



**UNITED
NATIONS**



**Framework Convention
on Climate Change**

Distr.
GENERAL

FCCC/SBI/2009/5
27 May 2009

Original: ENGLISH

SUBSIDIARY BODY FOR IMPLEMENTATION

Thirtieth session

Bonn, 1–10 June 2009

Item 8 of the provisional agenda

Capacity-building under the Convention

Item 9 of the provisional agenda

Capacity-building under the Kyoto Protocol

Synthesis of experiences and lessons learned in the use of performance indicators for monitoring and evaluating capacity-building at the national and global levels

Note by the secretariat*

Summary

This synthesis report has been prepared to advance the monitoring and evaluation of capacity-building at various levels. The report draws on information synthesized from various documents, including submissions from Parties on their experiences with the monitoring and evaluation of capacity-building at the national level and the reports on the expert meetings on experiences in using performance indicators for the monitoring and evaluation of capacity-building at the national level. The report outlines guiding principles and possible approaches to monitoring and evaluation which have been identified and should be pursued, as well as the challenges and limitations of these approaches. This note should be considered in conjunction with document FCCC/SBI/2009/4, which presents the results of the second comprehensive review of the implementation of the framework for capacity-building in developing countries established under decision 2/CP.7.

* This document was submitted after the due date owing to the need for internal consultations.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
I. INTRODUCTION	1–3	3
A. Mandate	1	3
B. Scope of the note	2	3
C. Possible action by the Subsidiary Body for Implementation..	3	3
II. BACKGROUND	4–12	3
A. The framework for capacity-building in developing countries established under decision 2/CP.7	4–9	3
B. Progress in developing a framework for the monitoring and evaluation of capacity-building within the intergovernmental process of capacity-building for climate change	10–12	4
III. NATIONAL EXPERIENCES AND LESSONS LEARNED IN MONITORING AND EVALUATING CAPACITY-BUILDING FOR CLIMATE CHANGE	13–36	5
A. Definitions and context.....	13–18	5
B. Purposes and challenges	19–25	6
C. Approaches to monitoring and evaluation.....	26–36	7
IV. EXPERIENCES OF INTERGOVERNMENTAL ORGANIZATIONS	37–55	9
A. The Global Environment Facility	38–45	9
B. The United Nations Development Programme.....	46–49	10
C. The Organisation for Economic Co-operation and Development	50–53	11
D. The United Nations Environment Programme	54–55	12
V. SUMMARY	56–58	12

Annexes

I. Intergovernmental milestones in the development of a framework for the monitoring and evaluation of capacity-building.....	14
II. Analysis of the needs outlined in the framework for capacity-building in developing countries established under decision 2/CP.7, by level of capacity-building	15

I. Introduction

A. Mandate

1. The Subsidiary Body for Implementation (SBI), at its twenty-ninth session, requested the secretariat to prepare a synthesis report to advance the monitoring and evaluation of capacity-building at various levels, consistent with decision 2/CP.7 and including the possible use of performance indicators, for consideration at its thirtieth session.¹

B. Scope of the note

2. The information in this synthesis report is drawn from the following documents:
- (a) The submissions from Parties on their experiences with monitoring and evaluation of capacity-building at the national level, as contained in document FCCC/SBI/2008/MISC.6;
 - (b) The technical paper containing approaches to monitoring and evaluation of capacity-building at different levels, as contained in document FCCC/TP/2008/5;
 - (c) The reports on two expert meetings on experiences in using performance indicators for the monitoring and evaluation of capacity-building at the national level, as contained in documents FCCC/SBI/2007/33 and FCCC/SBI/2008/15;
 - (d) The submissions from Parties, intergovernmental organizations (IGOs) and non-governmental organizations (NGOs) on their experiences and lessons learned in, in particular, the use of performance indicators for monitoring and evaluating capacity-building at the national and global levels, as contained in document FCCC/SBI/2009/MISC.1.

C. Possible action by the Subsidiary Body for Implementation

3. The SBI may wish to consider the information contained in this document when providing guidance and making recommendations to the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on further steps to regularly monitor and evaluate capacity-building activities undertaken pursuant to decisions 2/CP.7, 4/CP.12, 29/CMP.1 and 6/CMP.2.

II. Background

A. The framework for capacity-building in developing countries established under decision 2/CP.7

4. Capacity-building for climate change is considered to be an essential part of sustainable development and is fundamental for developing countries in implementing the Convention and in addressing climate change at the national level. Capacity-building is a continuous process for which the availability and accessibility of funds for implementing and monitoring its activities are key.

5. The COP, at its seventh session, adopted decision 2/CP.7 relating to capacity-building in developing countries, along with other decisions that included components relating to capacity-building. The framework for capacity-building in developing countries established under decision 2/CP.7 (hereinafter referred to as the capacity-building framework), contained in the annex to that decision, was designed to serve as a guide for the climate change capacity-building activities supported or funded by the Global Environment Facility (GEF) and other funding bodies.

¹ FCCC/SBI/2008/19, paragraphs 90 and 103.

6. The capacity-building framework includes a set of guiding principles for and approaches to capacity-building; provides an initial list of priority areas for capacity-building; and calls on developing country Parties to continue to provide information on their specific needs and priorities, while promoting cooperation among themselves and the participation of a wide range of stakeholders. According to the capacity-building framework, Parties included in Annex II to the Convention (Annex II Parties) should, for their part, provide additional financial and technical assistance to developing countries for implementing capacity-building activities through the GEF and other channels and all Parties should improve the coordination and effectiveness of existing activities.

7. A time frame and process for the review of the capacity-building framework was established under decision 9/CP.9. By this decision, the COP decided to complete a first comprehensive review of the capacity-building framework by its tenth session and to conduct further comprehensive reviews every five years thereafter.

8. The results of the first comprehensive review of the capacity-building framework are noted in decision 2/CP.10. While acknowledging some progress in a range of priority areas identified in the capacity-building framework, the COP noted that significant gaps remained to be filled and that access to financial resources continued to be an issue that needed to be addressed.

9. The results of the second comprehensive review, as contained in document FCCC/SBI/2009/4, will be considered by the SBI at its thirtieth session.

B. Progress in developing a framework for the monitoring and evaluation of capacity-building within the intergovernmental process of capacity-building for climate change

10. There has been regular, if modest, progress with respect to the monitoring and evaluation of capacity-building since the adoption of the capacity-building framework, as presented in annex I to this document. On several occasions, Parties have had the opportunity to discuss and share experiences and lessons learned with regard to: the concepts of capacity and capacity-building; the purposes and challenges of, and methodologies for, monitoring and evaluating capacity-building; and the principles for the design and application of performance indicators to support the implementation of the capacity-building framework under the Convention at the national level. These discussions have been synthesized in chapter III below.

11. Some Parties have observed that there is a lack of experience with approaches to evaluating capacity-building, at both the national and even the organizational level, and all Parties recognize that further work is needed to identify monitoring and evaluation approaches relevant at the national and global levels.² Following the presentation, at the expert meeting held in November 2008, of a technical paper³ analysing recent approaches to monitoring and evaluation of capacity-building at different levels, participants considered how these experiences and approaches could be relevant and applicable to the monitoring and evaluation of capacity-building under the Convention. They recognized that the broader perspectives put forward in the literature should be more carefully examined in order to find an agreeable balance between traditional approaches to and alternative paradigms for monitoring and evaluating climate change capacity-building activities.

12. At SBI 29, the SBI noted that substantial expertise exists globally in monitoring and evaluating capacity-building within, inter alia, NGOs and IGOs and that Parties could benefit from this expertise.⁴ Therefore, the SBI invited Parties, IGOs and NGOs to submit to the secretariat information on their experiences and lessons learned in, in particular, the use of performance indicators for monitoring and

² FCCC/CP/2007/6, paragraph 87.

³ FCCC/TP/2008/5. The expert meeting was held in Rio de Janeiro, Brazil.

⁴ FCCC/SBI/2008/19, paragraphs 87 and 100.

evaluating capacity-building at the national and global levels.⁵ The secretariat has received six such submissions, including two on behalf of regional groups, as presented in document FCCC/SBI/2009/MISC.1.

III. National experiences and lessons learned in monitoring and evaluating capacity-building for climate change

A. Definitions and context

13. As stated by some Parties, capacity-building is critical for sustainable development and, in particular, for climate change. Parties generally acknowledge that capacity-building is a lengthy process, requiring a long-term and learning-by-doing approach. They agree that, in this process, national ownership and leadership as well as enabling environments, incentives, and consultations with and decision-making by multiple stakeholders must be ensured. In particular, Parties recognize the importance of political will in building capacity.

14. All Parties emphasize that capacity-building should be a country-driven process in terms of responding to countries' specific needs and priorities as well as making use of national approaches to implementation and reporting. For this reason, some Parties consider that a global approach to the monitoring and evaluation of capacity-building may not prove appropriate. They also emphasize the important role that developing countries have to play in monitoring and evaluation. In particular, they recall that developed and developing countries have committed to mutual accountability, in line with the Paris Declaration on Aid Effectiveness⁶ and the Accra Agenda for Action,⁷ whereby developed countries should align their monitoring and evaluation with the systems of the developing countries. Other Parties are of the view that there is a need to develop and agree on global performance indicators in order to assess the implementation of the capacity-building framework.

15. Parties agree on the different, yet complementary, roles of monitoring and evaluation: monitoring is designed to collect data on a continuous basis in order to assess whether the project or activity is progressing as planned; while evaluation is an analytical effort and structured process to determine the relevance and fulfillment of objectives and the effectiveness, impact and sustainability of a project or activity, representing thereby a powerful learning tool and leading to recommendations.

16. It is widely recognized that the process for building capacity should be comprehensive and focus on three different levels: individual, institutional and systemic, as defined by the United Nations Development Programme (UNDP) and the GEF:

- (a) Individual: changing attitudes and behaviour through training, learning-by-doing, participation, ownership, motivation, morale, accountability and responsibility;
- (b) Institutional or organizational: overall performance and functional capabilities, such as mandates, tools, guidelines and information management systems;
- (c) Systemic: the overall policy, economic, regulatory and accountability frameworks within which institutions and individuals operate.

⁵ FCCC/SBI/2008/19, paragraphs 88 and 101.

⁶ The Paris Declaration on Aid Effectiveness expresses the international community's consensus on the direction for reforming the delivery and management of aid in order to improve effectiveness and achieve better results. Progress towards meeting the commitments of the declaration is monitored by the Working Party on Aid Effectiveness. See <www.oecd.org/dac/effectiveness>.

⁷ The Accra Agenda for Action was agreed by ministers and heads of agencies at the third High-Level Forum on Aid Effectiveness, in Accra, Ghana, which was attended by 1,700 participants, including more than 100 ministers and heads of agencies. See <<http://www.accahlf.net>>.

17. The scope of needs and areas for capacity-building identified in the capacity-building framework can be loosely regrouped under these three levels of capacity-building, as shown in annex II to this document. Capacity-building generally forms an integral part of national climate change programmes, along with public awareness and communication, and is addressed by stand-alone projects or through project components. It covers a broad range of activities, from the compilation of greenhouse gas inventories to the negotiation process, through impact assessment and adaptation, to the clean development mechanism (CDM) and carbon financing. A few Parties report that, to ensure that the issue of climate change is considered in connection with their official development plans, and pending the establishment of their national climate change programmes, several types of groups and committees are involved in climate change related activities at the national level.

18. Commonly, capacity-building involves a variety of activities, including: meetings of stakeholders; meetings of technical working groups; the preparation of national communications and of national adaptation programmes of action (on a voluntary basis); the dissemination of information on climate change through the creation of websites or electronic newsletters; the establishment of national climate change programmes; training in negotiation skills; and the development of CDM documentation.

B. Purposes and challenges

19. The COP, by its decision 4/CP.12, recognized that the purpose of regular monitoring should be to facilitate the assessment of progress made, the identification of gaps and the assessment of the effectiveness of the implementation of the capacity-building framework and to support its comprehensive review. Parties agree that there is no 'one size fits all' approach to monitoring and evaluating capacity-building. Baseline assessments of countries' capacities to implement the Convention are an essential basic step when planning any approaches to monitoring and evaluation. Often, national capacity self-assessments (NCSAs) have helped to identify where gaps in capacity exist.

20. Parties also agree that the monitoring and evaluation process should also serve: to track the use of funds granted by donors; to maximize the benefits and lessons learned from the capacity-building activities; and to promote best practices and encourage more efficient use of resources, thereby influencing the success of the activities. It is important that evaluations are objective and comprehensive and make actionable recommendations. Monitoring and evaluation should be seen as an opportunity and not as a threat, as the ownership of the process rests with the host country.

21. A challenge frequently faced when designing approaches to monitoring the capacity-building framework is how to ensure that the monitoring process is achievable without requiring a huge effort and significant additional resources, in such a way that the results help improve the implementation of the capacity-building framework rather than create the burden of reporting on them. Monitoring and evaluation should support the long-term nature of capacity-building in a practical way, without interfering with the process of capacity-building itself. It is also important to design methods of monitoring that build upon and support the existing efforts and capacities and focus on outcomes, rather than on inputs and outputs.

22. Parties concede that little work has been undertaken with specific regard to monitoring and evaluation for capacity-building and capacity-building for climate change. While there are experts on climate change and experts on evaluation, there are not many experts in climate change capacity-building evaluation. Although capacity-building is the core focus of the GEF, since capacity-building activities are not explicitly included in GEF project design documents, they are also not reported on in final project documents. This makes it difficult to verify the progress and impact of capacity-building at the country and programme levels and impossible to quantify and locate developed capacity. Despite the fact that most of the aid from donors is aimed at capacity-building and development efforts, evaluations confirm that the development of sustainable capacity remains one of the most difficult areas in the international development process.

23. The cross-cutting nature of capacity-building is widely recognized and most Parties share the opinion that capacity-building should be integrated into the global, national, sectoral and thematic development efforts. In this context, it may be noted that the NCSAs supported by the GEF address numerous multilateral environmental agreements; however, the mandate for monitoring the implementation of the capacity-building framework under the Convention requires efforts to be restricted to climate change. It is expected that efforts would be coordinated at the national level, to ensure a consistent and complementary approach to capacity-building. There are many challenges involved in coordinating activities across ministries and with NGOs and international organizations.

24. Some Parties note that developing countries should take the lead in monitoring and evaluation and ensure that these processes form an integral part of the management cycle. It remains a challenge for developing countries to monitor and evaluate capacity-building activities at the national level and to advance from the project level to the national level in terms of performance evaluation and indicators. Very often, additional resources are required to support an evaluation system, including resources to develop concrete steps, procedures and indicators for assessing and monitoring the effectiveness of capacity-building activities.

25. In some countries, depending on the institutional set-up, monitoring and evaluation of capacity-building activities is often carried out informally; these Parties have identified the need for a dedicated monitoring and evaluation department in their countries.

C. Approaches to monitoring and evaluation

1. Methodologies

26. Generally, donor countries take a decentralized approach to evaluating capacity-building projects. Methodologies are developed and used to monitor and evaluate the results of activities; the evaluation is dependent upon what was defined before starting the project and what the target is, based on the capacity assessment conducted beforehand (see para. 32 below).

27. Commonly, methodologies being used for monitoring and evaluating capacity-building activities include: the results-based management approach, which is a life-cycle approach focusing on achieving outcomes, and measuring and reporting performance; project-cycle management, which presents the flow of monitoring and evaluation activities; the project-design matrix, which illustrates where performance indicators are being used; and problem and objective trees (see para. 54 below), which identify the project objectives and indicators.

28. Parties usually draw on a wide variety of tools for evaluation, such as assessment reports, field visits, interviews, surveys, meetings with project partners and stakeholders, narrative reporting and financial reporting.

29. Some Parties have learned lessons from their evaluations, in particular that: good evaluations can take, on average, up to a year to complete and are costly; pre- and post-evaluations and surveys can be useful (i.e. for training), but impact and effectiveness can be difficult to measure; the most difficult aspect is how to measure changes in behaviour when it comes to capacity-building efforts; and, although participatory evaluations can be highly complex, statistical and costly, they can help with future capacity-building efforts.

30. Some Parties acknowledge that they have no experience in developing generic methodologies or performance indicators at the global level for monitoring and evaluating capacity-building for climate change and, therefore, express a preference for strengthening their monitoring and evaluation systems at the local and national levels. Other Parties, however, refer to their experience in the implementation of the global United Nations Millennium Development Goals, another international process of meeting a set of globally agreed development targets from which individual countries can learn lessons. In this

context, while development needs are country-driven, the global targets that are being implemented at the national level form a basis for the comparison and reporting of the progress made, not only at the individual country level, but also at the international level.

2. Design of performance indicators

31. Performance indicators are generally agreed to be a key tool for evaluating and monitoring capacity-building activities. They are used in many of the methodologies outlined in paragraph 27 above. As discussed in paragraph 16 above, the process of capacity-building should focus on the individual, institutional and systemic levels. As a result, Parties agree that national indicators should encompass individual, institutional and systemic indicators of capacity. Some Parties observe that indicators could be used to evaluate capacity-building activities in terms of their coverage and timing, range of beneficiaries and project inputs.

32. Before performance indicators and targets can be defined, a capacity assessment must be carried out, jointly by the host country and a partner organization if appropriate. Parties agree that only a few performance indicators should be chosen, with the emphasis on them being practical and useful to the process of capacity-building, rather than simply fulfilling the general need for monitoring. The cost, duration and difficulty of the monitoring process depend on the number of indicators. Some Parties note that involving stakeholders in the process of defining indicators, and respecting their values, has an influence on which indicators are chosen for development.

33. In order to help determine which is the best indicator, or set of indicators, the United States Agency for International Development identified six characteristics of good indicators:

- (a) Validity: the indicator actually measures what it is required to measure;
- (b) Reliability: the indicator can be used repeatedly and is a trustworthy measure of change;
- (c) Usefulness for management: the measure is relevant to decision-making at one or more management levels;
- (d) Adequacy: if a result is narrowly defined, a single indicator may be enough;
- (e) Timeliness: the indicator will provide the necessary information when it is required for making decisions;
- (f) Practicality: data can be obtained from indicators at a reasonable cost and in a timely fashion.

34. Descriptions in the form of narratives illustrating changes or progress made are essential qualitative indicators as a complement to the more quantitative varieties. They also help to demystify the sometimes daunting progress-matrices also used. In order to ascertain whether the project was a complete success, key performance indicators, regarding both qualitative and quantitative aspects, are required. These indicators are an important part of the evaluation and make it possible to compare current activities with past experiences.

35. Parties recognize that indicators can be useful: in helping to communicate the results of activities or projects; when carrying out a more profound analysis of the socio-economic context; and as a management tool. However, Parties also recognize key challenges in applying performance measures, including collecting data, finding a reporting balance and the potential need to monitor issues that could become important in the future. Evaluating performance at the national level requires a summary of performance at the project level, and aggregating this information remains a challenge.

36. Parties also note limits to the use of indicators, such as that they may be highly subjective and difficult to generalize between countries. Common, standard or broad overarching indicators may

provide some information, but they do not necessarily capture what is going on at the local level in a host country. Custom indicators can be useful, but they can also be costly and time-consuming.

IV. Experiences of intergovernmental organizations

37. An intensive learning process to improve capacity-building, including its monitoring and evaluation, is currently ongoing and involves various international organizations and United Nations agencies.

A. The Global Environment Facility

38. Capacity-building is the core focus of the GEF; it is carried out either as part of medium- and full-sized projects or through enabling activities. Medium- and full-sized projects include an evaluation component, to which 7 per cent of the project's budget is allocated. This usually involves compiling information in periodic reports throughout the implementation of the project, which is then used by an independent evaluator to produce an evaluation report at the end of the project.

39. The priority attached to monitoring and evaluation is unambiguously asserted in the Monitoring and Evaluation Policy of the GEF Evaluation Office (GEF EO);⁸ however, the policy does not mention capacity-building as a particular focus of this monitoring and evaluation. The GEF Strategic Approach to Enhance Capacity-building provides a programmatic basis for GEF funding related to capacity development. It mentions that specific indicators should be the basis for the monitoring and evaluation of activities, or elements of projects, that are dedicated to capacity-building and that these indicators would be developed by the then Evaluation Unit of the GEF. The GEF EO established a framework of indicators for the monitoring of capacity-building initiatives within the operations of the GEF and introduced a scorecard approach for monitoring at the level of individuals, institutions and systems.

40. The work of the GEF in developing indicators to measure the impact of project components dedicated to capacity-building is based on the following five key capacities:

- (a) Capacity to conceptualize and formulate policies, legislation, strategies and programmes;
- (b) Capacity to implement policies, legislation, strategies and programmes;
- (c) Capacity to engage and build consensus among all stakeholders;
- (d) Capacity to mobilize information and knowledge;
- (e) Capacity to monitor, evaluate, report and learn.

41. Using a scorecard approach by ranking each indicator from zero to three, the indicators allow the qualitative process of capacity-building to be quantified. A set of indicators is identified in the framework for monitoring and evaluation, which is flexible enough to add indicators specific to each focal area.

42. A global support programme for NCSAs provides countries with methodological support and knowledge management mechanisms. One of the activities of this programme is to develop targets and indicators for benchmarking and impact assessments. This work is carried out in collaboration with the monitoring and evaluation units of the GEF, UNDP, the United Nations Environment Programme (UNEP) and the World Bank.

43. Together with partners and donors, the GEF EO is currently working to support an emerging informal network, or "community of practice", for evaluators, practitioners and researchers who are developing monitoring and evaluation systems, best practices, guidelines and indicators for evaluating

⁸ Available at <http://www.gefweb.org/uploadedFiles/Policies_and_Guidelines-me_policy-english.pdf>.

climate change and development. This initiative, which is focusing on the needs of developing countries and improving the capacity of these countries to address climate change, is a direct result of the high level of interest expressed in these activities at the International Conference on Climate Change and Development, organized by the GEF EO and held in Alexandria, Egypt, from 10 to 13 May 2008.

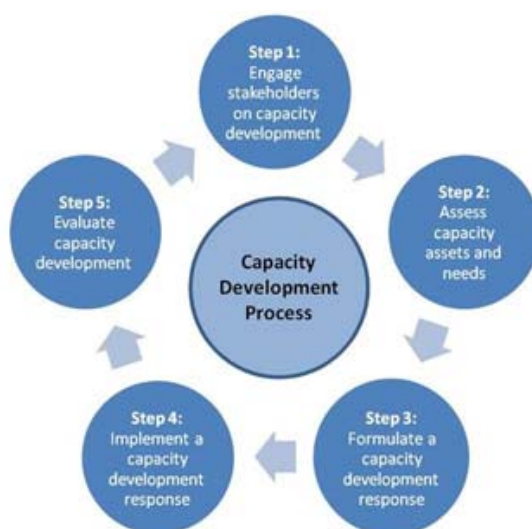
44. This community of practice will create, validate and disseminate information and knowledge on evaluation. It has three primary initiatives, namely an electronic repository of climate change evaluations; an online forum for the community; and four studies on mitigation and adaptation.

45. The GEF EO will act as the moderator and organizer of the community of practice, providing a basis for funding and for studies and meta-evaluations to be undertaken, and the community will be supported through the efforts of several partners.

B. The United Nations Development Programme

46. The nature of the work of UNDP leads the agency to take a holistic view of capacity-building. UNDP uses the term “capacity development”, reflecting the comprehensive approach of the process, which uses the existing base of capabilities as its starting point and then supports national efforts to enhance and retain those capabilities. Its work also encompasses areas where new capabilities have to be introduced and, hence, also supports the building of new capacity.

The capacity development process



Source: United Nations Development Programme.

47. The UNDP Strategic Plan 2008–2011⁹ places capacity development as the organization’s overarching service to countries in the programme. It is mainly implemented by the Capacity Development Group. Some elements of capacity development monitoring, evaluation and indicators are outlined on the pages of the UNDP website dedicated to capacity development.¹⁰

48. The approach of UNDP is centred on the idea that capacity development is a process comprising a set of ongoing interventions. UNDP and the United Nations Development Group recognize the five steps captured in the diagram above as the core approach to capacity development. These fundamental steps are to be followed in every context: the process begins by jointly establishing the need for a rigorous

⁹ Available at <<http://www.undp.org/execbrd/word/dp07-43.doc>>.

¹⁰ <<http://www.undp.org/capacity/index.shtml>>.

approach to capacity development, followed by conducting assessments to establish the baseline capacity, suggesting responses based on the outcomes of these assessments, providing support for the implementation of these responses and helping to measure changes in capacity. This general approach can, however, then be adapted and tailored to the specific situation.

49. In support of the NCSA programme, UNDP developed a framework for the monitoring of capacity-development initiatives. This approach is in line with the Strategic Approach to Enhance Capacity-building and the results-based management framework of the GEF.

C. The Organisation for Economic Co-operation and Development

50. The Organisation for Economic Co-operation and Development (OECD) follows the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, whereby capacity-building must be an endogenous process owned by the countries where it is taking place and aligned with the countries' systems and harmonized approaches. Given the diversity of the national contexts in which capacity-building for climate change must take place, performance indicators for monitoring and evaluating capacity-building in OECD-supported activities are usually developed at the national level by national authorities.

51. OECD is undertaking a range of activities related to monitoring capacity-building, including some related to capacity development for the environment, but currently none of these activities target climate change specifically. Activities include: monitoring capacity-building activities by means of the Survey on Monitoring the Paris Declaration on Aid Effectiveness; developing indicators and benchmarks for the environmental ministries and agencies of developing countries in order to assess their capacity to develop, comply with and enforce environmental legislation; and updating guidance on capacity-building for the environment.

52. The Development Assistance Committee (DAC) publishes statistics and reports on aid and other resource flows. These statistics, published in the Creditor Reporting System (CRS) Aid Activity database, concern developing countries and countries with economies in transition and are based principally on the reports of DAC members. The CRS provides a set of readily available basic data, which allows all DAC members to analyse and compare where aid goes, what purposes it serves and what policies it supports or aims to implement. CRS has 'Rio markers' (climate change mitigation, desertification and biodiversity conventions), which allow the tracking of aid towards the implementation of the Rio Conventions. However, there is currently no way of distinguishing capacity-building activities within the efforts related to these Rio markers.

53. OECD sees achieving consensus on global performance indicators and monitoring parameters for capacity-building for climate change as a challenge and emphasizes the need to ultimately tailor such indicators and monitoring parameters to national contexts.

D. The United Nations Environment Programme

54. One of the most persuasive and potentially useful devices for addressing the issue of the effectiveness of monitoring and evaluation exercises is the ‘problem tree’ approach to lessons learned, developed by UNEP.¹¹ The process of developing a problem tree starts with a statement about the main problem to be investigated, that is, the core or central problem. The problem tree analysis proceeds by further identifying the causes of the central problem and establishes a hierarchy of such causes, from those most immediate to the central problem, down to the fundamental causes. The aim of this approach is to enhance the quality of lessons learned and ensure these lessons are taken into account when designing future programmes, thus bringing about positive change.

55. This tool has helped to clarify where issues raised had appeared in various evaluation reports. An accompanying ‘mind map’ graphic also provided an opportunity for discussion among project staff and served as an effective tool for ‘unclogging’ the evaluation system of its numerous accumulated lessons. One major finding was that nearly 50 per cent of ‘lessons’ from earlier evaluations failed to satisfy the established qualitative criteria. Thus, one outcome of this exercise was better guidance on how to better describe lessons in the future.

V. Summary

56. Almost a decade ago, the capacity-building framework as annexed to decision 2/CP.7 was adopted, outlining the scope of, and guiding principles and approaches for, capacity-building activities in developing countries. The review process that has been elaborated over the years (annual reviews and quinquennial comprehensive reviews) provides a basis for monitoring the implementation of the capacity-building framework and has enabled the identification of progress and gaps in a range of priority areas.

57. The two expert meetings and various submissions from Parties and IGOs have contributed to sharing experiences and views concerning monitoring and evaluation of capacity-building at the national and global levels, including the use of performance indicators. While it appears that Parties and organizations still have limited experience with approaches to evaluating capacity-building for climate change at the organizational, national and global levels, some guiding principles and possible approaches have been identified and should be pursued. Challenges and limitations of these approaches have also been recognized and Parties need to consider how to overcome them. A summary of these guiding principles and challenges is presented in the box below.

58. A manual and a set of indicators drawing on these guiding principles and experiences could be developed in order to further support the monitoring and evaluation at the national level of climate change capacity-building activities.

¹¹ <http://www.unep.org/eou/Pdfs/Lessons_Learned_rpt.pdf>.

Approaches to monitoring and evaluation, including the design and use of performance indicators: guiding principles and limitations

Approaches to and methodologies for monitoring and evaluation

- Monitoring and evaluation should be a country-driven process.
- Developing countries should take the lead in monitoring and evaluation and ensure that the process forms an integral part of the management cycle.
- The purpose of regular monitoring should be to facilitate the assessment of progress made, the identification of gaps and the assessment of the effectiveness of the implementation of the capacity-building framework and to support its comprehensive review.
- Baseline assessments of countries' capacities to address their commitments under the Convention are an essential basic step when planning any approaches to monitoring and evaluation – national capacity self-assessments have helped identify where gaps in capacity exist.
- Monitoring and evaluation should support the long-term nature of capacity-building in a practical way, without interfering with the process of capacity-building itself.
- Good evaluations can take up to a year to complete and are costly.
- Additional resources are required to support an evaluation system, including concrete steps, procedures and indicators for assessing and monitoring the effectiveness.
- Annex II Parties, multilateral agencies and other relevant stakeholders supporting capacity-building in developing countries should align their monitoring and evaluation with the systems of the developing countries.

The design and use of performance indicators

- Only a few performance indicators should be chosen, with the emphasis on them being practical and useful to the process of capacity-building, rather than simply fulfilling a general need for monitoring.
- The levels of selection of national indicators should encompass individual, institutional and systemic indicators of capacity.
- Key challenges in applying performance measures include: collecting and aggregating data; finding a reporting balance; and the potential need to monitor issues that could become important in the future.
- Indicators may be highly subjective and difficult to generalize between countries.
- Achieving consensus on global performance indicators and monitoring parameters for capacity-building for climate change is likely to be difficult and, ultimately, such indicators and monitoring parameters will need to be tailored to national contexts.
- Descriptions in the form of narratives illustrating changes or progress made are essential qualitative indicators as a complement to the more quantitative indicators.
- Performance indicators should be clearly defined, easy to understand and to use, not too costly, unbiased, able to be aggregated, and based on available data and information.

Annex I**Intergovernmental milestones in the development of a framework for the monitoring and evaluation of capacity-building**

Proceedings and/or conclusions	Related decision/document
The Conference of the Parties (COP), at its seventh session, 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 framework for capacity-building in developing countries established under decision 2/CP.7 (hereinafter referred to as the capacity-building framework).	Decision 2/CP.7
The COP, at its ninth session, requested the Global Environment Facility to take the capacity-building framework into account in its work relating to the development of capacity-building performance indicators for the climate change focal area.	Decision 4/CP.9
Also at COP 9, a time frame and process for the review of the capacity-building framework were established.	Decision 9/CP.9
The Subsidiary Body for Implementation (SBI), at its twenty-fourth session, considered a synthesis report prepared by the secretariat on steps to be taken to regularly monitor capacity-building activities in developing countries.	FCCC/SBI/2006/5
The COP, at its tenth session, encouraged Parties to report on the effectiveness and sustainability of capacity-building programmes in their national communications and other relevant documents.	Decision 2/CP.10
The COP, at its twelfth session, decided to take additional steps annually to regularly monitor the implementation of the capacity-building framework and to contribute to its comprehensive annual review.	Decision 4/CP.12
The SBI, at its twenty-sixth session, considered a proposal for the collection, processing and dissemination of information on monitoring capacity and capacity-building activities in developing countries.	FCCC/SBI/2007/5
Also at SBI 26, it was decided that a two-day expert workshop should be organized that would focus on approaches to monitoring and evaluating capacity-building activities and the enhancement of the effectiveness of capacity-building.	Workshop held in St. John's, Antigua and Barbuda, on 5–6 November 2007 – report contained in document FCCC/SBI/2007/33
The COP, at its thirteenth session, invited Parties to submit information on their experiences with monitoring and evaluation at the national level. It also requested the secretariat to prepare a technical paper containing approaches to monitoring and evaluation at different levels and to convene a meeting to discuss experiences in using performance indicators for the monitoring and evaluation of capacity-building at the national level.	Expert meeting held in Rio de Janeiro, Brazil, on 6–7 November 2008 – report contained in document FCCC/SBI/2008/15
The SBI, at its twenty-eighth session, endorsed the terms of reference for the second comprehensive review, stating that this review should result, inter alia, in recommendations by the SBI on further steps to regularly monitor and evaluate capacity-building activities.	Terms of reference contained in document FCCC/SBI/2008/8, annex IV
The SBI, at its twenty-ninth session, considered the information from Parties, the technical paper and the report on the outcome of the expert meeting held in Rio de Janeiro referred to above.	FCCC/SBI/2008/MISC.6 and FCCC/TP/2008/5
Also at SBI 29, the SBI invited Parties, intergovernmental organizations and non-governmental organizations to submit to the secretariat information on their experiences and lessons learned in, in particular, the use of performance indicators for monitoring and evaluating capacity-building at the national and global levels.	FCCC/SBI/2009/MISC.1

Annex II

**Analysis of the needs outlined in the framework for capacity-building in
developing countries established under decision 2/CP.7,
by level of capacity-building**

Level of capacity- building	Needs outlined in the capacity-building framework
Individual	<ul style="list-style-type: none"> • Education and training
Institutional	<ul style="list-style-type: none"> • Institutional capacity-building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points • Preparation of national communications • Maintenance of greenhouse gas inventories, management of emission databases and establishment of systems for collecting, managing and utilizing activity data and emission factors • Vulnerability and adaptation assessment • Assessment for the implementation of mitigation options • Research and systematic observation, including meteorological, hydrological and climatological services • Information-sharing and networking, including the establishment of databases
Systemic	<ul style="list-style-type: none"> • Enhancement and/or creation of an enabling environment • Development of national climate change programmes • Improved decision-making, including assistance for those participating in international negotiations
Needs and areas that cover more than one level	<ul style="list-style-type: none"> • Capacity-building for the implementation of adaptation measures • Development and transfer of technology • Utilization of the clean development mechanism • Needs arising from the implementation of Article 4, paragraphs 8 and 9, of the Convention • Raising public awareness
