 80% or more of the benefit expected at this time. - AND - Prime contract, if applicable to the program or project, contains incentives or provisions to mitigate capacity gap.</p>
Low	<p>Mitigation action is assigned to stakeholder with commitment for schedule and funding. - AND - Mitigation action has achieved between 60% and 80% of the benefit expected at this time. - AND - Prime contract, if applicable to the program or project, contains incentives or provisions to mitigate capacity gap.</p>
Medium	<p>Mitigation action is assigned to stakeholder with commitment for schedule and funding. - AND - Mitigation action has achieved between 40% and 60% of the benefit expected at this time. - AND - Prime contract, if applicable to program or project, contains incentives or provisions to mitigate capacity gap.</p>
High	<p>Mitigation action assignment to stakeholder is unresolved or mitigation action is assigned to stakeholder, but without commitment for schedule and funding. - AND - Mitigation action has achieved between 20% and 40% of the benefit expected at this time. - AND - Prime contract, if applicable to the program or project, to contain incentives or provisions to mitigate capacity gap, but contract language is not yet developed or problems are foreseen with inclusion of such language into contracts.</p>
Critical	<p>Mitigation action is not assigned to stakeholder and resolution for assignment is unlikely. There is no schedule or funding commitment to implement mitigation action. -OR - Mitigation action has achieved less than 20% of the benefit expected at this time. - OR - Prime contract, if applicable to the program or project, has been issued and does not contain incentives or provisions to mitigate capacity gap.</p>

(a) The guidelines for developing consequence ratings are contained in Table F-3. The risk ratings range from “minimal” to “critical”. A consequence rating of “minimal” indicates an insignificant impact to the program or project and a rating of “critical” indicates that the consequence will have a significant impact to the program or project. The scores for unmitigated and mitigated consequences provide a comparison of the consequence impact to the program or project for each capacity gap and address the efficacy of the mitigation strategy for each capacity gap.

(b) The rating for each capacity gap should be entered on the capacity assessment worksheet (Table F-1).

Table F-3. Guidelines for Assigning Consequence Score to Each Capacity Gap

Score	Description of Consequence
Minimal	Capacity gap will have no impact or very low impact on program or project design, construction, and/or sustainability. Capacity gap will result in small, acceptable change in program or project performance; risk is minor threat to mission; possibly requires minor operations or maintenance changes without redesign.
Low	Capacity gap will have low impact on program or project design, construction, and/or sustainability. Capacity gap will result in small change in program or project performance; risk is small threat to mission; possibly requires minor redesign or repair.
Medium	Capacity gap will have medium impact on program or project design, construction, and/or sustainability. Capacity gap results in medium change in program or project performance; risk is serious threat to mission; possible completion of only portions of the program or project, or requires major redesign or rebuilding.
High	Capacity gap will have high impact on program or project design, construction, and/or sustainability. Capacity gap will result in substantial change in program or project performance; risk is high threat to mission; risk may cause loss of mission.
Critical	Capacity gap will have very high impact on program or project design, construction completion, and/or sustainability. Capacity gap will result in very substantial change in program or project performance; critical threat to mission; risk will likely result in loss of mission.

(7) Estimate the Total Capacity Risk for Program or Project. The total risk to a program or project presented by capacity gaps is a function of the risk ratings for probability and consequence for each capacity gap. A capacity gap that scores “low” on probability and “minimal” on consequence, for example, will likely present a minimal risk to a program or project. A capacity gap that scores “critical” on both probability and consequence will likely

have a substantial impact on the success of the program or project.

(a) The USACE Manager and stakeholders must use judgment to qualitatively characterize the total risk by considering the probability and consequence ratings for each capacity gap. The total risk should be characterized for each gap as minimal, low, medium, high, or critical and that value should be entered on the capacity assessment worksheet (Table F-1). The objective is not to develop a quantitative score, but to provide a relative rating system from which decision-makers can develop appropriate and effective mitigation actions to reduce capacity risk to an acceptable level.

(b) The success of the program or project in meeting objectives for long-term sustainability must be estimated in terms of cumulative capacity risks; i.e., the sum of the risks posed by all the capacity gaps. Program or project success will be only as strong as the weakest link. A single capacity gap in the “critical” risk range can be sufficient to jeopardize program or project success. Senior leadership must be apprised of any critical gaps that place the entire program or project in jeopardy.

(8) Develop Capacity Risk Mitigation Actions. The USACE Manager and stakeholders should develop a mitigation strategy for each capacity gap identified. The strategy should be accompanied by specific mitigation actions aimed at reducing the probability and/or consequence presented by the unmitigated or existing capacity gap. A succinct description of the mitigation strategy should be entered on the capacity assessment worksheet (Table F-1). A more detailed description of the mitigation actions should be entered into the Program or Project Management Plan, the Program or Project Risk Management Plan, or other appropriate document. A specific capacity gap may have more than one mitigation action and implementation of the action may involve more than one stakeholder. The mitigation actions should be numbered within the worksheet cell if more than one action is required.

(9) Assign Mitigation Actions to Stakeholders and Establish the Schedule. The USACE Manager and stakeholders should identify a single stakeholder that will have the primary role for leading the mitigation action for a specific capacity gap. A mitigation action may require the efforts of multiple stakeholders, but one stakeholder should always have the lead role. Identify a date by which the mitigation action will be complete and enter these dates on the program or project schedule to ensure they are not overlooked as the program or project progresses. This information should be entered on the capacity assessment worksheet (Table F-1).

(a) Stakeholder commitment is very important at this point. The lead stakeholder and other stakeholders who may be involved in the mitigation action should each commit to provide the scope of the mitigation action, resources necessary to carry out the mitigation action, and the schedule for the mitigation action.

(b) This commitment should be agreed upon by the stakeholders and formally documented through a Memorandum of Understanding (MOU) or other similar commitment document.

(10) Enter Comments. Comments, as necessary, can be added to the capacity assessment worksheet (Table F-1). It is likely that comments will change during the execution phase of the program or project and during capacity re-assessments. The comment field provides a location to document whether the gap may prevent successful completion of the project (i.e., up to the

point of handover to the host nation) or whether the gap pertains to the objective of sustainability after handover to the host nation.

(11) Conduct Capacity Re-assessment of Program or Project. The capacity assessment work does not stop at the end of the program or project initiation and planning phases; it continues through the execution phase. The initial capacity assessment is conducted in the initiation and planning phases to establish baseline conditions. A periodic review of capacity assessment and risk during the execution phase is necessary to identify new issues that may arise and to judge the efficacy of the mitigation measures that were put into place.

(a) The method of capacity assessment during the execution phase should be developed to fit the program or project. Capacity assessment and CD have the greatest potential for payback on the larger, more complex, and higher-budget programs or projects and these should be re-evaluated on a regular basis to maximize the chance for success and to identify and mitigate any new critical capacity gaps.

(b) The USACE Manager and available stakeholders should repeat the steps shown above on a routine basis during program or project execution until it becomes apparent that continued assessment no longer has the potential to impact program or project success. Each time the program or project is re-assessed, a new benchmark is established. It is essential that host nation or service recipient representatives are directly involved in the re-assessments. A mitigation strategy should be reconsidered, altered, enhanced, or replaced if the re-assessment indicates that it is not achieving the expected reduction in capacity risk.

(c) The frequency of re-assessments should be at the discretion of the USACE Manager and other available stakeholders, as appropriate for the scope, should be scheduled in consideration of program or project characteristics. Examples of characteristics include size, duration, complexity, near-term milestones, number of capacity gaps, timing of expected benefits from the mitigation actions, previous assessment risk ratings, and the dynamic nature of the program or project.

USACE/OCE PUBLICATIONS PROCESSING DOCUMENT (For use of this Form see OM 25-1-51)				EXPIRATION DATE <i>(Eng Circular Only)</i>	
PUBLICATION TITLE Capacity Development - International				PUBLICATION NUMBER EP 5-1-1	
				PUBLICATION DATE 30 Jun 2009	
SUPERSEDES <i>(Cite Publication(s))</i> N/A -- New Issuance				NO. OF PAGES <i>(Manuscript)</i> 76	
ACTION OFFICER Sheryl Lewis	INITIAL SL	DATE 6/30/09	TELE. EXT. (202) 761-5750	PROPONENT OFFICE SYMBOL CEMP-CN	
RESUME/REASONS FOR PUBLICATION This publication is an Engineer Pamphlet (EP) that will serve as guidance to USACE staff for planning and implementation of Capacity Development (CD) in the international setting. This EP was developed by the CD Business Practice, within the Interagency/International Services (IIS) Community of Practice (CoP) in Military Programs. The EP is a companion document to the Engineer Regulation (ER 5-1-16) which will serve as the requirement for USACE to plan and implement CD in the international setting.					

REVIEW AND COORDINATION					
INTERNAL (PROPONENT)			EXTERNAL (OTHER HQUSACE/OCE ELEMENTS)		
NAME/OFFICE SYMBOL	INITIAL	DATE	NAME/OFFICE SYMBOL	INITIAL	DATE
Mr. Donald Kisicki/CEMP-CN	DLL	6/30/09			
Mr. Mohan Singh/CEMP-NAD	MS	6/30/09			
Mr. Wesley Miller/CERM-Z	WML	7/2/09			
COL Frank Ford/CECO-G	FF	7/10/09			
Mr. Edward Hecker/CECO	EH	7/15/09			
Mr. Kim Denver/CEPR-ZA	RMB	7/15/09			
Mr. Earl Stockdale/CECC-A	ES	7/27/09			
Mr. J. Joseph Tyler/CEMP-ZB	JJT	8/15/09			
MG Jeffrey J. Dorko/CEMP-ZA	JJD	9/1/09			
Publications Review Officer:			Requests the following actions be taken:		
PROPONENT EXECUTIVE APPROVAL <i>(This publication complies with guidance contained in OM 25-1-51.)</i>			Print publication: <input type="checkbox"/> YES <input type="checkbox"/> NO		
			Place publication on INET: <input type="checkbox"/> YES <input type="checkbox"/> NO		
NAME AND TITLE <i>(Type or Print)</i>			CECC-C Publication required in Federal Register <i>(If yes see ER 25-1-98)</i>		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
SIGNATURE					

ADMINISTRATIVE PROCESSING AND EXECUTIVE APPROVAL							
TO	USACE ELEMENT	INITIAL	DATE	TO	USACE ELEMENT	INITIAL	DATE
1.	CEIM-I			3.	CECS-X		
R E V I E W	a. Publications <i>(CEIM-IV)</i>			4.	CECS <input type="checkbox"/> APPROVAL <input type="checkbox"/> SIGNATURE		
	b. Forms <i>(CEIM-IV)</i>			5.	CEIM-IV <i>(Date Returned)</i>		
	c. Recordkeeping Requirements <i>(CEIM-IR)</i> <i>(AR 25-400-2, Chapter 2, Para 2-1)</i>			6.	CEHEC-IM-P <i>(Date Received for printing)</i>		
	d. Reports Control <i>(CEIM-IR)</i>			7.	REQUISITION NO.	EST DELIVERY DATE	
2.	CEIM-IV <i>(Publications Ctrl Officer)</i>			8.	CEIM-IV <i>(Posted to INET)</i>		

PUBLICATION DATA - INDEX UPDATES

ID NO	CATEGORY	PUBLICATION NUMBER	PART NO	STAT	PUBLICATION DATE (BASIC)	CHANGE LINES	PROPONENT(s)
TITLE							
EXP DATE (DDMMYY)	RESCINDED BY	DATE	SUPERSEDED BY	DATE	PAGES		

REMARKS

REMARKS