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Capacity-building under the Convention

**Synthesis report on steps to be taken to monitor capacity-building activities in
developing countries**

Note by the secretariat*

Summary

This document has been prepared to support monitoring and evaluation of the implementation of the framework for capacity-building in developing countries. It synthesizes views from Parties contained in document FCCC/SBI/2006/MISC.4 and Add.1. The document covers monitoring that can be carried out by the Conference of the Parties (COP), in addition to detailed project-level monitoring and evaluation carried out by the Global Environment Facility (GEF) and its implementing agencies, as well as by others that work to implement projects and activities. It presents options that the Subsidiary Body for Implementation may wish to consider for monitoring and evaluating the framework, and details types of information that could be collected at the programme and project level by the GEF and its implementing agencies, as well as by other agencies, to facilitate monitoring by the COP.

* This document was submitted late to take into account a submission by the Group of 77 and China which was prepared at a workshop that was held in late March in the United Republic of Tanzania.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by its decision 2/CP.10, requested the secretariat to prepare a synthesis report, for consideration of the Subsidiary Body for Implementation (SBI) at its twenty-fourth session, on the steps to be taken to regularly monitor capacity-building activities pursuant to decision 2/CP.7, based on views from Parties submitted to the secretariat by 15 February 2006, contained in document FCCC/SBI/2006/MISC.4 and Add.1, and the work of the Global Environment Facility (GEF) on capacity-building performance indicators for the climate change focal area consistent with decision 4/CP.9.

B. Scope of the note

2. This document recognizes the multiple actors involved in the implementation of the capacity-building framework contained in decision 2/CP.7, the additional key factors in decision 2/CP.10 and the capacity-building needs under the Kyoto Protocol in decision 29/CMP.1. It aims to cover monitoring that can be carried out by the COP to influence further policy decisions, building upon the detailed project-level monitoring and evaluation carried out by the GEF and its implementing agencies, as well as by others that work to implement projects and activities.

3. Submissions by Parties contained in document FCCC/SBI/2006/MISC.4 and Add.1, inputs from the GEF, and the process and steps used in the first comprehensive review of the capacity-building framework in 2004 contained in annex III of document FCCC/SBI/2003/8, have been used as a basis for developing the options presented in chapter V, that the SBI may wish to consider to monitor and evaluate the framework. Information that could be collected at the programme and project level by the GEF and its implementing agencies as well as by other agencies, to facilitate the monitoring by the COP, is also presented.

4. This report is also intended to serve as input to the second comprehensive review of the capacity-building framework for developing countries, to be completed at COP 15 (November–December 2009) according to decision 2/CP.10. The report proposes a time frame for the monitoring and evaluation that includes incremental steps to provide periodic updates as part of annual progress reports.

C. Possible actions by the Subsidiary Body for Implementation

5. The SBI may wish to consider the information contained in this document in providing guidance and making recommendations to the COP on possible steps to be taken in monitoring and evaluating the implementation of the capacity-building framework in developing countries.

II. Overview of the capacity-building framework

A. Background

6. At COP 7 Parties adopted decisions relating to capacity-building for developing countries (decision 2/CP.7) as well as other decisions that included capacity-building components. The framework for capacity-building in those countries, annexed to decision 2/CP.7 was designed to serve as a guide for the climate change capacity-building activities of the GEF and other funding bodies. To this end, the COP also adopted additional guidance to the GEF relating to capacity-building.

7. The framework includes a set of guiding principles and approaches, for example, that capacity-building should be country-driven, involve learning by doing, and build on existing activities; it also provides an initial list of priority areas, including the specific needs of least developed countries (LDCs) and small island developing States (SIDS). The framework calls on developing countries to continue to provide information on their specific needs and priorities, while promoting cooperation among themselves and stakeholder participation. Parties included in Annex II to the Convention (Annex II Parties), for their part, should provide additional financial and technical assistance for implementing capacity-building activities through the GEF and other channels, and all Parties should improve the coordination and effectiveness of existing activities.

8. Decision 2/CP.7 requested the secretariat to collect, process, compile and disseminate the information needed by the COP or its subsidiary bodies to review the progress made in the implementation of the capacity-building framework, drawing on information contained in national communications of developing country Parties and of Annex II Parties, as well as reports from the GEF and other agencies.

9. In the additional guidance to an operating entity of the financial mechanism in decision 4/CP.9, the COP decided that the GEF should take into account, in its work relating to the development of capacity-building performance indicators for the climate change focal area, the capacity-building framework in decision 2/CP.7, and to undertake this work in consultation with the Convention secretariat.

10. A time frame and process for review of the capacity-building framework was established through decision 9/CP.9. In this decision, the COP decided to complete a first comprehensive review of the capacity-building framework for developing countries by its tenth session, and to conduct further comprehensive reviews every five years thereafter. Terms of reference for this review are contained in the report of the SBI at its eighteenth session (FCCC/SBI/2003/8, annex III).

11. The results of the first comprehensive review of the capacity-building framework are given in decision 2/CP.10. While acknowledging some progress in a range of priority areas identified in the framework, the COP noted significant gaps that still remained to be filled and that access to financial resources continued to be an issue that needed to be addressed. The COP also re-affirmed that the framework contained in decision 2/CP.7 is still relevant, and identified key factors that should be taken into account to assist in further implementation of this decision.

12. The GEF, as an operating entity of the financial mechanism, was requested to take into account these key factors when supporting capacity-building activities in developing countries in accordance with decisions 2/CP.1 and 4/CP.9 and as defined in the Strategic Approach to Enhance Capacity-Building¹ and to include in its annual report to the COP information on how it is responding to those requests.

13. In its decision 2/CP.10, the COP decided on a time frame and process for the second comprehensive review of the implementation of the capacity-building framework for developing countries. The review would be initiated at SBI 28 (June 2008) with a view to completing it at COP 15.

B. Capacity-building approach of the Global Environmental Facility and its implementing agencies

14. The GEF developed a strategic approach to capacity-building in 2001, and one of its initial activities was to fund national capacity self assessments (NCSAs), in addition to support to developing countries in the preparation of national communications and national adaptation programmes of action (NAPAs). The NCSAs cover all three Rio Conventions, and are expected to articulate national capacity

¹ GEF/C.22/8 available at <www.thegef.org>.

needs to address all environmental issues, including climate change. Additional support for capacity-building is provided through regular projects. For least developed country Parties, additional support is provided to support national focal points and for training of negotiators when this is highlighted as their priority in the NCSAs.

15. The GEF, with the United Nations Development Programme (UNDP), is developing performance indicators for the climate change focal area, and produced a working paper in 2003.² This work was later superseded by a broader monitoring and evaluation policy of the GEF.³

III. Synthesis of views from parties

16. The secretariat received 10 submissions from Parties, including two on behalf of regional groups, on steps to be taken by the SBI to regularly monitor capacity-building activities undertaken pursuant to decision 2/CP.7. The following is a synthesis of key points raised:

- (a) All submissions supported the view that capacity-building is vital for all Parties, and especially for developing countries, to enable them to participate successfully in the implementation of the Convention and the Kyoto Protocol and to enable them to cope with the adverse effects of climate change;
- (b) Capacity-building is required at all stages in the process of development; it cuts across sectors, project development and implementation, and is an integral component at all stages of adaptation and technology transfer;
- (c) Institutional capacity-building is considered to be very important by different Parties, including in support of integration of capacity-building and climate change in national planning, and in ensuring sustainability and effectiveness of capacity-building activities;
- (d) Monitoring of progress and effectiveness of implementation of the capacity-building framework is considered critical in ensuring sustainability of capacity development and to guide planning;
- (e) There is broad agreement that the main sources of information for the monitoring process should be national communications of Annex II and developing country Parties, NAPAs from LDCs, NCSAs, reports from the GEF and other agencies, and submissions from developing country Parties;
- (f) Information provided about activities should include a description and progress in implementing activities in the capacity-building framework being implemented (in relation to the framework in decision 2/CP.7 and additional factors in decision 2/CP.10), name of the country being supported, amount of money disbursed, and information on performance indicators, benchmarks, best practices, efforts to solicit support for capacity-building activities including cases when they were unsuccessful, and how sustainability is ensured. These could form a structured format for submissions by Parties and others to facilitate information gathering, processing and display of the monitoring and evaluation information;
- (g) A process-based approach to evaluating and monitoring capacity-building is suggested, with short-, medium- and long-term goals and objectives clearly spelled out, with a

² UNDP/GEF, *Capacity Development Indicators*, UNDP/GEF Resource Kit No. 4, Work in Progress, November 2003.

³ GEF Council document GEF/ME/C.271 available at <www.thegef.org>.

staged approach to implementation to ensure a systemic development of capacity. A five-year programme of work could be one approach, with appropriate delineation of priority work and sequencing of expected outcomes;

- (h) Some Parties expressed the desire to use monitoring and evaluation to ensure that progress is being made in developing capacity, and suggestions were made to provide dedicated support, such as through an expert group, to guide and oversee this process;
- (i) A challenge in designing steps to monitor the capacity-building framework is how to ensure that the process is achievable without a huge effort, and in such a way that the outputs help improve implementation of the capacity-building framework rather than create a burden for reporting;
- (j) Some parties expressed concern about the status of implementation of capacity-building in developing countries and in particular about the inadequacy of funding;
- (k) The integration of climate change in national planning is a theme that was repeated in many submissions, and is reflected in many elements of the capacity-building framework.

IV. Issues in monitoring and evaluating the capacity-building framework

A. Description of the capacity-building system

17. Figure 1 illustrates the many actors in capacity-building, and some of the links that exist in terms of guidance, funding and reporting. Given these multiple and complex relationships, it is important that clear guidance is given about what should be monitored, how, and by whom. Implementation of COP guidance by the GEF and its implementing agencies, including such agencies as the United Nations Institute for Training and Research, will be a key consideration for any monitoring and evaluation of the capacity-building framework. The work of the GEF in monitoring projects and activities of its implementing agencies will be an important source of information. Work by other agencies, including non-governmental organizations and the private sector, will need to be included as appropriate, although there is no direct guidance to these groups by the COP in this regard. Additionally, any new initiatives may have resource implications for entities concerned. This needs to be taken into account when looking at possible options for monitoring and evaluating the implementation of the capacity-building framework for developing countries.

B. Objective

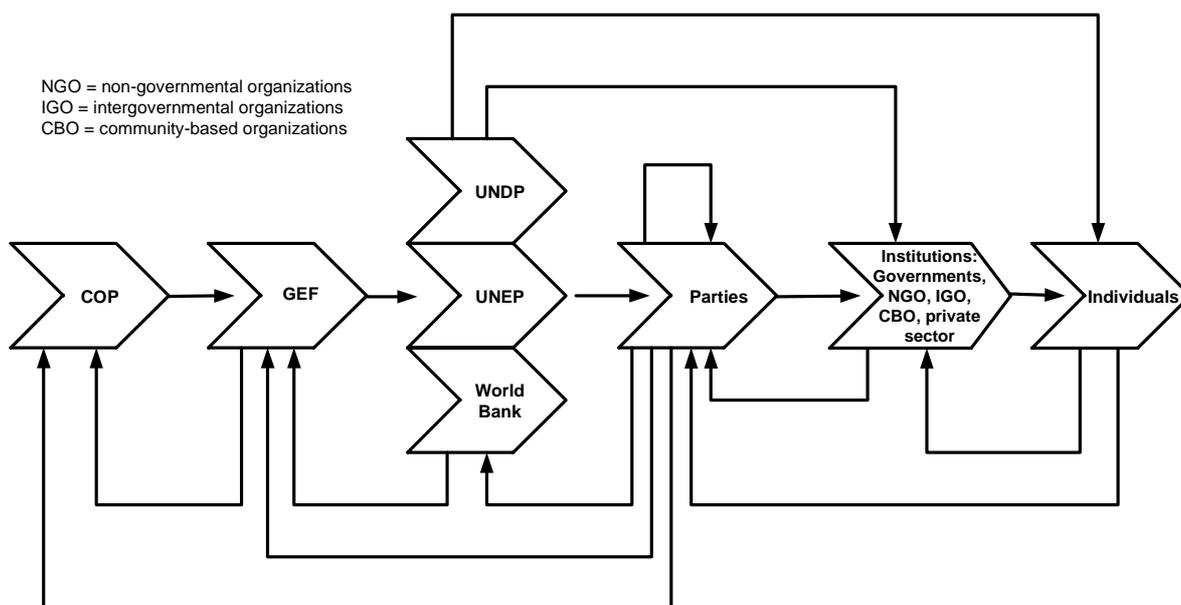
18. The objective of capacity-building is to assist developing countries to build, develop, strengthen, enhance, and improve their capabilities to achieve the objective of the Convention through the implementation of the provisions of the Convention and preparation for their effective participation in the Kyoto Protocol process, and thereby safeguard their development plans in the face of climate change. Capacity-building is thus very broad, and can be implemented in stand-alone capacity-building activities, or as part of other projects.

19. Based on Party submissions, the goals of a monitoring and evaluation activity should be:

- (a) To document actions been taken in direct response to the capacity-building framework as laid out in the COP decisions;
- (b) To show where progress is being made and to highlight where gaps exist and persist, so that corrective action can be taken;

- (c) To contribute towards an understanding of capacity development with a view to improving delivery of future capacity-building activities;
- (d) To improve efficiency, effectiveness and regional coverage of the delivery of capacity-building activities.

Figure 1. Actors and interactions among them on matters of capacity-building.



C. Guiding principles for monitoring and evaluation

20. The following are desirable principles suggested by Parties that could guide a monitoring strategy for capacity-building:

- (a) Capacity-building, and in turn capacity development, is a process. When the process of capacity development can be defined, it is possible to define incremental steps for capacity-building, and this would facilitate monitoring and evaluation;
- (b) Given the pervasive nature of capacity-building in many programmes and projects, it is necessary to define the scope of activities to be included in a review process;
- (c) A time frame is needed against which results and outputs/outcomes are expected, in order to constrain the evaluation, taking into account the iterative and ongoing nature of capacity development;
- (d) Monitoring requires documentation and data collection to form a basis for indicators and metrics;
- (e) Data collection for monitoring should be integrated into project implementation;
- (f) Monitoring and evaluation go hand in hand. Results of monitoring should directly feed into an evaluation or management process;

- (g) Capacity-building has multiple elements, and each can be evaluated differently;
- (h) Multiple approaches can be used to monitor and evaluate a single project in order to maximize utility of results and to ensure that the multiple dimensions of capacity in a project are appropriately quantified (see box).

Types of indicators for monitoring and evaluation

A comprehensive approach to evaluating programmes involves a system of metrics that capture all steps of programme development and implementation; including:

- (a) **Process metrics:** to assess leadership and to measure courses of action to achieve a goal, such as presence of leadership for each activity, functioning peer-review process in place involving all stakeholders, participatory input in planning, use of benchmarks where appropriate;
- (b) **Input metrics:** to measure tangible quantities put into a process to achieve a goal, such as sufficient intellectual and technological foundation to support the work, sufficient level of commitment of resources, and degree to which activity builds on existing resources and products;
- (c) **Output metrics:** to measure the products and services delivered;
- (d) **Outcome metrics or results-based metrics:** to measure results that stem from the actions of a programme and the influence that participants or activities have outside the programme, such as spawning of new avenues of work to support capacity-building, and increased participation of groups and countries in the process as a result of the capacity-building activities;
- (e) **Impact metrics:** to measure the long-term consequences of outcomes, such as contributions towards future decisions, tangible societal benefits, and increasing public understanding of climate change issues. These may only be measurable long after a project is over.

D. Criteria for monitoring based on principles of capacity-building in decisions 2/CP.7 and 2/CP.10

21. The following guiding principles of capacity-building, as articulated in decision 2/CP.7, could provide the basis for development of criteria to guide monitoring and evaluation:

- (a) Capacity-building must be country-driven to ensure that an activity maps to an explicit national priority as articulated in some formal national document and that the country is involved in the initiation and execution of activities;
- (b) Capacity-building is primarily to be undertaken by and in developing countries in accordance with provisions of the Convention to ensure that the capacity being built is beneficial to the country. Where the activity is being undertaken and by whom are important questions that need to be addressed;
- (c) Capacity-building is a continuous, progressive and iterative process; if there is a systems model of capacity development, then the capacity-building activity should contribute to the long-term nature of capacity development;
- (d) No one formula fits all capacity-building needs. Therefore there is a need to ensure that the method used is appropriate for the local circumstances;

- (e) Capacity-building activities should be carried out in an effective, efficient, and integrated and programmatic manner taking into account national circumstances of developing countries;
- (f) Synergy between the Convention and other global environmental agreements should be maximized;
- (g) Special needs and concerns of the LDCs and SIDS should be taken into account in the design and implementation of activities;
- (h) Where insufficient experience exists, activities should still be encouraged or conducted on a pilot scale to increase learning by doing.

V. Options for consideration

A. Possible options for monitoring and evaluating the implementation of the capacity-building framework in developing countries

1. Option 1: Monitoring based on national communications

22. The first option for monitoring would be to compile and synthesize information in Annex II and developing country national communications and use this information as the only inputs. One important limitation of this approach is the expected delay in submission of large numbers of second national communications from developing country Parties, most of which are expected to be ready around 2008. This estimate is based on the dates of disbursement of funds for preparation. This could cause a delay in the second comprehensive review of the capacity-building framework. Another issue is the lack of detail in information in national communications on capacity-building activities. This could be addressed by the SBI elaborating on types of data and information that should be provided on capacity-building through the national communications.

2. Option 2: Benchmarking capacity-building activities and identifying best practices

23. A second option is one that emphasizes the process of capacity development and the results and outcomes of such activities. The goal would be to understand how capacity is developed for particular issues of the framework in terms of cause-and-effect, a critical time line, and best practices or benchmarks in the methods for the issue at hand. This would be designed to encourage action where action is lacking, and would facilitate the transfer of best practices. A key output from this would be an indication of how far a country was from a benchmark position. Supporting indicators can be developed to assist in showing required steps to achieve desirable capacity. The specific methods and approaches could be developed through one or several technical workshops, or through a group set up to implement this.

3. Option 3: Comprehensive monitoring and evaluation

24. A third option is one that would be comprehensive, building on the above options, and extending and building on the monitoring and evaluation work of the GEF. Indicators would be defined and their collection integrated into the reporting and evaluation systems of the GEF and its implementing agencies, and extended to include activities by bilateral and multilateral agencies, NGOs and the private sector. Inputs would be collated from any available sources, including national communications, project databases and results of monitoring and evaluation by the GEF. Terms of reference for this system would be needed, and could be designed at one or several technical workshops, or through a group set up to implement this.

B. Possible steps to complete the second comprehensive review by the Conference of Parties at its fifteenth session

25. Once an approach towards the monitoring and evaluation of the capacity-building framework has been chosen, the SBI will need to define steps and a time line to be followed in order to complete the second comprehensive review before COP 15. Adequate time will need to be allowed for submissions from Parties as well as from the GEF and its implementing agencies, including specific types of information that will be requested, taking into account related activities such as monitoring activities of the GEF. An overview of existing and proposed requests for information between 2006 and 2010 is shown in figure 2.

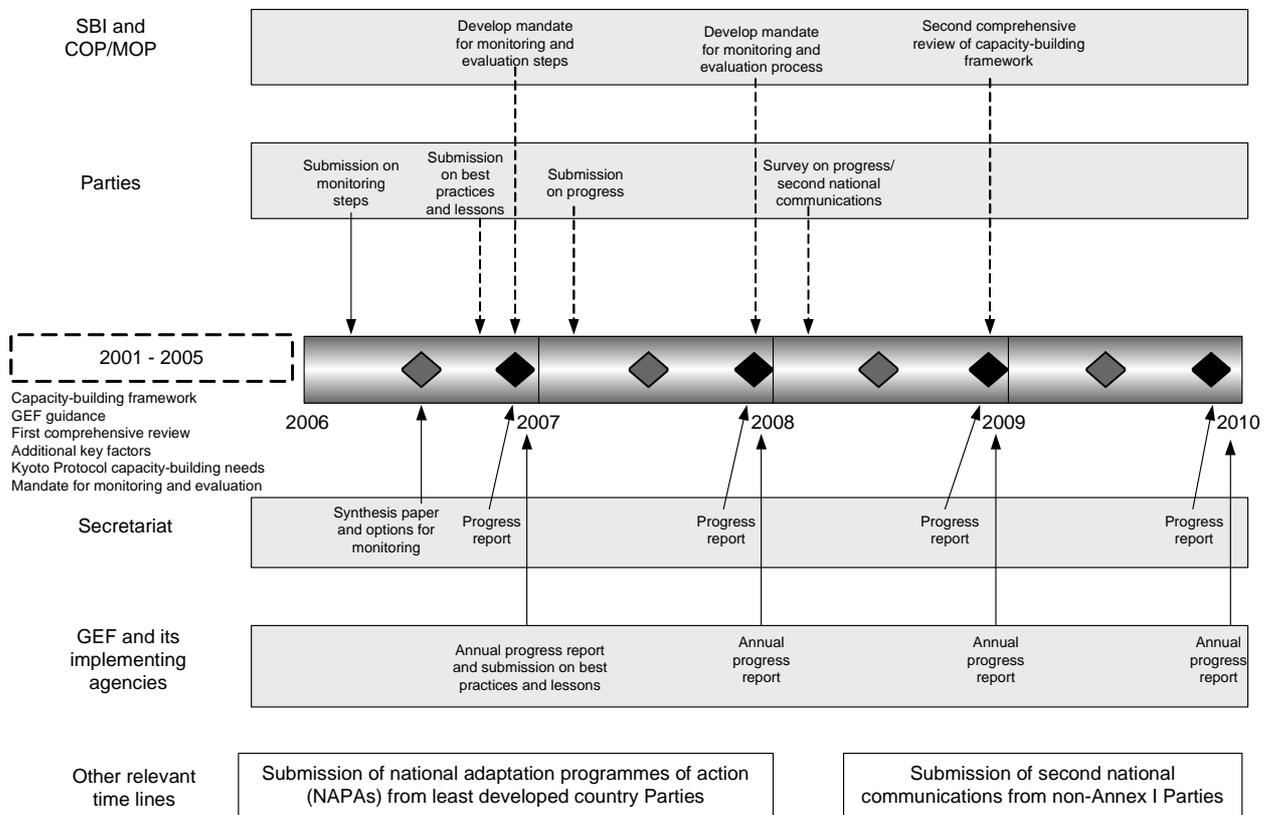
C. Possible information request from developing countries on institutional capacity

26. The integration of climate change in national planning is a theme that was repeated in many Party submissions. Although there is some information available, for example, in national communications, about what countries are doing, there is a need for more information on what the best methods are, and what approaches Parties should be taking to ensure that this integration is implemented successfully. The SBI may wish to consider asking developing countries for information on the status and capacity of their national institutions in effectively integrating climate change concerns in national planning and decision-making. Such information would guide further action to ensure that appropriate capacity is being built to achieve this integration.

D. Possible information requests from organizations that regularly support capacity-building activities on programmes and projects that they have supported

27. Many capacity-building activities are implemented by bodies other than the GEF and its implementing agencies. Many such activities directly address the needs in the capacity-building framework, and would need to be included in an assessment and review. A request would need to be prepared accompanied by a structured survey instrument that is designed to collate information that would be sufficient to directly contribute to the monitoring and evaluation activities. Such a request would also need to solicit information on steps taken to improve international donor coordination in the provision of financial resources. The survey instrument would need to be carefully designed, tested and deployed to achieve maximum benefit.

Figure 2. Overview of existing requests for reporting and possible actions necessary to perform regular monitoring of capacity-building activities and steps to complete the second comprehensive review before COP 15.



Note: The solid arrow lines indicate existing mandates for submission of information, and the dashed arrow lines indicate possible mandates to contribute towards the monitoring and review processes. The diamonds indicate timing of sessions of the COP (dark) and subsidiary bodies (light).
