



CAPACITY DEVELOPMENT INITIATIVE

Assessment of Capacity Development Efforts of Other Development Cooperation Agencies

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GEF - UNDP Strategic Partnership

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Foreword

This final report, prepared by Alain Lafontaine (Le Groupe-conseil baastel Ltée.), does not necessarily represent the views and opinions of the partners in the Global Environment Facility's (GEF) Capacity Development Initiative (CDI). The analysis provided here is based on the assessment structure agreed to with CDI management.

The author would like to thank CDI management and all the participants in this assessment for their involvement in providing data and in the review process. This was crucial in ensuring the accuracy and relevance of the final analysis and reporting.

Abbreviations

ACBF	African Capacity Building Foundation
ACTS	African Centre for Technology Studies
AfDB	African Development Bank
BMZ	The German Federal Ministry for Economic Cooperation and Development
CIDA	Canadian International Development Agency
CD	Capacity Development
CDE	Capacity Development in Environment
CDI	Capacity Development Initiative
CDM	Clean Development Mechanism
CGs	Consultative Groups
CoP	Conference of the Parties
DAC	Development Assistance Committee
DANCED	Danish Cooperation on Environment and Development
DANIDA	Danish International Development Assistance
DFID	Department for International Development
DGIS	Netherlands Ministry of Foreign Affairs Development Cooperation
DSE	German Foundation for International Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECDPM	European Centre for Development Policy Management
EIA	Environmental Impact Assessment
EU	European Union
FFEM	Fonds Français pour l'Environnement Mondial
FIDIC	Fédération Internationale des Ingénieurs Conseils
GEF	Global Environment Facility
GHG	Greenhouse Gases
GTZ	German Technical Cooperation
IDB	Inter-American Development Bank
IDRC	International Development and Research Centre
IIED	International Institute for Environment and Development
IIPA	Indian Institute of Public Administration
IISD/IIDD	International Institute for Sustainable Development
INTRAC	International NGO Training & Research Centre
JI	Joint Implementation schemes

JIBC	Japan International Bank for Cooperation
JICA	Japan International Cooperation Agency
LDCs	Less Development Countries
LFA	Logical Framework Analysis
MAE	Ministère des Affaires Étrangères (France)
NESDA	Network for Sustainable Development in Africa
NGOs	Non-Governmental Organisations
NORAD	Norwegian Agency for Development
ODA	Official Development Assistance
OECD	Organisation For Economic Co-operation and Development
SEA	Strategic Environmental Assessment
SIDA	Swedish International Development Agency
SPREP	South Pacific Regional Environment Programme
TWAS	Third World Academy of Science
UNCED	United Nation Conference on Environment and Development
UNDP	United Nation Development Program
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WRI	World Resources Institute

Executive summary

The report begins with providing a review of some of the issues associated with CD initiatives, and then provides an overall review of the approaches to capacity development in the international development cooperation community, with a special focus on concepts, guiding principles and the place of CD in emerging development cooperation priorities. This is then followed by a discussion of some of the key lessons learned with respect to development cooperation in support of CD. The report also reviews promising tools and recent developments in cooperation agency's efforts to mainstream the CD concepts, approaches and lessons learned in support of their CD activities.

The report then highlights some of the main constraints to, and avenues for donor coordination in support for CD, before reviewing some issues related to the management of CD initiatives requiring special attention. With this analysis in background, the report then provides a presentation of the particular CD strategies of various development cooperation organisations reviewed in relation to global environmental issues. The assessment is then concluded with a summary analysis of those strategies and some preliminary recommendations for the GEF as it envisages the development of its strategy within the framework of its Capacity Development Initiative.

In terms of strategies, development organizations recognized as being furthest along the CD road have in general focussed on supporting the development of a capacity to diagnose and plan in relation to the global environmental issues in the recipient country. In addition, support has been targeted at developing the capacity of institutions, dealing with legislation, administration, diagnosis, planning and monitoring of the global issues. The report highlights the important CD activities of development organisations such as the European Commission (EC), the Danish International Development Assistance (Danida), the Danish Cooperation for Environment and Development (Danced), the Fonds Francais pour l'Environnement Mondial (FFEM), German technical cooperation (GTZ), The German Federal Ministry for Economic Cooperation and Development (BMZ), The Netherlands Ministry of Foreign Affairs, The Norwegian Agency for Development (NORAD), The Swedish International Development Agency (SIDA), and the United States Agency for International Development (USAID).

The report also looks at the strategies of a number of institutes and NGOs. In particular, they tend to focus their CD activities on more targeted training and joint research as well as technology transfer on global environmental issues. Those with some of these elements firmly anchored in their program include: the African Centre for Technology Studies (ACTS), The International Institute for Environment and Development (IIED), The Indian Institute for Public Administration (IIPA), the International Institute for Sustainable Development (IISD), la Fédération Internationale Des Ingénieurs Conseils (FIDIC), and the World Resources Institute (WRI). Although they are bilateral agencies, Japan International Cooperation Agency (JICA) and Japan International Bank for

Cooperation (JBIC) could also be included in this group given the focus of their efforts with respect to global environmental issues.

In conclusion, development cooperation organizations and their partners still have the opportunity to join forces in order to identify and address the required capacity needs and strategies in support of the global conventions. The challenge here, is making sure that these first steps are effectively supported within a capacity development framework which respects the various CD lessons as cited previously. Clearly, the Global Environment Facility initiative is a step in the right direction; however, if CD strategies are to continue to be effective, developing countries and their primary stakeholders will need to discuss in a coordinated fashion, under the leadership of the country, with support and in dialogue with the donor community.

I. Introduction

At its May 1999 meeting, the GEF Council approved a Strategic Partnership between UNDP and the GEF Secretariat as an 18-month consultative planning process to prepare a comprehensive strategy and action plans to strengthen the capacity of recipient countries in order to meet the challenges of global environmental action.

The work plan for this consultative process is divided into three stages: 1) assessment of capacity development needs, 2) development of a comprehensive strategy for multi-party action to meet identified needs, and 3) development of action plans for the GEF-financed activities to contribute to the strategy.

The assessment phase of the CDI is intended to identify the capacity development needs of recipient countries as well as lessons learned from GEF-financed activities and efforts of other multilateral and bilateral agencies. These assessments will provide the basis for developing a strategy and action plans to address the capacity development needs of recipient countries in the area of the global environment. The outputs to be prepared in this initial assessment phase of the CDI include:

- a. assessments of country needs and priorities prepared for four regions;
- b. assessment of needs and priorities of Small Island Developing States;
- c. assessment of scientific and technical capacity development needs;
- d. assessment of lessons learned from GEF-financed activities;
- e. assessment of capacity development activities undertaken through GEF projects;
- f. assessment of capacity development efforts of other multilateral and bilateral institutions; and
- g. compilation of decisions of the Conferences of the Parties for the Convention on Biological Diversity and the UN Framework Convention on Climate Change concerning capacity development, including guidance to the financial mechanism, together with relevant decisions of the Convention to Combat Desertification.

This final report relates to assessment (f) above. As stated in the ToRs for the CDI, the intent of this assessment is to review projects, capacity development policies, and strategies of other multilateral and bilateral development agencies, regional

development banks, and NGOs, as well as, to encourage a dialogue with the relevant groups and key staff in these organizations.

This report is based on the data collected since March 2000 through: written (formal request) and oral communications (follow up) with the participants in the assessment process; desk studies; and additional data gathered through a series of field visits that were conducted in May 2000. This report also incorporated comments received from CDI management on a May Interim Report and from the participants in this assessment on a July 11 draft Final Report. A list of the organisations contacted and visited for this assessment is provided in annex 1 to this report.

II. Overview of approaches to capacity development in the international development cooperation community

The Conceptualisation of Capacity Development

Approaches to capacity building have evolved considerably in the development cooperation community since the introduction of the original concepts of institutional building and strengthening in the 1950s to the 1970s. At that time, the approach was mainly institution specific, with a focus on public institutions. It provided little attention to outside factors and tended to focus on skills and the required training aspects. Annex 3 of this report presents a review of the main phases in this evolution in thinking on capacity building.

In the wake of UNCED, where capacity building was a central element, the concepts of Capacity Development (CD) and Capacity Development in Environment (CDE) have emerged as a response to work done on capacity building over the previous 30 years. The first detailed formal conceptual framework on CD came from the OECD/DAC Task force on Capacity Development in Environment in 1993. This DAC Task Force emerged from the collective leadership of many bilateral donor representatives who saw, in light of UNCED, a clear interest in taking stock of past experience in capacity building in order to formulate a common framework to guide more effective interventions in that field. In addition to OECD representation, this group was originally comprised of Canada, The Netherlands and Germany¹. The DAC framework covered the following five components which emphasize the fact that capacity components were interrelated and as such, needed to be undertaken as part of a dynamic system's approach:

- functions such as networking, planning, regulating and communicating;
- actors such as formal organizations, individuals and informal institutions;
- the context of values and policies including democratization and incentives;
- the societal context, including conditions at the global, regional, national and community levels;
- resources, including human, informational, financial and technological. .²

¹ OECD/DAC. Task force on Capacity Development in Environment. Progress Reports. 1992 to 1996.

² OECD/DAC. Capacity Development in Environment: Principles in Practice. Prepared by IIED. London. 1997.

More details on the framework and the DAC suggested approach to CDE is provided in annex 4 to this report.

It is essential to re-emphasize that this first attempt at conceptualization was based on a thorough discussion of lessons learned in institutional development from a number of development agencies.

In addition to the original members, other development cooperation organizations over the years have also joined the DAC Task Force. These new members included Denmark, The European Commission, Italy, Japan, The International Institute on Environment and Development, The United National Development Program and The World Bank. The work of the Task Force culminated in 1996 with the convening of the OECD/DAC International Workshop on Capacity Development in Environment. This event, attended by over 140 representatives from most of the DAC member countries and a number of developing countries, discussed definitions, approaches and tools for CDE³. This was then followed by the publication of a document distilling some of the key conclusions of the workshop and titled: *OECD/DAC. Capacity Development in Environment: Principles in Practice*⁴

The DAC and its member countries (and that includes all bilateral donor agencies) basically now share a common definition of capacity development in environment where:

- *Environmental capacity* represents the ability of individuals, groups, organisations and institutions to address environmental issues as part of a range of efforts to achieve sustainable development; and,
- *Capacity development in environment (CDE)* describes the process by which capacity in environment and appropriate institutional structures are enhanced.⁵

A number of agency specific initiatives to further refine and adapt the approaches originally proposed, have taken place in parallel to these DAC efforts. Although there are still differences as to how CDE is being defined in its operational details by various development cooperation actors beyond the community of bilateral donors⁶, when looking over the past five years, one is forced to recognize the emergence, of a broad common conceptual framework to CD and CDE. For a growing number of development cooperation partners, this is a framework that builds on some of these early related

³ OECD/DAC. Capacity Development in Environment: Proceedings of a Workshop held in Rome, Italy, 4-6 December, 1996. Paris. 1997.

⁴ OECD/DAC. Capacity Development in Environment: Principles in Practice. Paris. 1997.

⁵ Ibid.

⁶ Lusthaus, Charles and al. Capacity Development: Definitions, Issues and Implications for Monitoring and Evaluation. Draft. Montreal. July 1999.

principles. There are still noted exceptions and differences, but generally, the approach increasingly adopted and promoted by development cooperation organizations, is one that involves a system's perspective to CDE that covers various levels of capacity for environmental management, including a greater emphasis on the process of capacity development itself, and on local ownership of this process and equal partnership in its support. Within that perspective, the provision of training and technological transfers for example, are increasingly seen in light of obvious short-comings of earlier attempts, as specific components of CDE that have to be integrated into a broader capacity development strategy. This is in many ways, quite an evolution from the early simplified and linear approaches to institutional development.

Today, distinct capacity development frameworks that have been adopted along those lines (or are about to be adopted) as formal policy or strategy for CD, can be found in the following development agencies: The Canadian International Development Agency (CIDA), the Danish Cooperation on Environment and Development (DANCED), The Danish International Development Assistance (DANIDA), the European Centre for Development Policy Management (ECDPM), German Technical Cooperation (GTZ), the Global Environment Facility, the Inter-American Development Bank (IDB), The Netherlands Ministry of Foreign Affairs (DGIS), The Swedish International Development Agency (SIDA), The International Institute for Environment and Development (IIED) and The United National Development Program (UNDP), while others explicitly acknowledge the OECD/DAC principles that they follow (The Department for International Development - DFID, The European Commission -DGVIII, the Norwegian Agency for Development – NORAD, and Japan International Cooperation Agency – JICA among others).

The integration of various levels within the definition of CD

At the conceptual level, the approach now widely promoted, involves various levels of capacity, whereas different entry points can be considered to support CD processes. This was already foreseen under the work of the DAC but not articulated in as much detail. Of all the frameworks reviewed, the UNDP has the most formally defined CD process which provides for the integration and complementarity of these levels as various entry points in the support for endogenous CDE processes through the following distinctions:

‘In a global context, “capacity” refers to the ability of individuals and institutions to make and implement decisions and perform functions in an effective, efficient and sustainable manner. At the individual level, capacity building refers to the process of changing attitudes and behaviors-impacting knowledge and developing skills while maximizing the benefits of participation, knowledge exchange and ownership. At the institutional level it focuses on the overall organizational performance and functioning capabilities, as well as the ability of an organization to adapt to change. It

aims to develop the institution as a total system, including individuals, groups and the organization itself. Traditionally, interventions at the systemic level were simply termed “institution strengthening”. This reflected a concern with human resource development as well as assisting in the emergence and improvement of organizations. However capacity development further emphasizes the overall policy framework in which individuals and organizations operate and interact with the external environment, as well as the formal and informal relationships of institutions⁷.

A matrix outlining the various levels proposed by the UNDP and their more detailed definition is provided in annex 6 to this report.

Complementing this view of various levels, is the recognition of the need to view not just the public sector as an actor in CD and CDE, but rather all those individuals and groups from various sectors of society that are involved in environmental management in one way or another. They all need capacity to play a role in managing the environment, in their own sphere and in collaboration with other players in a given country, or locality. This is obviously a complex framework. This is not to say that this conceptualization of CD is yet applied in any systematic way in the design and management of development projects. In fact, the emergence of this framework itself and the CD literature in general, points to a conscious effort to break traditional ways of conceiving and going about capacity development that still persists in the practice among development cooperation agencies and partners. Even the most well intentioned development cooperation agencies are not immune to this reality. As a recent Danced Evaluation points out, even though there is a clear systems oriented framework promoted by the donor agency since 1998, the practice still lags behind with an understanding among some project partners that capacity building is a ‘training component’ of a project, thus, mainly focused on individuals.⁸ This gap between understanding and action is common to all aid agencies. It can be explained by a number of factors, not the least being the relative recent emergence of this concept in development cooperation. As has been said on a number of occasions, capacity development requires a patient process, and as the DAC has recognized at its 1996 Rome Workshop, donor agencies and their partners need capacity development on how to go about capacity development! In that respect, Chapter IV of this report reviews some of the main instruments or attempts at developing instruments that might help aid agencies and their partners in making the capacity development approach more operational.

⁷ United Nations Development Programme, Capacity Building for Environmental Management: A Best Practices Guide, United Nations Development Programme, October, 1999.

⁸ Danced. Evaluation of Danced Supported Capacity Development Projects in the Republic of South Africa. March 2000.

The integration of technical assistance means in support of CD

The inclusion of various levels and types of actors obviously calls for the use of a variety of means to support capacity development. In the donor community, this means going beyond traditional bilateral government-to-government cooperation to also including financing instruments to support NGO related initiatives and the development of the private sector capacity. It also involves an emerging vision of the complementarities of various assistance means. For instance, GTZ 's role and services in the context of their support of the DAC concept means that they would usually offer technical assistance plus organizational development plus institutional development, thus, making CDE a systemic approach with multiple entry points.⁹

CD as a policy priority

It is clear that along with this increased understanding of CD principles and the central role played by CD in the pursuit of sustainable development, a number of development cooperation organizations are now explicitly embedding CD as a central element of their corporate goal. This in itself does not guarantee that adequate practice will follow but it can nevertheless be a useful indicator, in a number of cases, of how central the CD tenants are to the work of the development cooperation organisations. The box below presents just a few examples of various organizations that have enacted such recognition (chapter VII will expand on actual strategies of all the organisations reviewed).

Organization	Capacity Development as a policy priority
Canadian International Development Agency (CIDA)	CIDA is now in the process of developing a Result-Based Framework for its Environment Policy, which focuses on CDE results. The intent is to help guide future programming in the agency around this policy objective and have a tool to report on CDE achievements across the agency. ¹⁰
Netherlands Ministry of Foreign Affairs (DGIS)	The Netherlands Ministry of Foreign Affairs recently completed the development of a draft policy paper on Capacity Development ¹¹

⁹ E-mail communication with GTZ representative, March 2000.

¹⁰ CIDA internal documents. Response from Representative. March 2000.

¹¹ E-mail communication with DGIS representative, 8 March 2000.

Organization	Capacity Development as a policy priority
European Commission (EC)	In the context of the Partnership Agreement, CD is seen as essential to strengthen structures, institutions and procedures that help to promote and sustain universal principles such as democracy, human rights, the rule of law, transparent and accountable governance, etc. ¹²
Inter-American Development Bank (IDB)	The Eighth general Increase in resources of the Inter-American Development Bank calls for the Bank's support of borrowing member country's efforts to strengthen environmental legislation, establish regulations and concrete systems of incentives and sanctions aimed at promoting environmental conservation, and improve the management of institutions responsible for the environment and natural resources. ¹³
International NGO Training & Research Centre (INTRAC)	INTRAC's corporate goal is itself a CD goal: to improve NGO performance by exploring NGO policy issues and by strengthening NGO management and organizational effectiveness. ¹⁴
Japan International Cooperation Agency (JICA)	Capacity Development in Environment is now one of the five priority in JICA's Environment Policy and covers: capacity building to deal with environmental issues: environmental education, environmental administration and management, capacity building in the environment and other related fields. ¹⁵
Norwegian Agency for International Cooperation (NORAD)	The main objective of environmental assistance is to contribute to a sound management of the environment and biological diversity. This includes a strengthening of the countries' institutional capacity and professional competence by providing technical and economic possibilities for improved administrative and planning capacity in the environmental field in the recipient country. ¹⁶
Swedish International Development Agency (SIDA)	SIDA is now finalising the preparation of its draft strategy and a five-year investment programme for Capacity Development.

¹² E-mail communication with EC representative, 11 May 2000.

¹³ Web site : www.iadb.org/sds

¹⁴ web site: www.intrac.org

¹⁵ JICA. Environment, WID, and other Global Issues Division. Planning department. Environmental Cooperation of the Japan International Cooperation Agency (JICA). Tokyo. November 29, 1999.

¹⁶ The Royal Ministry of Foreign Affairs. A Strategy for Environment in Development Cooperation 1997-2005. Oslo. 1997.

III. Lessons learned from the international development cooperation community as to the conditions necessary for effective capacity development interventions

From the review of past experiences, along with the conceptual changes, came a number of general lessons learned as to the conditions that help ensure more effective CD and CDE and that have been recognized as being critical to success and sustainability. Below are some of the main lessons echoed by a number of the organizations reviewed:

- A high degree of political commitment and leadership in support of capacity development, consistently sustained over time is critical;
- An intimate knowledge of the macro-institutional context and the way it is evolving through a well structured assessment is key for both donors and their partners (this includes looking at the various players and institutions which affect in one way or another the process of capacity development);
- The involvement of local expertise in those assessments including better use of donor resident missions, can contribute to success;
- Facilitating ownership as a condition for effective and sustainable results can be promoted by involving the principal stakeholders right from the start of the planning of the initiative, as full partners in the process;
- An understanding of the motivations of the key stakeholders is critical, that includes the existence of a felt need for CD among those whose capacities need development;
- Capacity development initiatives are often more successful when they recognize and build on existing strengths, knowledge and experience within countries, organizations and individuals, rather than on problem centered approaches;
- CD is more effective if the partners have the confidence that their genuine constraints and limitations are understood and appreciated;
- A recognition of the need to support slow, gradual and sometimes unpredictable processes is essential;
- The objectives sought after should be commensurate with the existing status of the capacities in the recipient country; In that respect, it is important to have CD activities that are realistic and down to earth and not too theoretical or romantic;

- Clear definition of roles, accountability of all parties and transparency in the decision-making processes can contribute to the success of the CD initiatives;
- The most successful efforts in CD are often those where the partners invest some of their own financial and staff resources so that everyone involved contributes both time and money to the activity;
- The involvement of young professionals, from the north and south, in CD work is extremely important: young professionals will ultimately bear the responsibility for implementing the policies and programs necessary for sustainable development;
- Sufficient time to allow stakeholders and institutions to adapt to the pace of change is critical;
- CDE is dynamic. An iterative approach which relies on effective monitoring and feedback processes enhance chances of success. In this context, implementation should be seen as one step in an iterative process (along with design, monitoring and evaluation), a process that needs to adjust to evolving development realities; and
- Donor organisations often lack the ‘capacity’ to take the various elements mentioned above into account when they support CD in partner countries. Efforts at developing the donors’ own capacity to design, implement and monitor initiatives in ways that are more conducive to capacity development, are likely to improve the performance of CDE projects.

A recently published extensive OECD Evaluation of Donor Support for Institutional Capacity Development has identified, in addition to the factors mentioned above, the following lessons learned from past experiences in institutional development that should guide any future work in this area:

Factors which influence Institutional Change and Performance

The causes of successful organizational performance lie in diverse factors and often unexpected combinations of actors and events or, for example, the degree of public and private sector intervention

The donor agency concepts of capacity development and CDE have frequently implied that:

- Institutional capacity and institutional change can be induced;
- Institutional capacities in developing countries are significantly weaker than those in donor agency countries and
- Institutional capacities in developing countries can be developed on the basis of organizational and management models and environmental instruments (notably, the environmental impact assessment

process) developed and applied in donor agency countries.

The results of more than thirty years of institutional capacity-building efforts suggest that these underlying tenets do not necessarily hold true and certainly cannot be uniformly applied in a prescriptive manner or with donor agencies continuing to provide standard "organizational strengthening packages". The historical lessons learned have also indicated that:

- The causes of successful organizational performance lie in diverse factors and often-unexpected combinations of actors and events or, for example, the degree of public and private sector intervention. Organizations that have successfully combined both public and private sector functions have often resulted in improved organizational performance, adaptability and vigour.
- The political, economic and social setting in which organizations are expected to perform their tasks has increasingly been recognized as being of critical importance to their sustained performance. The findings of the present study indicate that donor agencies do not still accord sufficient time or attention to the analysis of the setting during the project design stage.
- The development of organizational capacity is not necessarily permanent and does not necessarily follow a linear or incremental pattern.
- The organizational choice(s) is (are) critical at an early stage in the project or (sector) programme cycle.
- The task or tasks for which capacity is needed must be specified and assessed for its appropriateness within a given setting.
- Many tasks that contribute to promoting environmentally sustainable development require the concerted action of several (different types) of organizations, thus, predetermining the need for (often) new networking skills and capacities.¹⁷

To conclude, a recent UNDP/HIID study identified a number of characteristics that are likely to affect the performance of CD activities. Those should help guide the development of CDE initiatives and are reproduced in detail in annex 5 to this report.

¹⁷ OECD/DAC. Donor Support for Institutional Capacity Development: Lessons Learned. Evaluation Aid Effectiveness no.3. Paris. 1999.

IV. Guidelines and tools available in the development cooperation community to assist in the management of capacity development initiatives

While development cooperation organizations are generally moving together towards promoting the CD concept and approach, the adaptation of existing project and programme management tools and the development of new ones to address the requirements of the CD approach have in some ways lagged behind. As pointed out in the 1999 OECD/DAC Evaluation of CD efforts, *'77% of all donors reviewed did not have their own CDE guidelines, while 62% estimated that CDE typically accounted for only 10-25% of overall support for environment projects and programmes in ODA'*.¹

However, this is an area that is now catching up in many ways, especially through the development of new assessment tools and the formalization of a number of already existing management techniques, as well as, the development of approaches for monitoring and evaluation that are adapted to CD and CDE dynamics. Some of the most promising efforts will be reviewed in this chapter.

It should be noted from the outset however, that in most aid agencies, those promising approaches are not yet integrated into the formal management processes for projects and thus, as yet, do not translate into systematic changes in the way projects are managed on the ground.

A. The identification, design and implementation of CD initiatives

The identification and design of CD initiatives is obviously a critical stage in the management of development support. This is, in many respects, where a number of the CD principles presented before come into play. For instance: Who leads the process? Whose initiative is this? How were the capacity gaps and needs assessed? What is the level of intervention? Who was involved? Is there a systemic approach to the identification of the problem, and the solution? What is the process leading to the further development of the project or program idea? These are but a few of the questions that come into play at this stage and which will shape the entire approach to the CD intervention.

The critical value of this stage has been recognized by a number of development cooperation organizations, who have made a conscious effort in developing or promoting the use of CD adapted management tools for this particular stage of the management process but which also tend to apply in the implementation stage. This is why those two stages are dealt with together under this sub-section of the report.

¹ See OECD/DAC. Donor Support for Institutional Capacity Development in Environment : Lessons Learned. Evaluation and Aid Effectiveness Series, no.3. Paris 1998.

Some of the following tools in use or in development, relate to capacity development in general but are also readily applicable to the environmental field:

Capacity assessment and development tools

- CIDA has developed a one-page guide to capacity assessment and development which identifies various elements to look for when assessing capacity and when programming for CD. It also proposes a list of sub-tools for data gathering as well as types of strategies for CD that can be pursued. It includes reference to various levels of capacity including: the human resource level, the organizational level, the sector/network level and the enabling environment ² In addition, CIDA has developed a generic classification for assessing levels of capacity and potential implications for the focus of the CD initiatives. A summary of this classification is provided in the box below.
- Danced has also recently developed and tested an assessment framework for CDE at the thematic and organizational levels. While the thematic level is based on a series of broad environmental management function, the organizational level framework revolves around assessment of the following elements: Structure, Systems, Skills, Incentives, Strategy and Inter-relationships.³
- The IDB is also developing an Institutional Needs Assessment Framework, which will provide guidance to the Bank and its partners as to how to analyse institutional capacity. The tool will focus specifically on public environmental management at the National level. ⁴
- With respect to research, IDRC developed a model to assist efforts for assessing and strengthening research organizations in partner countries. The framework proposes an approach to the diagnosis and the documentation of strengths and weaknesses of research organizations. The diagnosis model proposed is based on the following four main dimensions: external environment, organizational motivation, organizational capacity and organizational performance. ⁵
- The Netherlands Ministry of Foreign Affairs has also developed guidelines on organisational analysis.

² CIDA internal documents. Response from Representative. March 2000.

³ Danced. Evaluation of Danced Supported Capacity Development Projects in the Republic of South Africa. March 2000.

⁴ E-mail correspondence and Interview with IDB Representative. May-June 2000.

⁵ IDRC. A framework for Strengthening Organizational Capacity for IDRC's Research Partners. Ottawa. 1995.

- UNDP has developed an assessment and development methodology for CD initiatives. The assessment methodology is based on a systemic perspective and takes into account the three levels of capacity as identified in UNDP's framework: systemic, organizational and Individual.⁶

Grouping of countries' by capacity development levels and potential implications for donors

CIDA has developed a generic classification for assessing levels of capacity and potential implications for the focus of the CD initiatives. A summary of this classification is provided below:

Group 1 - usually will not be comprehensive policies or programming frameworks that donors can 'buy into'. Options, therefore, are to address current and pressing needs and/or to work with governments and members of civil society to address strategic capacity weaknesses. E.g. policy, development, planning, program management ... laying the foundations for a broader process of change by focusing on key (capacity) building blocks

Group 2 - these countries will likely need support to address weaknesses in policy and management. In that respect the development of capacities to assume policy and management responsibilities should be the priority vs. supporting or advocating a particular policy or programming orientation (lack of ownership will likely result in failure in the latter case) ... the 'policy orientation' of the society may well come out of experiences at the programming level given existing capacities. It is, therefore, important to tap into operational strengths in developing policy capacities and policies in a more formalized manner.

Group 3 - the donor approach will vary, depending on the scenario: in the 'authoritarian model', the emphasis may be on supporting basic services while strengthening the capacity of civil society and decentralized levels of government to ensure greater accountability and responsiveness to the requirements of citizens. For those countries falling in the 'would like to but can't' category, the emphasis is more likely to be on supporting policy implementation (everything from policy management, program management, program delivery, monitoring and evaluation...)

Group 4 - needs for donor support are likely to be more limited and discrete. e.g. specialized skills in planning, information management. Adapting new technologies, participation in international for a.

As donors seek to develop new and hopefully more effective mechanisms for development programming, it's important to bear in mind which approaches are more or less appropriate in the scenarios outlined above.⁷

⁶ UNDP. Management Development and Governance Division. Bureau for Development Policy. Capacity Assessment and Development in a Systems and Strategic Management Context. Technical Advisory paper No. 3. New York. January 1998.

⁷ CIDA. Dealing with Differences in National Capacity. Hull. Undated.

CD as a participatory process

- Danced is well advanced in the process of integration of CD principles in its Project preparation guidelines and other project management guidelines. This can be witnessed for instance in its use of the Objective Oriented Project Planning and the flexible use of the Logical Framework Analysis (LFA). Within the perspective supported by Danced, the LFA must be used as part of an iterative and participatory process. In that respect, it supports its use in conjunction with a number of participatory tools such as:
 - Institutional Capacity Analysis System (ICAS);
 - the Strengths, Weaknesses, Opportunities and Threats (SWOT) approach,
 - Stakeholder Analysis,
 - Ranking techniques,
 - Indicators and Tools developed for Ownership and Sustainability Control ⁸

Danced sees the integration of these tools in its guidelines as one more step in mainstreaming CD principles in its operations. The challenge ahead, for Danced as for other donors, is to ensure their consistent and adequate use on the ground so that adequate changes in approaches to management are enacted in projects. Two of the recommendations made to Danced in a recent evaluation were to monitor the use made of these guidelines and to provide for additional training on those guidelines for those involved in CDE projects.⁹

- In addition to integrating a number of the principles of CD in its guidelines for project implementation, one should note DFID's preparation of a technical note on how to enhance stakeholder participation in development activities.¹⁰ This technique has also been widely promoted by a number of aid agencies for some years now.
- The IDB has recently published a document titled *Conflict Management and Consensus Building for Integrated Coastal Management in Latin America and the Caribbean*. One of the fundamental elements called for in this paper is the promotion of processes for avoiding and resolving conflicts in the coastal zone. This paper provides an impressive summary of conflict management issues and

⁸ For details on these tools see in particular: Danced. Participation in Environmental Assistance: A Reference Note, Preliminary version, April 1998.

⁹ Danced. Evaluation of Danced Supported Capacity Development Projects in the Republic of South Africa. March 2000.

¹⁰ DFID. Technical Note on Enhancing Stakeholder. Participation in Aid Activities. London. 1995.

options in the challenging cultural, ecological, economic and social context of Latin America and the Caribbean.¹¹

- UNDP Management Development Programme has also recently completed the development of a process consultation handbook. The Handbook is more targeted at public management and is essentially a tool for supporting the appraisal for, and progress of, actions to promote systemic change for improved management within a multi-stakeholder and participatory process.¹²

Sector and program level tools:

- To conclude, it is worth noting that in their effort to move towards a program approach and adapt planning tools, the Netherlands Ministry of Foreign Affairs has developed Guidelines for Institutional Sector Assessment (ISA). The guidelines provide an insight as to how to carry out a comprehensive assessment of institutions and organisations in the context of sectoral approaches to institutional development. They form a diagnostic tool to (i) identify and analyze institutional issues, (ii) identify strengths and weaknesses, and –on the basis of them – (iii) formulate sectoral assistance strategies and institutional strengthening measures. The analytical framework looks at 6 different levels: individual sectoral organisation(s); their interrelationships; relations with users/clients; the institutional sectoral context; the macro context; and, the involvement of donors.¹³

Other tools:

- The IDB has developed a strategy for Integrated Water Resources Management which aims to help borrowing member countries to shift from a sectoral, development-based focus to an integrated, management-based approach. One key principle of this strategy is an increased emphasis on institutional issues and capacity building. The framework and the guidelines are made for project teams, bank officers and government agencies to facilitate the process of project formulation and monitoring. It also should improve the integration of different steps in the project cycle of project managers and bank field offices and generate

¹¹ Inter-American development Bank. Conflict Management and Consensus Building for Integrated Coastal Management in Latin America and the Caribbean. Edited by Frank Rijsberman. Sustainable Development Department Technical Papers Series. Washington D.C. December 1999. Adapted from foreword.

¹² UNDP. Management Development Programme. Systemic Improvement of Public Sector Management. Process Consultation. New York.

¹³ E-mail communication with DGIS representative, 8 March 2000; Interviews May 2000; and, The Netherlands. Ministry of Foreign Affairs. Guidelines Institutional Sector Assessment (ISA). The Hague. January 2000. .

more participation.¹⁴

- The IDB has also recently put in place a series of new flexible lending instruments, which have the potential to better assist the CD process by allowing it to start disbursement more slowly on larger operations. The instruments include: Innovation Loan; Multi-Phase Program Loan; Sector Facilities (of which one is in preparation for climate change activities); and, Project Preparation and Execution Facility. Those various products are further detailed in Annex 7.¹⁵
- The Netherlands Ministry of Foreign Affairs is now in the process of developing new guidelines to deal with Change Management (an English version is expected in September).
- In addition, The Netherlands Ministry of Foreign Affairs is also providing training for in-country offices and counterparts on institutional development.¹⁶

B. The monitoring and evaluation of CD initiatives

After identification and design, management tools related to the monitoring and evaluation of CD initiatives (projects and programme) is probably the area into which most efforts have been put. In fact, now that solid methodologies and tools are emerging for the design of CD initiatives, attention is increasingly being focused on complementing those initiatives with the right instruments for effective monitoring of results and progress. Some of the key questions being asked include: How do you track CD achievements? How does this fit with the log frame approach? How do you define indicators in respect to CD?¹⁷

A number of attempts have been made to try and address those issues and others by developing integrated approaches. Most of the approaches developed or in development are still mostly experimental in nature. They tend to promote an iterative management approach (also including design and implementation), as it should. Attention up to now among the various players in capacity development has mostly been on the design tools within this iterative cycle rather than in developing a set of clear complementary tools to support the monitoring aspect also involved. Below is a short description of some of the key efforts taking place in that respect:

¹⁴ van Hofwegen, Paul J.M. and Frank G.W. Jaspers. Analytical Framework for Integrated Water Resources management : Guidelines for assessment of Institutional Frameworks. IHE Monograph 2. Rotterdam. 1999.

¹⁵ www.iadb.org/regions/ros/eflexible.htm 05/31/2000

¹⁶ Interview with representative from DGIS. May 2000.

¹⁷ DANIDA. The Planning and Monitoring of Capacity Development in Environment (CDE) Initiatives. Prepared by Jannik Boesen and Alain Lafontaine. Copenhagen. 20 May 1998.

- Danced has just produced a draft Reference Note on CDE monitoring reviewing some key literature on the subject and proposing avenues on how to approach the monitoring of CDE initiatives and the development of Management Information Systems for CDE initiatives.¹⁸
- Danida has developed a pilot approach to the planning and monitoring of CDE initiatives (including projects and programmes). The approach presents in detail a participatory, iterative and cyclical model of CDE project management.¹⁹
- The GEF is in the process of developing an approach to Design and Monitoring of CDE initiatives. The two main objectives of the work now taking place are: 1) To identify ways to integrate capacity development objectives at the project planning stage; and, 2) To develop a framework and indicators for evaluating the performance of capacity development activities. It presents some avenues for further action by the GEF in relation to support for the management of CDE initiatives as well as a number of potential tools to help in the assessment and monitoring process at various levels.²⁰
- GTZ is also presently working on the development of an approach to the Monitoring of CD impacts.²¹
- The Netherlands Ministry of Foreign Affairs has prepared its own Monitoring CDE Projects guidelines also based on an iterative, participatory and process orientation approach. This includes a guide on how to write terms of reference for missions dealing with institutional development issues²²
- The German Foundation for International Development (DSE) has, in cooperation with the GEF, implemented various workshops on the introduction of the LFA for project design. Recently DSE proposed a reader on the use of the LFA to integrate the principles of flexibility and participation along with the LFA.²³

¹⁸ Danced. Monitoring CDE: Concepts, Approaches and References. Draft References Note. Prepared by The E21 Group Inc. Copenhagen. March 2000.

¹⁹ DANIDA. The Planning and Monitoring of Capacity Development in Environment (CDE) Initiatives. Prepared by Jannik Boesen and Alain Lafontaine. Copenhagen. 20 May 1998.

²⁰ GEF. Integrating Capacity Development into Project Design and Evaluation: Approach and Frameworks. Draft. GEF CD Paper. Prepared by Universalia. April 2000.

²¹ See box under section II of the present report.

²² Informal discussion with DGIS Representatives.

²³ German Foundation for International Development. Introduction to the Logical Framework Approach. Reader prepared by PARTICIP GmbH. Bonn. March 2000.

An interesting feature of a number of the efforts now taking place at this level, is that they effectively try to build on a modified version of the LFA methodology that could integrate the CDE principles.²⁴ Implied is a recognition that the LFA in itself, which has often been criticized as being too rigid a tool and for imposing too much of a straightjacket to projects, can in fact be a useful tool if used in conjunction with other tools. In short, the LFA has to be seen as part of process rather than the stand-alone mechanistic tool it is often perceived to be and has too often been promoted as in the past.

C. Challenges

Although quite a bit of effort has been directed at developing or formalizing the use of tools that can better assist the identification, design and implementation of CDE projects and programmes, further development of tools in support of monitoring and evaluation for CDE are urgently needed. This is especially true given the traditionally intangible nature associated with capacity development issues and the growing concern for aid effectiveness and accountability. The approaches developed or in development so far show promise but will likely require further testing and refining before they can be effectively used in a systematic fashion.

Beyond that, in most of the organizations reviewed, the challenge ahead remains in the mainstreaming of these CD tools in the management processes of the development cooperation organizations involved in partnership with the recipients of aid. Only in a few limited cases has the introduction of some of the new tools presented below led to training workshops and seminars for development cooperation staff and their partners. In promoting these CD tools, the aim should not be to provide for a rigid framework for project or program management for CD and CDE, but rather to provide for a wide array of adapted tools that can be chosen from, based on the specific circumstances of the CD situation at hand. One of the difficulties is in providing the awareness, training and support required to ensure that those tools are effectively known by those involved in the management of the projects and adequately applied through the project cycle.

In that respect, GTZ is perhaps the furthest along by providing an institutional response in support of the mainstreaming of those tools. The agency works through its Environmental Policy and Institutional Development Unit to provide various services and advice to project managers on innovative approaches, both during design and implementation (and monitoring). The objectives of the programme and its channels of assistance are described in the box below.

²⁴ See in particular: DANIDA. The Planning and Monitoring of Capacity Development in Environment (CDE) Initiatives. Prepared by Jannik Boesen and Alain Lafontaine. Copenhagen. 20 May 1998; and, German Foundation for International Development. Introduction to the Logical Framework Approach. Reader prepared by PARTICIP GmbH. Bonn. March 2000

GTZ's support to Capacity Development in Environment

In order to contribute to achieving its CDE goals, GTZ sees its role in providing a broad range of services to its partners. In addition to providing expertise in environmental policy development, as well as education and training, this encompasses organizational and management development services and facilitation of cooperation, communication and conflict resolution. All our actions must be guided by a process-oriented approach, in order to promote learning processes among participants and, where necessary, to moderate processes of change. Our partners in developing countries are mostly environment ministries, environmental agencies or other government institutions. Implementation of our progress, however, regularly involves sectorial institutions, industry, associations, NGOs, media and scientific institutions.

The activities of the Environmental Policy and Institutional development Unit of GTZ encompass the following specific services to partners in developing countries, donors and other clients:

- Assisting in strategy, systems and process design
- Assisting in project planning, monitoring and evaluation
- Assisting in project implementation
- Technical backstopping
- Implementing pilot projects and supra-regional programmes
- Training and capacity building
- EIA and mainstreaming the environment
- Knowledge management and consultancy²⁵

To conclude, another challenge ahead will be to monitor the use that is made of these tools and the actual changes they effect in the way CD initiatives are managed. Beyond the occasional case study, no systematic reporting is taking place as of yet in that respect. Such reporting could inform and influence CDE tool refinement in the future and help ensure that the use of those tools is more than a checklist exercise to meet yet another management requirement.

²⁵ GTZ. Draft English Web-site. Response from Representative. 8 March 2000.

V. Lessons learned and approaches to donor coordination mechanisms for Capacity Development in Environment

Partner countries' capacity and the lack of donor coordination

A conservative estimate for a typical African country is that 600 projects translates into 2,400 quarterly reports a year submitted to different oversight entities, and more than 1,000 annual missions to appraise, monitor, and evaluate. Each mission asks to meet with key officials, and each will ask the government to comment on its report. The most common complaint voiced by officials interviewed for seven case studies of aid management in Africa was that aid "imposes too many administrative burdens."¹

When looking at the heavy burden put on recipient countries' capacity to manage projects and report on them; the challenges of more integrated/multisectorial development initiatives; and particularly the challenges related to support for capacity development in environment as outlined in this report, there is a strong development rationale for improved donor coordination. The long term and complex nature of capacity development dynamics, with its various potential levels of intervention would benefit from such efforts. As pointed out in Norway's Development Assistance Strategy:

A more integrated approach, where several donors jointly provide funding, will entail a stronger focus on the political, economic, institutional, cultural and environmental conditions for the country's development. Coordinating efforts with other donors and demonstrating a willingness and ability to be coordinated by recipients will require flexibility on the part of donors as regards their own administrative requirements, goals and priorities.²

The central CD tenets of local ownership and leadership being promoted by a growing number of aid organizations would suggest that this coordination should indeed be in the hands of the partner country, but as pointed out in a recent World Bank study,

Yet 40 years after the first consortium for India was convened, and 30 years after many of the CGs were established, only recently have portents of fundamental change in the management of aid coordination at the country level been emerging in a few countries. There are still very few developing countries in the proverbial "driver's seat" of aid coordination

¹ IBRD. Operations Evaluation Department. Review of Aid Coordination and the Role of the World Bank. Report No. 19840. Washington DC. October 28, 1999.

² NORAD. NORAD invests in the future: NORAD's strategy for 2000-2005. Oslo. 1999.

vehicles. The time has come for a real change - rapid, but deliberate and finely executed³

As pointed out in the World Bank review, several overall constraints to country-managed aid coordination remain:

- Many countries lack the capacity-and some still lack the commitment to assume-a lead role (*when and if they are allowed to take such a role*).
- donors find weak recipient financial management capacity a major impediment to taking on the costs and risks of the harmonization of procedures required to contribute flexible resources to sector development programs. Recipient governments, however, single out harmonization of donor-policies and procedures as the first thing donors should do to improve aid coordination.
- there are few examples of aid coordination efforts that have led to greater donor selectivity (pursuit of comparative advantage), and years of donor debate have resulted in little action to reduce burdensome aid delivery transactions costs (such as those brought about by complex and divergent procedures), which would facilitate country leadership.
- donor efforts to strengthen country aid management and coordination capacity have generally been expensive, supply-driven, and ultimately ineffective, and aid coordination activities are seen as having little or no positive effect on country capacity.
- some donors see little or no connection between more effective aid coordination and higher global aid levels-a link that, if it existed, could send a message from donors to reinforce recipient governments in undertaking politically difficult reforms to strengthen capacity.
- finally, if donors want recipient to assume aid coordination leadership, a survey result they should not ignore is that over half of Bank staff and local donor respondents were neutral to negative about the need for the recipient government to take the lead for in-country aid coordination⁴

Of course, a number of constraints to donor-coordination are also coming from the donor side. Some of the main constraints are presented in the box below:

³ IBRD. Operations Evaluation Department. Review of Aid Coordination and the Role of the World Bank. Report No. 19840. Washington DC. October 28, 1999.

⁴ Ibid.

Some Donor Induced Constraints to Coordination

Perhaps the principal constraint (from the donor side) is the **unwillingness to invest in coordination**. It is often not seen as a necessity, and certainly not as a core accountability. As a consequence, there is no emphasis on staff capacity to coordinate, and no incentive for coordination. In the ever-present reality of staff, time, and funding shortages, coordination is always one of the first tasks to be sacrificed

Internal political forces also play a key role. Donors are accountable to their individual legislative bodies (parliaments and congresses), which in turn are accountable to higher political authorities (such as their electorates). Due to the political environments in which donors operate, they come to the table with different, and sometimes conflicting, agendas. The bureaucratic environments in which donors operate also vary widely, resulting in widely divergent accounting requirements and reporting formats

The **need to appear proficient to legislative bodies** is also a force against cooperation and towards competition among donors, who may bicker among themselves to have the opportunity to fund the higher visibility projects in a given country. Similar forces encourage donors to vie for high profile positions in project support. Rather than creating the perception that they are just one of many in a pool of project funders, they might prefer to be the largest, or the only, donor of a project with the greater recognition that is presumably conferred by that position.

On the financial side, **donors feel pressures to programme funds quickly** to demonstrate to legislators that they are operating within a results-oriented framework. This pressure runs counter to the longer timeframes needed to develop well-integrated multi-sectoral programmes which may need to incorporate extensive coordination linkages in their design.

Donors also operate under **commerce-related constraints related to domestic politics**. Most bilateral donors are more likely to offer development assistance if it leads to the use of consultants and purchases of services and equipment from their own nation. Purchasing or hiring actions which appear to run counter to the commercial interests of their country can lead donors to reject projects for funding considerations. Such commerce-related constraints can complicate coordination with other organizations that do not face similar limits, or which face their own internal constraints.

In the field, **differential resource bases can also impede coordination**. In general, organizations with greater financial or staff resources in a given area carry greater weight in group efforts than smaller organizations. If the smaller organizations have the perception that their voice is not heard in the group, they may choose to go it on their own or with similar sized groups where they feel their views have a greater chance of being influential.

Donor attitudes toward host governments may also hinder the potential for coordination. Donors may take exception to a country's own priorities, may feel the government is corrupt, or may object to a country's human rights and other policies. Sometimes these enmities, justifiable or not, can stand in the way of cooperation

The **internal capacity of donors to effectively coordinate may be weak**. Staff in donor organizations may not have received training in networking coordination skills or procedures. Also, the organizations may not have any explicit incentives in place to encourage coordination.⁵

⁵ OECD/DAC. Towards Donor Coordination for Capacity development in Environment and Sustainable Development : Tools and Challenges for Donors in Capacity Development in Environment *in* Proceedings of a Workshop held in Rome, Italy, 4-6 December, 1996. Paris. 1997.

There has not been, as such, any formal review of donor coordination approaches related to capacity development in environment, and the experiences are still few in this specific field among the agencies reviewed. However, at the Rome International OECD/DAC Workshop on Capacity Development in Environment in 1996, donor coordination for CDE was given a central place in the discussions. A number of avenues had at the time been proposed to foster such coordination and it could be argued that most of them are still valid. The main ones are reproduced in the box below.

Some Hallmarks of Good Coordination

While effective coordination is still very much the exception rather than the rule, we have learned much about what *does* work. There are certain basic practices and strategies that underlie most successful coordination efforts, regardless of who is implementing them. These include:

- Recognizing at the outset that coordination takes real work, including a substantial investment of time, money, and personnel.
- Integrating planning for coordination into the development and environmental planning and project cycles, rather than tacking it on as an afterthought.
- Placing management responsibility for coordination close to responsibility for allocation of resources, providing both leverage and access to needed information, rather than isolating the coordination function in an "information" unit or a line ministry.
- Recognizing that coordination is inherently a dynamic process, requiring flexibility, responsiveness, and creativity rather than dogmatic attempts to apply a predetermined solution.
- Allowing for the reality that different players legitimately have different, and sometimes competing, interests which may seem to be threatened by coordination, and applying the tools and principles of conflict management and conflict resolution to coordination efforts.
- Creating incentives for enhanced coordination, both at the individual and institutional levels.
- Generating (and applying) clear and compelling objectives for coordination activities that respond to the felt needs and interests of all parties.
- Having objectives that are realistic, achievable, and finite, rather than trying to do everything at once.⁶

⁶ Ibid.

A number of other specific proposals were made at the time. The theme paper presented in Rome is reproduced in annex 8 to help guide future discussions on this issue.

In addition, respondents to this assessment pointed to the following three lessons learned in relation to coordination with donors on CD projects. Those lessons are slightly different to the extent that they relate to the coordination in the relationship between local resources and the donor:

- It is important for the country and the organizations in the country to have done most of the thinking in advance of involving the donor agency in a CD initiative. In that respect, the country and the country's institutions must be clear about the objectives of the initiative and the strategies that are appropriate. Otherwise, with the involvement of a donor agency, there may be room for confusion and this might lead to the predominance of ideas that might not be appropriate or reflect national priorities.
- An effort must be made to integrate donor CD activities into ongoing and sustainable national initiatives. As most donor organizations have short-term project related interests, and as CD activities must be ongoing, if the donor initiatives are out of sync with national activities, their potential for success and sustainability will remain limited.
- As far as possible, an effort must be made to use in-country expertise. Where essential, one should bring in external experts to help develop the in-country expertise rather than have them actually carry out the CD.

In conclusion, it is clear that the potential for coordination is there. It does however necessitate incorporating these concerns into the various considerations provided above in the design and planning of in-country support work for CDE. It also requires the involvement of both the donor and recipient country partners.

VI. Other issues related to the management of CD initiatives requiring special attention

Through the previous chapters, a number of principles, approaches and tools have been described. These all point out to general directions for the management of development aid, which must be taken into account in the development of any strategy to address CD and CDE issues with developing countries. Some of those key directions are briefly discussed below.

The iterative vs. the blueprint approach

It has been recognized on several occasions in the donor community (in particular through the DAC work) that to take into account the dynamisms and complexities of CD issues, approaches to aid management are required that are based on an iterative model rather than a linear model. This is especially so given the importance of the process of knowledge transfer and behavioural changes in individuals, organizations and networks of organizations being supported. More and more aid agencies are in fact moving away from the blueprint approach in recognition of this imperative. However, the challenge remains to develop adequate monitoring and evaluation procedures in order to make such iterative approaches well informed and more efficient.

Program and sectorial approaches vs. the project approach

This principle of iterative management, the requirements for local ownership and equal partnership, coupled with the requirements for cross-sectorial vision and greater effectiveness in the management of aid, all seem to favour programmatic approaches to the management of aid rather than project-by-project approaches. The following developments also seem to suggest further change in this direction:

- In developing countries, programs, including sector programs, are now coming to the fore with bilateral donors increasingly 'buying into' them.
- Some bilateral donors are also moving in the direction of pursuing sectorial and/or program approaches in a move to depart from project-by-project management.¹ One should note in particular here the efforts of Danida and The Netherlands Ministry of Foreign Affairs as well as the increasing attention given to this issue in various DAC fora.

¹ CIDA. The Emerging Program Focus: Striving for Greater Development Impact, Hull. Undated, p.1 and Review of Responses from development cooperation organizations.

A recent review however, suggests that program and/or sector approaches are not immune to the recognized weaknesses of the project approach as well as, to other pitfalls. Again, a key characteristic comes back to the way in which the program or sector is supported by the donor and the role taken on by the recipient country and the key actors under the program or sector. The main conclusions of the study are reproduced in the box below as they present a number of issues donors need to watch for when approaching and managing broader programmatic approaches

Some key issues to take into account in sectoral approaches

Policy making in low-income countries is primarily about mobilization and use of resources in a process characterized by conflicts and bargaining under conditions of constant change, resource scarcity, inadequate knowledge and insufficient capacity. Sector policy outcomes are significantly influenced by the actors and stakeholders directly involved in the implementation processes. Individuals and personalities exert their influence through leadership and through formal and informal position and power.

Implementation processes and resources scarcities determine the outcome of sector policies and related sector support. Sector policies may, and often do, change overnight. Implementation approaches, especially with respect to target groups, are much less likely to change rapidly; they are influenced more by long-term resources and capacities. Often, networks of implementing organizations have greater impact on sector support outcomes than explicit policies do. Resources mobilization, capacity-building and constituency-building in these networks during implementation are interrelated preconditions for sector effectiveness.

Through reliance on elaborate policy documents, detailed planning procedures, formalized agreements, fixed targets, etc., the typical approach to sector support does not capture the reality of policy making and implementation in low income countries. Policy making, implementation and monitoring/evaluation activities are typically concurrent and overlapping. The 'target' is constantly moving. Yet, donor procedures for sector support seem to follow a planning and cyclical approach similar to that of project cycle. In preparing for sector support programmes more attention should be given to existing implementation approaches in the sector. Sector policy assessments should, in addition to the analyses of objectives and specific contents of policies, include an assessment of the legal and regulatory framework for the sector, and the actual processes by which policy is produced; this should include the policies produced by private, NGO and public organisations involved in sector specific implementation networks, especially at service delivery points.

Sector policies and support programmes are a part of and affected by the political, institutional and financial reforms that are currently implemented in all corners of the public sector in low income countries. 'Reformitis' is replacing 'projectitis' as a key characteristic of donor-recipient relations. Many sector support programmes address issues such as incentives and pay, decentralization of functions, the interaction of markets, regulatory systems and political spheres – but they often do so in an un-coordinated and even contradictory manner. The result is overload and de-capacity-building in the already weak public sectors in low income countries.

Basically, sector support through policy and programme implementation must be approached as a continuous experiment, where all parties have an open mind, a minimum of preconceived, normative ideas about 'orderly' policy making and implementation, and a respect for existing capacities, no matter how distorted these may seem. ²

² Therkildsen, Ole and al. Center for development Research Aid Policy and Practice. Sector Support: from Policy Making to Implementation Processes. An issue paper from the CDR. Copenhagen. August 1999.

VII. Review of main strategies of development cooperation partners in support of Global Environmental CD Issues

The summaries of strategies below are presented first for Bilateral and Multilateral organizations and then for NGOs and partners organizations.

When appropriate, references are made to elements of the National Reports of the Parties to the Global Conventions. This is limited only to the Parties covered under this assessment and to the cases where these reports actually referred to strategic elements related to approaches to capacity development in support of the global conventions. Specific project examples are generally not provided in this section. For such specific examples, the reader is referred to the relevant National Reports. The reader should note in that respect that national reports are considered as the official record of national contributions and efforts in support of the conventions. Pursuant to various decisions of the global conventions, Parties have agreed to provide for such reporting to help monitor implementation of the conventions. Although the reports are a valuable source of information on this implementation process, aside from a few specific cases, explicit and up-to-date capacity development strategies are often difficult to extract from these sources. Various additional sources, including communications with the agencies covered, have been used to either update or complement the information provided with respect to the capacity development strategies and approaches of the development cooperation agencies.

An overall analysis of what emerges out of the review of those various strategies is presented in section VIII of this report, along with some general recommendations.

The reader should note that the tables presented below in this section cover explicit strategies and initiatives mainly related to the Climate Change and Biodiversity conventions (when applicable). The great majority of the agencies reviewed generally see efforts aimed at land degradation as integral to their normal activities in various fields (agriculture and forestry in particular) and in that respect, the CDE tenets endorsed by the agencies are seen as applicable to those activities as well. However, a number of agencies are now recognizing the need to better look at the interrelationships between biodiversity, climate change and land degradation issues.

It should be noted that the level of detail of the strategies presented in this section is dependent on the information that was available and/or provided by the organisations reviewed.

Country/ Organization	Main Strategy and/or Initiative
African Development Bank (AfDB)	<p><i>Overall approach and general activities in capacity development:</i></p> <p>The Bank believes the attributes of good governance are not only worthy goals to be pursued in themselves, they are also essential for sound economic management and long term economic growth.</p> <p>The support that the AfDB has provided to its regional member countries in this area can usefully be grouped into the following four categories:</p> <ul style="list-style-type: none"> • Support for general capacity building efforts through the loans and grants that it has provided for investments in the social sector, and in particular education; • Support to specific institutional development projects often in the context of economy-wide or sector specific adjustment loans; • Programme and project related training offered by its African development Institute; and, • Collaborative capacity building efforts such as the African Capacity Building Foundation (ACBF) and the new Partnership for Capacity Building in Africa (PACT). <p>The African Development Bank, in cooperation with its multilateral and bilateral partners, will continue to provide support for the development of human resources and for the strengthening and development of key economic institutions through traditional lending instruments and technical assistance grants. In addition, however, the Bank believes there is a need to provide more focussed support to upgrade the knowledge and skills of those government officials who are entrusted with the management of key economic functions. The Joint African Institute (JAI) will be providing high-quality training in various areas and in this way make an important contribution to this specific need for capacity building. An essential aspect of the mission of the Joint Institute will be enhancing the capacity of other African training institutions to improve their training programs.³ From November 1999 through the end of 2000, the JAI will offer 11 courses and organize 4 high-level seminars in both English and French.⁴</p>

³ African Development Bank Group. Capacity Building and Economic Reform in Africa. Statement by Omar Kabbaj, President of the African Development Bank, at the Opening Session of the Inaugural Seminar of the Joint Africa Institute (JAI).

⁴ Joint Africa Institute Program 1999-2000.

Country/ Organization	Main Strategy and/or Initiative
<p>African Development Bank (AfDB) (cont'd)</p>	<p>In addition, the Bank has other training and capacity building activities. Those include for instance: the ADB/Japan Fellowship Programme and the seminars and special workshops organized in collaboration with other institutions. The African Development Institute (ADI) manages all the activities in training of the Bank, in collaboration with the other departments concerned.⁵</p> <p>The ADB/Japan Fellowship Programme was started in 1995 as a joint undertaking between the Government of Japan and the African Development Bank. It provides ten fellowships a year to African scholars who wish to pursue a Master's level graduate programme of studies in a field related to the promotion of economic and social development in their home country.⁶</p> <p>The Bank also funds the work of the African Capacity Building Foundation (for further details, see sheet on the ACBF in this section of the report).</p> <p><i>With respect to Global Environment issues in particular:</i></p> <p>The Bank is collaborating with the Global Environment Facility (GEF) Secretariat as well as the three Implementing Agencies in organizing capacity building seminars for Bank staff to familiarise them with GEF procedures. Its staff have participated in the GEF familiarisation seminars held in Washington D.C. Last year the Bank also planned to have more focused discussions with UNDP-GEF. In this regard, the Bank hopes to specifically address capacity building for its member countries. Through this training, the Bank facilitates member countries' access to the GEF resources.⁷</p>

⁵ Groupe de la banque africaine de développement. Activités de formation et de perfectionnement de la Banque en 1999: Rapport intérimaire sur les Activités de l'Institut africain de développement (CADI).

⁶ African Development Bank/ African Development Fund. The ADB/Japan Fellowship Programme. January 1999.

⁷ Letter from AfDB representative. Dated 5 May 2000.

Country/ Organization	Main Strategy and/or Initiative
Canada	<p>Within the Canadian International Development Agency (CIDA), capacity development as promoted under the OECD/DAC umbrella is regarded as one of the priorities of the agency. The revised environment policy of the agency now in development is expected to actually put Capacity Development in Environment (CDE) as the central goal of its activities and in that respect, activities related to the Global conventions will essentially be in support of CDE. The proposed objectives of the new policy now in revision and related to CDE for the global conventions include:</p> <ul style="list-style-type: none"> • promote and support programmes and projects that focus on capacity building in the general areas of climate change, protection of biological diversity and combating desertification; • work with its developing country partners to build and enhance capacity for sustainable natural resources management, especially in the areas of water and watershed management, agriculture, forestry, mining, and tourism; • support capacity-building in its developing country partners in the area of pollution prevention, control and remediation, especially, in energy management with emphasis on energy efficiency, management of spills, clean ups, diversification of energy production, cleaner production including transfer of environmental technologies, biosafety including health-related issues and biotechnology; • encourage partner countries to prepare and implement national strategies for sustainable development by the year 2005 in order to contribute to the reversal of the current trends in desertification, climate change, the loss of biological diversity and other environmental resources at both global and national levels by the year 2015.⁸ <p><i>Biodiversity specific:</i></p> <p>One of CIDA's explicit objectives is to support the implementation of the Convention in developing countries by cooperating with them to improve their capacities to plan and implement biodiversity conservation policies, strategies and plans and to use biological resources in a sustainable manner. The Canadian approach is also meant to encourage the participation of stakeholders, including non-government organizations, the private sector, and indigenous communities, in international efforts to implement the Convention.⁹</p> <p>Recently, CIDA has specifically initiated preliminary discussions on holding a series of regional workshops in Africa on the issue of capacity building for the implementation of the Convention on Biological Diversity.¹⁰</p>

⁸ CIDA. CIDA's Policy for the Environment in the Context of Sustainable Development. Draft. Hull. April 2000

⁹ Environment Canada. Canadian Biodiversity Strategy. Canada's Response to the Convention on Biological Diversity. Hull. 1995

¹⁰ E-mail communication with CIDA. March 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>Canada (cont'd)</p>	<p>In parallel, The Department of Environment in Canada is preparing a report 'Working with Other Countries to Implement the Convention on Biological Diversity: Meeting the goals of the Canadian Biodiversity Strategy'. One of the sections will deal with Enhancing Global Capacity to Implement the Conventions – development and Transfer of knowledge, skills and technology.¹¹</p> <p><i>Climate change:</i></p> <p>CIDA is actively promoting the implementation of the convention and has identified capacity development and technology transfers as the two areas in which is can best support developing countries in that respect. As far as capacity development is concerned, the agency emphasises the need to look at capacity issues in support of the UNFCCC in particular with respect to: supporting macro-policy environment, sound regulatory frameworks, adequate organizations and skills, and monitoring required to meet commitments under the Convention¹²</p> <p>In Canada's Budget 2000, CAN\$ 100 million was provided to CIDA over four years for the third component of Canada's International Strategy relate to 'climate change development assistance projects aimed at engaging developing countries in climate change activities and fulfilling some of Canada's commitments to assist developing countries and economies in transition in addressing issues related to climate change'. Programming under the fund is regrouped under four themes: reduction of greenhouse gas emissions which cause climate change; storage of carbon 'sinks' such as forests, agricultural soils and wetlands; reduction of vulnerability to the adverse effects of climate change (such as drought, flooding, sea-level rise); and core capacity building for climate change.¹³</p>

¹¹ Ibid.

¹² Discussion with CIDA representative June 2000.

¹³ CIDA. \$100 million Canada Climate Change Development Fund. Undated.

Country/ Organization	Main Strategy and/or Initiative
Denmark	<p>Under the Strategy for Danish Environmental Assistance, which cover the activities of both Danced and Danida, Denmark's activities in environment are related to thematic areas which include: urban development and industrialization, sustainable use of energy, agriculture, water resources, biological diversity and Coastal zones.¹⁴ While Danced activities are explicitly focused on environmental cooperation (in South East Asia and Southern Africa mainly), it should be noted that Danida provides environmental sector programme support in Nepal, Bhutan, Egypt, Bolivia and Nicaragua, while environment is also considered a cross-cutting issue in all its bilateral development assistance (covering countries in Asia, Africa and Latin America).¹⁵ Initiatives are based in the global priorities that emerged from the Rio Conference, and were formulated in Agenda 21, the Convention on Biodiversity, the Climate Change Convention and the Desert Convention as well as other international conventions.</p> <p>Environmental management and capacity development is a clear focus under each of the subjects and involve supporting in particular the development of environmental expertise and administrative capacity at various levels in countries where Denmark supports cooperation activities.:</p> <p><i>In the particular case of Biodiversity conservation, capacity development focuses on:</i></p> <ul style="list-style-type: none"> • Support for expanding the capacity of institutions and authorities dealing with legislation, administration, mapping, integrated planning, monitoring and management of sustainable use of nature areas in relation to all target areas • Support for education and involvement of local population groups in planning as well as realization of projects, combined with recognition and use of specific local knowledge • Support for activities that will give local and indigenous peoples their share of the benefits from protecting biodiversity or using it in a more sustainable way, for example sustainable hunting practices. Initiatives could also support local processing of natural resources, including natural medicine, to ensure that the value added will be retained in the local community • Support for measures ensuring that indigenous or local people will have their fair share of the benefits from commercial exploitation of their knowledge and discoveries of the values inherent in biodiversity.¹⁶

¹⁴ Danida and Danced. Strategy for Danish Environmental Assistance, Copenhagen. Undated

¹⁵ E-mail communication from Danida representative, 25 July 2000.

¹⁶ Danida and Danced. Strategy for Danish Environmental Assistance, Copenhagen. Undated

Country/ Organization	Main Strategy and/or Initiative
<p>Denmark (cont'd)</p>	<p><i>With respect to climate change</i></p> <p>Environment-related development activities in developing countries supported by Denmark include sustainable utilisation of land and natural resources and the protection of water catchment areas. Other measures cover the development of environmental expertise and administrative capacity, reducing air and water pollution, forest management, renewable energy, and making energy production and waste treatment more efficient.</p> <p>More generally, and in addition to the Danced and Danida programmes, the Danish Environmental Protection Agency has supplied expert assistance and training to foreign environmental authorities and organisations since the 1980s. The basic strategy has hitherto been to build up or extend a central environmental administration or similar central state organisation to control environmental conditions right from the start of specific development projects. As such, programmes are not specifically directed towards Climate Change issues. However, as sustainable development is one of the guiding principles, in the long term the outcome of the programmes will also have an impact related to Climate Change. Through these programmes, Danish environmental administration, monitoring systems and consultancy have been transferred and adjusted to the culture, traditions and special environmental problems of individual countries. This form of know-how transfer is relatively long-term process and the direct Danish effort is, therefore, supplemented by local training and education by national experts. The Danish Environmental Protection Agency's export of know-how and expertise has included support for the reorganization of national environmental protection agencies and support for environmental administrations.</p> <p>The Danish Government is also in the process of strengthening cooperation with small island states. The cooperation aims at strengthening the capacity of relevant regions with regard to renewable energy, climate change issues and information dissemination.¹⁷</p> <p>To conclude, In addition to these specific strategy, on should note the special efforts done by both Danced and Danida in further mainstreaming CD tenets in their activities, both through the development of tools as reviewed in section IV of this report and through a major workshop the two organisations jointly held in May 1998 in Snekkersteen, Denmark. The workshop was meant to raise awareness amongst their staff and partners regarding the challenges and emerging approaches to CDE, and to discuss Danish assistance to CDE and the lessons learned from experiences.¹⁸</p>

¹⁷ Ministry of Environment and Energy. Denmark's Second National Communication on Climate Change. Submitted under the United Nations Framework Convention on Climate Change. Copenhagen.

¹⁸ DANIDA/Danced. International Workshop on Danish Assistance to Capacity Development in Environment. Snekkersten. Denmark 12-14 May 1998. Workshop Proceedings. Copenhagen. 1998.

Country/ Organization	Main Strategy and/or Initiative
<p>Department For International Development (DFID)</p>	<p>DFID supports global environmental capacity development issues through a variety of means. One of The Department's five priorities in assistance to Countries in Transition is to assist them meet the obligations imposed by international environmental agreements. DFID is engaged in a number of projects in the energy and sustainable agriculture sectors in various regions. It is for instance involved in energy sector projects aimed at stimulating sustainable improvements in energy efficiency and go towards helping developing country parties meet their international obligations. Although support to global environmental capacity development issues does feature strongly in DFID's work, the aims and objectives of the international environmental conventions are engaged principally through its bilateral programme, often as one element in a particular project. In any event, DFID regards capacity development as integral to project design.</p> <p>For instance, identifying capacity needed to fulfill objectives might be with respect to the production and use of knowledge in a particular context. These have sought to utilise the teaching and training capabilities in the UK higher education sector. New information and communication technologies provide the means to apply UK expertise more effectively to meet the knowledge and skills needs of developing countries. In effecting this DFID has committed to longer term funding of programmes, better facilitating collaborative arrangements with country programmes around the objective of capacity building and allowing for the establishment of long term and meaningful relationships with southern institutions. Programmes are pursued through addressing questions of institutional management and organization and the ability to collaborate with others to deliver certain objectives.¹⁹</p>

¹⁹ DFID. Response from Representative. 6 April 2000.

Country/ Organization	Main Strategy and/or Initiative
European Commission (EC)	<p><i>With regard to capacity development in general:</i></p> <p>In the EC assistance program, the Partnership Agreement states that: co-operation shall pay systematic attention to institutional aspects and in this context, shall support the efforts of the ACP states to develop and strengthen structures, institutions and procedures that help to: (among others) ensure transparent and accountable governance and administration in all public institutions; improve capacity to analyze, plan, formulate and implement policies, in particular in the economic, social, environmental, research, science and technology and innovation fields; and to develop capacity in other critical areas such as international negotiations. Co-operation shall span all areas and sectors of co-operation to foster the emergence of non-state actors and the development of their capacities; and to strengthen structures for information, dialogue and consultation between them and the national authorities, including at regional level.²⁰</p> <p>The most important measures include identifying country specific priorities and addressing them within the framework of comprehensive national strategies for sustainable development. Other activities should include capacity building for designing and implementing policies and measures, and for training, monitoring and reporting on progress, and collaboration on research and technology development. Linked to this is the need for the Community to identify opportunities to strengthen capacity of developing countries to negotiate emerging environment agreements, to participate fully in relevant international fora (for example the United Nations Environment Programme and the United Nations Commission on Sustainable Development), as well as to prepare their negotiating positions within like-minded groups, for instance the Alliance of Small Island States.²¹</p> <p>In the following areas, aid could have a synergistic role in supporting also the objectives of the Climate Convention:</p> <ol style="list-style-type: none"> 1. Support developing countries in preparing appropriate policies and national climate change plans, including necessary scientific research and technology development, which integrate climate change objectives into other sustainable development objectives.

²⁰ Communication with EC Representative. 11 May 2000.

²¹ EC. Integrating environment and development into economic and development co-operation.

Country/ Organization	Main Strategy and/or Initiative
<p>European Commission (cont'd)</p>	<p>2. Aid supported co-operation programmes should mainstream climate change concerns during country programming and identification, appraisal, preparation and implementation of macro-economic and sector programmes and projects. Priority should be given to those interventions, which support both developmental objectives and climate change concerns so that aid becomes 'climate friendly'.</p> <p>3. Project preparation should include systematic screening of projects in order to identify additional project components or investments, which would provide additional benefits with respect to climate change. In such cases, the necessary incremental finance should be sought from the GEF.</p> <p>4. However, in accordance with their own development priorities the partner countries can also allocate ODA or OA to specific interventions in the context of climate change, for instance capacity building (including capacity needed in the preparatory phases of AIJ projects), science and technology, monitoring of emissions, mitigation, avoidance and adaptation. The specific role of the public sector in these areas should be justified on a case-by-case basis.</p> <p>Other public funds not directly targeted towards non-Annex I countries include public support to research and technology development, including the demonstration of innovative technologies, of the Annex I Parties. The results of such activities could also benefit developing countries if the collaboration with them is enhanced. Development assistance could be used, where necessary and appropriate, in order to disseminate good practices and to scrutinize the appropriateness of pilot technologies for non-Annex I countries.</p> <p>Aid could more specifically assist in preparatory activities for JI and CDM, including the definition of rules and modalities, for instance through the capacity building support notably in connection with AIJ projects. Through relevant capacity building activities, ODA funds could play an indirect role in balancing the geographical spread of AIJ projects.</p> <p>Developing sector specific measures and facilitating experience sharing on such measures within the EU and among developing country partners and economies in transition. Many opportunities exist within the EC sector programmes with the non-Annex I countries and the Annex I countries which belong to the economies in transition. This will require a thorough dialogue between sectoral and environment services. Initial starting points for such a discussion include:</p>

Organization	Main Strategy and/or Initiative
<p>European Commission (cont'd)</p>	<ol style="list-style-type: none"> <li data-bbox="378 270 1469 569">1. In the energy sector. Co-operation activities should further integrate climate considerations and energy should be integrated in a sustainable manner to the infrastructure projects in developing countries. Also, on the management side continued emphasis should be put in activities assisting in the creation of local-capacity building for energy management, planning and policy formulation and for implementing the right market incentives. Comparable emphasis should be placed on the demand side in order to implement equal availability and accessibility to energy in ways that are both socially and environmentally acceptable. <li data-bbox="378 579 1469 951">2. In the transport sector awareness raising and institutional capacity building is needed to promote consideration of climate change issues in decision-making. Particular emphasis should be put on achieving a better understanding of environmental processes and on improving the collection of environmental information with a view to providing a basis for action in this field. Institution building should aim at improving the endogenous technical capacities for the formulation and implementation of appropriate and sustainable transport policies. Other challenges include creating systems for environmental monitoring and control, and regulatory development and related enforcement to ensure compliance with a wide range of instruments developed by the various international organisations.²² <p data-bbox="378 1003 1469 1234">To conclude, at a general level, the EU and its Member States are funding a wide range of bilateral and multilateral climate change capacity building projects in developing countries. Much climate change related capacity building activities are integrated into development co-operation sector programmes, e.g. energy, environment and agriculture sector programmes. The EU and its Member States in co-operation with developing country partners has gained extensive experience in capacity building in developing countries in the area of climate change</p> <p data-bbox="378 1287 1469 1388">The EU believes it essential to identify the needs, existing capacities and capacity building activities and invites developing countries to come forward with examples for what they consider as best practice in capacity building.²³</p> <p data-bbox="378 1440 1469 1682"><i>Biodiversity Strategy now under preparation:</i> The Community should support capacity building for trade negotiators from developing countries to be fully aware of potential environmental implications of trade measures. The capacity of developing countries to identify and seek their legitimate rights in relation to the intellectual property rights provisions of the Convention on Biological Diversity will be addressed in the biodiversity action plan currently under preparation.²⁴</p>

²² EC. EC Economic and development Co-operation: responding to the New Challenges of Climate Change.

²³ Submission by Portugal on Behalf of the European Community and its Member States on Capacity Building: A compilation of best practices in the EU. March 2000.

²⁴ E-mail communication with EC representative. 11 May 2000.

Country/ Organization	Main Strategy and/or Initiative
European Bank for Reconstruction and Development (EBRD)	<p>EBRD has a limited capacity development mandate. However some activities in this area. Probably the most significant relates to their investments in Financial Intermediaries (FIs). The Bank's FIs are required to adopt and implement environmental procedures to ensure that the Bank's environmental mandate is implemented in the full range of its activities. To assist in this, the Bank has created the PHARE/TACIS "Technical Co-operation Framework Contracts for the Development of Environmental Due Diligence in Financial Intermediaries", which have been operating since August 1994. These are a key tool in ensuring that the Bank's FIs have both the capability and commitment to carry out environmental appraisals and monitor the environmental component of their activities. Through this programme the Bank is able to provide its FIs with advice and training in how to conduct environmental due diligence on potential investments. The FIs are provided with environmental manuals that give the credit and investment officers a simple and comprehensive set of guidance and tools to perform environmental due diligence. The training also includes more comprehensive coverage of environmental standards and the impact of harmonization with the EU (where appropriate), and more emphasis on the opportunities associated with the financing of environmentally beneficial projects.²⁵</p>

²⁵ EBRD. Response from representative. 27 March 2000.

Country/ Organization	Main Strategy and/or Initiative
France	<p><i>Overall view on French Assistance with Respect to the Biodiversity:</i></p> <p>France integrates the environment and biodiversity conservation in its overseas development aid programmes.</p> <p>With respect to biodiversity, in addition to the work of the Ministère des affaires étrangères (MAE) and Fonds français pour l'environnement mondial (FFEM) reviewed in detail later below, France conducts in particular an active policy on overseas co-operation in the field of management and conservation of water and aquatic ecosystem resources i.e. types of environment that are particularly suitable for biodiversity in all regions of the world, especially tropical regions.</p> <p>At this level, one of the capacity development priorities under French co-operation is to promote an international action programme on freshwater, combining three major thrusts: applying recognised principles of water resources management at international level, developing decentralised co-operation and strengthening or extending existing legal instruments following the UN/ECS Convention on the Protection and Use of Transboundary Watercourses and International Lakes. France also provides assistance to set up Water Agencies (i.e. public agencies for water management established at the level of the major river basins). The approach advocated by the Water Agencies contribute to conserving biological diversity, especially in the aquatic environment</p> <p>France also ensures that biodiversity conservation is an integral part of research for development of the countries with which it co-operates. Through its public research institutes – particularly the International Centre for Co-operation on Agronomic Research for Overseas Development (CIRAD) and the French Institute for Scientific Research in Overseas Development and Co-operation (ORSTOM), France provides international assistance aimed at conserving and managing biological diversity.</p> <p>Transferring knowledge on biodiversity protection and management also increasingly occurs with new French actors, whose skills are internationally recognised²⁶</p> <p><i>Overall view on French Assistance with Respect to the Climate Change:</i></p> <p>In the field of Climate Change, in addition to the work of the FFEM, French assistance plays an especially important role in the forestry area, in particular in Central Africa, which includes both financing of support and investment projects by</p>

²⁶ The French Republic. French Report on the Convention on Biological Diversity. National Report December 1997.

	the Agence Française de Développement and the MAE and the implementation of scientific cooperation programs. ²⁷
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²⁷ The French Republic. Second National Communication of France under the Climate Convention. November 1997.

Country/ Organization	Main Strategy and/or Initiative
<p>France (cont'd)</p>	<p><i>Le Ministère des affaires étrangères (MAE)</i></p> <p>The MAE, within the French development assistance structure, deals essentially with technical cooperation and institutional support activities and is, thus, the channel through which most of the capacity development work under French assistance takes place.</p> <p>The Ministry deals with both local and global agendas, looking both at on the ground activities and the Global environmental negotiation issues. Work on capacity development issues is taking place at both levels.²⁸ At the local level, French assistance promotes integrated management capacity of natural resources. The French cooperation program in support of natural resources management covers six main fields of interventions:</p> <ul style="list-style-type: none"> • Environment information systems • Fisheries • Tropical Rain Forests • Water resources • Fauna and biodiversity; and, • Energy²⁹ <p>In support to biodiversity conservation in particular, the French cooperation approach is to support, within the framework of negotiation processes, new forms of management, more decentralized that allow the involvement of all actors including: private sector, local communities and administrations. This involves new ways of looking at the economic potential and multiple uses of flora and fauna and their integration within the local economic development rather than as enclaves.³⁰</p> <p>In the field of desertification: efforts are through the promotion of an integrated approach to resource management and use. L'Observatoire du Sahara et du Sahel (OSS) for instance plays a role in capacity development. The mission of the OSS is to favour the development and the valuation of knowledge of its partners, in order to help ensure an optimal utilisation of the means to combat desertification. In order to do this, the OSS stimulates the scientific and technical know-how of African countries and improve the effectiveness of the resources involved, whatever their origin.³¹</p>

²⁸ The French program tends to use the expression 'développement des compétences' (competency development).

²⁹ Interview with Representative from MAE. May 2000

³⁰ Emmanuelle Leblanc et Pierre Icard. Environnement et gestion des ressources naturelles. *in* Environnement Chapitre 18. Mars 2000.

³¹ OSS. L'Observatoire du Sahara et du Sahel.

Country/ Organization	Main Strategy and/or Initiative
<p>France (cont'd)</p>	<p>At the global level, French cooperation tends to provide support for the development of the Southern negotiators capacity. The efforts of the Ministère take the form of training and awareness raising on global issues as well as information dissemination in French. For instance, since 1998, French cooperation has been organizing each year, a Francophone Workshop on the Climate Change negotiations. The 2000 workshop is planned for Casablanca. In the case of Biodiversity, a number of side events to the CoP negotiation sessions have been conducted in French.</p> <p>Complementary to those activities, the Ministère also supports the production and distribution of various didactical support materials and other publications related to the global issues and their associated negotiation processes. It funded the preparation and publication of the following documents in an effort to raise awareness and knowledge of issues related to global environment problems. Publications included:</p> <ul style="list-style-type: none"> • IIDD. Bulletin des Négociations de la Terre. Winnipeg. Various numbers and years. • UNESCO. Programme Gestion des Transformations Sociales. Mondialisation et développement durable: Quelles instances de régulation. 12 fichiers pour comprendre, anticiper, débattre. Paris. 1998. • Aménagement et Nature, La désertification. No.129. Paris. Juin 1998 • Aménagement et Nature, Biodiversité et ressources génétiques. No.135. Paris. Décembre 1999. <p>In addition, the department supports the cost of participation of a number of developing country participants from Africa to the CoP to help ensure their active participation in the process.</p> <p>To conclude, French cooperation work more and more on raising the discussion and reflection, in partnership with developing countries, on a number of associated central issues. For instance: Biodiversity and intellectual property, valuation of biodiversity resources for the benefit of local populations. In relation to climate change, issues such as CO2 quotas and equity, the use of economic instruments, and the use of exchange permits are raised.³²</p>

³² Interview with Representative from MAE. May 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>France (cont'd)</p>	<p><i>Fonds Français pour l'Environnement Mondial (FFEM)</i></p> <p>The FFEM is essentially the French Cooperation bilateral equivalent of the GEF. The FFEM has nevertheless two specificities vis-à-vis the Multilateral GEF.</p> <p>1) It is in support to development projects. It allows the integration of global environmental concerns in development projects. Contrary to the GEF, it is not open to project which have as their main objective the preservation of the global environment. This is done within the framework of a willingness to conciliate development priorities and environmental concerns.</p> <p>2) The intervention modalities of the FFEM are based on a dynamic and pragmatic conception of the criteria, and in particular of the incremental costs and additionalities, based on the notion of learning.</p> <p>The FFEM aims at annual commitments of 110 millions Francs under its second phase (1999-2002)- for a total of 440 million FF, of which about 35% will be directed at climate change and 30% at biodiversity preservation. Africa remains a priority with 43% going to sub-Saharan Africa and 19% to the Magreb-Mediterranean region.³³</p> <p>Given its mandate, the FFEM does not as such finance pure capacity development activities. However, the Fund makes a special effort to encourage the development of capacity development components within the projects it supports, to complement the investment aspect. In such cases, partnership in management is sought with the Ministère des Affaires Étrangères which is equipped to deal with technical cooperation and capacity development aspects.³⁴</p> <p>In climate change, in addition to traditional FFEM activities in support of key factors structuring energy consumption and carbon sequestration activities, the FFEM will give increased attention to the two following areas:</p> <ul style="list-style-type: none"> • Support to ownership processes and technology transfer • Development of innovative tools for the financing of energy efficiency projects. <p>In the biodiversity area, according to the FFEM, the two themes in need of more focus include:</p> <ul style="list-style-type: none"> • Sustainable value given to biodiversity by local populations and the sharing of benefits <p>Support to the preservation of biodiversity within as well as outside protected areas, through integration in development projects.</p>

³³ FFEM. Seconde phase du FFEM (1999-2000). Document de cadrage. Paris. Novembre 1999.

³⁴ Interview with FFEM representative. May 2000.

Country/ Organization	Main Strategy and/or Initiative
France <i>(cont'd)</i>	<p>In addition, special efforts will be made to develop tools, methodologies and adapted criteria to better integrate biodiversity and climate change related factors in forestry projects as well as in desertification projects. The integration of desertification concerns in biodiversity and climate change related actions is also imperative.³⁵</p> <p>In biodiversity:</p> <ul style="list-style-type: none">• The FFEM includes in its projects a number of actions on the institutional and legal set up as well as on the capacity in terms of conservation at both the local and national levels.• Land degradation activities are likely to become more in focus under the biodiversity portfolio, including deforestation and desertification in sub-Saharan Africa, with particular emphasis within the framework of rural development projects rather than stand-alone environment projects.³⁶

³⁵ FFEM. Seconde phase du FFEM (1999-2000). Document de cadrage. Paris. Novembre 1999.

³⁶ FFEM. Rapport Annuel 1999. Paris. November 1999.

Country/ Organization	Main Strategy and/or Initiative
<p>German Cooperation</p>	<p>As eluded to before, German development assistance has been playing a leadership role internationally, along with a limited number of other donors, in advancing the cause and the approaches to capacity development in environment. This leadership is reflected in the principles and guides developed through the DAC Task Force on Capacity Development in Environment. In general, those same principles pervade German development assistance work in environment, including on the global environmental issues.</p> <p>German Technical Cooperation Agency (GTZ) is now working on a major strategy paper on capacity development in environment due sometimes late fall 2000. It should also provide further details on its approach in this field in relation to the Global conventions.³⁷</p> <p><i>About climate change:</i></p> <p>The Federal Government, in consultations with governments of developing countries, has prepared a broad spectrum of measures that help prevent climate change and enhance responses to such change. These problem-solving strategies are focused especially on the sectors of energy, traffic and transport, industry, agriculture and silviculture. In addition, support is being provided for land-use planning in coastal areas and peripheries of deserts, and for a number of projects in support of waste avoidance, recycling and proper disposal.</p> <p>With respect more specifically to capacity building in relation to climate change activities, strengthening of local capacities is served in particular by measures such as know-how transfer; organisational development; and advising, training and education of local experts and managers. Especially important focuses of capacity development also include environmentally oriented management methods, distribution of environmental information, conflict management and the application of market-economic instruments of environmental policy. In addition, know-how is provided, and jointly developed, that supports networking between actors in state and non-state sectors.³⁸</p> <p>In addition to this broader picture, one can note the following initiative under German technical assistance:</p> <ul style="list-style-type: none"> • Since 1992, the GTZ project 'Measures to Implement the UNFCCC' supports developing countries with advisory services, institutional strengthening support, training and financial support to meet their obligations under the Climate Change Convention. In the next phase, 1999-2001, the programme aims at assisting partner countries in the formulation of national and sectorial recommendations and in innovative cost-effective project approaches.

³⁷ GTZ. Response from Representative. March 2000.

³⁸ Federal Republic of Germany. Climate Protection in Germany. Second Report of the Government of the Federal Republic of Germany Pursuant to the United Nations. Bonn. April 1997.

Country/ Organization	Main Strategy and/or Initiative
<p>German Cooperation (cont'd)</p>	<p>This can support partner countries, institutions and private enterprises to implement their commitments to the Convention in an effective, coherent and sustainable manner. For instance, individual assistance in communication, networking, knowledge management and technical questions with regard to the climate regime can be provided by this project.³⁹</p> <p><i>About biodiversity:</i></p> <p>Under German assistance, The Convention on Biological Diversity has a major influence on the design of bilateral financial and technical cooperation projects in the fields of nature conservation, forestry, agriculture and fisheries. Through its financial and technical cooperation, the Federal Government supports some 150 projects in which conservation and sustainable use is either the main focus or at least one of the major components. As of March 1998, between around DM 150 and 200 million had been provided for these projects.</p> <p>In the area of conservation, the following measures and activities are commonly supported by German cooperation: development and promotion of nature conservation strategies and instruments; establishment of effective institutions and organisations in the field of nature conservation; promotion of the status of nature conservation within society; and management of conservation areas.</p> <p>In the area of forestry, capacity development efforts include: support for the improvement of developing country forestry policies and planning programmes and the relevant framework conditions; efforts to solve disputes over the use of tropical forests by means of consensus-oriented forest strategies; and equitable sharing of the benefits and burdens of tropical forest management; support to multi-sector projects aimed at improving the use of land and resources at regional and local levels; and, support to National and other comprehensive forest programmes. Since 1988, the German government has multiplied by three the funds available for forest-related projects in development cooperation. With an annual DM 250-300 million earmarked for this purpose and the contributions made as part of European and multilateral commitments, Germany is one of the world's largest financial donors in this sector.</p> <p>In the area of agriculture, capacity development efforts are found inter alia in the following activities: developing national and regional strategies and plans of actions; building or consolidating suitable local, national and regional capacities and structures; advising on technical, economic, legal and bio-safety matters; providing basic and advanced training; and facilitating supra regional cooperation through networks.</p>

³⁹ GTZ. International Initiatives on Climate Change. Web site: www.gtz.de

Country/ Organization	Main Strategy and/or Initiative
<p>German Cooperation (cont'd)</p>	<p>In the area of fisheries, capacity development is more specifically taking place through projects aimed at: integration of aquaculture in farming systems in-land areas and on the coast; advice on issues of policy and management, including the monitoring of resource utilisation; and the development of appropriate concepts for the sustainable use of mangrove swamps for fishery and aquaculture purposes.</p> <p>Other areas where capacity development is promoted include supra-regional projects for the implementation of the Convention on Biological Diversity and research. The intention of the supra-regional projects (which is a form of sector project) is to enable selected institutions in developing countries to implement the key aspects of the Convention.</p> <p>In research, the emphasis is on practice-oriented research the intention is to remedy gaps in knowledge on the interplay of factors in tropical ecosystems and to improve project planning. For instance, as part of a further, supra-regional project entitled 'Promotion of Tropical Forest Research' which concentrates on the regions of South America and South-East Asia, the Federal Ministry for Economic Cooperation and Development provides financing for the following: support from forestry scientists for natural forest management and afforestation measures; amassing of traditional knowledge on the forest; and, identification, development and marketing of new forest products. GTZ also supports other related research projects.</p> <p>In addition to those bilateral activities, the German Government also supports a number of international NGOs and Multilateral organisations conducting related efforts.⁴⁰</p>

⁴⁰ Federal Environment Ministry. Federal Government Report under the Convention on Biological Diversity. National Report on Biological Diversity. Bonn. March 1998.

Country/ Organization	Main Strategy and/or Initiative
Inter-American Development Bank (IDB)	<p>Under the Eighth General Increase in the resources of the IDB (1994), strengthening environmental management was given considerable attention. To make this mandate operational in light of changing political and economic circumstances, the Bank decided to develop a Strategy on Environmental Management. This strategy work was initiated in 1998 and will build upon various relevant sector strategy papers prepared during the last few years (such as Coastal Zone Management, Integrated Water Resources Management, Rural Poverty, Energy, and Sustainable Agriculture). The work will consist of two separate but related areas of attention: the first relates to environmental management by public institutions, the second to the role of the private sector in environment and natural resources.</p> <p>According to the bank, institutional fragility remains a key barrier to successful environmental management in Latin America and the Caribbean. Among the more visible factors are:</p> <ul style="list-style-type: none"> • little awareness of environmental problems and their consequences; • overlapping mandates among related sectorial agencies; • decentralization of responsibilities to local public institutions that lack the structures and capacities to deal with changing circumstances; • inadequate opportunity for public participation in environmental reviews; • scarcity of systematic and qualified monitoring; • weak or poorly utilized information systems and insufficient planning; and, • inadequate environmental standards, procedures, and above all, enforcement. <p>Within the framework, the Bank now looks at capacity development from a country and system perspective, but considers specifically issues of decentralization including looking at environmental management from the point of view of the role of state and municipal levels. Within that context, the Bank is also discussing lending directly to local government to develop financing tools adapted to its new focus on decentralization.</p> <p>Specifically in relation to climate change, to analyze the options available to the Bank to participate in establishing and implementing the Clean Development Mechanism (CDM) in support of its borrowing member countries, the Bank held the forum 'A regional Approach to the Kyoto Challenge: the Role of the IDB' on September 29 and 30, 1998. The forum presented background information on</p>

Country/ Organization	Main Strategy and/or Initiative
Inter-American Development Bank (IDB) (Cont'd)	<p>several aspects related to CDM as well as the activities of the other multilateral organizations on climate change and their role regarding the CDM. Also discussed were different views on private sector opportunities for investing in Latin America through the CDM and proposals for possible Bank activities. The Forum recommended that the Bank take action in the following areas: (i) capacity building and technical support, (ii) information networks, and (iii) risk reduction for private sector investment.⁴¹</p> <p>Climate Change Initiative</p> <p>The countries of Latin America and the Caribbean face considerable challenges when it comes to defining what role they should play to mitigate climate change. The Bank's initiative, aimed at assisting the region to address this challenge, anticipates strengthening the capacity and ability of the countries to enable them to take advantage of the new opportunities offered by the markets. Therefore, the key issues of a document now being prepared are climate change, energy efficiency, renewable energy, carbon accumulation, carbon financing, and sustainable development in the region. Furthermore, new opportunities emerging in the climate change markets sector will be analyzed and discussed in order to determine the anticipated efficacy of the Bank's climate change initiative from the perspective of the public and private sectors.⁴²</p> <p>Early indications regarding the Bank Action Plan on climate change suggest that future efforts will focus on three axis:</p> <ul style="list-style-type: none"> • Mobilizing Resources and Developing Strategic Partnerships • Incorporating Climate Change Challenges and Opportunities into the Bank's Activities • Promoting Regional Knowledge and Capacity. This last level in particular will focus on: <ul style="list-style-type: none"> ○ Assessment of the region's Comparative Advantage through a Research network ○ Capacity Building to deal with country obligations and opportunities, including the Clean Development Mechanism; and, ○ Research and Adaptation needs⁴³

⁴¹ Inter-American Development Bank. Environment and Natural Resources Divisions. Annual Report on the Environment and Natural Resources. Washington DC.1998.

⁴² Inter-American Development Bank. Annual Report on the Environment and Natural Resources 1999.Washington, D.C. 2000.

⁴³ IDB. Responding to Climate Change: Proposed Action Plan of the Inter-American Development Bank. 1st Draft. 2000.

Country/ Organization	Main Strategy and/or Initiative
Inter- American Development Bank (IDB) (Cont'd)	<p>Biodiversity:</p> <p>In biodiversity, it is the approach of the Bank to include most capacity development activities as part of a larger Bank operation. For instance, a road project might have as one of its components the establishment/management of a national park. A number of activities also focus on the development of strategies, policies and plans for biodiversity preservation. Activities are also undertaken in relation to awareness raising and information dissemination on the international conventions. Capacity development activities related to biodiversity can also address the private sector involvement. For instance, The Multilateral Investment Fund (MIF) which supports private sector initiatives, such as e.g. assisting small entrepreneurs in small biodiversity tourism endeavors.⁴⁴</p>

⁴⁴ Interview with IDB representative. May 2000.

Country/ Organization	Main Strategy and/or Initiative
Japan	<p><i>About Japan's development cooperation general approach:</i></p> <p><i>Support in mitigation of GHG emissions</i></p> <p>Japan recognizes the importance of efforts to enhance capacity for significant participation of developing countries and countries with economics in transition to combat global warning. Therefore, Japan has helped them mitigate GHG emissions effectively taking into account the implementation of commitments under the convention. Japan also notes that developing countries have strong needs for capacity building related to CDM that will give themselves opportunities for sustainable development, environmental integrity, investment and other relevant benefits. Japan implements various types of projects and programs to help many developing countries enhance environmental integrity not only for the mitigation of GHG emissions but also for other environmental improvements such as air pollution abatement. The following are several examples of Japanese cooperation including financial support programs, projects improving efficiency, and joint research and development.</p> <p><i>Financial and technical support</i></p> <p><i>The Kyoto Initiative</i></p> <p>Japan has implemented the Kyoto initiative, a comprehensive medium- and long-term plan for environmental cooperation, which Japan announced in 1997. The Kyoto Initiative aims at strengthening environmental cooperation that focuses on assisting developing countries in combating climate change. The philosophy of the Kyoto Initiative is based on global human security, ownership and partnership as well as sustainable development. As part of the Kyoto Initiative, Japan has implemented, among others, cooperation in capacity building and transfer of technology know-how:</p> <ul style="list-style-type: none"> • Over the five-year period beginning in FY 1998 Japan plans to train as many as 3,000 experts in fields related to climate change. More than 1,000 experts were trained in FY 1998 alone. • Various programs for technology transfer are being implemented including those for sustainable forest management and efficient use of energy.⁴⁵

⁴⁵ Government of Japan. Japanese Cooperation in Capacity Building. Submission to the Climate Change Secretariat. 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>Japan (cont'd)</p>	<p><i>Biological Diversity:</i></p> <p>In the field of biological diversity, in order to support the development of systems and organizations for the conservation of biological diversity, capacity building and establishment of basic information on biological diversity, Japan is promoting the preparation of facilities and transfer of the relevant technology and know-how.</p> <p>Also recognizing that the activities of the private sector have played an important role in the conservation of biological diversity and sustainable use of bio-resources, the activities of the private sector in developing countries will be supported by the Japanese Government.</p> <p>In support of the Biodiversity Convention, Japan more generally provides assistance in:</p> <ul style="list-style-type: none"> • Cooperation for Wildlife Conservation and Protected Areas Management: including support for centres for conservation of biological diversity, development of conservation and management plans and capacity building and training; • Cooperation in Agriculture, Forestry and Fisheries including participation in the activities of the Commission on Genetic Resources for Food and Agriculture of FAO, joint research collaboration with developing countries on conservation and use of genetic resources, study on new forest management methods, and marine resources management; and, • Cooperation for Conservation of bio-resources in Tropical Zones including support for joint studies for the conservation of species and the sustainable use of genetic resources and biotechnology.⁴⁶ <p><i>About Japan International Cooperation Agency (JICA):</i></p> <p><i>Global warming:</i></p> <p>JICA believes it will be necessary to raise awareness of the problem of global warming in developing countries while at the same time transferring and disseminating relative technology as part of a sustainable development plan. JICA is conducting courses in countermeasures against global warming and preventive technology with the aim of raising the capabilities of developing countries to deal with the problem.</p>

⁴⁶ The Government of Japan. The First national Report under The Convention on Biological Diversity. December 1997.

Country/ Organization	Main Strategy and/or Initiative
<p>Japan (cont'd)</p>	<p><i>Capacity development</i></p> <p>JICA is engaged in acceptance of trainees, project-type technical cooperation, and dispatch of experts and Japan Overseas Cooperation Volunteers (JOCV) to developing countries for the purpose of providing human resources development aimed at giving these countries the skills to manage environmental problems on their own.</p> <p>In addition to previously implemented group training courses in anti-pollution measures and waterworks/sewage maintenance, in recent years JICA has been conducting training courses that deal with management of global environmental problems, such as “countermeasures against global warming”, “monitoring of acid deposition”, and “preservation of coral reefs”. In FY 1998 group training courses in 97 environmental fields were implemented in Japan.</p> <p>To enhance comprehensive environmental management capacity in developing countries, JICA is carrying out the following research centre projects: the Environmental Research and Training Centre in Thailand (completed in March 1997), The Japan-China Friendship Environmental Protection Centre in China, the Environmental Management Centre in Indonesia, the National Centre for Environmental Research and Training in Mexico, the National Centre for Environment in the Republic of Chile, and the Environmental Monitoring Training Project in Egypt.⁴⁷</p> <p><i>Aid Channels</i></p> <p>JICA’s plans on strengthening the linkage between different schemes such as capital grant aid and project-type technical cooperation to obtain maximum effectiveness. In this context, JICA will make efficient use of existing and planned environmental centres, and give active consideration to the establishment of new centres. These centres will be conduits for effective transfer of environmental technology.</p> <p><i>About the Japan Bank for International Cooperation (JBIC):</i></p> <p>JBIC’s medium term policy on overseas economic cooperation operations includes supporting sustainable development through capacity building for global environmental issues including climate change.⁴⁸</p>

⁴⁷ JICA. Environment, WID, and other Global Issues Division. Planning department. Environmental Cooperation of the Japan International Cooperation Agency (JICA). Tokyo. November 29, 1999.

⁴⁸ E-mail communication from Japanese representative. April 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>The Netherlands Ministry of Foreign Affairs</p>	<p>Under the Netherlands assistance program, capacity development is clearly a central issue. The Dutch have been part to the OECD/DAC work on capacity development and continue to promote advances within their program and internationally on capacity development programming and tools as can be seen from the various tools they have been developing.</p> <p>Within that context, they support the move towards sectoral and programme approach to improve coordination and coherence. They also champion the issue of mainstreaming convention related issues in both recipient country and donor country approaches. As part of this effort, they are now supporting efforts to mainstream convention related concerns into Environmental Impact Assessment procedures, training and other capacity development activities.</p> <p><i>In biodiversity:</i></p> <p>The Dutch Biodiversity policy aims for an integrated approach to biological diversity at all levels, as a basis for sustainable development. This is achieved through:</p> <ul style="list-style-type: none"> • Institutional strengthening of government departments, other organizations and NGOs which are working for the conservation of biological diversity, training, field projects, education and legislation. • International treaties such as the Convention on Biological Diversity, the World Heritage Convention, the Ramsar Convention, CITES, the Convention of Bonn and the Tropical Forestry Action Plan (TFAP), which provide implementation frameworks. • Full integration of biological diversity considerations into the major environmental instruments: <ul style="list-style-type: none"> - the environmental profile; - the environmental section in the country and region policy documents; - applying environmental criteria as part of the overall vetting of development projects. <p>As far as institutional strengthening in relation to biological diversity is concerned, issues which will have to be addressed are:</p> <ul style="list-style-type: none"> • the general policy of specific partner countries in relation to development cooperation; • policy and management in relation to specific ecosystems (aquatic, forests, etc.); • the incorporation of biological diversity aspects into sectoral policy (e.g. agriculture, forestry). <p>Overall, national policy is often already set out in the many national environmental plans, e.g. National Conservation Strategies, Environmental Action Plans and national TFAPs. It is more important to implement these plans than to make yet further plans. As far as the second issue above is concerned, support can be provided for strategies and activities for specific ecosystems, while the third issue can be addressed by providing support to the capabilities of sectoral organizations in integrating biological diversity aspects into both the elaboration and implementation of policy.</p>

Country/ Organization	Main Strategy and/or Initiative
<p>The Netherlands Ministry of Foreign Affairs (cont'd)</p>	<p>The Dutch programme recognizes important factors which limit the effectiveness of the institutional framework for the conservation and sustainable management of biological diversity, such as:</p> <ul style="list-style-type: none"> • an embryonic environmental policy, still in the early stage of development; • lack of data and expertise for the implementation of policy; • responsibility for biological diversity in the agriculture and forestry departments; • inadequate integration of environmental considerations into sectoral policy; • the junior position of the environmental ministry relative to other government departments. <p>Issues requiring attention include:</p> <ul style="list-style-type: none"> • the integration of biological diversity into macro-economic and sectoral planning; • land-use planning; • integrated planning at the district level⁴⁹ <p>The focus of the Dutch cooperation biodiversity strategy is now on mainstreaming biodiversity concerns into other sectors. In that respect, the Netherlands supports biodiversity related capacity development work in particular in the area of forestry (including tropical rain forests).⁵⁰</p> <p>The forest and forestry programme of Dutch development cooperation emphasizes a broadening of forest management into sustainable development. The programme aims at institutional strengthening of the government organizations responsible for forest management, participation of the local population in forest management and on sustainable forest management by the creation and management of protected areas and the stimulation of sustainable exploitation. Attention is also being given to socio-economic aspects of forest management, the role of forests and trees in sustainable land use, the significance for food security and the supply of firewood. Specific attention is given to the importance of forests for women and indigenous people, because they are, to a high degree, dependent on the sustainable use of the forests.</p>

⁴⁹ The Netherlands. Ministry of Foreign Affairs. Biological diversity. Sectoral policy document of Development Cooperation. No.8. The Hague. 1995.

⁵⁰ Interview with Representative. May 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>The Netherlands Ministry of Foreign Affairs (cont'd)</p>	<p>A great number of projects in the framework of the policy paper for tropical rain forests have only recently been started. These projects often combine special attention for the conservation of the rainforests with development components for the local population living around and from these forests. The new points of attention of sustainable forest management will receive a definitive follow-up through increased cooperation with the private sector and certification.⁵¹</p> <p><i>With respect to Climate Change:</i></p> <p>A strategy paper from the Netherlands on climate change and development cooperation is now in preparation. The Dutch approach focuses essentially on two aspects:</p> <ul style="list-style-type: none"> • Under the leadership of the Ministry of Environment: supporting the use of flexible mechanisms, such as CDMs, • Under the assistance programme: providing capacity building in LDCs. The Dutch commitment to CD for climate change is apparently dealt with mainly through the contribution to the GEF. The Netherlands cooperation programme is concerned through this contribution of making sure support is provided to LDCs in meeting their commitments under the Kyoto Protocol. <p>To complement the GEF enabling activities, The Netherlands assistance program has also funded a number of climate change studies in 17 countries. The studies were looking mostly at vulnerability assessments. An evaluation will be starting in July 2000 to look at what has come out of those projects. However, in terms of bilateral support for CD climate change activities, the Dutch program remains responsive to the demands of the LDC and is, thus, not integrating it as a specific priority of its bilateral assistance⁵²</p> <p>To conclude, the Dutch assistance programme has recognized that few agencies have yet made the link between soil degradation and the Climate change and Biodiversity convention. There is, they believe, a need to look at non-sustainable land use and tenure systems and the need to promote equal access and guaranteed tenure for land to adequately address the land degradation problem and its potential effect on global environmental issues.⁵³</p>

⁵¹ The Netherlands. Ministry of Foreign Affairs. Forest and Forestry: projects in the Development Cooperation of the Netherlands, 1996. Focus on development 5. The Hague. June 1997.

⁵² Interview with representative. May 2000.

⁵³ Ibid.

Country/ Organization	Main Strategy and/or Initiative
<p>Norwegian Agency for Development (NORAD)</p>	<p><i>Biodiversity Capacity Building priorities:</i></p> <p>Under NORAD's new Environment Strategy, there will be a greater focus on the sustainable use of natural resources and biological diversity instead of classical protection. The importance of a precautionary approach in the management and use of natural resources is emphasized.⁵⁴</p> <p><i>Priority areas for the conservation and sustainable use of biological diversity related to capacity development include:</i></p> <ul style="list-style-type: none"> • Implementation and follow-up of developing countries' commitments under the Convention on Biological Diversity and other international nature conservation agreements should be supported. This also applies to participation in relevant international processes • Contribution to the preservation of genetic diversity when this is an important resource base for sustainable development in the primary industries. A high-priority task is, therefore, to support the protection of genetic material both in the field and in local, national and regional gene banks, as well as, in plant and animal breeding • Support for monitoring and control in connection with the introduction of diseased organisms, pests, weed species and higher forms of animal life, as well as genetically modified organisms, will be important both in environmental efforts and in relation to international trade. These are aspects which should be emphasized in organizations which have the mandate to draw up guidelines for these issues • Research pertaining to the relationship between biodiversity and sustainable production processes • Measures that are initiated by or directly involve local population groups (particularly indigenous populations and their user rights). <p><i>Priority areas for Climate Change Capacity Building related activities include:</i></p> <ul style="list-style-type: none"> • Preparation of action plans for the implementation of international and regional agreements. Strengthening and development of the environmental protection administration, including the preparation of pollution laws and accompanying regulations, environmental standards, licensing systems, control routines, the development of strategies, action plans and use of instruments

⁵⁴ The Royal Ministry of Foreign Affairs. A Strategy for Environment in Development Cooperation 1997-2005. Oslo. 1997;and, Norway. Norway's Report on Implementation of the Convention on Biological Diversity. National Communication. Oslo. April 1998.

Country/ Organization	Main Strategy and/or Initiative
<p>NORAD (Cont'd)</p>	<p><i>The program: "special grant for expanded environmental cooperation" was started in 1995 and primarily covers countries in Asia. The aim of this grant is to:</i></p> <ul style="list-style-type: none"> • Establish priority areas for environmental cooperation (including global and regional problems as well as cooperation in the environmental technology field) with recipient countries • Strengthen the recipient country's institutional capacity and technical/economic basis for integrating environmental concerns so that the countries themselves are in a position to s their own environmental problems and to international commitments. <p><i>Also related to Capacity Building, research support includes research assistance for enhancing expertise in developing countries and support for research on development issues in Norway. An objective is to strengthen professional competence in the South based on developing countries' needs and priorities.</i></p> <p>Areas of focus include:</p> <ul style="list-style-type: none"> • Efforts to identify environmental research subjects in order to increase research competence and solve practical environmental problems • Legislation (establishment of legislation and environmental standards) • Establish/further develop national administrative bodies (which can follow up the legislation) • Resource identification • Land-use planning.⁵⁵

⁵⁵ Ibid.

Country/ Organization	Main Strategy and/or Initiative
<p>Organisation For Economic Co-operation and Development (OECD)</p>	<p>The Development Assistance Committee (DAC) of the OECD, in particular through its Informal Network on Institutional and Capacity Development and through the work of its Working Party on Development Assistance and Environment (WP-ENV), has been at the forefront of the debate and development in approaches and tools for capacity development in development assistance. A number of its publications are the subject of references elsewhere in this document and provide great sources of information on adequate and emerging donor approaches and tools in support of capacity development in environment.</p> <p>With respect to the global conventions in particular, at a recent workshop of the DAC Task Force on Global Environment Conventions discussing the Mainstreaming the Global Environment Conventions, a number of key conclusions and recommendations came out for further consideration by the DAC. They are provided below as an indication of emerging issues to be considered in approaching CD for global environmental issues as well as to inform on the potential future role of the DAC on these issues:</p> <p>According to the Workshop participants, further work should identify opportunities for harmonizing reporting by donor agencies (not meant here is an harmonized system of reporting). The Task Force on Global Environment Conventions proposes to the DAC Working Party on Development Assistance and Environment to initiate a discussion with the DAC Working Party on statistics for a pilot study on how to proceed with activities regarding the harmonizing of reporting.</p> <p>A call for dialogue and networking is also made, based on the identified need to stimulate communication between aid agency technical staff working in areas related to the conventions. This initiative is supporting the efforts for mainstreaming and synergies. Identifying synergies and creating awareness on the linkages between local concerns and global environmental problems, will stimulate communication between aid agency staff. Therefore, activities on this topic are process oriented and will stimulate the preparation of the envisaged policy orientations and a practical guide.</p> <p>The workshop report noted that the initiative for the workshop needs follow-up. Future activities should focus on specific subjects per workshop, like for mainstreaming in development co-operation programmes.</p> <p>Related to communication between aid agency technical staff, two other issues arose in the workshop:</p>

Country/ Organization	Main Strategy and/or Initiative
<p>Organisation For Economic Co-operation and Development (OECD) (cont'd)</p>	<p>First, the lack of communication between convention negotiators of developing countries and field level staff was noted. Negotiators often do not fully understand local concerns and constraints, and field level staff are not well informed about the significance or relevance of international agreements. A meeting (kind of stakeholder platform) with negotiators and field level staff plus local stakeholders might stimulate further understanding and awareness on these issues.</p> <p>Secondly, it was noted that there is often a lack of communication between sectoral Ministries in a developing country (institutional fragmentation). Formalized structures and meetings might solve this constraint. Donor agencies might stimulate a dialogue at the country level through for example, supporting national strategies for sustainable development (nssd) processes. These two specific actions (i.e. organizing a stakeholder platform and using the nssd to overcome institutional fragmentation), could be part of the mainstreaming effort.</p> <p>The Task Force also made the following recommendations to the Working Party on Development Assistance and Environment:</p> <p>The envisaged outcome of the work of the Task Force is to prepare a Policy Guidance for Headquarters of donor agencies, and a Practical Guide for field offices / embassies. Key issues that have been identified are: awareness raising and advocacy; performance assessment and accountability; costs and benefits of supporting implementation in developing countries; policy coherence; policy indicators and Environmental Impact Assessment/Strategic Environmental Assessment (EIA/SEA); global-local link, linkages with poverty eradication and identifying trade-offs; synergies with area-based approaches and nssd; donor co-ordination at the country level; ' national strategies for sustainable development, DAC WP-ENV Task Force on nssd, involvement of the private sector; institutional fragmentation ~ stakeholder platform. The Task Force also wants to identify means to harmonize reporting of contributions made by developed countries to the implementation of each convention in developing countries. A key issue here is the use of market-systems and reporting formats.</p>

Country/ Organization	Main Strategy and/or Initiative
Organisation For Economic Co-operation and Development (OECD) (cont'd)	<p>The Task Force also proposed to the Working Party to consider the following actions:</p> <ul style="list-style-type: none"> • Initiate a dialogue with the other WP- ENV Task Force leaders. Subject of discussion is to identify cross-cutting issues and initiatives between the work of the various Task Forces Working Party of the DAC. • Initiate a dialogue with the WP-STAT on how to proceed on the issue of harmonizing reporting. Efforts to harmonize reporting requirements warrant a separate discussion of its own which can be taken up in a separate workshop as might be necessary for other topics as well. • Stimulate a dialogue with the DAC POVNET and the UNDP Poverty and Environment Initiative. • Consider work on the EIA/SEA instruments, possibly with the help of members of the Interest Group on EIA, on how they may be used to enhance the implementation of the conventions in developing countries. • Initiate a pilot "stakeholder platform" to stimulate communication between convention negotiators from a developing country and local implementing staff and stakeholders (and to explore ways and needs). • Undertake the identified studies • Continue the dialogue and networking in relation to preparing the Policy Guidance and the Practical Guide for Field Offices for the mainstreaming and synergies initiative (related to the information obtained from the proposed studies.⁵⁶

⁵⁶ OECD/DAC. Task Force on Global Environment Conventions: Progress Report June 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>South Pacific Regional Environment Programme (SPREP)</p>	<p>SPREP, with majority core funding from Australia, is the focal point for coordinating responses by Pacific island countries to the many issues emerging from the climate agenda.</p> <p>SPREP gives priority to enhancing national capabilities and capacities with a view towards developing countries' own national climate policies to address climate variability and sea level changes. It is mandated to be the clearing, coordinating and where possible, the implementing organization on climate change and sea-level rise issues for the region.</p> <p>SPREP has an 'Impacts Program' that addresses the impacts and consequences of climate change on the people, economic, environmental and social sectors of the Pacific. Australia has funded a number of impacts and vulnerability studies⁵⁷</p>

⁵⁷ Australian Support for Capacity-Building activities in developing countries. Submission to the UNFCCC. 2000.

Country/ Organization	Main Strategy and/or Initiative
<p>Swedish International Development Agency (SIDA)</p>	<p>One of the objectives of Swedish development cooperation is to promote sustainable use of natural resources and protection of the environment. SIDA pursues environmental work along two main lines. One is to integrate environmental aspects and environmental thinking in all of its activities whenever possible. The other is through environment programming as such. In that respect, SIDA manages a special environmental appropriation which is primarily for method development, trials and pilot programmes, and for strategically important activities for which country framework funds cannot be used. In addition, SIDA also has a multilateral environmental appropriation for certain activities. SIDA works on both fronts when it comes to supporting the global conventions.</p> <p><i>Capacity development related to climate change:</i></p> <p>In January 1996, SIDA adopted an action programme for sustainable development with five priority theme areas, two of which are particularly relevant from a climate perspective: sustainable forestry and environmentally sound energy consumption and production.</p> <p>SIDA's spending authorization for 1997 stated that SIDA shall promote follow-up of the UNFCCC in its regular foreign aid. The organization also pursues some activities under its multilateral appropriation within the framework of UNFCCC.</p> <p>In terms of capacity development focus, SIDA supports the development of companies, environmental authorities, environmental organizations, research institutions and other bodies in the energy sector by strengthening their competence.</p> <p>SIDA also supports the development of research capacity. Within that framework, SIDA gives support to three regional energy research networks: The African Energy Policy Research Network, the Asian regional Research Programme in Energy-Environment-Climate, and the Renewable Energy Technologies in Asia.⁵⁸</p>

⁵⁸ Sweden. Sweden's Second National Communication on Climate Change.

Country/ Organization	Main Strategy and/or Initiative
<p>SIDA (Cont'd)</p>	<p><i>Capacity development related to biodiversity:</i></p> <p>The conservation and use of biological diversity is one important component under SIDA's work in environment. In that respect, priority is being given to action in a number of areas of particular importance in achieving sustainable development and promoting biodiversity: freshwater management, agriculture and forestry (including soil conservation), the coastal zone environment and the urban environment. The main instrument used in this context is support for capacity- and institution-building in a broad sense.</p> <p>In the context of capacity development, particular emphasis has been placed on: general intellectual property rights issues; agro-biodiversity, plant breeding (including exchanges between institutional and traditional/local plant breeding) and seed production in relation to intellectual property rights; and, research, methods development and capacity- and institution building in the above areas. Priority is also given to support for NGOs, with the aim of creating scope for debate and dialogue.</p> <p>SIDA has also placed a great deal of emphasis on capacity – and institution building efforts aimed at authorities and research establishments. Priority has also been given to the opinion-forming and information activities of NGOs.</p> <p>In general, Sweden's development cooperation programme seeks to establish collaboration with a wide range of partners in the South. In the biodiversity field, this cooperation encompasses both international bodies – including the Consultative Group on International Agricultural Research and the United Nations Food and Agriculture Organization – and regional organizations, such as SADC Plant Genetic Resources Centre. National authorities and non-governmental organizations are also supported.⁵⁹</p>

⁵⁹ Sweden. Sweden's National Report under the Convention on Biological Diversity.

Country/ Organization	Main Strategy and/or Initiative
<p>United States Agency for International Development (USAID)</p>	<p>USAID environment programs in more than 50 countries work to improve national policies, promote technology development and use and build capacity to plan, promote, monitor and enforce community empowerment to protect the environment.</p> <p>The Agency strategic goal number 5 is that: the World's Environment is Protected for Long –Term Sustainability. Under this Strategic goal, the agency has 5 objectives related to the environment, two of which are related to conventions, namely:</p> <ul style="list-style-type: none"> • The Agency objective 5.1: Biological diversity conserved; and • The Agency objective 5.2: The threat of global climate change reduced. <p>Within that context, USAID's initial approach in a region often involves national environmental policy reform and strategy development to lay a foundation for later program interventions.</p> <p>In Africa for example, USAID historically finds that local management, particularly community-based natural resources management, is one of the most promising approaches. The environment and energy programs for Asia and the Near East typically target macro level policies and regulatory reforms. At the same time, forestry and coastal-resource management programs emphasize community empowerment. Growing efforts are also targeted at the municipal level and on national level initiatives.⁶⁰</p> <p>To sustain the environmental impact of its work, USAID will encourage the development of an institutional and policy capacity with recipient countries. Furthermore, since many environmental problems (and solutions) are regional in nature, USAID encourages regional approaches, including ongoing coordination, establishment of priorities, allocation of responsibilities, exchange of techniques, and sharing of technical resources.⁶¹</p>

⁶⁰ USAID. 1999 Agency Performance Report.

⁶¹ USAID's strategies for sustainable development. Web site: www.info.usaid.gov

Country/ Organization	Main Strategy and/or Initiative
<p>USAID (cont'd)</p>	<p>To strengthen public policies and institutions to protect the environment, as appropriate, USAID will support such activities as:</p> <ul style="list-style-type: none"> • Reform of national economic policies, development strategies, and market mechanisms to end unintended or misguided environmental damage, promote conservation, and encourage sustainable resource management. • Development of a comprehensive environmental policy framework, including laws, regulations, and standards at the national and local levels, as appropriate. • Promotion of procedures for measuring, assessing, monitoring, and mitigating the environmental impact of economic growth. • Improved enforcement of environmental laws and regulations through increased funding and technical training for regulatory agencies, enhanced public participation, and development of nongovernmental advocacy groups. • Creation or strengthening of competent environmental institutions within government, the private sector, the NGO community, and academia. • Creation of environmental databases and natural resource inventories. <p><i>In the area of climate change, this will in particular, be applied in the following areas:</i></p> <p>Under USAID's Climate Change Initiative, the United States committed \$1 billion over five years to reduce net greenhouse gas emissions, increase country participation in the UN sponsored Framework Convention on Climate Change (FCCC), and decrease country vulnerability to the effects of climate change.</p> <p>In more than 40 countries, USAID global-climate-change programs work closely with host-country government institutions and also emphasize partnerships with national and community-level NGOs, with multilateral development banks, and with concerned private business interests.</p> <p>USAID's global-climate-change activities specifically work to 1) promote energy efficiency and increase renewable energy use; 2) advance cleaner energy technologies in power generation and industrial and urban applications; 3) reduce net emissions through sustainable forest management, agroforestry, reforestation and sustainable agriculture activities; 4) increase FCCC participation through support of national action plans, joint implementation, and technology cooperation; and 5) maintain a portfolio of cross-sectoral vulnerability and adaptation activities, including strengthening capabilities for disaster assistance planning and mitigation. A minimum of 40 percent of global climate-change funds are reserved for 12 critical climate-change countries and geographic regions.</p>

Country/ Organization	Main Strategy and/or Initiative
<p>USAID (cont'd)</p>	<p>In Latin America and the Caribbean as well as Asia and the Near East, the Agency emphasizes clean and efficient energy production and global-climate change mitigation. It does this through technology transfer, energy and environmental policy and regulatory reform, and improved natural resource management. Such initiatives help in carbon sequestration and in mitigating greenhouse gas emissions.</p> <p>In Europe and Eurasia as well as Asia and the Near East, USAID has stressed legal and policy reform and implementation in order to create an enabling environment more friendly to adopting climate-change measures. USAID also helped craft policies to encourage countries to join FCCC.</p> <p>In Asia and the Near East the Agency supports efforts to curb CO2 emissions including through privatization efforts aimed at the power sector reform.⁶²</p> <p>In the future, USAID will identify key developing and former Soviet bloc countries that are, or will become, significant contributors to global greenhouse gas emissions. USAID will work with these countries on a case-by-case basis to develop appropriate action plans to reduce sources and enhance sinks of greenhouse gas emissions, through activities consistent with local environmental and economic goals. As appropriate, efforts in this area will include energy efficiency improvements; expanded use of renewable energy technologies; limiting deforestation, the burning of forests and agricultural lands, and other carbon- emitting land-use changes; and introduction of new agricultural practices to reduce methane emissions.</p> <p><i>In the area of Biodiversity conservation:</i></p> <p>USAID's approach to biodiversity will focus on promoting innovative approaches to the conservation and sustainable use of the planet's biological diversity at the genetic, species, and ecosystem levels.</p> <p>USAID will focus on developing sustainable economic uses of biological resources; building local capacity for the management of biodiverse areas, including management of parks and protected areas; supporting innovative, non- governmental conservation and research programs; encouraging the involvement of indigenous peoples and local communities at every stage of decision making; and facilitating the setting of conservation priorities that respect the rights of indigenous peoples at the local, national, and regional levels.⁶³</p>

⁶² USAID. 1999 Agency Performance Report. Washington D.C. February 2000.

⁶³ USAID's strategies for sustainable development. Web site: www.info.usaid.gov

Country/ Organization	Main Strategy and/or Initiative
<p>USAID (cont'd)</p>	<p>USAID supports a very comprehensive biodiversity conservation program. According to USAID, biologically diverse ecosystems can be conserved by strengthening national policies, shorting up institutions, and creating incentives such as debt-for-nature swaps and tropical forests trust funds. Collectively, these activities permit host country NGOs and government agencies to protect fragile environments. They also give people who directly use the land more authority and good reasons to better manage their own natural resources. That's because the land users' future economic well-being depends on a healthy local economy.</p> <p>Results take time, though. Experience with USAID programs in Africa and Asia shows that taking a long-term perspective by staying the course can ensure sustainable returns on development investments. Local control, particularly community-based natural resource management, is one of the most promising approaches pioneered and applied throughout Africa and elsewhere by USAID. Linking self-management and resource stewardship to market-oriented enterprises produces results. Community-based approaches can also have national impact.⁶⁴</p> <p>In FY2000, The biodiversity conservation and sustainable use of natural resources objectives should received US 9 million \$ while the Global climate change objective will receive 7, 7 million \$.⁶⁵</p>

⁶⁴ USAID. 1999 Agency Performance Report. Washington D.C. February 2000.

⁶⁵ www.genv.org/public/buget_info.html dated 30 may 2000

Organization	Main Strategy and/or Initiative
African Capacity Building Foundation (ACBF)	<p>Although the foundation does not work specifically in the area of environmental management and the global conventions, it is recognised as a key centre of expertise on capacity development in Africa. The mission of the institute is to strengthen capacity for macroeconomic policy analysis and development management. The vision of the foundation is to become the leading African institution in the building and strengthening of the policy analysis and development management capacity. ⁶⁶</p> <p>To date, ACBF, through direct funding, co-financing as well as networking and information exchange, has supported over 40 capacity-building projects, to the tune of some 200 million USD, of which ACBF has contributed nearly 80 million USD, involving the strengthening of macroeconomic policy analysis capacities, including the training of economic managers and public policy analysts. ⁶⁷</p> <p>The foundation maintains a country focus in its program with limited support to regional programs. It functions with a number of country selection criteria including:</p> <ul style="list-style-type: none"> • Expansion in country coverage for better geographical balance • Deepening of country programs through establishment of a cluster of capacity-building projects. <p>Its work is based on a country –driven approach that involves:</p> <ul style="list-style-type: none"> • Responsive intervention in capacity building, and, • Clients’ participation to ensure ownership of capacity-building programs. <p>The ACBF calls in programs and project-level instruments to meet its mandate. Programs include:</p> <ul style="list-style-type: none"> • Policy units; Training and research Institutions; Institution Building and Strengthening Projects; Non-Project activities; and. Networking Activities • Instruments include: Fellowships; In-service training; Work attachment programs; study visits; Operational facilities; and, Exchange, research and Outreach. ⁶⁸ <p>The Board of Governors of the ACBF at its special session held in Harare in early 2000, approved the expansion of the activities of the Foundation to include not only the building of capacity in macroeconomics policy analysis and development management, but also in key areas of the public sector, the private sector and the civil society, as well as on regional integration. This expansion means a merger into the ACBF of the Partnership for Capacity Building in Africa (PACT) initiative, which was proposed by African Governors at the World Bank and recently approved by the World Bank, and which has translated into a significant increase of ACBF’s available resources for capacity building in Africa. ⁶⁹</p>

⁶⁶The African Capacity Building Foundation (ACBF). 1997 Annual Report.

⁶⁷ Excerpt from Capacity.org, News from ACBF. Issue 4. January 2000.

Organization	Main Strategy and/or Initiative
African Centre for Technology Studies (ACTS)	<p>The Capacity Development Programme of the African Centre for Technology Studies (ACTS) is a training programme established in 1994 to enhance policy research and analysis capacities amongst policy-makers and researchers in Sub-Saharan Africa. It aims at imparting skills in policy research formulation, implementation, monitoring, control and evaluation.</p> <p>The Programme's training courses focus on issues of technology and environmental policy issues arising out of Agenda 21's programme of action established at the United Nations Conference on Environment and Development (UNCED) and related international environmental agreements, particularly the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change. They aim at strengthening national capacities to translate specific recommendations and provisions of Agenda 21 and the conventions into national programmes, policies, laws and action plans. The Programme also provides a forum for raising public awareness on international and national environmental policy issues.</p> <p>Each training course is organized around a specific environmental policy issue. The themes are chosen to reflect emerging international environmental policy and law issues, particularly those that are currently being discussed by the parties to the conventions. For example, training courses on the Convention on Biological Diversity focus on issues such as: intellectual property protection and technology transfer; policies and laws to protect and promote indigenous knowledge, innovations and practices; national regimes to regulate access to genetic resources; biosafety measures; national strategies and action plans on biological diversity; incentives for conservation of biological diversity and sustainable use of its components; valuation of components of biological diversity; private sector participation in biological diversity management; development and application of Clearing House Mechanisms and international and national instruments to manage bioprospecting. Training courses on the Framework Convention on Climate Change focus on: development and transfer of climate change abatement technologies; Joint Implementation (JI); industrial policy reforms; incentives for energy efficient production systems; and national strategies and action plans on climate change.</p> <p>ACTS will continue to operate as a 'knowledge-based' resource centre. Its activities over the next five years or so will focus on the national domestication of global environmental agreements, particularly the conventions on biological change and climate change. Focus will be placed upon specific research thrusts selected on the basis of their relevance to key issues of contemporary developmental significance.⁷⁰</p>

⁶⁸ The African Capacity Building Foundation (ACBF). 1997 Annual Report.

⁶⁹ Excerpt from Capacity.org, News from ACBF. Issue 4. January 2000.

⁷⁰ African Centre for Technology Studies. Capacity Development Programme. Nairobi. Undated

Organization	Main Strategy and/or Initiative
<p>European Centre for Development Policy Management (ECDPM)</p>	<p>The Centre's principal task is to strengthen the capacities of institutions in ACP countries (ACP refers to the 71 African, Caribbean and Pacific states that have signed the Lomé Convention). to manage change (particularly in the policy arena) and to benefit from international cooperation.</p> <p>The Centre's strategy is based on joint ventures with organisations in Africa, the Caribbean and the Pacific as well as in Europe. The ACP-based program 'Capacity Building for International Cooperation' aims to strengthen the capacities of public and private actors to manage institutional change and international cooperation. Its objectives are:</p> <ul style="list-style-type: none"> • To support the development of regional ACP networks of expertise on international cooperation and institutional reform; • To assist in developing programmes and instruments for capacity building in international cooperation in ACP countries <p>The Development Policy Information Programme is a service programme that facilitates better access to information on development policy management and international cooperation. The objectives of the information programme are:</p> <ul style="list-style-type: none"> • Through cooperation in information and communication activities, strengthen the capacity of institutions in ACP countries to manage development policy • Through information capacity building, knowledge exchange, and networking, improve cooperation between development partners in Europe and in the South; • To provide information management and dissemination services to ECDPM staff and partners.⁷¹ <p>ECDPM is not involved as such in Environment programs. Its key field of activities include: information, decentralized cooperation, trade and governance. Although not specific to the Global Conventions, the Capacity Building for International Cooperation Programme which started in 1997 specifically addresses CD issues in 2 ways:</p> <p>First, in fulfilling ECDPM role as a neutral platform for information exchange and policy dialogue, particularly between the north and south. ECDPM has launched a web site and accompanying newsletter entitled "capacity.org". Each quarter the organization launches an issue highlighting a particular facet of capacity building in international cooperation, and seeks to draw experiences and viewpoints from researchers and practitioners.</p>

⁷¹ ECDPM. Introducing the European Centre for Development Policy Management. February 1999.

Organization	Main Strategy and/or Initiative
European Centre for Development Policy Management (ECDPM) <i>(cont'd)</i>	Second, at an operational level, ECDPM has given emphasis to the notion of capacity mobilization through partnership. ECDPM has set about establishing long term-partnerships with centres and institutes in the South sharing similar concerns/content wise orientations to embark on joint programmes based on principles of common interest, equity and comparative advantage (such as the African Capacity Building Foundation in Harare and ENDA Tiers Monde in Dakar) <small>72</small>

⁷² ECDPM. Response from representative. 27 March 2000. and Interview with representative. May 2000.

Organization	Main Strategy and/or Initiative
<p>Fédération Internationale des Ingénieurs Conseils (FIDIC)</p>	<p>FIDIC provides technical assistance to its members in the form of guidelines, training kits, training workshops and contract documents. FIDIC aims to use these means to promote CD at the national association level in order to establish and strengthen the private sector consulting industry.</p> <p><i>General CD strategy:</i></p> <p>Developing the capacity of the independent Consulting Engineering Industry can make substantial contributions to capacity development in government institutions, by undertaking work that is now being ineffectively performed by government entities, and by increasing their level of maturity and effectiveness as business enterprises.</p> <p>FIDIC's member associations and their firms should prepare themselves for a global competition. What measures to be taken in building the capacity of LDC firms, especially regarding minimization of their drawbacks in competition with foreign firms in their own country, the introduction of preferential treatment at this stage will be detrimental to their long term development-and must, therefore, be avoided. The main effort will have to concentrate on the establishment of a "level playing field".</p> <p>In general, the following measures are recommended for FIDIC to undertake with support from its member associations to help CD:</p> <ol style="list-style-type: none"> a) Develop industry promotional materials suitable for use in LDC's that demonstrate the importance of a strong and growing independent consulting industry to the growth of a developing economy b) Develop industry promotional materials suitable for use in LDC's, incorporating well researched and logical arguments in favor of the measures proposed by FIDIC. c) Assist Member Associations to develop promotional programmes with local and private industry. d) Lobby bilateral agencies and the IFI's for more effective use of LDC based consulting firms e) Provide direct support to LDC Member Associations in strengthening MA operations, and in assisting their member firms to become better managed, more viable members of the consulting industry f) Participate in the development of the local Industry Development Programme. g) Keep LDC MA's informed about any new established rules of IFI's through MA letters, and explain how they will benefit from them.

Organization	Main Strategy and/or Initiative
<p>Fédération Internationale des Ingénieurs Conseils (FIDIC) (cont'd)</p>	<p><i>Global conventions:</i></p> <p>In terms of specific activities related to capacity development for the Global conventions, FIDIC undertakes the following with its members:</p> <ul style="list-style-type: none"> a) Specific products: <ul style="list-style-type: none"> • Publishes Environmental Management System kit. • Organizes EMS Training • Industry guidelines for environmental management and sustainability b) Strategy and position papers c) International contracts <ul style="list-style-type: none"> • Ensure that FIDIC's internal contracts for infrastructure development are compatible with environmental and sustainability standards. • Promote discussion of capacity development, environmental issues and sustainability at annual conferences of the industry. d) Task forces and forums <ul style="list-style-type: none"> • Support task forces and forums active in capacity development, environmental issues and sustainability, and encourage them to present their concerns at conferences, and expect them to develop products that will help the consulting engineering industry identify business opportunities. e) Conference/representation visits <ul style="list-style-type: none"> • Articulate and present the industry's viewpoint⁷³

⁷³ E-mail communication with FIDIC Representative. 2 May 2000.

Organization	Main Strategy and/or Initiative
<p>International Institute for Environment and Development (IIED)</p>	<p>IIED has been active for a number of years in capacity development. It has in particular, taken part in the work of the OECD/DAC on this issue, with a number of other donor organisations in defining approaches and tools to deal with CD issues.</p> <p>This has culminated in the involvement of IIED as the coordinator for the 1996 OECD/DAC Rome International Workshop on Capacity Development in Environment, which brought together donor and developing country representatives from around the world to discuss how to approach CDE.</p> <p>Subsequently, IIED prepared under the auspices of the OECD/DAC the guide on how to approach CD issues reflecting on the lessons brought forward at the 1996 Workshop: <i>OECD/DAC. Capacity Development in Environment: Principles in practice. Paris. 1997</i>, which has been distributed around the world to development practitioners.</p> <p>The mandate of IIED itself as an organisation is one centred on capacity development, in particular through research and networking on environment and development issues, with its vast array of partners in developing countries. This includes joint projects related to natural resources management, dryland management, forestry and sustainable agriculture, which directly and indirectly deal with CD issues and global environmental issues such as biodiversity, climate change and desertification. IIED is in particular quite involved at present in discussions on mainstreaming the global convention concerns in development cooperation, in particular through its work on national sustainable development strategies (nssd) and on EIA/SEA.</p> <p>IIED also promotes the development and use of Participatory Rural Appraisal (or Participatory Learning and Action) techniques in development work through its sustainable agriculture programme as a key tool for local capacity development for environmental management.</p>

Organization	Main Strategy and/or Initiative
Indian Institute of Public Administration (IIPA)	<p>Primarily, IIPA is involved in six types of activities, each of which are aimed at capacity development and dealing among others, with Global environmental issues:</p> <ol style="list-style-type: none"> 1. <i>Training</i>, IIPA run over 70 training programmes each year, varying in duration from a few days to nine months each. Middle and senior officers of the government, executives of public sector corporations, other professionals and representatives of non-governmental organisations attend these programmes. The programmes are designed to develop human capacities in the participant's area of work, to provide them with a better understanding of the issues involved, especially new and emerging issues, to develop their skills, disseminate information and to bring about, where required, attitudinal changes. Training programmes are also organized on demand, to meet the felt needs of the government and other client organisations. 2. <i>Research</i>. The Institute conducts various research studies. These include studies sponsored by the government and other organisations. Research studies are aimed at developing a better understanding of the various issues and processes related to governance and administration and to identify problems, seek out solutions and to generally add to the knowledge base. 3. <i>Consultancy</i>. The Institute also acts as a consultant to various institutions and organisations, including the government, helping them to design, develop, monitor, maintain or evaluate various activities, systems and programmes. 4. <i>Publications</i>. The Institute publishes two prestigious journals and various technical and academic books, that are widely read in India and abroad. Through these publications, the institute disseminates knowledge and information in the broad area of public administration. The institute also disseminates the findings of its own studies through these publications. 5. <i>Membership</i>. The Institute has a network of 10,000 members, spread out all over the World. It has 56 branches in India, including regional and local branches, and through this network of members and the various branches, it conducts an ongoing debate on public administration issues. This not only stimulates a lot of thinking and research but is also an important tool for raising general awareness and the awareness of those administering the country. 6. <i>Membership of Official Bodies</i>. Members of the IIPA faculty serve on various official committees and thereby help the government in decision making.⁷⁴

⁷⁴ E-mail communication with IIPA. 25 April 2000.

Organization	Main Strategy and/or Initiative
<p>International Institute For Sustainable Development (IISD)</p>	<p>Capacity development is a driver behind much of the work of IISD. IISD believes that CD is required to achieve some measure of global equity.</p> <p>IISD includes capacity development as a critical component of its research and communications work with its partner organizations. Capacity development is integral to the networks, partnerships, and strategic alliances IISD has established around its strategic objectives (climate change, trade and investment, economic instruments, natural resource management, and measurement and indicators). IISD sees CD as much more than an exercise in conveying northern or International Governmental Organisations (IGO) experience and support to meet southern needs: in its network projects, IISD is not only developing capacity within organizations in the south to strengthen their policies and international negotiating positions, it is working to share understanding across regions in the south, and bringing their lessons back to inform IISD and its northern partners.</p> <p>With respect to global environment issues in particular, The Climate Change Knowledge Network and the Trade Knowledge Network focus on strengthening research capacity and command of issues with partner institutions at the national level:</p> <ul style="list-style-type: none"> • The Climate Change Capacity Project enhances negotiating skills and command of the issues of African government delegates to the Framework Convention on Climate Change (Climate Change Knowledge Network project, in partnership with ENDA - Energie.) • The Trade Knowledge Network: uses research partners in several countries in the south to produce studies on trade and sustainable development in the respective countries; partners then hold national workshops for government officials, NGOS and academics to strengthen capacity within that country to understand the linkages between trade and SD and strengthen their negotiations within the WTO. <p>IISD also supports the GEO II training initiative in partnership with UNEP. IISD runs training workshops on integrated environmental assessment and reporting. It is intended to increase national and regional institutional capacity to produce regular integrated environmental assessments and reports. By drawing directly and indirectly on the GEO methods and framework, the training program is also expected to strengthen UNEP's global assessment and reporting effort. The primary audience of the training program are high-level technical experts in national or state/provincial government agencies who are usually responsible for coordinating the environment or development process, or both.</p>

Organization	Main Strategy and/or Initiative
International Institute For Sustainable Development (IISD) <i>(cont'd)</i>	IISD use the model of the knowledge network to integrate its capacity development work. Each network has a national/regional scope of influence; each network is structured so that what is learned from the national/regional work is shared and integrated with the partners from other countries/regions; IISD sends interns to partners in the networks both to do person to person training and to support research and communications, and to bring the knowledge from those partners back to IISD. ⁷⁵

⁷⁵ E-mail communication with IISD Representative. 4 May 2000.

Organization	Main Strategy and/or Initiative
Network for Sustainable Development in Africa (NESDA)	<p>NESDA's mission consists of helping African societies achieve environmentally sustainable development. The building and strengthening of expertise of individuals and institutions within Africa at local, national and sub-regional levels for environmentally sustainable development represents the essence of NESDA's strategy for achieving its general and specific objectives. This strategy has three components, which indirectly deal with the global environmental issues:</p> <ul style="list-style-type: none"> • Support to national planning processes by strengthening the strategic planning process for the management of environment and sustainable development with two activities: analysis of national policies and external reviews of 'green plans' • Strengthening the national capacities of African countries to launch and implement strategic program for sustainable management of their environment and natural resources. In this regard NESDA undertakes three activities: <ul style="list-style-type: none"> • Organization of thematic workshops, • In-country missions by experts of the network, and • Project preparation and capacity building seminars • Strengthening of the Network and Dissemination of Information. To increase technical cooperation among African countries through: <ul style="list-style-type: none"> • Creation of a roster of African experts in different technical areas relevant to strategic framework exercises; • Setting up a mechanism to ensure greater involvement of the identified experts in programs in other African countries • Access to environmental information through the connection of NESDA to Internet. • Publications (Newsletter, workshop/seminar proceedings, etc) ⁷⁶

⁷⁶ Website: www.rri.org/nesda and Response from representative

Organization	Main Strategy and/or Initiative
Third World Academy of Science (TWAS)	<p>The Third World Academy of Science has been supporting research work of scientific merit in 100 countries in the South through a variety of programmes, including research related to global environmental issues.</p> <p>The Objectives of TWAS are:</p> <ul style="list-style-type: none">• To recognize, support and promote excellence in scientific research in the South• To provide promising scientists in the South with research facilities necessary for the advancement of their work• To facilitate contacts between individual scientists and institutions in the South;• To encourage South-North cooperation between individuals and centres of scholarship;• To encourage scientific research on major Third World problems <p>In particular, TWAS is active in CB for Research through:</p> <ul style="list-style-type: none">• TWAS Research grants• Spare parts for scientific equipment and,• Provision of Books and Journals <p>It also supports Fellowships and Associateships.⁷⁷</p>

⁷⁷ Website: www.ictp.trieste.it/TWAS

Organization	Main Strategy and/or Initiative
World Resources Institute (WRI)	<p>WRI, as part of its global action in support of environment and development issues, has been supporting some of the following initiatives related to capacity development and the global environmental issues:</p> <p><i>The Policy Research Capacity Initiative</i></p> <p>The Policy Research Capacity Initiative seeks to strengthen the ability of independent policy research organizations in developing countries and economies in transition to influence domestic and international policy arenas on issues of environmentally sustainable development, including the global conventions. This overarching goal is supported by four specific objectives:</p> <ul style="list-style-type: none"> • Develop the policy research and outreach capabilities of selected partner organizations; • Mainstream developing/transition country partnerships into WRI research and outreach; • Enhance the representation of developing/transition country partners in international fora; and • Facilitate the exchange of documentation and analysis of the necessary conditions for civil society organizations to influence public policy. <p><i>The Capacity for Climate Project: The Climate Agreements and Countries in Transition</i></p> <p>The primary goal of the Capacity For Climate project is to influence the development choices currently being made by Annex I economies in transition (EITs) in Central and Eastern Europe and the Newly Independent States. Specifically, we seek to help these countries to 1) find less emission intensive development paths and 2) create policy and institutional environments to support compliance with the UN Framework Convention on Climate Change and the Kyoto Protocol. In support of these overarching goals, the project has the following specific objectives:</p> <ul style="list-style-type: none"> * Strengthen the ability of Annex I EITs to provide more accurate and reliable environmental reports; * Build a constituency for policy and institutional reform in Annex I EITs to meet the commitments and respond to the opportunities of the Climate convention; * Build the infrastructure for more active participation by EIT countries in the global climate policy process.⁷⁸

⁷⁸ Web site: www.igc.org/wri/governance

VIII. Summary Analysis of Main Strategies and Recommendations

CD focus of agencies reviewed and challenges ahead

As discussed in earlier chapters, a great majority of the development cooperation organizations reviewed agree that CD is a priority and have endorsed at a policy level, the system's based capacity development approach.

Most of these organizations would also agree that this capacity development approach should in principle pervade their projects and programs. However, as we have seen in section IV in particular, only a few of these agencies have as yet, adjusted their project development and management apparatus to respond to the requirements of CD (these requirements were discussed in detail in sections II and III of the report).

Although quite a bit of effort has been directed at developing or formalizing the use of tools that can better assist the identification, design and implementation of CDE projects and programmes, further development of tools in support of monitoring and evaluation for CDE are crucial. This is especially true given the traditionally intangible nature associated with capacity development issues and the growing concern for aid effectiveness. The approaches developed or in development so far, show promise but will likely require further testing and refining before they can be used in a systematic fashion.

Beyond that, in most of the organizations reviewed, the challenge ahead remains in the mainstreaming of those tools in the management processes of the development cooperation organizations involved in partnership with the recipients of aid. The GEF should take these challenges in consideration as it develops its strategy and look for opportunities to collaborate with the organisations that have been at the forefront of the developments so far in this field.

The development cooperation agencies reviewed which appear to have made the greatest strides in terms of promoting a well integrated approach to capacity development include in particular the Canadian International Development Agency (CIDA), the Danish International Development Assistance (Danida), the Danish Cooperation for Environment and Development (Danced), German Cooperation (GTZ), the Inter-American Development Bank (IDB) and The Netherlands Ministry of Foreign Affairs.

Other Institutes which from a review of their strategies have a well articulated approach include the International Institute for Environment and Development (IIED), the International Institute for Sustainable Development (IISD) and the European Centre for Development Policy Management (ECDPM).

Capacity development strategies for the global conventions

A number of aid agencies are just starting to integrate global environmental concerns into their development assistance programs. There are more and more examples of development assistance initiatives that relate to capacity development in support of the global environmental issues. However, a great number of the documents reviewed for many of the development cooperation agencies suggest a persistent heavy-handed approach around technology transfer and training activities which are not always integrated in the broader capacity development approach promoted in those same agencies at the policy level.⁷⁹

That being said, strategies, planning and implementation of CD activities in support of the global conventions, is slowly emerging in a number of development cooperation organizations as part of a tacitly understood strategy. Some of those strategies and/or main initiatives that have been explicitly enunciated by the organizations reviewed here, were presented in summary form in the preceding section of the report. Their scope and focus still vary greatly.

Key players

With respect to particular CD strategies in support of global environmental issues, of particular note is the efforts of the European Commission, the Danish International Development Assistance (Danida), the Danish Cooperation for Environment and Development (Danced), the Fonds Francais pour l'Environnement Mondial (FFEM), German technical cooperation (GTZ), The German Federal Ministry for Economic Cooperation and Development (BMZ) The Netherlands Ministry of Foreign Affairs, The Norwegian Agency for Development (NORAD), The Swedish International Development Agency (SIDA) and the United States Agency for International Development (USAID).

A number of institutes and NGOs in particular, are focussing on more targeted training and joint research as well as technology transfer on CD for global issues. Those with some of these elements clearly anchored in their program include ACTS, IIED, IIPA, IISD, FIDIC, and WRI. Although they clearly are bilateral agencies, JICA and JBIC could be included in this group given the focus of their efforts with respect to global environmental issues.

The reader is referred to the relevant tables of the preceding section for the details of the strategies of the organisations mentioned above while a summary analysis of the past, present and emerging priorities is provided below.

⁷⁹ This is the overall preliminary assessment from a review of the Submissions from Annex II parties to the UNFCCC, March 2000.

Past and present capacity development priorities

In terms of focus of the CD strategies in support of the global conventions, a great number of efforts of the agencies reviewed are at the level of the identification of priorities and needs in recipient countries (this is especially true with respect to the emerging climate change agenda). Efforts have also been targeted at awareness raising and training for developing country negotiators which has included support for their participation in the negotiation process. These efforts were in some cases linked to the broader issue of trade negotiations.

Those agencies the furthest along have in general focused on supporting the development of a capacity to diagnose and plan in relation to the global environmental issues in the recipient country. In addition, support has been targeted at developing the capacity of institutions, dealing with legislation, administration, diagnosis, planning and monitoring of the global issues.

The challenge here, resides in making sure that these first steps are effectively supported within a capacity development framework which respects the various CD lessons as previously mentioned, particularly the following aspects: the need for a process that is recipient led (based on the self-assessment principle), and the need for a process that takes into account the existing level of support and expertise of CD and global environmental issues in the recipient country, and one that is taking place within the framework of a dialogue. This militates in favour of an approach that is tailored to each country (which does not, however, exclude making use of generic tools to help in the management of those tailored approaches – such as, for instance, generic monitoring procedures). When looking specifically at CD in support of global environmental issues, it is important to recognize that even though most of the conceptual underpinnings are in place to implement CDE as a whole, few development cooperation organizations currently have a clear strategy to address and enact this particular CD issue.

Emerging capacity development priorities

A review of the present strategies of the organisations covered by this assessment, indicate that there are a number of emerging issues which are likely to gain prominence in the near future in relation to CD for global environmental issues. Those are described briefly below as they should be considered by the GEF in the development of its CDE strategy.

- The mainstreaming of global environmental issues is becoming central in the development cooperation discussions. It is defined as ‘the (re-organisation, improvement, development and evaluation of policy processes, so that the

objectives of the Global Environment Conventions are incorporated into all policies at all levels and at all stages, by the actors normally involved in policy-making.⁸⁰ This concerns both the need to mainstream the convention issues within the sectors of intervention of the aid agencies and in the recipient countries themselves. Various avenues are being considered in that respect:

- EIA and SEA both in aid agencies and in developing countries
 - Integration of global environmental issue in national planning for sustainable development rather than as separate strategies
 - Cross-sectoral integration of global environmental issues and the associated capacity needs in sectoral ministries and with other actors beside the convention focal points and the environment ministries
 - Mainstreaming will also involve looking at planning in an integrated fashion between the various conventions (how to integrate biodiversity, climate change and desertification and land degradation related needs and priorities).
- Decentralization. While there is a movement to look at capacity to manage the global issues from a systems perspective and to mainstream them in national planning processes, there is a parallel movement to look at environmental management capacity at the state, municipal and local level. This recognises where actual integration and action can take place.
 - Benefits to local populations. As decentralization is being emphasized, a driving principle behind it looks at building capacity in a way that the benefits of the global processes are returning to the local populations and are meshing with the economic and social development at the local level. This includes the involvement and leadership of local populations in concrete activities in support of the conventions.
 - Role of the private sector. Although up to now the private sector has not been at the centre of actions in support of the global conventions, it is increasingly viewed as a key player. Capacity development is likely to increasingly focus on supporting the emergence of the enabling environments for an improved involvement of the private sector (through policy dialogue, macro-economic policies, trade negotiations, etc.)

⁸⁰ De Koning, Peter C., Mainstreaming and the Conventions. Background Paper to the OECD DAC/WP-DAE Workshop on Global Environment Conventions. March 2000. Adapted based on the document on gender Mainstreaming; EG; 1998.

- Technology and capacity. Related to this recognition of the role of the private sector, is an emerging concern for supporting the development of a capacity for technology development and management in support of the global conventions in developing countries.

Taking into account these elements, as well as the existing strategies of the agencies reviewed in this report will be crucial in developing a GEF CD strategy that makes the most effective use of potential synergies and complement the current efforts.

IX. Conclusion

Over time, and especially over the past five years, a broad common conceptual framework for Capacity Development (CD) and Capacity Development in Environment (CDE) has emerged. Within the development cooperation community, the approach that is increasingly being adopted and promoted, involves a systems perspective to CDE that addresses various levels of environmental management capacities (i.e. capacities of individuals, institutions, overall countries and regions). This approach also puts greater emphasis on the capacity development process itself, on local ownership of this process, and on equal partnership in its support. Following this perspective, training and technological transfers, for instance, are seen as specific components of CDE that need to be integrated into a broader capacity development approach.

Throughout the development cooperation community, and across a wide spectrum of projects and programs conducted by various players, a number of reinforcing lessons learned have confirmed that “isolated” approaches to capacity development lack sustainability and more often than not, fail. For example, some key lessons learned deal with: the need for a high degree of political commitment and leadership, consistently sustained over time; the need for an intimate knowledge of the macro-institutional context and its evolution through well structured assessments (including a review of the various players and institutions which are likely to affect and influence in some way, the capacity development process); the need to involve local expertise and stakeholders in such assessments; a recognition of the need to facilitate ownership as a prerequisite to effective and sustainable results, which in turn requires the involvement of principal stakeholders from the onset of the planning effort; a recognition of the need to support slow, progressive, and at times, unpredictable processes; the fact that objectives need to commensurate with current capacities found in the recipient country; the need to recognize the dynamic nature of CDE; and the need for an iterative approach that relies on effective monitoring and feedback processes.

In light of these lessons, the current convergence of CD and CDE has also led to the recognition that traditional approaches to the management of development projects are not usually suitable for CD. As such, adequate management tools for the development cooperation community are urgently needed to support CD initiatives. As indicated in this report, several development donors have made positive strides in that direction, and have helped to provide development practitioners with the means for implementing the suggested approach, but they still represent a minority. Nevertheless, a series of useful tools have been or are currently being developed, especially to support the identification, design and monitoring of CD initiatives.

Many of the development agencies and partners that have developed such tools still face the challenge of making sure that these tools are applied consistently and effectively. This difficulty highlights the need to change attitudes that are still largely geared at traditional ways of “control” managing. In essence, compared to the skills associated with capacity development, the CD and CDE tenets require different skills,

mainly in the areas of process consultation, conflict resolution, social analysis, facilitation, and systemic analysis. They basically involve a redefinition of the role of development cooperation agencies, from one of “doer” to one of “catalyst” that supports “endogenous” processes that promote effective partnerships in developing nations.

The GEF should take these challenges into consideration as it develops its strategy and looks for opportunities to collaborate with the development organisations that have been at the forefront of such developments so far in this field.

Annex 1: List of organizations covered and contact information

After discussion with CDI management, three groups of organizations have been selected for coverage under this assessment, namely: (a) Institutes, networks, foundations and NGOs; (b) bilateral agencies; and, (c) multilateral agencies. Below is a listing of all the organizations to which requests for information were sent by mail, along those three groupings. This also includes a limited number of organisations that were visited under each grouping to collect additional information following the initial mail request. The organisations visited are marked with a star (*).

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In addition to a the oral and written communications with the organizations and the review of their web sites, the following documents were reviewed in preparation for this report:

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Annex 3: Historical Overview of Approaches to Institutional Capacity Development¹

PERIOD	DOMINANT APPROACH	KEY CHARACTERISTICS
1950s and 1960s	INSTITUTION BUILDING	Equipping developing countries with public sector institutions deemed necessary to manage public investment programmes. Emphasis on the design, establishment and functioning of individual organizations in the public sector with assistance centred on training, technical assistance, financial support, programme design and organizational improvements to structures and systems. Little or no attention given to the political or cultural context of organizations or to non-public organizations.
1960s and 1970s	INSTITUTIONAL STRENGTHENING	Improving the performance of existing (individual) organizations. Emphasis on improving internal functioning through the introduction of financial management systems and training/upgrading of individual professional capacities. Institutional strengthening seen as a component or means to achieve other project objectives.
1970s	DEVELOPMENT MANAGEMENT	Management and implementation of development programmes to meet basic human needs. Emphasis on delivery systems of public sector programmes and the ability of governments to reach special target groups ignored by the centralised bureaucracies created in the colonial era and in the 1960s. Shift towards more strategic thinking and political content, greater decentralisation and involvement of local groups and institutions (NGOs and CBOS).
1980s	INSTITUTIONAL DEVELOPMENT	Long-term process of restructuring and organizational change and increased recognition of the broad array of public and private sector institutions, the linkages between sectoral and macro-policy issues and the need to assess organizational effectiveness as being the outcome of interactions between internal management and the external domestic and international context. Emphasis on public sector reforms and macro-economic policy adjustments, including widespread use of balance of payments support and technical assistance. Shift from project assistance to programme support initiated.
1990s	CAPACITY DEVELOPMENT	Long-term endogenous process that is shaped by local organizational, cultural and political dynamics. Increased emphasis on inter-organizational relationships, enabling environments and the catalytic/facilitating roles of donor interventions.
1992 onwards	CAPACITY DEVELOPMENT IN ENVIRONMENT	CDE gained prominence after the establishment of an OECD-DAC Task Force in October 1992 in the wake of UNCED. The <i>CDE Principles in Practice</i> published in 1997 adopted a broad framework.
1995-1998	CAPACITY ASSESSMENT AND DEVELOPMENT	First generation of comprehensive frameworks developed to assess existing capacities of institutions (i.e. World Bank, UNDP, GEF and CIDA). UNDP's CAD Guidelines distinguish between the system, entity and individual levels. New emphasis on results/performance-based management.

¹ Adapted from DAC Evaluation, p119.

Annex 4: The DAC and CDE:

The DAC framework covered the following elements grouped under five main components and emphasized the fact that capacity components were interrelated and were to be approached as part of a dynamic system's approach:

- functions such as networking, planning, regulating and communicating;
- actors such as formal organizations, individuals and informal institutions;
- the context of values and policies including democratization and incentives;
- the societal context, including conditions at the global, regional, national and community levels;
- resources, including human, informational, financial and technological.

The DAC CDE Framework also proposed a number of generic techniques and analytical tools for use by donors for capacity development programmes in the environment and including:

- participation and the facilitation of local ownership;
- contextual analysis techniques;
- capacity mapping techniques;
- program design;
- program management.

In particular, the framework highlighted the need for donors to:

- move to partnership arrangements with developing countries;
- reconcile accountability and capacity issues;
- strengthen their field operations;
- increase their familiarity with CD methodologies;
- improve their ability for aid co-ordination; and
- promote greater sharing of knowledge, learning and best practices.¹

The key principles behind the concept promoted were as follows:

¹ OECD/DAC. Developing Environmental Capacity. A Framework for Donor Involvement . Paris. 1995 and OECD/DAC. Donor Support for Institutional Capacity Development: Lessons Learned. Evaluation Aid Effectiveness no.3. Paris. 1999.

- CDE is based on promoting sound environmental considerations and criteria in the development process;
- CDE integrates environment and development concerns;
- CDE is multi-faceted and process-oriented rather than product- or output-oriented;
- It aims to strengthen institutional pluralism in civil society;
- It is based on a systemic approach;
- CDE belongs to and is driven by the community in which it is based (the principle of subsidiarity);
- It takes gender issues fully into account in all aspects and levels of development and implementation;
- It actively seeks to develop appropriate approaches to include all disadvantaged groups in society; and,
- It involves a variety of management techniques, analytical tools, incentives and organizational structures in order to achieve a given policy objective.²

² OECD/DAC. Capacity Development in Environment: Principles in Practice. Prepared by IIED. London. 1997.

Annex 5: Summary of some key characteristics which facilitate CD Performance at different levels ³

Characteristics of Political, Economic and Social Settings that Facilitate Performance

- Sustained economic growth, with rising wage levels and low inflation
- Reasonable parity between public sector and private sector salaries; or lack of opportunities in the private sector
- Legitimate and stable political system
- Open and participatory government
- Leadership commitment to a vision of national development
- History of strong investment in human resource development
- Social consensus; or lack of deep social conflict

Characteristics of Public Sector Institutional Settings that Facilitate Performance

- Clear rules that facilitate action and encourage problem-solving and innovation by Organization and officials
- Public service systems for recruitment and promotion that reward merit and performance, not patronage and seniority
- Sufficient budgetary resources to support a reasonable level of public sector activities
- Salaries that are attractive to highly motivated people
- Reform programmes that emphasise:
 - Adequate salaries linked to level and performance

³ UNDP/HIID. Building Sustainable Capacity. Challenges for the Public Sector. New York. 1996.

- Improvements in organizational management
- Problem-solving orientations of the public sector
- Development of key skills for development tasks
- Incentives for superior performance of organizations and individuals
- Elimination of ineffective workers and unnecessary tasks
- Demand creation among clients

Characteristics of Task Networks that Facilitate Performance

- Effective capacity across multiple organizations that must collaborate to accomplish a given task
- Policy frameworks that define goals for coordinated action
- Specific mechanisms for frequent interaction across organizational boundaries
- Horizontal interaction across organizations at policy, operational and field levels
- Vertical interaction within levels of government involved in performing a common task
- Common training institutes or programmes that bring together staff assigned to different organizations but involved in the same task
- Clarity of organizational responsibilities

Characteristics of Organizations that Facilitate Performance

- Strong mission mystique held widely within the Organization
- Rising salary levels and competitiveness with private sector salaries
- Strong sense of professional identity within an Organization
- High prestige of Organization and links to high prestige domestic and international reference groups or organizations

- Equity, participation, and flexibility in work assignments
- Participation in organizational decision-making
- Managers focused on performance, incentives, participation and problem-solving
- Extensive use of non-monetary incentives
- Promotion based on performance
- Ability to demote and fire unproductive or unprofessional staff
- Adequate physical environment and equipment

Characteristics of Human Resources that Facilitate Performance

- Links between training institutions and task-oriented organizations
- Induction training linked to organizational mission and specific task
- Training in management
- Training opportunities linked to commitment to the Organization
- Open and competitive recruitment procedures
- Recruitment managed by the Organization (rather than by the civil service)
- Meaningful jobs assigned to those with appropriate skills and levels of training
- Job satisfaction
- Professional identification among staff, reinforced by professional associations
Organization

Contract of limited duration with clear link to performance criteria

Annex 6: Capacity Assessment Matrix

Capacity needs are dependent on “what” the capacity is needed for. Key guiding questions for assessment are suggested below. These can be applied to any particular global environmental objective:

Systemic Capacity (the overall country environment)	Entity / Institutional (the institutions with designated responsibility)	Individual (the individuals whose task it is to do this)
<i>Policy Framework</i> Is the overall policy environment conducive?	<i>Mission / Strategic Management</i> Are there clearly defined and understood institutional missions and mandates?	<i>Job requirements and skill levels</i> are jobs correctly defined and are the required skills available?
<i>Legal and Regulatory Framework</i> Is the appropriate legislation in place and are these laws effectively enforced?	<i>Culture / Structure / Competencies</i> Are the institutions effectively structured and managed?	<i>Training / retraining</i> is the appropriate learning taking place?
<i>Management Accountability Framework</i> are institutional responsibilities clearly defined?	<i>Processes</i> Do institutional processes such as planning, quality management, monitoring and evaluation, etc. work effectively?	<i>Career progression</i> are individuals able to advance and develop professionally?
<i>Systems Level Resources</i> are the required human, financial and information resources available?	<i>Human Resources</i> are the human resources adequate, sufficiently skilled, and appropriately deployed?	<i>Accountability / Ethics</i> is responsibility effectively delegated and are individuals held accountable?
<i>Processes and Relationships</i> do the different institutions and processes interact and work together effectively?	<i>Financial Resources</i> are there sufficient financial resources available for effective operation?	<i>Access to Information</i> is there adequate access to needed information?
	<i>Information Resources</i> is required information available and effectively managed?	<i>Personal / professional networking</i> are individuals in contact and exchanging knowledge with appropriate peers?
	<i>Infrastructure</i> are material requirements such as buildings, offices, vehicles, computers, etc. adequate?	<i>Performance / conduct</i> is performance effectively measured?
		<i>Incentives / security</i> are these sufficient to promote excellence?
		<i>Values, integrity and attitudes</i> are these in place and maintained?
		<i>Morale and motivation</i> are these adequately maintained?

Systemic Capacity <i>(the overall country environment)</i>	Entity / Institutional <i>(the institutions with designated responsibility)</i>	Individual <i>(the individuals whose task it is to do this)</i>
		<i>Work redeployment and job sharing</i> are there alternatives to the existing arrangements?
		<i>Inter-relationships and team work</i> do individuals interact effectively and form functional teams?
		<i>Interdependencies</i> are there appropriate levels of interdependence?
		<i>Communication skills</i> are these effective?

Annex 7: IDB New Flexible Lending Instruments

Why the IDB needs them:

- To increase the Bank's response to member needs in a more effective and flexible manner
- To enhance the Bank's toolbox of differentiated financial and non-financial products
- To better size windows of opportunity and respond to momentum arising from country initiatives
- To stay on the cutting edge of change

What are the New Products?

- Innovation Loan (IL)
- Multi-Phase program Loan (MPL)
- Sector Facilities (SFs)
- Project Preparation and Execution Facility (PROPEF)

Description

Innovation Loan

- Funds Individual Operations up to US\$10 million
- Used for pilot programs and to build consensus on reform programs
- Performance monitoring based on ex-ante objectives, parameters and outcomes
- Agile and responsive
- Results provide feedback for preparation of future larger-scale programs
- Learning and capacity building in priority areas
- Rapid processing and approval
- 30 months maximum execution period

Multi-Phase Loan

- Builds upon existing multi-phase operations
- Large investment program, applicable to all sectors
- Provides longer-term support for programs that span over 5 years
- Focus on institutional sustainability and ownership to foster long-term commitment
- Phase based adjustment mechanism that permits project implementation flexibility
- Built in triggers and specific performance benchmarks for approval of further stages
- Independent loan contract and financial commitment only for each specific stage

Sector Facilities

- Individual Operations up to US\$5 Million
- Geared to finance low-cost, low risk and high-impact activities in specific sectors
- Provides fast-track support and concrete responses in 3 sectors: Health, Education and Trade
- Can enhance or promote process of modernization, particularly in social sectors
- Attention to monitoring and rapid execution
- Other sectors to be incorporated in the future

Project Preparation and Execution Facility

- Linked to an overall country line of credit
- Builds upon and extends existing Project Preparation Facility
- Allows more project start-up execution activities
- Institutional capacity building towards sustainable project implementation
- Amount increased from US\$1.5 million up to US\$5 million per individual operation
- Of the US\$5 million; up to US\$1.5 million for preparation component; up to US\$3.5 million for start-up

Expected outcomes:

- Increase the Bank's flexibility and responsiveness
- Strengthening of partnership with borrowers
- Encouragement of a results culture based on learning, ownership and application of lessons learned.
- Improved project preparation and execution processes
- Fewer delays to reach loan eligibility ¹

¹ www.iadb.org/regions/ros/eflexible.htm 05/31/2000

Annex 8: Towards Donor Coordination for Capacity Development in Environment and Sustainable Development

Working Group No. 6, Theme Paper

Towards Donor Coordination for Capacity Development in Environment and Sustainable Development

TOOLS AND CHALLENGES FOR DONORS

I. INTRODUCTION

For several years, a number of efforts - initiated by the Development Assistance Committee of the Organization for Economic Co-operation and Development, the UN Inter-Agency Committee for Sustainable Development, various non-governmental organizations (such as the World Conservation Union (IUCN), the International Institute for Environment and Development (IIED) and the World Resources Institute (WRI)), individual bilateral and multilateral donors, and UN agencies (including UNDP), have been grappling with the issue of donor coordination. Perhaps more to the point, nearly every developing country daily faces the challenge of how to coordinate the flow of aid and the numerous actors in the development process. It has been said that the capacity which developing countries need most is the capacity to deal with a bewildering array of different and often conflicting donor approaches, priorities, monitoring and reporting requirements, and evaluation teams.

In several studies and workshops on this issue over the past few years, much useful work has been done, leading to an emerging consensus on key principles, themes, and directions. Yet much of this work remains at the rhetorical, rather than concrete, level.

This paper will attempt to identify the challenges of implementing and operationalising concrete and practical steps forward. The specific focus will be on recommended actions to be taken at the country level both by donors and by recipient countries themselves to enhance the capacity of developing countries to effectively coordinate, and ultimately manage, assistance in support of environmental management and sustainable development.

This paper has been prepared for the OECD/DAC Workshop on Capacity Development in Environment. It will be tabled as a theme paper for discussion under Working Group 6 in the second half of the Workshop.

II. BACKGROUND

The need for more effective donor coordination has been a recurring theme in the development dialogue over the past several decades. Indeed, many of our current multilateral institutions and mechanisms (including DAC itself) emerged out of a recognized need for donors and recipients to coordinate development assistance efforts, or at least to avoid conflict between them.

More recently, however, and particularly in the period leading up to and following the UN Conference on Environment and the Development (UNCED), there has been a growing recognition in developing countries and among donors that the wall we are now struggling to climb, sustainable development, is significantly higher than the ladder we are using to climb it. Among other factors leading to this recognition has been the increasing call for national strategies and action plans as part of international conventions and as a prerequisite for country eligibility for various forms of assistance. The lessons learned about the intertwined nature of environmental and development challenges, the need for integrated, multi-sectoral approaches to meeting those challenges, and the limited success of many countries in formulating effective strategies and mobilizing the resources to implement them have further underlined the need for better coordination.

In 1993, concerned about the potential implications of this proliferation, DAC and the OECD Environmental Policy Committee began to focus on this concern. In 1994, the IACSD began looking at the question of strategy integration under National Sustainable Development Plans. A task force was created under the leadership of UNDP, and the World Resources Institute was asked to conduct a series of country-level case studies focusing on impediments to, and catalysts for, enhanced donor coordination.

These initiatives dovetailed and led to a series of joint workshops and meetings in 1995 and 1996 which included developing countries, bilateral and multilateral donors, UN agencies, aid and environmental experts, and NGOs. What began as a set of modest efforts took shape as an ongoing exploration of the means by which coordination can improve the effectiveness of sustainable development-related planning and activities.

What Do We Mean by Donor Coordination?

As in the case of the blind men and the elephant, the phrase “donor coordination” means different things at different times to different people. Clarifying the key distinctions is an important first step towards improving our ability to better coordinate development assistance efforts.

The word “coordination” refers to a spectrum of activities. As described in the draft report prepared by the World Resources Institute, *Country-Level Donor Coordination in Support of Sustainable Development*:

“Coordination can mean the simple exchange of information on anything from plans, policies, or development models to lessons learned from past experience. This exchange may or may not lead to deeper forms of coordination, such as harmonization of policies or approaches (for example, if a group of donors agrees on a set of environmental impact standards for development projects), or coordination of operational activities (for example, one donor agrees to focus on urban water supply, while another does rural water management, or one agrees to work in a particular geographic region where other donors are not already present, or one provides staff training for a teaching program, while another finances the acquisition of school books and supplies). Coordination might mean harmonizing procedures or reporting requirements, to minimize the burden on recipient countries to comply with possible duplicative or conflicting formats. In its most extreme form, donor coordination could mean that two or more donors jointly fund and administer a development project in a given country.”¹

Following this model, we can see that coordination also refers to work taking place at different phases of the development (and development assistance) process. Coordination may be an important component of the process of developing national sustainable development or sectoral strategies and action plans (including but not limited to those called for in treaties and conventions). It may play a role in programme or project design. The implementation of projects and activities is an important subject of coordination, as is project reporting and monitoring (especially where there are multiple funders with multiple sets of reporting requirements). In a similar vein, the coordination of evaluation and information dissemination activities (including the establishment of indicators and norms) is key to learning and replicability.

Finally any discussion of coordination must take into account the *locus* of the coordination: *who* is responsible for coordination, and *where* is it centred? In this regard, there are three essential arenas of coordination: internationally among donors, within a donor country or multilateral donor organization, and within a recipient country.

Important steps can be taken to enhance the efficiency and impact of development activity at all levels, and involving all of the key actors. However, for the purposes of this paper, the emphasis is primarily on the range of actions which can be taken at the country level by donors and developing country governments, pointing in the direction of what could be called “Country-Driven Coordination.” The goal of such coordination is to enable countries to manage external assistance inputs within the framework of their own domestic priorities. At its best, this involves a country-based system and capacity for national policy-making and planning that coordinates the roles of various ministries and agencies, as well as manages the contributions of external donors, to make sure that cooperation activities support national objectives.

Fundamentally, it is the responsibility of each country to build a path to its own vision of its own future. In doing so, it needs to coordinate external assistance to ensure that such assistance

¹ World Resources Institute. *Country-Level Donor Coordination in Support of Sustainable Development*. Washington, DC. 1995. Page 3..

supports that vision. Government leadership here is crucial; without it, donor coordination fora can have little hope of long-term success. Put more positively, the capacity to coordinate and manage

multiple actors, multiple interests, multiple objectives, is an important part of the capacity countries need for effective environmental management and sustainable development.

The Case for Coordination

Support for effective coordination of development cooperation at the country level is something to which nearly all practitioners, organizations, and governments are willing to commit in principle. Yet it remains a commitment honoured mostly in the breach.

It is a truism that everyone wants coordination, but nobody wants to *be* coordinated. Coordination is often seen (by both donors and recipients) as a codeword for control or an imposition of unwanted agendas. In an era of expanding emphasis on popular participation and decentralized decision-making, the very idea of “coordination” can evoke the old days of centralised planning.

Perhaps most relevant is the fact that coordination does not happen by magic, or even by good intentions: it takes a substantial investment of time, money, and the intensive commitment of dedicated personnel to make it happen. In a period of diminishing resources and increasing demand for immediate concrete results, something as seemingly insubstantial as coordination is seldom considered a priority in the allocation of resources.

There are many good reasons, reasons in the apparent interest of both donors and recipients, *not* to coordinate. (Some of these are discussed below as constraints to coordination.) Yet, common sense and the emerging development assistance “climate” require that we learn to coordinate our assistance efforts more effectively. Coordination may be only one link in a chain of factors affecting the success of assistance interventions, but it is a link which, when broken, can result in the failure of the overall effort.

Effective donor coordination is more important today than ever before. Efforts to produce breakthroughs in the quality and degree of coordination must be given paramount priority. Some of the reasons for this new urgency are:

The Rise of Multi-Sectoralism

- * We have moved into a time in which the integrated nature of environmental management and sustainable development is recognized. The world does not occur in convenient or discrete sectors, it occurs in systems. Systems cut across sectors, and if attempts to influence, manage, or change the way those systems operate are to work, they must also cut across sectors. As numerous evaluations and case studies have demonstrated over the past 30 years of development cooperation, the failure to do so has resulted in some of our most notable development failures.

Participation and Decentralization

- * The positive decentralizing trend toward increased participation of a multitude of players and stakeholders (governmental, non-governmental, private sector, and community-level) in both policy formation and programme implementation increases the need for coordination. The alternative is chaos..

The Proliferation of Plans

- * One of the key factors which initially triggered IACSD's work on coordination was concern about the proliferation of national planning and strategy exercises which arise from country obligations under international environmental conventions and as donor-established conditions for funding.

While these plans are intended to assist developing countries and build capacity, they can only do so if they are undertaken in a coordinated and harmonized manner. Otherwise, there is the danger not only of duplication of effort and wasted energy, but of the creations of plans and strategies which are in conflict one with the other.

Diminishing Resources

- * Funding for development, both externally and internally generated, is being stretched thinner than ever before. This reality creates an apparent paradox: at a time of diminishing resources when there is an increasing imperative to cut administrative "frills" and focus on direct, tangible results, it becomes increasingly important to invest in something "indirect", the capacity to use available funding effectively to produce maximum impact. This requires special attention to synergy, complementarity, and non-duplication of programmatic activities, as well as the elimination of wasteful and burdensome administrative and reporting requirements to meet the needs of multiple donors. The diminution of available resources also increases the importance of coordination as field staff representation is reduced and the need for effective and efficient implementation mechanisms to optimize resources is increased.

Capacity Development

- * Finally, if a goal of much of today's external assistance is to enable recipient nations to generate, manage, and implement policies, programmes, and projects that promote sound environmental management and sustainable development, then the capacity to coordinate the inputs required is key. This is no luxury: it is something in which investment is essential. In fields of endeavour outside development -- within the business

community, for example, or even the military -- no one questions the need for a major complement of personnel and equipment, and extensive training, exclusively dedicated to ensuring accurate and timely communication and coordination of operations. Compared to even the largest multinational business enterprises and national military forces, sustainable development is an infinitely more complex endeavour. We should not shy away from making the necessary investments.

In short, country-level donor coordination, coordination *of* donors and coordination *among* donors, can play an important role in maximizing the impact, efficiency, and cost-effectiveness of development cooperation.

Constraints to Donor Coordination

Recent discussions of country-level coordination have focussed on identification of the major constraints to more effective coordination. The joint DAC/WPDAE-IACSD Workshop, the study by the World Resources Institute, and other papers provide useful insights, and highlight opportunities for change. A few of the most notable of these constraints include:

On the Donor Level

- * Perhaps the principal constraint is the **unwillingness to invest in coordination**. It is often not seen as a necessity, and certainly not as a core accountability. As a consequence, there is no emphasis on staff capacity to coordinate, and no incentive for coordination. In the ever-present reality of staff, time, and funding shortages, coordination is always one of the first tasks to be sacrificed.
- * **Internal political forces** also play a key role. Donors are accountable to their individual legislative bodies (parliaments and congresses), which in turn are accountable to higher political authorities (such as their electorates). Due to the political environments in which donors operate, they come to the table with different, and sometimes conflicting, agendas. The bureaucratic environments in which donors operate also vary widely, resulting in widely divergent accounting requirements and reporting formats.
- * The **need to appear proficient to legislative bodies** is also a force against cooperation and towards competition among donors, who may bicker among themselves to have the opportunity to fund the higher visibility projects in a given country. Similar forces encourage donors to vie for high profile positions in project support. Rather than creating the perception that they are just one of many in a pool of project funders, they might prefer to be the largest, or the *only*, donor of a project with the greater recognition that is presumably conferred by that position.
- * On the financial side, **donors feel pressures to programme funds quickly** to demonstrate to legislators that they are operating within a results-oriented framework. This pressure runs counter to the longer timeframes needed to develop well-integrated

multi-sectoral programmes which may need to incorporate extensive coordination linkages in their design.

- * Donors also operate under **commerce-related constraints related to domestic politics**. Most bilateral donors are more likely to offer development assistance if it leads to the use of consultants and purchases of services and equipment from their own nation. Purchasing or hiring actions which appear to run counter to the commercial interests of their country can lead donors to reject projects for funding consideration. Such commerce-related constraints can complicate coordination with other organizations that do not face similar limits, or which face their own internal constraints.
- * In the field, **differential resource bases can also impede coordination**. In general, organizations with greater financial or staff resources in a given area carry greater weight in group efforts than smaller organizations. If the smaller organizations have the perception that their voice is not heard in the group, they may choose to go it on their own or with similar sized groups where they feel their views have a greater chance of being influential.
- * **Donor attitudes toward host governments** may also hinder the potential for coordination. Donors may take exception to a country's own priorities, may feel the government is corrupt, or may object to a country's human rights and other policies. Sometimes these enmities, justifiable or not, can stand in the way of cooperation.
- * The **internal capacity of donors to effectively coordinate may be weak**. Staff in donor organizations may not have received training in networking coordination skills or procedures. Also, the organizations may not have any explicit incentives in place to encourage coordination.

On the Recipient/National Level

- * If the principal constraint among donors is unwillingness to invest in coordination, the principal constraint among recipient governments is **insufficient capacity** to staff and direct a governmental coordination unit, manage coordination mechanisms and fora, and establish and maintain the necessary information management systems.
- * There are often **unclear lines of authority** between different sectors of the recipient country government. Even where lines of authority are clear, there may be power struggles between different government departments striving to be associated with "successful" development projects.
- * One of the frequently cited constraints to coordination is the **lack of a clearly stated National Development Plan and development priorities** that can serve as a central rallying point for coordinated and focused activities. This lack is based on one or both of two contributing factors: a lack of incentive to develop a sophisticated, integrated sustainable development planning process, and a lack of capacity to develop and

implement the plan. Capacity lacking could be either staff, financial resources, or adequate knowledge and skills base.

- * Like donors (and often much more so), developing country personnel involved in development cooperation usually face **severe limitations on time and resources** available for coordination. In many countries, coordination is made difficult by the lack of resources and infrastructure for communication.
- * Individuals within developing country bureaucracies, like individuals within donor organizations, often have **no strong incentives** for undertaking the difficult challenge of donor coordination.
- * In some cases, countries are actively reluctant to coordinate donors. They may subscribe to the “**divide and conquer**” **theory** that they can receive more funds if they keep donors apart from one another and play them off to get funding for projects on the best terms possible.
- * Countries may **lack a long-range proactive vision for working effectively with donors**. Due to the political nature and timing of many donor funding horizons, recipient countries have typically been faced with the prospect of committing to long-range development programmes with funding sources that were secure for only a few years. In this environment, many countries became accustomed to waiting until assistance levels were committed, and then selecting the projects that they could fund within the available budget. The skills and incentives required to create a long-range vision and solicit funds to finance the vision are not easily engendered by that type of operating environment.

III. THE CHALLENGE

In this era of multi-sectoralism, decentralization, and tight resources:

- * How can we, **as aid recipients**, generate breakthroughs in coordinating and managing donor inputs for maximum impact and benefit in realizing our vision of sustainable development and environmental management?
- * How can we, **as donors**, coordinate ourselves to better assist recipient nations to develop the capacity to better coordinate us?
- * How can we, **as donors and recipients**, *take practical steps at the country level* to make more effective donor coordination actually help nations to develop more effectively and sustainably?

As we all know, successful coordination is far from easy, and does not happen by magic. Efforts to promote coordination among donors go back to the post-World War II era, with varying degrees of success. A number of basic lessons have been learned, and a number of constraints have been identified.

Learning to Coordinate

- * There is no one formula for effective coordination. Success in donor coordination is very situation-specific, and frequently dependent on the intention, commitment, and talent of particular individuals. Hence, models and templates developed in one place and adopted elsewhere have had limited value.
- * When people want to coordinate, they do. Disaster relief is a classic example: coordination is usually much more effective where there is a specific need and specific, clear objectives for the coordination.
- * While there are many obstacles and barriers to cooperation among donors in-country, there is also, paradoxically, a greater tendency among people “in the trenches” to work together (often informally) to solve problems. These informal collaborations may not add up to full-scale coordination activities, but they do establish a basis for trust, mutual understand, and greater cooperation.
- * Country-driven development planning and coordination may be the ideal in principle, yet donors, used to being in control, have not entirely given up the subtle (and often unexamined) dualism which casts donors as the actors and recipients as the objects of assistance -- and coordination. For example, the terms of reference for a recent study called for interviews with donors, and case studies of recipients.

Hallmarks of Good Coordination

While effective coordination is still very much the exception rather than the rule, we have learned much about what *does* work. There are certain basic practices and strategies which underlie most successful coordination efforts, regardless of who is implementing them. These include:

- * Recognizing at the outset that coordination takes real work, including a substantial investment of time, money, and personnel.
- * Integrating planning for coordination into the development and environmental planning and project cycles, rather than tacking it on as an afterthought.
- * Placing management responsibility for coordination close to responsibility for allocation of resources, providing both leverage and access to needed information, rather than isolating the coordination function in an “information” unit or a line ministry.
- * Recognizing that coordination is inherently a dynamic process, requiring flexibility, responsiveness, and creativity rather than dogmatic attempts to apply a predetermined solution.

- * Allowing for the reality that different players legitimately have different, and sometimes competing, interests which may seem to be threatened by coordination, and applying the tools and principles of conflict management and conflict resolution to coordination efforts.
- * Creating incentives for enhanced coordination, both at the individual and institutional levels.
- * Generating (and applying) clear and compelling objectives for coordination activities which respond to the felt needs and interests of all parties.
- * Having objectives which are realistic, achievable, and finite, rather than trying to do everything at once.
- * Using existing fora and structures wherever possible rather than automatically seeking to create new mechanisms.
- * Acknowledging and allowing for the importance of informal means of coordination as well as formal ones.

IV. A DONOR COORDINATION TOOLKIT

Many ideas have been proposed about ways to enhance donor coordination. Some are fairly simple to implement, while some require restructuring of fundamental relationships between the parties. Some have been tried, and some have not. Some which worked well in one country, failed to produce results anywhere else. Most are typically articulated as generalized exhortations to act (or refrain from acting) in certain ways: create incentives for staff to coordinate; be flexible in applying reporting requirements; do not undervalue coordination when resources are allocated; and so on.

There is no one model for coordination that will work in all contexts. Actions must be taken at different levels, by different actors, with different timeframes. The suggestions presented here are elements of a “toolkit,” or a menu of possibilities, rather than a prescription. They focus on actions (and changes in behaviour) which can be taken by donors and recipients at the country level. More specifically, they emphasize steps aimed at building the capacity of developing countries to manage donor activities within a national framework and so that they are complementary of domestic priorities.

This toolkit is predicated upon the following three basic assumptions:

- * The recipient government is ultimately responsible not only for coordinating, but also for managing the participation of donors and inputs of development assistance within the framework of their own national priorities.
- * Donors have the responsibility to coordinate among themselves for greater effectiveness and to enable the recipient government to have greater cohesion in its relationship with the donor community.
- * While the following suggestions have been developed to specifically encourage capacity building for the environment as a part of sustainable development, these same mechanisms are largely applicable to coordination activities in other sectors and thematic areas.

This list of suggestions incorporates recommendations made by many of those involved in the DAC/ WPDAE-IACSD workshops on coordination, along with experience gained by UNDP in its Country Offices around the world. It is indicative, and certainly not definitive, and is intended to stimulate discussion of more concrete proposals.

Donor-Supported Activities

A basic requirement of successful coordination efforts at the country level is the acknowledgment among donors of the legitimate leadership coordinating role of the recipient country and acting in accord with that acknowledgment. This is less an action step than it is a cultural shift for donor organizations used to being, as a practical matter, “in the driver’s seat.”

Taking this one step further, donors should recognize as a legitimate goal in its own right the enhancement of a recipient country's capacity to coordinate. This is not coordination for coordination's sake, but rather building and strengthening the ability to coordinate as part of the country's overall capacity for effective environmental management and sustainable development.

Within this overall context, following are suggested activities, incentives, and opportunities donors can support which will help create a climate in which opportunities for coordination and collaboration in-country can flourish. While many of these suggestions are sectorally-focused—given that most of the experience of coordination has been within sectors, the ideal for which to strive is to identify opportunities for cross-sectoral coordination, since the multisectoral approach is essential to integrated, sustainable development.

Formal and Informal Coordination Mechanisms

- * Refocus Consultative Group and Roundtable deliberations to revolve around the country's National Sustainable Development Plan. Once the plan is available and adopted nationally, donor coordination becomes more straight-forward and directly feeds into supporting the national strategy.
- * Hold Donor Roundtables and Consultative Group meetings in developing countries rather than in Geneva or Paris, and incorporate time and opportunities for informal coordination as part of the meeting structure. Such meetings should also involve stakeholders at the country level.
- * At the country level, domestic stakeholders and external agency representatives must work together in formal and informal consultative sessions to learn to value and embrace coordination, rather than feeling it is being imposed from OECD, World Bank or UN Headquarters onto country operations. It is important that both local stakeholders and donors have a sense of “what's in it for me,” and experience that their own needs are being met through the coordination process.
- * In-country donor staff should identify and adopt clear, measurable objectives/outcomes for coordination. Without a clear purpose, be it achieving a specific sectoral objective or supporting the formation of a sustainable development planning process, coordination can become routinized and after a few meetings will lose any impact
- * Hold meetings of donors and their government counterparts within particular sectors or thematic areas (e.g., agriculture or health) to identify gaps in achieving national priorities that could be filled by external assistance.
- * Augment existing coordination bodies by convening a “learning group” composed of country representatives and donors at all levels (international agencies, bilateral donors and NGOs) meeting regularly throughout the year to exchange information and act as a clearing house for coordination, collaboration, information gathering, and dissemination.

Coordination in the Project Development Cycle

- * Undertake donor coordination at different stages of the project development cycle, project identification, implementation, monitoring, and evaluation. For example:
- * Adjust project development and design processes to allocate more time and resources for consultation and coordination.
- * As part of the donors' standard project design framework, identify and map out specific communication and coordination objectives and links.
- * Undertake a multi-donor project to harmonise programme and project monitoring and reporting standards and structures, and base new requirements on harmonized or existing methods.
- * Incorporate coordination-related objectives, including information-sharing, networking, inter-agency consultation, and joint action where appropriate, in agreed project objectives, deliverables, and performance indicators.
- * Undertake pilot activities such as joint baseline studies and monitoring and evaluation activities both for projects with multiple donors and those funded by individual bilaterals or recipient country agencies.

Joint Coordination Capacity Development Projects

- * Fund national projects specifically dedicated to building national coordination and planning capacity, including national fora, training activities, strategic planning exercises, and personnel dedicated to coordination
- * Undertake a multi-donor project involving a broad base of stakeholders to identify specific barriers to coordination, and opportunities and priorities for coordinated and harmonized action across-sectors within the framework of the National Sustainable Development Plan or other appropriate vehicle.
- * Provide support for a project involving donors and national stakeholders to identify a set of country-specific strategies and "best practices" for donor coordination.
- * Support a multi-sector project to identify all of the country's strategy and plan development commitments (whether legally required or voluntary), and develop a unified framework to tie them together and integrate them into the country's existing planning system.
- * Undertake a joint capacity development project to build government capacity to manage and disseminate development assistance-related information, including library building, computerized information systems, and report writing.

Relationships with Government and Civil Society

- * Provide financial support for coordinating bodies at various levels in government (e.g., the government-designated coordinating unit) and in civil society (e.g., NGO umbrella organizations).
- * Avoid the temptation to bypass national structures set up to facilitate coordination by (for example) dealing directly and unilaterally with sectoral ministries to negotiate projects, unless such projects are clearly anchored in a cross-sectoral framework as established by agreed-upon national priorities.
- * Regularly audit the country progress in planning and coordination against the yardstick of country-specific best practices, by having it as a regular agenda item at joint review meetings and informal country consultations.
- * Support mechanisms for managing information on incoming aid. UNDP, for example, has developed a software package called "Development Cooperation Analysis System," DCAS. This software runs on a PC and has proven to be a useful tool for tracking all aid.
- * Encourage countries to exchange information and learn from one another. In particular, countries without a long history as aid recipients, such as the economies in transition of Eastern Europe and the former Soviet Union, can learn from successful coordination models used in other countries.
- * Undertake joint advocacy and programming initiatives to support national entities in preparation of long-term programme strategies or national programmes for sustainable development.
- * Pay attention to the process of national consensus building around development objectives. Donors should exercise restraint in not trying to take control of setting the agenda.

Donor Agency Staff

- * Incorporate training in coordination within the skills training programmes of donor organization staff.
- * Incorporate coordination functions in staff core responsibilities and accountabilities, and include success in coordination as a measure of job performance for purposes of personnel evaluation and promotion.

Information Management and Dissemination

- * Create a database of donor conditionalities, undertake to harmonise them, and ensure that they are supportive of country-level coordination.
- * Undertake a multi-donor project to develop a shared country database of environmental and sustainable development indicators for programme and project assessment.
- * Pool resources and share staff to gather data, conduct needs assessments, design projects, and evaluate projects. Ensuring information flow is continuous work involving informal monthly meetings, quarterly reports, and finding creative ways to keep all stakeholders involved. If donors initiate this activity, they should keep checking with government to determine when it is appropriate to transfer this responsibility to a government coordination unit or other designated body with responsibility for information management.

Country-Initiated Activities

The most critical challenge for governments is to strike the right balance between coordination and control. A strong central coordination function with responsibility across sectoral boundaries is essential. Yet the assertion of this function can (and does) often lead to increased splintering as various people and departments vie for turf. To be effective, coordination must enhance, rather than limit, decentralized responsibility and participation. Ultimately, effective coordination is a matter both of capacity and of political will.

Government Coordination Unit

- * The government's donor coordination unit must be located at a high level of authority, preferably in the President's, Vice-President's or Prime Minister's office. In some settings, a non-line, cross-cutting functional ministry such as Finance or Planning may prove most appropriate. This will ensure that coordination has the appropriate level of support and influence. A visible, fully empowered coordination champion across sectors should be identified and empowered at the highest levels.
- * The coordination unit should be given clear authority to *manage* external assistance inputs, not simply to facilitate them.
- * Upgrade the skills and capacity of planning, implementation, and coordination personnel in strategic planning, communication, information management, networking, and coordination skills.
- * Establish clear institutional responsibility for coordination of development cooperation in all sectors. At the same time, integrate sectoral consultative groups and fora within a multi-sectoral umbrella.

- * Include coordination in the job responsibilities and performance evaluation criteria of national and sectoral planners.
- * Ensure that the structure responsible for donor coordination is “in the information loop” between donors and sectoral ministries.
- * Ensure that the structure responsible for donor coordination has appropriate linkages to the Ministry of Finance or other means of keeping track of resource flows.

Information Management Capacity

- * The coordination unit should have access to information regarding the flow of aid funds coming into the country, where it is directed and when repayment of loans is scheduled. To the extent the unit can manage the flow of information, it will be effective. Knowledge may not be power in this case, but it is influence, and that is essential.
- * In addition to investing in the information management capabilities of people, governments must invest in appropriate computerized information management systems.

Relationships with Donors

- * The government should assume the lead role in coordination, consciously influencing the activities of donors to support the preparation of national strategies and subsequently support implementation of the strategy/action plans.
- * Conduct a project involving donors and national stakeholders to identify a set of country-specific strategies and “best practices” for donor coordination.
- * Develop a transparent list of all donors working in each sector.
- * Survey information and reporting formats and needs of all donors (in all sectors), and develop a proposed unified national format which could be acceptable to the donors.
- * In cooperation with donors, analyze the organization of all externally supported programmes and projects, and reorganize to incorporate them within national programmes that are nationally executed
- * In cooperation with donors, conduct an analysis of all national strategy development and planning commitments (whether legally required or voluntary), and develop a unified framework to tie them together, streamline, and integrate them into the country’s existing planning system.
- * Publish national project execution guidelines to bring consistency to all country/donor relationships.

The Project Development Cycle

- * Adjust project development and design processes to allocate more time and resources for consultation and coordination.
- * Assess development programme effectiveness in terms of results and performance, not only expenditures.