CAPACITY DEVELOPMENT INITIATIVE

Assessment of Capacity Development in the GEF Portfolio

September 2000

GEF – UNDP Strategic Partnership

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FOREWORD

1. At its May 1999 meeting, the GEF Council approved a Strategic Partnership between the GEF Secretariat and UNDP to produce a comprehensive approach for developing the capacities needed at the country level to meet the challenges of global environmental action. In January 2000, GEF Secretariat and UNDP launched the Capacity Development Initiative (CDI) – a consultative process involving extensive outreach and dialogue to identify countries' priority issues and capacity development needs, and, based on these findings, to develop a strategy and action plan that addresses identified needs.

2 The first phase of the CDI – assessment phase – has attempted to identify the capacity development needs of countries at the regional level, and has also distilled lessons learned from GEF-financed activities and efforts of other multilateral and bilateral agencies. This report is an assessment of the capacity development efforts that have been undertaken (or are envisaged) through the existing GEF portfolio of projects. It consists of individual assessments of their own portfolios by the three GEF Implementing Agencies, though a common approach, formats and parameters were used in order to facilitate statistical analysis.[1]

3. Along with the *Integrating Capacity Development into Project Design and Evaluation: Approach and Frameworks* and the two reviews of enabling activities[2] conducted by the Monitoring and Evaluation unit of the GEF, this report completes the analysis of ongoing GEF activities which contribute to capacity development. Since regular GEF projects are a significant means for capacity development, this assessment is an important component of the CDI.

4. The portfolio assessment was undertaken entirely as a desk study to take stock of the various ways in which GEF projects have attempted to assist capacity development, even when not explicitly recognized as such in project objectives. The assessment has not attempted to evaluate impacts in the field or the effectiveness of delivery, which are addressed to some extent by the M & E studies mentioned above, and will be more exhaustively and appropriately dealt with in country specific contexts when country specific needs are studied.

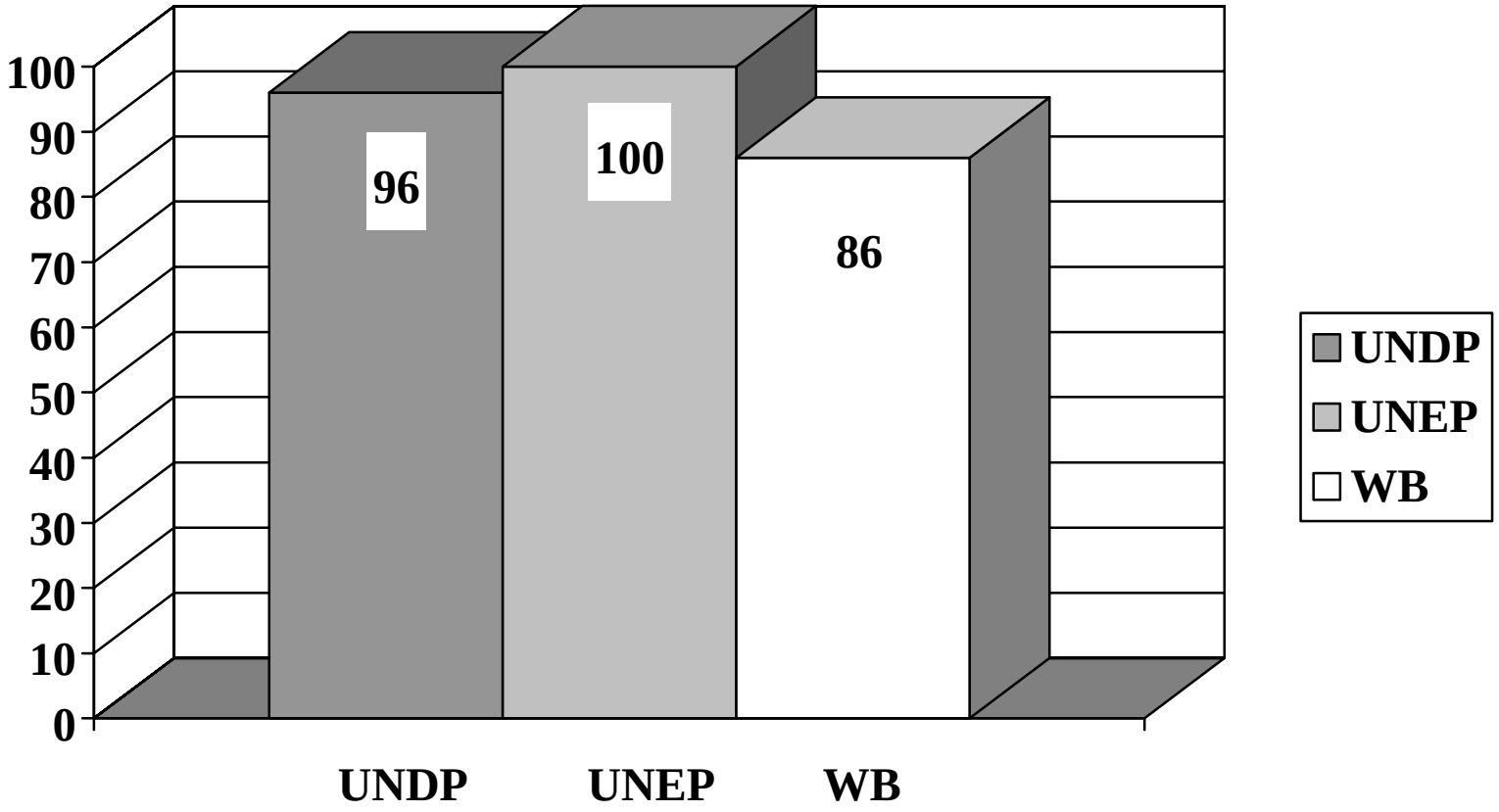
5. The assessment also covers the non – GEF portfolio of the three IAs, by way of contribution to the *Assessment of Capacity Development Efforts of Other Development Cooperation Agencies* also conducted under the CDI (which, therefore, does not cover these three institutions). The internal institutional mandates, development philosophies and operational principles of the three Implementing Agencies, which clearly influence the way they design and implement GEF projects are thus described in the reports. Their differing perspectives are helpful in understanding, for example, differences in emphasis on individual, institutional and systemic capacity development.

[1] With regard to the World Bank's report, please see the disclaimer at page 89.
[2] *Review of Climate Change Enabling Activities* (GEF/C.16/10) and *An Interim Assessment of Biodiversity Enabling Activities* (GEF/C.14/11)

6. A series of slides prepared by Mr. Martin Krause of UNDP is appended to summarize the results of the portfolio assessment of the three IAs. (see Appendix A)

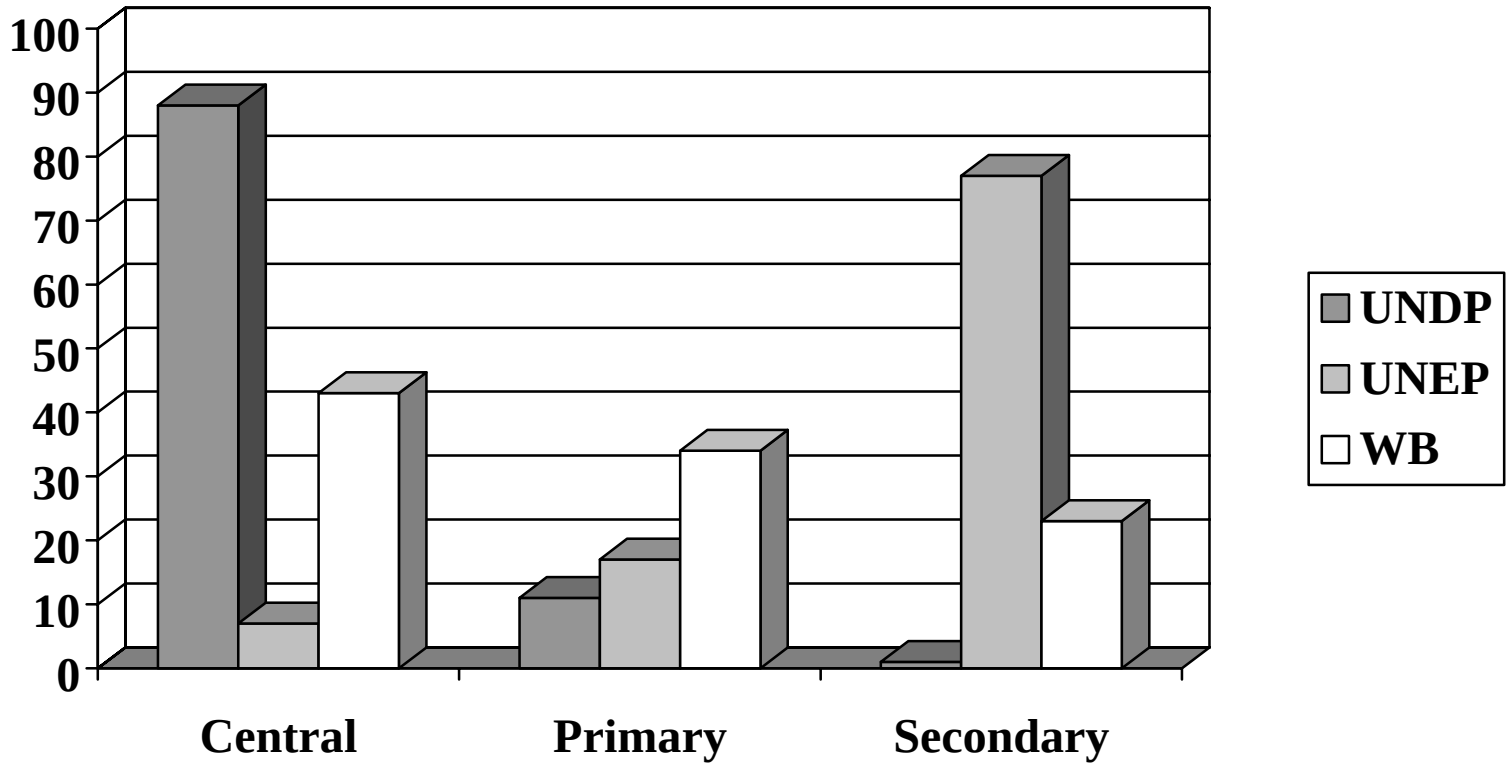
7. We are grateful to the team which put this assessment together : Mr. Martin Krause of UNDP/ GEF, Mr. John Pernetta and Ms. Sheila Aggarwal-Khan of UNEP/ GEF, and Mr. Rohit Khanna of the World Bank/ GEF, for their special efforts.

Appendix A-1[3]: Project with Capacity Development Component



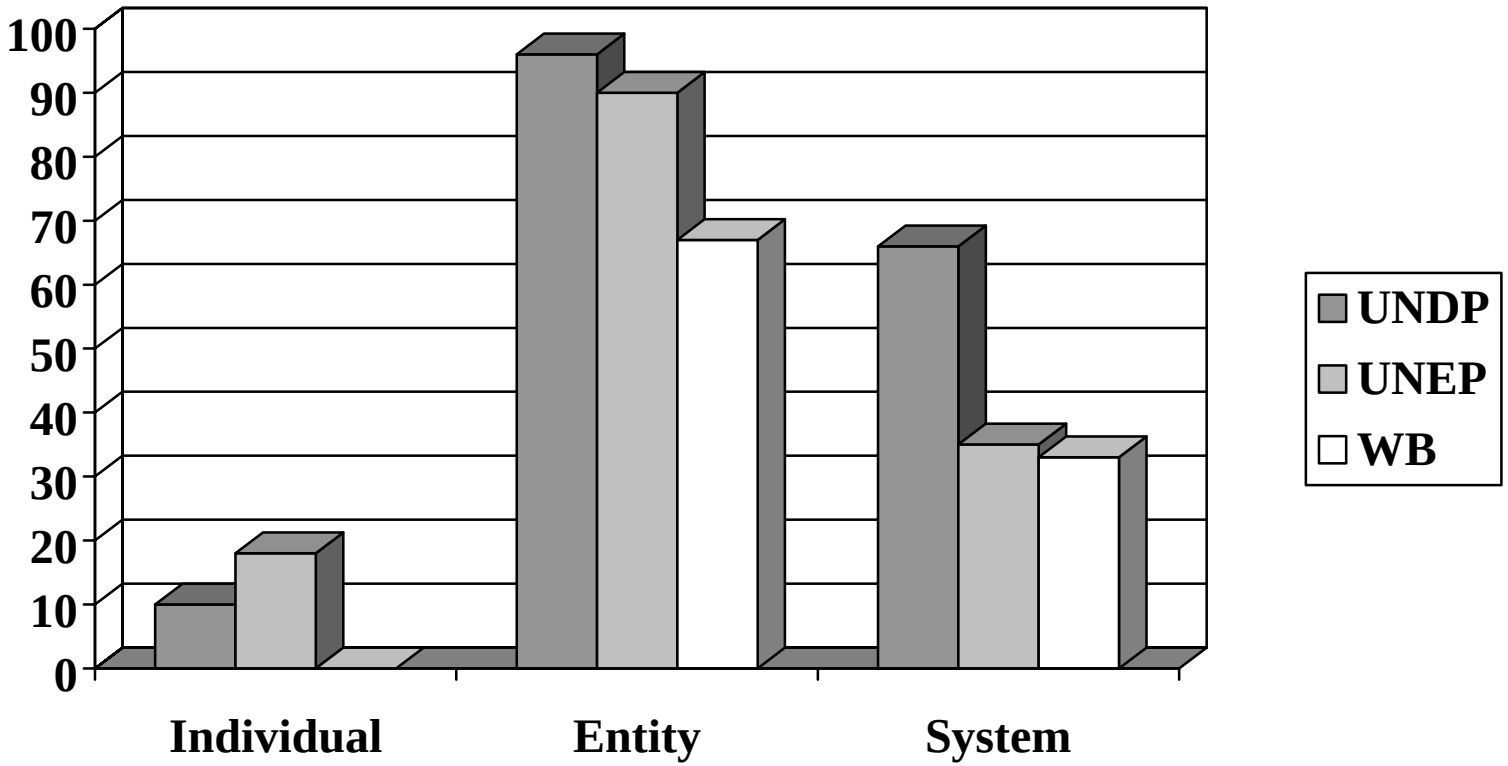
[3] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-2[4]: Importance of Capacity Development Component



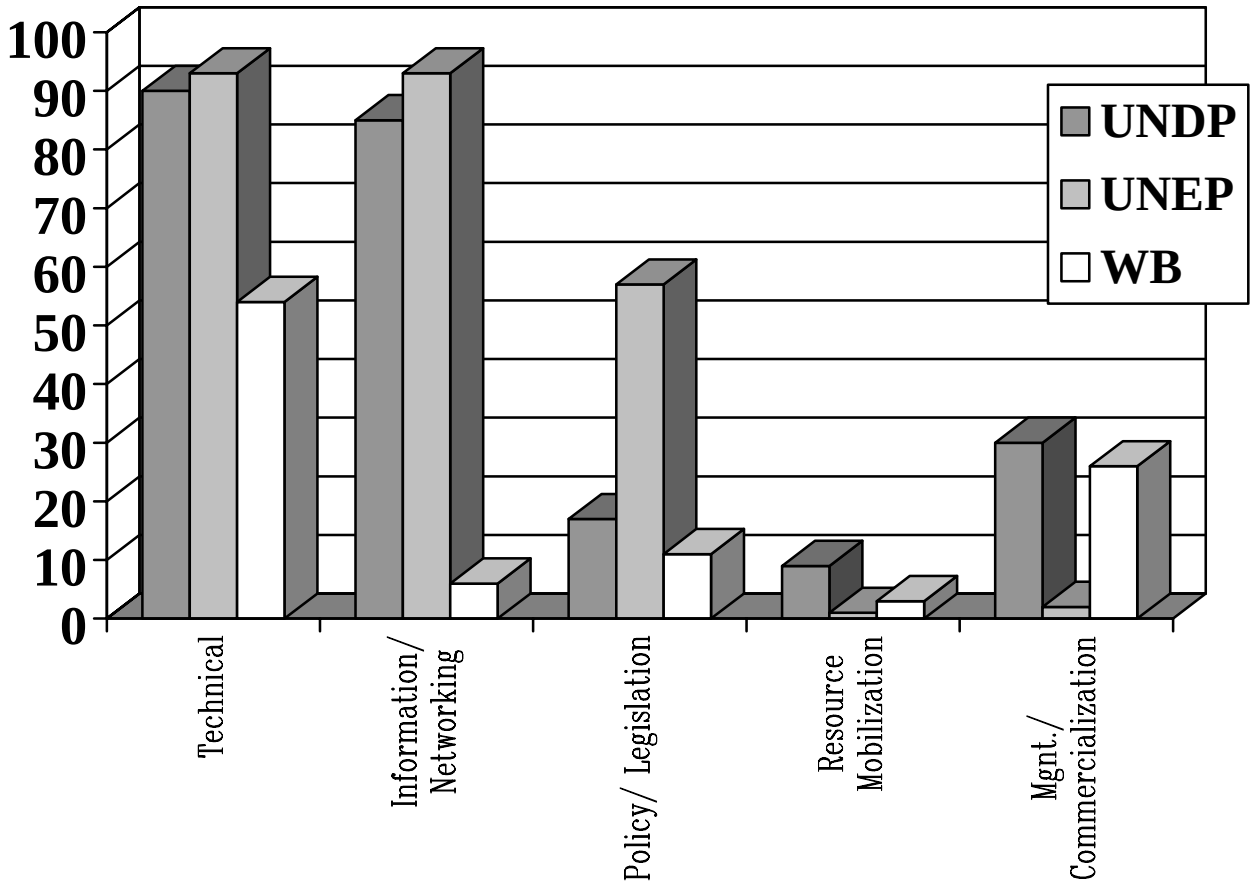
[4] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-2[5]: Level of Capacity Development Component



[5] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-3[6]: Objectives of Capacity Development Component



[6] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-4[7]: Specifics / Deviations

- **WB: Level: Entry point for BD is at the entity level; for CC at the system level**
- **WB: Levels: Africa + Arab States focus more on entity level; Europe more on system level**
- **UNDP: Level: Africa focus on system level; LAC not at individual level**
- **UNDP: Objectives: More CC than BD projects focus on technical capacity; M&C more in BD than in CC**
- **UNEP: Level: Africa focus on individual level**
- **UNEP: Importance: In Europe + Central Asia CD is of higher importance than elsewhere**

[7] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-5a[8]: Approaches, Results and Lessons

Approaches

Traditional:
- **Training workshops**
- **Technical Assistance**
- **Supporting scientific research**

Newer:
- **Multidiciplinary implementation teams & steering committeees**
- **Public meetings**
- **Strengthening networks**
- **Info dissemination through websites**
- **Awareness campaigns**
- **Strengthen regional centers of excellence**
- **Horizontal exchanges**

[8] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-5b[9]: Approaches, Results and Lessons

- **UNDP:** **Constraints at one level can undermine CD efforts at other levels**

  Need for "balancing" provision of direct support with attention to CD needs

- **UNEP:** **Use of national teams that are central to policy development is key**

  Stop and Go (EAs) is counterproductive in terms of systematic CD efforts

  Project-by-project approach is not sufficient to meet needs

[9] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-5c[10]: Approaches, Results and Lessons

- **WB: Successful CD interventions need clear targets, careful sequencing of activities, partnerships**

  CD could be enhanced by better coordination with the WBI where experience with CD has been accumulated

[10] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-6[11]: Trends and Changes

- **UNDP/WB: Increased focus on CD over time**
- **UNDP: Pilot Phase focussed on entity level**

  GEF I+II: Systemic and individual dimension receives increased attention

  Linkages: upstream & downstream

  Facilitating processes

[11] This presentation slide was prepared by Martin Krause of UNDP-GEF.

Appendix A-7[12]: Recommendations

- **UNDP/UNEP/WB: Measuring impact (indicators)**
- **UNDP/WB: Systematic pre-implementation appraisals of existing capacities/ gaps**

  Provision for exit strategies
- **UNDP: Longer time-spans, phasing, flexibility**
- **UNEP: NGOs partnering with GOVs help to retain capacity within NGO if government staff changes**

  Data on the web is easily accessible, does not get lost easily and prevents duplication

[12] This presentation slide was prepared by Martin Krause of UNDP-GEF.

UNDP/GEF

Portfolio Assessment for the Capacity Development Initiative (CDI)

August 2000

ACKNOWLEDGEMENT

This document has been prepared by UNDP/GEF. Our thanks are due to the following consultants who have written part of the report or contributed with research and analysis: Marie Helene Adrien, Leila Hassanin, Hugo Navajas, Mark Perstinger and Simon Thibault.

ACRONYMS

ACRONYM	DEFINITION
BD	Biodiversity
CD	Capacity Development
CC	Climate Change
GEF	Global Environment Facility
IA	Implementing Agency
IW	International Waters
LD	Land Degradation
LFA	Logical Framework Analysis
OLD	Ozone Layer Depletion
PIR	Project Implementation Review
UN	United Nations
UNCCP	United Nations Climate Change Project
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organisation
UNITAR	United Nations Institute for Training and Research
UNOPS	UN Office for Project Services

CONTENTS

EXECUTIVE SUMMARY

In the context of the GEF Capacity Development Initiative and as part of the assessment phase each GEF Implementing Agency has undertaken a comprehensive portfolio review. This report presents the findings, conclusions and recommendations emerging from UNDP's portfolio assessment.

The statistical analysis of the UNDP/GEF project portfolio shows that even if a project does not mention Capacity Development (CD) explicitly, virtually all projects (96%) include a CD component. Furthermore it could be observed that there is a clear trend towards an increased focus on CD over time. Whereas in the pilot phase "only" 58% of the projects mention CD as a central part of their intervention strategy, in the GEF I and II phases more than 90% focus on CD.

An important finding of the analysis is that all projects (96%) address CD at the entity level; a surprisingly high number (66%) at the system level and only 10% at the level of the individual. Whereas the capacity development strategies proposed by the "first generation" of GEF projects (ie. those approved between 1992-95) tend towards the institutional dimension, over the years the systemic and individual dimensions of capacity development have received increased attention, balancing the earlier emphasis on institutional strengthening.

The focus of "first generation" projects was on the technical strengthening of government environmental agencies through workshops and in-service training. This may reflect the residual influence of the sectoral "institution building" approach that was still applied by many projects at that time, as well as a perception of governance based on the primacy of the public sector as a direct implementor of development initiatives (and therefore also the direct recipient/beneficiary of donor funds). To an extent, this tendency may also have been underscored by the fact that national governments were direct signatories to the Conventions and therefore were intent upon assuming these commitments directly. It is likely that several governments may have perceived GEF project funding as an opportunity to consolidate the position and credibility of recently-created environmental agencies with limited budgets and clout. While in several cases the project may have served this purpose, the concentration of resources on fledgling, incipient institutions may have reinforced their isolation by neglecting linkages with line agencies closer to policymaking spheres.

The shift of focus towards greater attention to the systemic and individual dimensions of capacity development has improved the performance of UNDP/GEF projects in linking both "upstream" and "downstream" contexts - targeting macro issues pertaining to the enabling environment (ie. addressing policy needs, revising institutional and legal frameworks), while supporting regional/local pilot initiatives that test new approaches, generate visible impact and offer demonstrative case studies for replication.

A growing number of projects are linking "upstream" and "downstream" capacity development. They are attempting to simultaneously influence the enabling environment (legal, institutional, social) and encourage cross-sectoral collaboration, while improving the technical capacity of institutions. By focusing efforts on promoting a "culture" of integrated environmental management with the participation of different institutional and social actors, these projects are

better placed to generate capacity development processes at various levels, provided they are adjusted to the capacity levels of participants.

Several projects combine policy support and direct training at the national level with regional/local pilot initiatives that strengthen decentralized capacity and produce tangible results. This helps validate policy recommendations on the ground, while demonstrating "best practices" for replication on a larger scale.

This shift, while not dramatic, may reflect a learning process among national governments and environmental counterparts as well as within GEF/UNDP. As the 1999 PIR Performance Report notes, "UNDP/GEF's institutional capacity building activities are targeting a variety of organizations, among them governmental agencies, NGOs, community-based organizations, municipalities, research and environmental information centers, and others. While much has been achieved and learned through the project-based approach, it is increasingly being recognized that a more systematic and comprehensive approach is needed if one is to address capacity development needs in a more meaningful and sustainable way. In order for micro-level capacity development efforts (human and institutional) to be successful, the broader system or environment in which these entities function needs to be taken into account as well. The systemic capacity... of a country or region is not only of utmost importance for impact achievement and sustaining project results beyond project completion, but also has a strong influence on implementation progress."

By working at different levels and inducing partnerships linking diverse stakeholders, GEF projects are increasingly assuming a catalytic role which tends towards facilitating and "backstopping" ongoing processes rather than direct intervention.

In addition to improving the relevance of capacity development activities to national/local expectations, this approach encourages follow-up actions and can leverage significant multiplier effects.

Examples include the strengthening of institutional networks, the incorporation of environmental concerns within development planning and budgeting cycles, the expansion of project partnerships involving the private and non-governmental sectors, and increased multi-stakeholder participation in project management. Such initiatives have strengthened the impact and sustainability of various projects by encouraging interactive synergies and consensus-building with high levels of national ownership. In designing capacity development strategies, projects are considering the organizational viability and financial sustainability of beneficiary institutions. There is a greater emphasis on "learning by doing". Such trends have improved the ability of many GEF projects to address the incremental process dynamics and qualitative dimensions of capacity development.

These developments suggest an ongoing learning process within GEF and UNDP as well as among national counterparts. On the basis of the documentation provided for this review, it seems that in accordance with changing perceptions of effective CD, the nature of UNDP/GEF’s interventions have changed over time. This view is supported by several of the PIR and evaluation reports. Nevertheless, GEF's capacity development efforts are hindered by limitations that are both methodological as well as inherent to the project cycle:

The assessment of the UNDP/GEF portfolio revealed that systemic and "enabling environment" constraints can undermine capacity development activities if not addressed at an early stage of project implementation. Improvements of technical skills can be undermined by unclear mandates and weak institutional linkages. Integrated planning and management is often limited by the lack of enabling legislation. Planning and conservation activities cannot proceed if there is no baseline information. Therefore many projects, either by design or personal initiative, spend a considerable amount of their implementation reorganizing institutions, revising legislation to integrate environmental concerns or generating scientific data to work with. These types of endeavors normally use specialized international expertise. The momentum generated often moves the capacity building and pilot project components (especially those at the community-level) towards an eventual second phase.

Regarding the tools and approaches applied in UNDP/GEF projects there seems to have been a gradual shift from a relatively structured and traditional approach to capacity development - workshops, in-service technical training, supporting scientific research - towards greater diversification both methodologically and institutionally. Newer approaches - networking, horizontal exchanges and cooperation, creation of multi-stakeholder project steering committees, internships and the sharing of project management responsibilities with stakeholders - have become increasingly common among GEF projects. This is consistent with the increased consideration of systemic and individual capacity dimensions found in recent project documents.

The shift in that direction could be the result of accumulated experience and learning within GEF, UNDP and among national counterparts. The successes and failures of earlier projects have surely provided valuable lessons on how to approach capacity development: When resources are concentrated on a single target institution, opportunities for synergies and cross-sectoral linkages are often considerably reduced. Likewise, it isn't enough to focus on the technical training needs of an environmental agency if its mandate and institutional linkages aren't clear. When capacity development initiatives target the public sector, the turnover of government personnel and lack of "institutional memory" can disrupt the impact and sustainability of such efforts. An over-reliance on structured events such as workshops and academic study tours can be at odds with the "process" and incremental learning dynamics of capacity development.

Pre-implementation capacity appraisals and baseline surveys should be undertaken more systematically. Pre-implementation capacity appraisals and baseline surveys can be very useful, yet are often superficial or entirely absent. PDF A and B grants could be used to carry out in-depth capacity development strategies (through needs assessments, stakeholder consultations and workshops), with clear methodologies and realistic time frames.

Many projects need longer time-spans and more flexibility in planning and implementing project activities. Capacity development processes often surpass the project cycle yet depend largely on project/donor support for their implementation. Provisions for the gradual transfer and phasing out of project support - moving from implementation to accompaniment - are usually lacking. Once the final financial revision closes the budget after the end of the project, it is difficult to fund ex-post monitoring/technical support missions to assist the application of enhanced capacity.

Capacity development processes have a number of structural project limitations working against them: The temporality of projects; the compartmentalization of objectives, outputs and activities in project design; the rigidity of formal institutional relations; the complexity of management and administrative procedures; the difficulties in formulating impact indicators for learning processes; success criteria which focus on individual outputs instead of comprehensive learning processes; sporadic monitoring & evaluation activities that are often more concerned with accountability, logistics and input delivery than substance, etc. - all of these can divert the project from the incremental process dynamics of capacity development.

Most projects face problems in measuring capacity development impacts. As noted in the 1999 PIR Performance Report, the actual impact and long-term sustainability of capacity development activities are often difficult to measure. The problem reflects methodological issues as well as structural constraints of the project cycle: At one end, baseline capacity assessments are seldom undertaken during the design phase. Because the budget lines are closed shortly after project finalization, ex-post monitoring and technical support cannot be programmed; hence there is no means of observing the impact of enhanced capacities after the project has terminated.

For monitoring and evaluation, further research is needed on how to measure the impact of capacity development activities, aside from quantifying numbers of trainees and workshops. It is also recommended to create a separate fund for post-project evaluations, which would provide a vehicle for learning within GEF and among projects and partners could be created.

CHAPTER I: INTRODUCTION

The GEF/UNDP Capacity Development Initiative is an 18-month consultative planning process to prepare a comprehensive strategy and multi-year, operational action plans to assist GEF eligible countries to strengthen their capacity to meet the challenges of global environmental action. The work plan for this consultative process is divided into 3 parts: (i) assessment of capacity development needs and past activities, (ii) development of a comprehensive strategy for multi-party action to meet identified needs, and (iii) development of action plans for GEF-financed activities to contribute to this strategy.

The assessment phase of the CDI is intended to identify the capacity development needs of GEF-eligible countries as well as lessons learned from GEF-financed activities and efforts of other multilateral and bilateral agencies. The assessment views capacity building in its systemic, institutional and individual dimensions, and will provide the basis for developing a strategy and actions plan to address the capacity development needs of GEF-eligible countries. As part of the assessment phase each Implementing Agency has undertaken a comprehensive portfolio review. The TOR are attached in annex I. This document presents the findings of UNDP's portfolio assessment.

The statistical analysis in chapter II provides information about capacity development in the entire UNDP/GEF project portfolio. 334 projects have been reviewed and analyzed for this chapter. Specific TOR for the statistical analysis are attached in annex II.

Chapter III presents findings, lessons and trends based on the analysis of 39 projects. Projects from all regions, all GEF phases and all types have been selected for this review. Chapter III combines the analysis of how CD has evolved in UNDP/GEF (in the TOR referred to as chapter III) with the presentation of approaches, constraints and lessons (referred to as chapter II in the TOR). For the selected projects project documents, performance implementation reviews (PIRs) and evaluation reports have been reviewed.

The first section of chapter III presents the conceptualization of CD needs and priorities in project design. In this section, the project entry points for CD and the extent to which project documents include an exit strategy are being discussed. The next section addresses the tools and methods applied in implementing CD activities. Subchapter 3.4 discusses the critical issues which affect impact and sustainability of CD initiatives and finally conclusions and recommendations are being presented.

Context and Definitions

In the field of development, the term *capacity development* is relatively new, emerging in the 1980s. Despite its newness, CD has become the central purpose of technical cooperation in the 1990s (UNDP, 1996). CD is seen as complementary to other ideas that dominated development thinking (and still play an important role) over the past four decades. These concepts include *institution building, institutional development, human resource development, development management/ administration,* and *institutional strengthening.*

Within the many definitions of CD, there seems to be an emerging consensus that CD involves the long term, contributes to sustainable social and economic development, and is demand driven (Alley & Negretto, 1999). CD also suggests a shift toward enhancement and strengthening of existing capacities.

This is distinct from past approaches under the label of 'institution building,' which entailed starting from scratch to build institutions based on supposedly universal models taken from industrialized countries of the West (Morgan, 1993). UNDP states that "Capacity development is a concept which is broader than organizational development since it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact (UNDP, 1998)."

Operationally, this review looked at training, institutional building, management systems, awareness raising, and policy changes as part of the fundamental processes of CD. Fundamentally, CD involves a process that is country led, characterized by partnerships, participatory, and built on existing capacities, In this context it is a process of transformation (UNDP-UNICEF workshop 1999).

Capacity development is about people, their organizations and institutions, developing whatever tools are necessary to control their own development, and create societies that work for them.[13] CD is a dynamic, holistic, and ongoing experience. It involves processes, planned and unplanned, that are at work and that shape the course of things over time. Assessing such a dynamic process is not an easy task, especially in the context of a desktop analysis.

[13] Charles Lusthaus, Marie-Hélène Adrien and Mark Perstinger, Capacity Development : Definitions, Issues and Implications for Planning, Monitoring and Evaluation, Universalia, 1999, p. 17.

CHAPTER II: STATISTICAL ANALYSIS

Finding 1: Even if the project does not mention CD explicitly, virtually all projects (96%) include a CD component.

Finding 2: Almost all projects (88%) focus on CD as the central part of their intervention strategy.

There are slight variations according to project type: 100% of Enabling Activity projects and 71% of Full projects mention CD as central. Variations across regions are minor: 85% for Africa and Latin America/ Caribbean and 96% for Europe.

Finding 3: There is a clear trend towards an increased focus on CD over time.

Whereas in the pilot phase "only" 58% of the projects mention CD as central, in the GEF I and II phases more than 90% focus on CD.

Finding 4: All projects (96%) address CD at the entity level; a surprisingly high number (66%) at the system level and only 10% at the level of the individual.

The most significant variations across regions are: In Africa projects tend to focus more on the system level (81%) than in any other region. In Latin America/ Caribbean only 5% of all projects address CD at the individual level. Over time there is an increased focus on the system level (49% for the pilot phase and around 70% for the subsequent phases). Projects with a global coverage tend to focus much more on developing capacity at the individual level (33%) compared to national or regional projects. Global projects also focus less at the system level (22%) than national or regional projects.

Finding 5: CD activities across the entire portfolio are geared towards developing technical capacity (in 90% of all projects) and support to Information sharing and networking (85%). Full projects focus more on technical (71%) and management/ commercialization aspects (60%) of CD.

Variations according to thematic areas are: 81% of BD projects focus on developing technical capacity whereas the percentage for CC projects is even higher (97%). Supporting management and commercialization efforts play an important role in BD projects (40%) but less so in CC projects (18%).

There are also interesting variations for project types: Full projects focus more on technical (71%) and management/ commercialization aspects (60%) of CD than any other project type. 24% of MSPs support resource mobilization as part of their CD efforts. Enabling activities tend to concentrate exclusively on developing technical and information/ networking capacity.

Across regions the number of projects in the Arab States which focus on policy and legislation reform is quite high (31%); in Latin America/ Caribbean the number is very low (9%). Supporting information and networking seems to be of higher priority in Africa (99%) than in any other region.

Over time information/ networking has become more important (increased from 65% in the pilot phase to 100% in phase II). Also resource mobilization is mentioned more often for GEF phase II projects (17%) compared to prior phases (8% and 6%).

Statistical Analysis of Capacity Development in UNDP/GEF project portfolio *(all numbers are in percentage)*

		GEF phases				Thematic Areas				Project Type			
		Pilot FY 91-94	GEF I FY 95-98	GEF II FY 99 - onwards	**Total**	BD	CC	LD[14]	**Total**	Full	MSP	EA	**Total**
CD Component	YES[15]	90	97	100	**96**	95	97	90	**96**	86	100	100	**96**
	NO	10	3	0	**4**	5	3	10	**4**	14	0	0	**4**
Importance of CD Component	Secondary	3	0	2	**1**	1	1	0	**1**	2	0	0	**1**
	Primary	38	6	5	**11**	10	12	27	**11**	26	14	0	**11**
	Central	58	94	92	**88**	90	87	73	**88**	71	86	100	**88**
Level of CD Component [16]	Individual	13	7	22	**10**	10	9	19	**10**	16	34	1	**10**
	Entity	90	99	100	**96**	96	96	100	**96**	89	93	100	**96**
	System	49	71	67	**66**	61	69	31	**66**	37	41	100	**66**
Objectives of CD Component[17]	Technical	88	90	91	**90**	81	97	63	**90**	71	65	98	**90**
	Information/ Networking	65	85	100	**85**	86	84	71	**85**	53	86	100	**85**
	Policy/ Legislation reform	23	13	20	**17**	19	15	27	**17**	28	41	3	**17**
	Resource Mobilization	8	6	17	**9**	9	9	21	**9**	17	24	0	**9**
	Management /Commercialization	46	21	42	**30**	40	18	75	**30**	60	55	0	**30**

[14] There are no stand-alone LD projects. For this analysis LD is always part of a BD or CC project.
[15] Only projects which have a CD component are analyzed in terms of the importance, level and objectives of the CD component.
[16] Projects could have multiple entries for the "level of CD component".
[17] Projects could have multiple entries for the "level of CD component".

Statistical Analysis of Capacity Development in UNDP/GEF project portfolio *(continued)*

		Regions					Coverage				
		Africa	Asia/ Pacific	Europe	Arab States	Latin America/ Caribbean	**Total**	National	Regional	Global	**Total**
CD Component	YES	93	99	97	100	97	**96**	97	94	89	**96**
	NO	7	1	3	0	3	**4**	3	6	11	**4**
Importance of CD Component	Secondary	1	0	0	0	2	**1**	1	0	0	**1**
	Primary	14	8	4	11	13	**11**	9	21	22	**11**
	Central	85	92	96	89	85	**88**	90	83	71	**88**
Level of CD Component	Individual	9	12	11	11	5	**10**	8	12	33	**10**
	Entity	98	96	95	95	96	**96**	97	92	96	**96**
	System	75	64	61	69	68	**66**	66	53	22	**66**
Objectives of CD Components	Technical	93	86	92	89	88	**90**	93	82	86	**90**
	Information/ Networking	99	74	82	83	88	**85**	85	69	91	**85**
	Policy/ legislation reform	16	20	14	31	9	**17**	11	32	27	**17**
	Resource Mobilization	6	11	11	8	10	**9**	8	15	11	**9**
	Management/ Commercialization	30	23	29	31	26	**30**	27	53	11	**30**

CHAPTER III: LESSONS AND TRENDS

3.1 CD Needs & Priorities in Project Design

To a large extent, project proposals are appraised on the basis of their ability to address recognized needs in a straightforward and coherent manner. Within the GEF/UNDP project document format, needs and priorities are presented in several sections. The introductory sections are expected to provide key information concerning the nature of the problems to be addressed, as well as the proposed strategies and institutional arrangements required to achieve the desired "end of project" scenario. Therefore, the analysis of capacity restrictions and development needs under these sections should (ideally) provide a firm basis for validating the proposed actions and input requirements that are outlined in subsequent chapters i.e. in the "project strategy" and "logical framework (LFA)" sections of the project document.

Entry Points

As part of this review the entry point for CD activities have been analyzed. For this study, entry point(s) are the starting places for the CD intervention. Using the GEF framework, entry points occur at three levels: the individual, the entity, or system level.

The individual level entry point is when a project builds the capacity of individual to carry out his/her duties. Many of the CD projects reviewed included training of individuals. Entry points can also be organizational. The entity level entry point is when a project builds the capacity of an organization. Again, several of the projects reviewed were focused on building the capacity of organization. In this regard, the organization becomes the entry point. Finally, there is a system level point of entry. This is an intervention that attempts to change the system's norms, capabilities, rules, and so forth. Typical interventions at the system level may include changes in attitudes toward environmental issues.

Entry points may not always coincide with the desired unit of change although, in most instances, the two overlap. When a targeted unit of change is complex, e.g. public attitudes, the entry point might reflect an easier way of beginning a change process when the actual targeted unit of change is not easy to access. A point of entry is chosen because of the access it provides to the intended focus of change.

The focus of change, on the other hand, is the level at which the project will focus its efforts. For example, a project might want to focus on community organizations as a way to change community attitudes toward degrading parkland. Changing the community organization is an intermediate step and a change target.

It must be noted that the defining line between individual, entity, or system level intervention can be permeable. As stressed in the 1999 PIR Performance Report "…the effective utilization of capacity at each level is linked to the capacity at other levels, and one needs to look at the

interrelationships between these levels." For instance, the capacity of the system is further developed when the capacity of its constituent organizations is increased. The capacity of those organizations is increased, in turn, by the development of individual capacities.

What is often problematic in the latter case, is the capacity retention of the system – the capacity to bring the individual's new learning into the organization. The diversity of national contexts and participants involved in project design prevent definitive conclusions.

However, the findings suggest two general trends, which seem to be sequential and, to an extent, may indicate a learning process within GEF and UNDP, as well as among government partners.

Finding 2: The capacity development strategies proposed by the "first generation" of GEF projects (i.e. those approved between 1992-95) tend towards the institutional dimension. These strategies often focus on the technical strengthening of government environmental agencies through workshops and in-service training.

This trend may reflect the residual influence of the sectoral "institution building" approach that was still applied by many projects at that time, as well as a perception of governance based on the primacy of the public sector as a direct implementers of development initiatives (and therefore also the direct recipient/beneficiary of donor funds). To an extent, this tendency may also have been underscored by the fact that national governments were direct signatories to the Conventions and therefore were intent upon assuming these commitments directly. It is likely that several governments may have perceived GEF project funding as an opportunity to consolidate the position and credibility of recently-created environmental agencies with limited budgets and clout. While in several cases the project may have served this purpose, the concentration of resources on fledgling, incipient institutions may have reinforced their isolation by neglecting linkages with line agencies closer to policymaking spheres.

Although many early GEF projects viewed capacity development as in-service training for government counterpart institutions, there were exceptions. Some projects were able to influence the enabling environment while managing successful institution-building processes; some generated "spillover" effects benefiting other government agencies, NGOs and local communities:

> Besides improving the technical skills of the Ministry of Science, Technology and Environment and equipping its provincial research centers, Cuba's *Priority Actions to Consolidate Biodiversity Protection in the Sabana-Camaguey Ecosystem* also improved the scientific and environmental planning capacities of various agencies at the national, regional and local levels; integrated tourism and other key economic activities with biodiversity protection within economic and spatial plans; and started a public awareness programme. Although the Cuban social and institutional context made a difference, the project's success was largely attributable to having considered the systemic, institutional and individual capacity dimensions in a balanced manner. By linking upstream and downstream capacity development needs, the project "...met or exceeded the six objectives, 13 outputs and 59 activities specified by the Project Document.." according to the final evaluation report. In terms of strengthening capacities, the evaluation noted the

project's impact on Cuba's formal education system at both school and university levels: "The new university programmes in landscape architecture and resource economics may be directly attributed to this project. Both the undergraduate and graduate programmes in marine biology and aquaculture have been enriched by the project." A large number of Ph.D. and Master's theses addressed topics directly related to the S-C ecosystem. [18]

By providing training in environmental sensitivity mapping and detailed site planning, the project had "...already reshaped the planning and development process in the archipelago..." A proposed resort development had been withdrawn when it was shown to be incompatible with the environmental zoning scheme. Public awareness programmes have transferred the ideas and information generated by the project to school children in the project region, and promoted among fishermen the need for reserves and controlled harvest rates. At the national level, the NGO Pro Naturaleza had disseminated project results through its speakers, curriculum materials and "citizen science" programmes.

Conservation of the Gulf of Guinea Large Marine Ecosystem, a regional project for West Africa, was able to address both the systemic and institutional dimensions of capacity development by combining technical training for government institutions with a strong networking component that has linked experts across the region, enabled countries to begin to develop integrated coastal management plans, and facilitated the establishment of an NGO regional network. This was possible because the project design recognized that "...the complex and cross-cutting nature of this problem necessitates the involvement of a wide range of institutions, organizations, agencies and people...Ministries of Environment have an additional ownership dimension in the programme but must work in partnership with all entities whose activities affect the Gulf of Guinea." [19]

<u>Finding 3</u>: A more recent trend involving many of GEF's ongoing projects suggests greater attention is being given to the systemic and individual dimensions of capacity development, balancing an earlier emphasis on institutional strengthening. Several of these projects are applying innovative approaches.

Many projects are attempting to simultaneously influence the enabling environment (legal, institutional, social) and encourage cross-sectoral collaboration, while improving the technical capacity of institutions. In terms of strategy these projects expand on some of the innovative features started by the *Patagonia Coastal Zone*, *Sabana-Camaguey* and *Guinea Marine Ecosystem* initiatives. By focusing efforts on promoting a "culture" of integrated environmental management with the participation of different institutional and social actors, these projects are better placed to generate capacity development processes at various levels, provided they are adjusted to the capacity levels of participants. Several projects are innovative in their approach to capacity development.

[18] CUB/92/G31 Final Evaluation Report, pp. 18-20
[19] EG/RAF/92/G34 Mid-Term Evaluation Report, p.ii-iii

Despite the "complexity and fragmentation" of the project document, Argentina's *Patagonia Coastal Zone Management Project* stands out for having nurtured a cross-sectoral, integrated approach to environmental management encompassing a 3,000 km. coastline. Its capacity development strategy focused more on the systemic and individual dimensions than any other project of this period, perhaps in part due to its implementation by a capable national NGO. The project document identified capacity constraints such as the lack of an ecosystem concept in the largely sectoral-driven coastal management initiatives, limited community awareness and participation in the planning process, economic hardship and the lack of a clear, consensuated strategy for sustained resource use. Project activities targeted these issues with considerable success. In addition to training government personnel in coastal environmental planning and management techniques, the project "..had done an outstanding job of creating a foundation of technical assessments, public education and instigating productive dialogue on public policy issues..". [20]

This shift, while not dramatic, may reflect a learning process among national governments and environmental counterparts as well as within GEF/UNDP. As the 1999 PIR Performance Report notes, "UNDP/GEF's institutional capacity building activities are targeting a variety of organizations, among them governmental agencies, NGOs, community-based organizations, municipalities, research and environmental information centers, and others. While much has been achieved and learned through the project-based approach, it is increasingly being recognized that a more systematic and comprehensive approach is needed if one is to address capacity development needs in a more meaningful and sustainable way. In order for micro-level capacity development efforts (human and institutional) to be successful, the broader system or environment in which these entities function needs to be taken into account as well.

The systemic capacity... of a country or region is not only of utmost importance for impact achievement and sustaining project results beyond project completion, but also has a strong influence on implementation progress." [21]

Exit Strategies

Sustainability is the durability of positive project successes after a source of core funding terminates. An exit strategy is the part of project planning that is supposed to facilitate and ensure sustainability.

[20] ARG/92/G31 Final Evaluation Report, p.1
[21] GEF/UNDP PIR - 1999 Performance Report, pars. 42-50

<u>Finding 4</u>: Though the issue of sustainability is sometimes addressed, none of the planning documents reviewed has provision for exit strategies.

Sustainability is an important element of CD. If a given project has not created a lasting change and made provisions for that change to be maintained, there is limited likelihood that it will be sustainable over time.

Exit strategy provides an indication that the long-term viability of the project was thought through to some extent, and that mechanisms were planned to hand over the project to the country, beyond the project cycle. The review of the UNDP/GEF portfolio indicates the absence of an explicitly stated exit strategy in all projects examined, even though some projects addressed the issue of sustainability, often in a section called "risks".

However, no systematic exit strategy was provided to address these potential problems or risks in a systematic and pro-active manner. The "*Building Capacity in Sub-Saharan Africa to Respond to the UNFCC*" illustrates this point in that it has, as an immediate objective, "To strengthen the capacity in Africa to develop climate change projects that also advance long-term development objectives and to generate private sector funding support." Though this project incorporated some elements of sustainability into its logical framework, i.e. capacity development and provisions for long-term funding, this does not constitute a proper exit strategy.

3.2 Tools and methods applied in implementing CD activities

GEF projects use a variety of mechanisms in their training and educational activities: workshops, in-service training, study tours, scholarships, exchanges and internships among others. While some of these modalities are traditional to project culture, newer approaches - networking, horizontal exchanges and cooperation, internships and the sharing of project management responsibilities with stakeholders - have become increasingly common among GEF projects.

Capacity support generally appears to be demand-driven and determined by project objectives. The GEF projects included in this study have provided training in natural resource management, pollution response, international conventions and national regulations, risk assessment/management, energy conservation & efficiency assessment, natural resource damage assessment, environmental impact assessment, GIS, financial management and wildlife monitoring, among other topics. Beneficiaries have included different levels of government, academia, NGOs, the private sector and (increasingly) civil society and community-based organizations.

<u>Finding 5</u>: There seems to have been a gradual shift from a relatively structured and traditional approach to capacity development - workshops, in-service technical training, supporting scientific research - towards greater diversification both methodologically and institutionally. This is consistent with the increased consideration of systemic and individual capacity dimensions found in recent GEF project documents.

The shift in that direction could be the result of accumulated experience and learning within GEF, UNDP and among national counterparts. The successes and failures of earlier projects have surely provided valuable lessons on how to approach capacity development: When resources are concentrated on a single target institution, opportunities for synergies and cross-sectoral linkages are often considerably reduced. Likewise, it isn't enough to focus on the technical training needs of an environmental agency if its mandate and institutional linkages aren't clear. When capacity development initiatives target the public sector, the turnover of government personnel and lack of "institutional memory" can disrupt the impact and sustainability of such efforts. An over-reliance on structured events such as workshops and academic study tours can be at odds with the "process" and incremental learning dynamics of capacity development.

These constraints have encouraged innovation and new partnerships. More projects are involving the private sector, NGOs, civil society organizations and municipalities. Public awareness has been recognized as a fundamental element in getting governments to attend priority environmental issues. Under such circumstances, social communication and non-formal education techniques become important means towards changing attitudes. The creation of multi-stakeholder project steering committees can encourage dialogue and consensus-building between polarized interests in a non-threatening environment. While many GEF projects retain an "upstream" institutional focus - facilitating access to policy levels - there is also a growing tendency to include regional and community-based components. Why? Changes are often easier to achieve at the local level. Decentralized pilot initiatives can validate policy proposals as well and demonstrate successful case studies for replication. Rather than intervening directly, the project can become a facilitating mechanism, a catalyst linking ongoing processes and generating capacity through praxis. According to available documentation, many projects are applying such approaches successfully.

Finding 6: A growing number of projects are linking "upstream" and "downstream" capacity development.

Several combine policy support and direct training at the national level with regional/local pilot initiatives that strengthen decentralized capacity and produce tangible results. This helps validate policy recommendations on the ground, while demonstrating "best practices" for replication on a larger scale. Various projects targeting energy conservation and efficiency (China's *Capacity Building for Rapid Commercialization of Renewable Energy*, Fiji's *Promoting Sustainability of Renewable Energy Technologies*, Russia's *Capacity Building to Reduce Key Barriers to Energy*, the Uganda *Photo Voltaic Pilot Project*) are targeting institutional, legal and policy barriers which discourage conservation and a wider use of renewable energy services. They have created or strengthened networks of renewable energy suppliers and users, exposed financial institutions to investment opportunities, expanded energy conservation practices and stimulated demand for renewable sources through demonstration projects and public awareness campaigns.

Projects such as *Reducing Biodiversity Loss as Cross Border Sites in East Africa* function at both national and district levels, with the support of a regional coordination unit. This project focuses on existing capacities to generate an enabling environment in which local agencies and communities can demonstrate the sustainable use of biodiversity through ecotourism, sustainable harvesting and low-impact pastoralism. The implementation strategy identifies "...entry points into the local district decision making systems (with linkages downwards to village communities and upwards to the central government policymaking systems). It will directly target the need to create an appropriate local policy and decision making environment, and will address the key concern of developing sustainable development initiatives to reduce biodiversity loss at these sites."

Finding 7: By working at different levels and inducing partnerships linking diverse stakeholders, GEF projects are increasingly assuming a catalytic role which tends towards facilitating and "backstopping" ongoing processes rather than direct intervention.

In addition to improving the relevance of capacity development activities to national/local expectations, this approach encourages follow-up actions and can leverage significant multiplier effects. The success of the Yemeni *Red Sea Coast* project in raising national awareness on the importance of coral reef habitats, encouraged the Yemeni government to sign the Washington convention on CITES. Project staff have created their own environmental and ecotourism NGO. The Ethiopia *Plant Genetics* project has inspired the announcement of a National Policy on Biodiversity Conservation & Research. The involvement of the private sector in the *Gulf of Guinea* regional project led to the establishment of a Waste Stock Exchange Management System to reduce land-based pollution by recycling waste on a commercial basis. The environmental information generated by the Colombian *Chocó* project was used by the government to halt activities and revise plans for the proposed Pan-American highway and regional hydroelectric power projects. The experimental stations established under the *Global Research on Methane* project are "...still visited by policy makers and farmers." [22]

Finding 8: Awareness-raising is consistently recognized as a key ingredient in the success of such initiatives.

The 1999 PIR Performance Report mentions that "...awareness-raising activities have resulted in a change of attitudes and stronger support at the national and local levels for new technologies, alternative agricultural practices, improved coordination...and increased interest of the private sector in project results and studies." In Costa Rica, East Africa and Sudan, local communities have expanded and continued project-initiated activities on their own initiative. Communication strategies and use of media are extremely important in awareness-raising; GEF projects in Cuba,

[22] examples drawn from the 1999 PIR Performance Report, paras. 11-14

Uruguay, Panama, Yemen, Nepal, East Europe, East Asia and East Africa use the national and local media (TV and radio), newsletters and increasingly internet web-sites. [23]

The participation of different stakeholders in project planning, implementation and management can strengthen their capacity to work together and integrate efforts. Although information regarding participation in project design wasn't available, many projects have some form of Steering Committee with coordinative and advisory functions. While most involve the immediate partners, some expand representation by linking counterpart environmental agencies with government planning and finance representatives, NGOs and (depending on the type of project) private sector or local government representatives. Aside from improving project coordination, it is likely that in several cases these arrangements have carried a didactic value by facilitating dialogue and consensus-building among diverse and at times opposed interests. When a diversity of project stakeholders are represented, the resulting synergies and "creative tension" can generate substantive additionalities by offering a forum for policy dialogue, upstream/downstream coordination and the sharing of experiences. Such was the case of the Colombian Chocó project's *Comité Ampliado*, which provided a rich learning experience for both the project staff as well as the afrocolombian and indigenous organizations that were represented on it.

Finding 9: In the documents reviewed, the actors with whom CD seemed to work best were technical/scientific stakeholders, decision/policy-makers, and coordination groups.

UNDP/GEF projects target actors who are in the best position to institute and sustain change at these levels. In the documents reviewed, the actors with whom CD seems to work best were those directly targeted by capacity development activities. Three categories of actors have been identified:

Technical/Scientific Stakeholders: Considerable efforts were made to train many different types of scientific/technical actors in the monitoring of environmental indicators. Their contribution to the data on the state of the environment is an important input for changes to be conducted at the institutional and systemic levels. This is an effective way to ensure that macro level environmental decisions are made in an informed way. For example, in the "*Inventory, Evaluation and Monitoring of Botanical Diversity in Southern Africa*" project, the aim was to build the effective capacity of professionals and support staff in 10 countries to make an inventory of and monitor some 30 thousand species of flowering plants and ferns.

This core of professional botanists wanted to enable the ten southern African countries to respond to the technical and scientific need of the convention on biological diversity.

Policy/Decision Makers: These actors have some measure of control over precisely those areas targeted by CD initiatives. Several GEF projects seek to build the capacity of policy/decision makers or to raise the awareness of policy/decision makers about the project and its objectives.

[23] examples drawn from 1999 PIR Performance Report, paras. 9-10

Coordination committee members: In many of the projects reviewed, it was mentioned that coordination committees were either created or strengthened to build the capacity of their members to cooperate and develop institutional linkages at the national and regional levels. These committees include a variety of bodies such as national and regional working groups, national and regional steering committees, inter-ministerial working groups, technical advisory committees, and technical thematic groups.

3.4 Critical Issues Affecting the Impact and Sustainability of CD Initiatives

The project cycle is an imperfect instrument for promoting change. To an extent, all projects induce a "virtual reality" that depends on external funding and technical support, often reflecting the priorities and agendas of the donor. Constraining factors such as the temporality of projects (most run 3-5 years); recipient-donor dependencies; the compartmentalization of objectives, outputs and activities in project design; the rigidity of institutional arrangements; the complexity of administrative, management and reporting procedures; success criteria that focus on individual outputs instead of comprehensive learning processes; sporadic monitoring & evaluation interventions that are often more concerned with accountability and input delivery than substance, etc. - all of these tend to divert the project from the incremental process and learning dimensions of capacity development.

This reality raises several issues or challenges relating to the impact and sustainability of capacity development efforts:

<u>Finding 10</u>: Many projects need longer time-spans and more flexibility in planning project activities.

Among the project sample, time problems were mentioned for the Colombia *Chocó, Gulf of Guinea, Belize Coastal Zone Management, Patagonia Coastal Zone, Black Sea,* and *Reducing Biodiversity Loss in East Africa* projects. The causes were unrealistic project design, project start-up difficulties, extended recruitment delays (especially for expatriate staff) and complicated institutional arrangements with too many actors. Project cycles tend to run on "boom-to-bust" cycles; technical and financial support can come to a grinding halt at project termination. Provisions for the gradual transfer and phasing out of project support - moving from implementation to accompaniment - are usually lacking. Once the final financial revision closes the budget after the end of the project, it is difficult to fund ex-post monitoring/technical support missions to assist the application of enhanced capacity. This may not change in the immediate future: Several of the newer projects documents included in the sample seem excessively ambitious for their 4-5 year terms.

Capacity development processes are particularly affected when push comes to shove. Awareness-raising and participation often require more time than project activities that rely on the direct support of experts. They often run beyond the project cycle yet depend on project support. Technical outputs such as implementing baseline studies on biodiversity or drafting policy and legislation proposals tend to use external expertise that absorb time and resources, postponing capacity development activities till later stages. New skills are not fully consolidated and pilot initiatives "wind down" until support is renewed. Learning experiences are not documented or disseminated effectively.

<u>Finding 11</u>: Systemic and "enabling environment" constraints can undermine capacity development activities if not addressed at an early stage of project implementation.

Projects that do not sufficiently consider systemic factors (political, legal, cultural, economic) in their design - as was the case of the Colombia *Chocó*, Belize *Coastal Management*, *Lake Tanganika* and *Institutional Support for the Protection of East African Biodiversity* projects - are likely to face difficulties during implementation. Improvements of technical skills can be undermined by unclear mandates and weak institutional linkages. Integrated planning and management is often limited by the lack of enabling legislation. Planning and conservation activities cannot proceed if there is no baseline information. Therefore many projects, either by design or personal initiative, spend a considerable amount of their implementation reorganizing institutions, revising legislation to integrate environmental concerns or generating scientific data to work with. These types of endeavors normally use specialized international expertise. The momentum generated often moves the capacity building and pilot project components (especially those at the community-level) towards an eventual second phase.

In several projects, especially in Africa, it was found that political instability was a major constraint to the implementation of the project and, to a larger extent, to the building of CD. For example, in the "*Lake Tanganyika*" project, the 1997 PIR stress that "7 months of civil war, plus a period of unrest leading up to it, curtailed activities in the Congo and resulted in the Uvira research station being looted. This set back work in the Congo by at least a year." Political instability, in these circumstances, is likely to slow or compromise project implementation as it leads to uncertainty, difficulty, and frequent changes in project procedures.

The lack of political willingness from a government involved in a project may be another constraint to CD. If a government is committing itself to support a project and it does not fulfill its mandates – or is slow or reluctant in doing so – this will impact project performance. The devaluation of the local currency is another example of external environment constraints that may affect efforts to built CD. In the "Inventory, Evaluation and Monitoring of Botanical Diversity in Southern Africa" project, for example, the devaluation of the Zimbabwe dollar against the US dollar led to a dramatic decrease in the project's budget as it lost much of the value of the funding received.

Finding 12: Projects often face problems in "balancing" the provision of direct support with attention to capacity building needs.

Once started, projects often find themselves devoting considerable attention to "enabling environment" issues which, if unattended, would otherwise limit the impact of capacity development activities (i.*e. Belize Coastal Zone Management*). In such cases, there is a tendency to rely on specialized expertise (often expatriate) to provide expeditious and reliable solutions to delicate topics such as legislative and institutional reform or conducting scientific baseline studies. As mentioned, this can postpone capacity development until the final project stages, when time and funding limitations often prevent an effective transfer of new skills. Under these circumstances, capacity development does not evolve beyond an incipient stage and a second phase is therefore needed to complete the process.

Finding 13: The financial and institutional sustainability of project stakeholders is a key factor to the success (or failure) of capacity development initiatives.

The impact and sustainability of capacity building largely depend on the viability of recipient institutions. Often the main bottlenecks hampering institutional performance are not technical but organizational - overlapping internal structures with unclear functions, financial insecurity, inadequate staff policies, lack of career incentives, high personnel turnover, vertical decision making, arbitrary hiring practices etc. Although outside the thematic focus of GEF assistance, they need attention at an early stage to ensure that capacity development includes capacity retention.

Ideally, capacity assessments of partner institutions should be addressed at the design stage to determine their ability to participate effectively. While many of GEF's institutional counterparts, both public sector and non-governmental, suffer from internal weaknesses such as those described, it is encouraging to note that several ongoing projects on energy and regional biodiversity are proposing remedial action.

Common constraints stressed in this area were the inadequate or unsuitable staffing in implementing institutions, as well as the limited number of staff dedicated to CD. Frequent turnover in staff and the poor capacity of the institution to retain its workforce was also highlighted as another important constraint causing delays and problems in project implementation. In addition, the language barrier can create problems in the selection of consultants. For example, it was reported that the "*Building Capacity in Maghreb*…" project experienced problems in training participants from French and Portuguese speaking countries who had to undergo language training in English. Another organizational capacity constraint emphasized was the limited experience and resources of implementing agencies at the governmental level.

Finding 14: Capacity development initiatives often apply codes that are incompatible with those of the target beneficiaries.

This problem arises when the cultural and social contexts are not adequately considered in the design of learning strategies. The scientific content of conservation terminology is often beyond the grasp of counterparts addressing the social and developmental dimensions of environmental management. Likewise, the "development speak" of the project/donor universe is often inaccessible to national stakeholders. Methodologically, the application of "one size fits all" approaches to capacity development can drastically reduce its relevance and utility to different beneficiaries. Learning is not exclusive to "beneficiaries"; experts and specialists must also learn to communicate their knowledge within diverse contexts in order to achieve relevance.

Such shortcomings are particularly evident when projects attempt to involve grassroots NGOs and community-based organizations. As was eloquently expressed by the afrocolombian and indigenous representatives to the Colombian Chocó project, ". To speak of biodiversity to indigenous communities is to speak of the ethnic, cultural and social diversity of people who relate nature with man; as a result, the environment is a space where an ethnic group can manifest its cosmology of knowledge.... For the black community as for the indigenous communities, the concept of biodiversity comes from the outside; the people don't understand those terms. The black community refers to the forest [*monte*] in the same way others use biodiversity, because the different life forms are found there… the relationship between nature/territory, culture and the quotidian is the same as biodiversity. The concept of nature is ample and encompasses the human being." [24]

Finding 15: Most projects face problems in measuring capacity development impacts.

As noted in the 1999 PIR Performance Report, the actual impact and long-term sustainability of capacity development activities are often difficult to measure. Especially in the area of human capacity development, it is nearly impossible to keep track of each person trained and to verify if transferred skills are actually used in the intended way."

All GEF projects must deal with this in some manner. Some have used proxy indicators, i.e. energy audits in Malaysia or upgrading existing monitoring systems for conservation law enforcement in Patagonia. For lack of a better alternative, capacity development monitoring and evaluation is often limited to "head counts" of trainees and somewhat tentative descriptions of improved capacities as observed during project implementation. Evaluations seldom if ever consider the post-project impacts of capacity enhancement, when project sustenance is no longer available and normal circumstances are restored.

The problem reflects methodological issues as well as structural constraints of the project cycle: At one end, baseline capacity assessments are seldom undertaken during the design phase. Because the budget lines are closed shortly after project finalization, ex-post monitoring and

[24] COL/92/G31 Final Evaluation Report, p.68 (translated from the Spanish text)

technical support cannot be programmed; hence there is no means of observing the impact of enhanced capacities after the project has terminated.

3.5 Conclusions and Recommendations

Conclusions

Conclusion 1: The systemic and individual dimensions of capacity development have received increased attention in project design over the years, balancing an earlier emphasis on institutional strengthening.

This has improved the performance of UNDP/GEF projects in linking both "upstream" and "downstream" contexts - targeting macro issues pertaining to the enabling environment (i.e. addressing policy needs, revising institutional and legal frameworks), while supporting regional/local pilot initiatives that test new approaches, generate visible impact and offer demonstrative case studies for replication.

Conclusion 2: UNDP/GEF projects are increasingly assuming the role of catalysts and facilitators of ongoing processes, with less emphasis on direct intervention.

Examples include the strengthening of institutional networks, the incorporation of environmental concerns within development planning and budgeting cycles, the expansion of project partnerships involving the private and non-governmental sectors, and increased multi-stakeholder participation in project management. Such initiatives have strengthened the impact and sustainability of various projects by encouraging interactive synergies and consensus-building with high levels of national ownership. In designing capacity development strategies, projects are considering the organizational viability and financial sustainability of beneficiary institutions. There is a greater emphasis on "learning by doing". Such trends have improved the ability of many GEF projects to address the incremental process dynamics and qualitative dimensions of capacity development.

These developments suggest an ongoing learning process within GEF and UNDP as well as among counterparts national. On the basis of the documentation provided for this review, it seems that capacity development approaches are increasingly well-conceived and on the right track; this view is supported by several of the PIR and evaluation reports. Nevertheless, GEF's capacity development efforts are hindered by limitations that are both methodological as well as inherent to the project cycle:

Conclusion 3: There is a continuing reliance on external expertise to provide specialized direct support.

Budgetary allocations for training components (ie. BL30) are generally low. Although factors such as absorptive capacity of counterpart institutions or the inclusion of "hidden" training activities in other budget lines (personnel, subcontracts) merit consideration, the overall allocation is low.

While direct external support is justified and desirable when domestic capacity is lacking and/or highly sensitive issues are addressed, there is an opportunity cost involved. An excessive reliance on direct support to expedite outputs and "get the job done" discourages participation and can defer capacity development to the final project stages, when time and funding limitations weaken the transfer and consolidation of new skills. Under these circumstances, capacity development does not evolve beyond an incipient stage and a second phase is needed to complete the process.

Conclusion 4: Capacity development processes often surpass the project cycle yet depend largely on project/donor support for their implementation.

Capacity development processes have a number of structural project limitations working against them: The temporality of projects; the compartmentalization of objectives, outputs and activities in project design; the rigidity of formal institutional relations; the complexity of management and administrative procedures; the difficulties in formulating impact indicators for learning processes; success criteria which focus on individual outputs instead of comprehensive learning processes; sporadic monitoring & evaluation activities that are often more concerned with accountability, logistics and input delivery than substance, etc. - all of these can divert the project from the incremental process dynamics of capacity development.

Although GEF/UNDP and most donors rely on the project modality for providing assistance - and viable alternatives are not likely to materialize in the near future - certain alterations to the project cycle, within reasonable parameters, are possible and merit consideration:

Recommendations

Recommendation 1: Pre-implementation capacity appraisals and baseline surveys should be undertaken more systematically.

Pre-implementation capacity appraisals and baseline surveys can be very useful, yet are often superficial or entirely absent. PDF A and B grants could be used to carry out in-depth capacity development strategies (through needs assessments, stakeholder consultations and workshops), with clear methodologies and realistic time frames.

<u>Recommendation 2</u>: A phased approach within a longer-term programme seems more viable for supporting capacity development

The diversity of national and regional contexts prevents a "one size fits all" solution for all projects. Projects could gradually phase-out external expertise and direct technical support during the final stages of implementation and focus more on accompaniment and "backstopping", thus enabling national stakeholders to apply their knowledge in a gradual and confident manner. After their termination, the ex-CTA and selected technical experts could revisit counterparts periodically on post-project missions to provide orientation and assist pending needs, using retainer contracts; this would carry more potential if a small portion of the budget were earmarked for post-implementation adjustments.

<u>Recommendation 3</u>: GEF should also be prepared to consider longer, 7-8 year commitments, particularly for more ambitious proposals addressing systemic capacity development.

Provided periodic performance and evaluation benchmarks are used to monitor progress, this arrangement could be preferable for all parties instead of contesting for project extensions and renewals.

When "push comes to shove" between competing demands, capacity development needs are often postponed in favor of more immediate (or visible) priorities and in the end are attended only partially. Capacity development is not accompanied by capacity retention. Given the internal and external constraints all projects must face, a 3-5 year timeframe is usually insufficient to effectively transfer, consolidate and sustain substantive capacity improvements, particularly at the systemic level.

<u>Recommendation 4</u>: For monitoring and evaluation, further research is needed on how to measure the impact of capacity development activities, aside from quantifying numbers of trainees and workshops.

This research, which could be commissioned to an cross-regional interdisciplinary team with experience in GEF´s thematic priorities (BD, CC, LD) and capacity development, would study alternative approaches and methods applied in other fields - anthropology, institutional psychology, epistemology, non-formal adult education – in order to expand the conceptual parameters and methods currently in use. If the findings and recommendations of this research, once systematized, were transmitted to those responsible for shaping GEF projects on the ground - counterpart agencies, focal points, national committees - this might in itself offer a contribution to national capacities.

Recommendation 5: A separate fund for post-project evaluations and systematizations (addressing capacity development as well as other priority themes), which would provide a vehicle for learning within GEF and among projects and partners could be created.

To a large extent, the problem of measuring impact is reinforced by time and funding constraints. A capacity baseline is needed to effectively assess progress. But in the same manner that pre-implementation baseline studies are discouraged by funding practices, opportunities for ex-post monitoring and evaluation are undermined by the closing of budget lines shortly after project termination. Under such circumstances, post-project monitoring cannot be programmed unless special provisions are made from another budget. Hence the impacts of capacity development are seldom considered beyond the formal project cycle - which is precisely when the sustenance has ended and counterparts are obliged to apply new skills on their own. While it would be desirable to leave the appropriate budget lines (BL 15, 17 or 21) open for an additional 2-3 years to enable periodic ex-post evaluations, such an arrangement would incompatible with the GEF/UNDP accounting system and would be resisted internally. A more feasible response might be the creation of a separate fund for post-project evaluations and systematizations (addressing capacity development as well as other priority themes), which would provide a vehicle for learning within GEF and among projects and partners.

Recommendation 6: The challenge for UNDP/GEF is to develop a set of standards and performance indicators that would allow its staff to report on processes that lead to the learning of abilities and changes at the individual, entity, and systemic levels.

Beyond the descriptive enumeration of activities, outputs, and outcomes achieved, what are needed are tools and mechanisms to understand the development of capacities at all these levels. In developing a general framework to plan, manage, and monitor CD, UNDP/GEF is doing considerable work to head in that direction. What is still missing, however, is a way to put this framework into operation.

Annex 1

Capacity Development Initiative
Terms of Reference for GEF Portfolio Assessment

Background

At its May 1999 meeting, the GEF Council approved a Strategic Partnership between UNDP and the GEF Secretariat, and in December 1999 it approved a work plan and budget for the initiative. The CDI is an 18-month consultative planning process to prepare a comprehensive strategy and multi-year, operations-oriented action plans to assist GEF eligible countries to strengthen their capacity 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 and past activities, 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 GEF-eligible 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 plan to address the capacity development needs of GEF-eligible 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 in the context of country priorities prepared for four regions;

b) assessment of needs in the context of the 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 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.

These ToR refer to the assessment e). It is agreed that each GEF Implementing Agency (IA) should undertake its own portfolio assessment. To facilitate both the assessment and the subsequent analysis and comparability of findings and conclusions the IA assessment should be guided by these ToR. However, IAs are encouraged to customize these ToRs to their specific needs and circumstances.

Expected outputs

By the end of the portfolio assessment the following outputs are expected:

Each IA submits a report to the CDI steering committee summarizing the findings and conclusions of its portfolio assessment. The reports should be forward-looking, focussing on what has been done and how. The reports will have three chapters. Chapter one gives a statistical overview of CD interventions. Categories and criteria have to be defined. Chapter two identifies approaches, results, and lessons of capacity development activities carried out by the IAs. The immediate focus should be on the GEF project portfolio but the report should also highlight conceptual approaches, guidelines and experiences from the regular non-GEF portfolio. The IAs regular non-GEF portfolio will therefore be covered by this assessment and not by the "assessment of bilaterals' CD initiatives". Chapter three should describe the evolution of GEF's approach towards CD and GEF specific constraints in dealing with CD issues (both at the policy and operational level).

Scope

Chapter I:

Categories and criteria for the statistical analysis should be agreed upon as soon as the focal points for this assessment are nominated.

Chapter II:

The review should assess carefully experiences (and differences) with capacity development activities in the three areas that are relevant to the CDI i.e. BD, CC and LD. Selected projects (CD activities are usually embedded in projects) will be reviewed with regard to approaches/ guidelines/ tools/ methodologies in use to assist in:

(a) conceptualization of CD in the agency (e.g., how does CD fit into the overall country assistance and policy dialogue, different approaches for different sector situations and country contexts, priority areas, etc.)

(b) identification and assessment of capacity needs and gaps during project design and/ or early implementation (that would include processes for identification and

involvement of stakeholders in identification and design, approaches and tools for diagnosis of CD needs, mapping of capacity needs, both at the system and organisational level, etc)

(c) implementation of CD initiatives (this would include looking for instance at whether or not there are more appropriate project management implementation approaches than others to help ensure CD)

(d) monitoring and evaluation of CD initiatives (This would include for instance a discussion of how do you track CD achievements, how does this fit with the log frame approach, how do you define indicators, what are the most promising approaches to monitoring and evaluation in a CD context, etc).

Special emphasis should be given to the following issues:

(a) the level at which CD is made explicit in the planning documents (activity, output, or objective level)

(b) identification of GEF entry points in reference to the three CD levels (individual, entity, systemic)

(c) provision for exit strategies (sustainability)

(d) the management of CD initiatives (i.e. the iterative- phased vs. the blue print approach, national vs. regional/ global project approach, national execution vs. other execution modalities etc)

(e) the types of actors with which CD seems to work best

(f) the enabling environment/ conditions conducive to effective CD

(g) constraints to effective CD initiatives at the country, IA and GEF level

(h) lessons learned from CD interventions

This should provide the CDI with a clear sense of where the GEF portfolio stands in terms of approaches, guidelines, tools and lessons.

To ensure a systematic assessment that facilitates comparison between agencies it is suggested to use the 3-level framework proposed by the CD approach paper:

Level of individual:

Issues to be looked at:

(a) Changes in individuals knowledge, skills, attitudes

(b) Application of training on the job

(c) Application of individuals knowledge, skills, attitudes on department, group, organizational performance, policy process, etc.

Level of entity/organization*:*

Issues to be looked at:

(a) Improvement in mission or goals

(b) More efficient use of resources

(c) Improved ability to lead strategically

(d) Improved ability to plan, implement and monitor financial systems

(e) Improved ability to plan, manage and evaluate human resources

(f) Improved ability to access needed infrastructure

(g) Improved ability to manage organizational processes

(h) Improved ability to plan, implement and monitor programs

(i) Improved internal organizational incentive systems

(j) Improved ability to understand the opportunities and constraints posed by the systemic environment

(k) Systemic level

Issues to be looked at:

(a) The ability to formulate policy

(b) The ability to enforce policy

(c) The ability to choose amongst alternative solutions

Chapter III:

The evolution of GEF's approach towards CD and GEF specific constraints in dealing with CD issues (both at the policy and operational level .) should be described. Issues to be covered in chapter III include GEF policies and procedures (project cycle, project review criteria, project approach), IA policies and procedures (internal project cycle, project submission formats) and also government policies and procedures. Each IA would prepare its chapter III based on the analysis/ results/ insights of the previous two chapters.

Methodology

Each IA will carry out its own portfolio assessment along the lines of these ToR. IAs are encouraged to customize these ToRs to their specific needs and circumstances. It is suggested that each IA selects those projects (not more than 25) which could provide relevant information on the issues outlined in these ToR. Any type of project (enabling activity projects, full projects, medium size projects, regional/ global/ national projects) could be selected. Since this is a desk review the primary source of information would be project documents, evaluation reports, PIR reports, STAP selective reviews, etc. Field visits are not envisioned under this review.

Each IA should nominate a focal point for this assessment. For the WB the focal point is Rohit Khanna, for GEFSEC Avani Vaish, for UNDP Martin Krause, for the corporate M&E team Juha Uitto, for UNEP (to be announced). It is strongly encouraged that the 5 focal points maintain close contact during the review.

Timeframe

The reports should be submitted to the CDI steering committee by end of July 2000.

Costs

Each IA will get an appropriate budget from the CDI to undertake this assessment. In the latest CDI budgetary revision the following funds were allocated for this assessment:

Annex 2:

CDI Statistical Analysis of Capacity Development in GEF project portfolio

Chapter I

The statistical analysis should be a simple, straightforward summary of what is going on in the GEF project portfolio in terms of CD. Since language, project design and reporting is not fully harmonized across IAs, I suggest to do a keyword search in all relevant docs (i.e. project documents, PIRs, evaluation reports, etc.).

The three thematic areas relevant to the CDI (BD, CC, LD), all project types (Full, EA, MSP) and all GEF phases (Pilot, GEF I, GEF II) should be covered. Information should be broken down by regional/ global versus national projects and by geographic regions as well. This would allow multiple analysis (areas, types, phases, regions).

The *first step* should be to capture # and % of projects which have a CD component. Keywords to search for would be divided into 2 categories:

Category 1 "hard keywords": capacity building, capacity development, institution building, institutional strengthening and training.

Category 2 "soft keywords": policy reform, policy change, legislation reform, legislation change, awareness raising, …

If "soft keywords" are found a more in-depth analysis should be undertaken to determine if they actually relate to capacity development as defined in the CDI conceptual framework

Second step would be to analyze if that component is secondary (at the activity level), primary (at the output level) or central (at the development or immediate objective level) to the project.

Third step would be an analysis of the nature of the CD components using the three categories suggested by the CD approach paper (individual, entity, system). Keywords to search for include:

Individual level: "hard keywords" i.e. capacity building, capacity development, training

Entity level: "hard keywords" i.e. capacity building, capacity development, institution building, institutional strengthening

System level: "soft keywords" i.e. policy reform, policy change, legislation reform, legislation change, awareness raising, …

The forth step is to analyze the objectives of the CD component using the following 5 broad categories: Technical; Information & Networking; Policy & Legislation Reform; Resource Mobilization; Management & Commercialization.

Capacity Development in

UNEP's Portfolio of GEF Projects

Capacity Development in UNEP's Portfolio of GEF Projects

EXECUTIVE SUMMARY

The Global Environment Facility (GEF), through its Implementing Agencies (UNDP, UNEP and the World Bank), has embarked on a Capacity Development Initiative following approval by its Council in May 1999. This initiative is aimed at identifying the capacity development needs of GEF-eligible countries and the lessons learned and experiences of GEF funded interventions and those of other multilateral and bilateral agencies with the view towards developing a strategy and plan to address priority needs within the GEF framework of interventions. As part of the first phase of the process, the Implementing Agencies carried out an assessment of their capacity development efforts with a view towards identifying the lessons learned and experiences relevant to this process.

UNEP carried out an analysis of capacity development activities and components in its GEF funded projects and its regular programme of work. Types of approaches used for capacity development were identified, strategies for sustaining the capacity, the types of actors that have benefited from UNEP's capacity development efforts and the enabling environment needed for capacity development efforts to succeed were some of the issues that were reviewed. In addition, major constraining factors that have been a challenge towards strengthening capacity of GEF-eligible countries were also highlighted.

UNEP's projects within the framework of its GEF activities, in general, focus on:

(a) the development, testing and demonstration of tools and methods for improved environmental management at the national and regional levels;

(b) the carrying out of environmental analyses and assessments on specific thematic issues;

(c) management of transboundary ecosystems;

(d) transfer of technology and know-how.

Most of the organisation's portfolio focuses on a sub-regional, regional or global level, where sharing of experiences between countries or improved, co-ordinated multi-country action is required. Of the portfolio reviewed, all UNEP's GEF funded projects have had capacity development components within them, the majority (82 of 107) of these being considered of secondary importance based on the UNDP definition for such capacity development being noted at the project activity level. Of the remaining 25, capacity development was of primary (output level) and central importance (immediate objective level) in 18 and 7 projects respectively. The reason for this is that while capacity development has been an integral part of all UNEP's GEF projects, it has not been the primary objective of the project. Rather, projects have been aimed at issues such as development of a tool or methodology for improved environmental management interventions where capacity has been strengthened on the use of the particular tool or method to

deal with a particular problem. Alternatively, for UNEP's projects carrying out of an environmental assessment or analysis of a particular environmental problem, capacity has been strengthened at national or regional levels to undertaken such assessments or analyses.

Further, capacity has been strengthened in the form of aiding decision making by improving understanding of the issue and the need for targeting action towards priority identified areas resulting from such assessment or analyses.

In terms of the level of the intervention the focus of UNEP's GEF activities was at the entity level (92) or system (39) level rather than focussing on individual training and capacity development (21). This is because much of UNEP's GEF project portfolio focuses on particular types of projects that are intended to have a more catalytic impact on environmental management at broad levels. UNEP's projects on environmental assessment and analysis strengthen the capacity at institutional level and at a broader system level to influence broader national and regional action towards addressing the problem at priority areas identified. The organisation's projects on development of tools, methods or approaches for improved environmental management while increasing the capacity of specific institutions to utilise the methodology or tool to deal with a given environmental issue, are more broadly applicable to countries in the entire region or world-wide depending on the type of tool or method being used.

The objectives of capacity development in UNEP GEF interventions are primarily focused towards technical and information networking activities (100 projects each) with policy and legislative reform being a strong emphasis (61 projects). Comparatively few projects involved objectives directed towards resource mobilisation (1) or management/commercialisation (2). Virtually all activities addressed two or more objectives with both Technical and Information objectives being addressed in virtually all activities. This trend is a result of the types of interventions that UNEP deals with. Projects that deal with development of tools and methods are going to have to have a major technical backstopping element for delivery of technical assistance and training relating to use of the tool by the institutions concerned. Further, networking is a large part since the actual refinement of the tool through the project is a major element. This requires a substantial level of information networking to ensure that other countries testing such a tool for their use benefit from the experiences and lessons learned from others.

UNEP's project interventions on management of transboundary ecosystem again have substantial elements of technical and information networking activities. These projects for example require technical assistance in determining root causes of environmental problems relating to degradation of the ecosystem in question. It requires networking among institutions and countries in general on problems in an effort towards building consensus towards addressing the major identified problems in a concerted manner as each countries activities are likely to have an impact on the ecosystem shared by the neighbouring country. Legislative reform also features as a large part of these projects since changes in national policy are required if some of the identified threats to the shared, transboundary ecosystem are to be addressed.

Some of the approaches on capacity development that have been identified in UNEP's GEF projects include training workshops, provision of technical assistance particularly for application of specific tools or standard methods for dealing with a particular problem or issue at hand, use of project

implementation teams that are multidisciplinary, public meetings to inform and consult communities and other stakeholders, strengthening of networks that already exist, distribution of information via dedicated web sites and via hard copy distribution, campaigns to increase environmental awareness, e-mail communications, extended research stays at the relevant institutions where hands-on experience can be gained at an individual level, and, the use of press. Approaches for delivering capacity development activities have also included enhancing institutional capacity of Regional Centres of Excellence, which would in turn act as a form of "train-the-trainers" approach. Another capacity development approach that has been applied globally is the use of an Early Warning system.

UNEP has been tracking its CD achievements in its GEF projects only to the extent of easily measurable indicators having been met through agreed upon project activities being completed and immediate project objectives being met. However, given the potentially broader implications or catalytic effects of UNEP's GEF projects, it is important to develop indicators to measure this broader impact. For example, there is a need to ascertain the extent to which a broader selection of countries adopts a developed methodology that has been developed in a given UNEP GEF project.

Another important element for the Capacity Development Initiative will be the development of exit strategies that promote sustainability. Some of UNEP's GEF projects have important lessons that can be of use to this work. This includes the use of NGOs partnering with key government agencies so that in the event government staff was assigned to different responsibilities, the NGO partner still retains the capacity developed on the particular issue at hand. Another strategy has been with the emergence of the web and its use in ensuring that any basic data gathering/data acquisition exercise captures the data in a form that does not get lost. This will not only help towards preventing duplication of similar activities if the data is easily available and accessible, but also will ensure its use in dealing with other related problems in a given region. UNEP, through its Strategic Partnership with the GEF Secretariat, is developing a global knowledge management system which is basically a metadatabase or clearing house of clearing houses with links to relevant data sources. Thus, relevant outputs from the various data gathering exercises funded by the GEF and others could be linked into such a system to make information more easily accessible than it currently is.

Given that a sizeable proportion of UNEP's GEF projects are designed to develop tools or methods for dealing with a particular issue, linkages with the UNFCCC related SBSTA methodological work programme, the IPCC or the CBD SBSTTA is highly relevant to ensure uptake by other Parties when the need arises. Similarly, such linkages are also relevant for assessment and analytical outputs from UNEP GEF projects so as to enable Parties to have access to scientifically derived data on which their decision making can be based upon. An important question on sustainability arises for the GEF enabling activity (EA) process established to support the development of the first national communication and how it can be developed to accommodate the needs associated with the possible implementation of the Kyoto Protocol and future national communications.

The same holds for biodiversity. It would be highly undesirable in terms of capacity or institution development to have a process where EA programmes were implemented with regular intervals and gaps in between.

From the experience in UNEP's GEF projects, the types of actors involved in capacity development components are naturally dependent on the kind of project at hand. An important lessons learned on actors crucial for capacity development is the use of national teams that are central to policy development and/or implementation thus ensuring that participating national institutions are in the right institutional set-up to influence policy for the key sectors. Another lesson is the use of NGOs side-by-side to national agencies, where possible, so that when government personnel changes occur, some level of capacity is still maintained within the country.

As far as the enabling environment being conducive to effective CD, several of UNEP's GEF project interventions have worked towards building such an enabling environment. In addition, increased governments' awareness on environmental problems allows for a more enabling environment that in turn allows for incorporation of environmental concerns into national policy, development plans and changes in development practices. Thus, an important lesson learnt is that a strong awareness-raising programme is needed both at a project level and a broader programmatic level if sustained interest is to be maintained at the national policy and decision maker level.

To aid in the GEF Capacity Development Initiative, some of the major areas of UNEP's approach to capacity development in its regular programme of work were identified for this purpose. In summary, this includes UNEP's global training programme in Environmental Law and Policy specifically targeting training of national lawyers and senior policy-makers in issues regarding national and international environmental law, backstopping to UNEP supported Conventions and agreements and the use of environmental information networks and clearing houses. It also includes capacity development through development of guidelines and methods for addressing defined environmental issues and problems, capacity development through identification, dissemination and replication of best practices and lessons learned dealing, and the transfer of technology through its IETC centre.

Under UNEP's efforts to facilitate development of several regional and international legal agreements and conventions, technical assistance is being provided for assisting countries in improving national environmental enforcement. In addition, for specific thematic issues under each of the Conventions UNEP supports, technical assistance is provided in the form of technical group training or institutional strengthening on the use of guidelines, technical analyses of key issues, on management issues such as elimination of POPs, coastal zone management, among others. Transfer of relevant experiences and financial resources from more experienced regions to those in earlier stages of development is also taking place for selected twinning arrangements of regional agreements.

Other approaches used in UNEP's regular programme of work include the use of Information clearinghouses as one tool used to develop and sustain national capacity in environmental management. Once initial training activities have been completed, capacity can often be lost, or weakened, owing to lack of sustained technical support and access to information needed that may have not been absorbed or required during the active training period.

A clearing-house, unlike a web site, has a number of additional components that provide for a more coherent and co-ordinated approach for accessing information and data from all member nodes of a clearing-house mechanism. Examples of the Information Clearinghouses that UNEP

has established are the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA) Clearinghouse and UNEP's OzonAction Clearing house.

Environmental Information Networks are a key element in UNEP's programme of work in facilitating the collection, exchange and dissemination of environmental data and information between countries and regions for the collaborative assessment of key environmental issues related to sustainable development. They are used to improve international policy formulation and planning, and to raise public awareness and further strengthen capacity. Examples of such UNEP established networks are ENRIN, a network to promote development of national and sub-regional capacities in environmental data and information management to support State-of-the-Environment (SoE) and issue-based assessments by partner institutions. Another example is the GEO global network of Collaborating Centres, a global co-ordinated network of regional multidisciplinary institutes conducting integrated assessments and forecasts in order to keep under review the state of the regions and provide scientific guidance to regional and international policy setting and action planning.

INFOTERRA is the global environmental information exchange network developed by UNEP. The network operates through a system of government-designated national focal points which at present number 176. At the national level, INFOTERRA focal points provide a wide range of environmental information products and services including environmental bibliographies; directories of sources of information; query-response services; environmental awareness leaflets; and access to Internet services. The Climate impacts and response strategies network (CIRSNet) is a network of government focal points that exchange information and experiences on climate change impacts and responses.

At a global level, UNEP assists countries and regional groups in meeting international requirements through development of applicable environmental standards and methods and through development of guidelines and methods for addressing defined environmental issues and problems. Capacity development is also being carried out through identification, dissemination and replication of best practices and lessons learned dealing with particularly problematic issues that others can benefit from. An internet clearing house mechanism for collection, appraisal and dissemination of information on good practices on various thematic issues is also being developed.

UNEP's International Environmental Technology Centre (IETC) in Japan plays a major role in capacity development on various technologies. There is also a large awareness raising programme that encompasses programmes on awareness raising and education at the individual and institution level. Target groups include journalists, policy makers, and the general public including children and youth.

For a substantive capacity development strategy and plan to be developed and implemented, the lessons learned from the Implementing Agencies efforts, both through their GEF programme of work and through their own regular programme of work, on capacity development will need to be taken into account.

In addition, hurdles or constraints that may prevent effective implementation of such a plan would need to be considered. Issues that may need to be looked at within this context include whether or how the capacity development priorities identified by the COPs of Conventions can be met using the framework within which the GEF operates. Some guidance from the COPs to the GEF may not actually be eligible for GEF project funding within the current criteria for eligibility. In addition, government related constraints should be considered. Stakeholders participating in UNEP's GEF projects have noted difficulties, for example, in accessing information on on-going projects, on data that may have been captured from a prior project, etc that could help increase national capacity to deal with a particular issue. Finally, UNEP's challenge will be to identify how to fully utilise its experiences from is regular programme to benefit GEF related capacity development interventions.

Capacity Development in UNEP's Portfolio of GEF Projects

CHAPTER I:

Overview

A semi-quantitative analysis of capacity development activities and components in UNEP-GEF projects within all three thematic areas relevant to the Capacity Development Initiative (biodiversity, climate change and land degradation); for all project types (Full, Enabling Activities, and Medium Sized Projects) has been undertaken across all GEF phases (Pilot, GEF I, GEF II). The full tabulations for all UNEP-GEF projects included those in the Ozone and International Waters Portfolios are included in Annex 1 to this document.

Annex 1 also includes details of the costs of identified capacity development components and activities within each project where these can be determined. In reality these figures represent the minimum amounts since they cover only specific and easily identified components or activities involving training and/or other forms of capacity development. Summary results are presented in Tables 1 and 2 which exclude all projects in the Ozone portfolio. Although not required under the agreed protocol for the conduct of the assessment across all three Implementing Agencies International Waters projects having a significant biodiversity or land degradation component were included in the initial analysis presented in Table 1.

As may be seen from Table 1 the total UNEP portfolio size is small, with only 6 Pilot Phase activities, 78 in GEF Phase 1, and 23 in GEF Phase 2. The distribution of activities across GEF phases is not uniform and the total number of activities during the Pilot Phase is too small to permit an analysis of trends across the phases of the GEF.

In considering the relative importance of the capacity development components the majority were of secondary importance (82 of 107), that is conducted at the activity level. Capacity development was of primary (output level) and central importance (immediate objective level) in 18 and 7 projects respectively. The reason for this is that while capacity development has been an integral part of all UNEP's GEF projects, it has not been the primary objective of the project. Rather, projects have been aimed at issues such as development of a tool or methodology for improved environmental management interventions where capacity has been strengthened on the use of the particular tool or method to deal with a particular problem. Alternatively, for UNEP's projects carrying out of an environmental assessment or analysis of a particular environmental problem, capacity has been strengthened at national or regional levels to undertaken such assessments or analyses. Further, capacity has been strengthened by aiding decision making by improving understanding of the issue and the need for targeting action towards priority identified areas resulting from such assessment or analyses. The same holds true for other types of UNEP interventions where the main aim of the project relates to issues such as demonstration of tools, management of transboundary ecosystems, analysis of lessons learned and best practices and

replication of such practices. For each of these types of interventions, activities have involved substantial capacity development efforts at national and regional levels.

In terms of the level of the intervention the focus of such activities was at either the entity (92) or system (39) level rather than focussing on individual training and capacity development (21). This is because much of UNEP's GEF project portfolio focuses on particular types of projects that are intended to have a more catalytic impact on environmental management at broad levels. UNEP's projects on environmental assessment and analysis strengthen the capacity at institutional level and at a broader system level to influence broader national and regional action towards addressing the problem at priority areas identified. The organisation's projects on development of tools, methods or approaches for improved environmental management while increasing the capacity of specific institutions to utilise the methodology or tool to deal with a given environmental issue, are more broadly applicable to countries in the entire region or world-wide depending on the type of tool or method being used.

The objectives of capacity development in UNEP GEF interventions are primarily focussed towards technical and information networking activities (100 projects each) with policy and legislative reform being a strong emphasis (61 projects). Comparatively few projects involved objectives directed towards resource mobilisation (1) or management/commercialisation (2). Virtually all activities addressed two or more objectives with both Technical and Information objectives being addressed in virtually all activities. This trend is a result of the types of interventions that UNEP deals with. Projects that deal with development of tools and methods are going to have to have a major technical backstopping element for delivery of technical assistance and training relating to use of the tool by the institutions concerned. Further, networking will be a large part since the actual refinement of the tool through the project is a major element. This requires a substantial level of information networking to ensure that other countries testing such a tool for their use benefit from the experiences and lessons learned from others. UNEP's project interventions on management of transboundary ecosystem again have substantial elements of technical and information networking activities. These projects for example require technical assistance in determining root causes of environmental problems relating to degradation of the ecosystem in question. It requires networking among institutions and countries in general on problems in an effort towards building consensus towards addressing the major identified problems in a concerted manner as each countries activities are likely to have an impact on the ecosystem shared by the neighbouring country. Legislative reform also features as a large part of these projects since changes in national policy are required if some of the identified threats to the shared, transboundary ecosystem are to be addressed.

Regarding the geographic distribution of activities, 20% of UNEP projects are global in scope. A bias towards Africa is noted (35% of all activities) with significantly lower numbers of interventions in the Arab States (only 2 projects), and between 12 and 16 percent of projects being undertaken in Asia & the Pacific; the CEITS countries; and Latin America and the Caribbean respectively. If enabling activities are not considered in the analysis then only 2 of 37 (5%) of UNEP GEF activities are at the national level.

Table 1. Statistical Analysis of Capacity Development in UNEP's GEF project portfolio

		GEF phases				**Thematic Areas**												
		Pilot FY 91-94	GEF I FY 95-98	GEF II FY 99 - onwards	Total	BD (GEF label)		CC (GEF label)		IW (GEF label)		Multi Focal (GEF label)			**Total # of projects**	Total # of CD components		
						Component		Component		Component		Component						
						BD	LD	CC	LD	BD	LD	BD	CC	LD		BD	CC	LD
CD Component	YES	6	78	23	107	56	4	31	0	12	0	4	0	0	107	60	31	4
	NO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	% Total/Yes	100	100	100	100	100	100	100	0	100	0	100	0	0	100			
Importance of CD Component	Secondary	3	68	12	82	48	1	27	0	5	0	1	0	0	82	49	27	1
	Primary	4	7	7	18	10	2	2	0	3	0	1	0	0	18	12	2	0
	Central	0	4	3	7	1	0	1	0	3	0	1	0	1	7	1	1	3
Level of CD Component	Individual	1	18	2	21	17	1	1	0	1	0	1	0	0	21	18	1	1
	Entity	2	73	17	92	50	2	29	0	9	0	1	0	1	92	52	29	3
	System	5	19	15	39	12	3	8	0	11	0	3	0	0	37	15	8	3
Objectives of CD Component	Technical	6	78	27	102	55	3	31	0	12	0	0	0	1	102	58	31	4
	Information/ Networking	6	79	26	102	55	1	31	0	12	0	3	0	0	102	56	31	1
	Policy/ Legislation reform	0	55	16	62	29	2	23	0	7	0	1	0	0	62	31	23	2
	Resource Mobilisation	0	0	1	1	1	0	0	0	0	0	0	0	0	1	1	0	0
	Management /Commercialisation	0	0	2	2	0	0	2	0	0	0	0	0	0	2	0	2	0

Table 2 presents a breakdown of the global, regional and national character of UNEP GEF interventions in relation to the nature of the intervention, i.e. full project, medium sized project and enabling activity. For full and medium sized projects the proportion is 17, 32 and 51 % of national, regional and global projects respectively. It should be noted that the inclusion of enabling activities, which by their very nature can only be national, in Table 3 heavily biases the breakdown of UNEP activities in terms of geographic scope. Sixty seven percent of all UNEP/GEF activities are undertaken at the national level if enabling activities are included in the analysis.

Table 2 Distribution of enabling activities, full and medium sized projects by National, Regional and Global scope.

	Enabling Activities	**Full Projects**	**Medium Sized Projects**	***Total***
National	65	2	5	**72**
Regional	0	9	4	**13**
Global	1	16	5	**22**
Total	**66**	**27**	**14**	**107**

The only significant difference in the relative importance of capacity development activities/components on a geographic basis is seen in the lower number of projects in the Europe, Central Asian Region, where capacity development is of secondary importance and a correspondingly greater number of activities in which it is of primary importance.

Regarding the geographic distribution of the level of the Capacity development component, significantly more projects in Africa contained activities or components directed towards individual level capacity building than in projects executed in other regions.

Table 2. Statistical Analysis of Capacity Development in UNEP's GEF project portfolio

		Regions							Project Type				Coverage			
		Africa	Asia/ Pacific	Europe/ Central Asia	Arab States	Latin America/ Caribbean	Global	Total	Full	MSP	EA	**Total**	Nat.	Reg.	Global	**Total**
CD Component	YES	40	14	10	2	17	24	107	27	14	66	107	72	13	22	107
	NO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	% Total/Yes	100	100	100	100	100	100	100	100	100	100	100	100	0	100	100
Importance of CD Component	Secondary	37	12	9	2	13	10	83	10	7	66	83	67	6	8	81
	Primary	2	2	8	0	2	11	25	6	2	0	8	4	5	12	21
	Central	1	0	2	0	2	3	8	17	8	0	25	2	3	2	7
Level of CD Component	Individual	11	1	4	0	2	3	21	2	1	18	21	17	0	3	20
	Entity	40	14	19	2	15	11	101	23	12	66	101	71	10	10	101
	System	2	1	3	2	8	23	39	26	12	1	39	3	13	26	42
Objectives of CD Components	Technical	39	14	18	2	16	22	111	30	17	64	111	68	11	21	100
	Information/ Networking	36	13	19	2	17	24	111	30	15	66	111	67	11	22	100
	Policy/ legislation reform	27	12	16	2	13	1	71	15	6	50	71	51	9	1	61
	Resource Mobilisation	0	0	0	0	1	0	1	0	1	0	1	0	1	0	1
	Management/ Commercialisation	0	0	0	0	0	2	2	0	2	0	2	0	0	2	2

UNEP's Experiences with Capacity Development Activities
in the GEF Focal Areas

CHAPTER II:

2.1 Capacity Development in UNEP's Regular Programme

The Nairobi Declaration, agreed by Ministers of the Environment and heads of delegations at the nineteenth Governing Council session of UNEP (Feb 97), defined the future role and mandate of UNEP, and was endorsed by the Special Session of the United Nations General Assembly in June 97, New York. It declared as one of its recommendations that, UNEP would provide "'policy and advisory services in key areas of institution-building to Governments and other relevant institutions". Following this declaration, during the first Global Ministerial Environment Forum, held in May 2000, in Malmo, Sweden, discussions focused on how UNEP can assist member states in developing capacity to address the environmental challenges world wide. As a result, UNEP has prepared a document "Environmental Capacity Development by the United Nations Environment Programme (August 00)" in an effort to inform various stakeholders of the capacity development opportunities available through UNEP, and to encourage various partners to join UNEP in meeting the needs of environmental capacity development.

Environmental capacity development, is seen within the context of UNEP's regular programme activities as too broad a concept to bed treated solely as an activity which only occurs incidentally to project execution. Consequently environmental capacity development activities are targeted specifically in term of both audience and scope.

2.1.1 The UNEP Global Environmental Law Training Programme

This global training programme in Environmental Law and Policy aims at informing and training national lawyers and senior policy-makers in issues regarding national and international environmental law and assists them in developing the necessary skills for implementing environmental law for sustainable development within their countries. The programme is used to encourage interest in, and commitment to, the use of environmental law as an instrument for converting sustainable development policies into action. The programme was designed to respond to the needs of developing countries and countries with economies in transition, for capacity development at a national level to facilitate improved environmental management, specifically with the intention of constituting the legal and institutional component of such capacity development. The programme also includes the provision of technical advice on the establishment, revision and enforcement of environmental laws. Particular emphasis is placed on training in enforcement and compliance with existing laws.

A Training Manual in Environmental Law serves as the common tool for the programme and for the Convention Secretariats. In addition, UNEP and IUCN are currently developing a computerized database on environmental law in order to provide wider access to available information sources regarding national and international environmental law. Other capacity development interventions under this programme include the establishment of environmental law documentation centres, extensive provision of legal and policy information, including web-based material, teaching of environmental law, guided drafting of governmental statutes and implementing regulations on topics of national interest, facilitation of consensus building workshops among a broad base of stakeholders, training of lawyers, prosecutors and judges on environmental litigation and judicial development, and training of NGOs and other relevant stakeholders on environmental law.

Follow up to the training programme is carried out by interviewing each participant to ascertain how best UNEP can continue to assist them in strengthening their capabilities to perform functions in the field of environmental law and policy in their home countries. As part of the post-training follow-up, some participants are sent environmental law materials or have been put in contact with relevant UN agencies and officials. Further training attachments are also offered.

2.1.2 Implementation of, and Compliance with, Conventions

UNEP has been instrumental in facilitating development of several regional and international legal agreements and conventions. Following from the Workshop on Enforcement and Compliance with Multilateral Environmental Agreements (MEAs) in July 1999, Geneva, a specialized unit on Enforcement and Compliance with MEAs was established within UNEP. The anticipated activities include drafting of guidelines for effective national environmental enforcement, training workshops for national law enforcement officers, enhancing capacity in relevant training institutes on aspects of MEA enforcement, implementation and compliance, training of trainers in approaches and techniques used by illegal traders and traffickers and harmonization of national environmental laws dealing with MEA enforcement and compliance.

In addition to technical assistance on enforcement and compliance, UNEP provides technical backstopping for the implementation of regional and international agreements and Conventions:

The Regional Seas Conventions

The regional seas programme of UNEP organizes and supports activities aimed at technical group training (e.g. organochlorine and heavy metal analysis of environmental compartments? including biota) or institutional strengthening (e.g. staff training, provision of equipment, provision of reference methods based on the results of, for example, intercalibration exercises for pollutant measurement), undertaken by institutions participating in the implementation of the Regional Seas Action Plans. In addition, UNEP undertakes within its Regional Seas Programme training on issues, such as Integrated Coastal Area Management, use of remote sensing, management of specially protected areas, marine pollution preparedness and response. The

Regional Seas Programme itself is a worldwide network and within each region there is a network of specialist centres dealing with particular aspects of the programme.

In the Mediterranean for example there are specialist centres for specially protected areas, priority actions, emergency oil spill response, and scenario development located in different countries.

In its role as Secretariat for numerous global and regional Conventions such as the Regional Seas Conventions and Agreements, UNEP financially supports the operations of the various Secretariats located world-wide, and provides substantive and technical back-stopping to the execution of their activities. Transfer of relevant experiences and financial resources from more experienced regions to those in earlier stages of development is taking place via three twinning arrangements:

(a) Eastern Africa and the Baltic: HELCOM (Baltic Sea) and UNEP's Eastern African region are collaborating to exchange experiences and expertise on areas such as implementation of the GPA Strategic Action Plan on Municipal Wastewater, the development of a protocol on land-based sources of pollution to the Nairobi Convention; and development of integrated coastal area management policies and programmes;

(b) Wider Caribbean and the South Pacific: UNEP's Caribbean Environment Programme (CEP) and the South Pacific Regional Environmental Programme (SPREP) are also considering similar twinning arrangements;

(c) Mediterranean and Northeast Atlantic: Similar twinning arrangements are under discussion between the UNEP Mediterranean Action Plan and OSPAR Secretariat (Northeast Atlantic).

The Vienna Convention and its Montreal Protocol

UNEP provides the Secretariat to the Vienna Convention on the protection of the ozone layer. Under the Multilateral Fund, UNEP is continuing to provide training on best practices in refrigeration, training for customs officials on the monitoring of ODS imports, and policy level training. The train-the-trainers approach is being successfully used in this programme.

The Rotterdam Convention and POPs negotiations

Training workshops have been organized on the sound management and elimination of Persistent Organic Pollutants (POPs) through UNEP's Chemicals Unit.

UNEP involvement in Trade related agreements

UNEP and UNCTAD have established the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) which includes thematic research on trade-environment-development and on practical approaches to address them; country studies to enhance countries' capacities to develop mutually supportive trade, environment and development policies, training, policy dialogue and networking.

Biodiversity related conventions

UNEP provides the secretariat to the biodiversity related conventions such as the CMS, CITES, and CBD. Capacity development programmes under the convention secretariats include training that enables new convention focal points to visit, for example, the CMS Secretariat to become familiar with the mechanics of the convention. It also includes provision of guidelines for integrating migratory species concerns into national and regional planning and specific species conservation related training in the case of the CMS, CITES training for customs officers and CITES training for Scientific Authorities including training on endangered species population monitoring in the case of CITES, etc.

2.1.3 Information Clearing Houses

Information clearinghouses are one tool UNEP has used to develop and sustain national capacity in environmental management. Once initial training activities have been completed, capacity can often be lost, or weakened, owing to lack of sustained technical support and access to information needed that may have not been absorbed or required during the active training period. A clearing-house, unlike a web site, has a number of additional components that provide for a more coherent and coordinated approach for accessing information and data from all member nodes of a clearing-house mechanism. One of the major differences from a web site is the way the information and data are distributed, managed and linked with all member nodes using the same underlying standards and protocols for metadata, indexing, search and retrieval. This capability enables users to search, access and acquire information and data from any of the member nodes in the system. The member nodes will also often share a common suite of functions and tools. In the clearing-house model, any of the member nodes can be the starting point for a user search and query. The user should be directly referred to the source of the information that they require with minimal 'bouncing' around and chasing of false leads. Other clearing-house components provide means to access the information or data as intuitively as possible. There is also the capability to keep the user in the referring member node site while they access information on another node. If desired, the user does not necessarily need to know that the information that they are accessing is actually held in a different computer system than they started out with.

Examples of the Information Clearinghouses that UNEP has established are:

The Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA) Clearing house:

The GPA clearing house enables one to find and access information, data and practical experience to address problems related to marine pollution and degradation. It is intended to provide a one-stop method that promotes the advertising, discovery, access, dissemination and use of GPA related information and data held by numerous organizations using the decentralized capabilities of the Internet.

Using the GPA clearing-house mechanism, a user can search and access information, data and practical experience using several different approaches. The 4 main GPA clearing-house approaches are:

(a) Pollutant Source Category;

(b) Regional Seas (The GPA requested that the UNEP and other regional seas programmes be incorporated into the clearing-house to provide a regional and national framework and perspectives for the GPA information and data. It is envisaged that most of the regional seas will become GPA clearing-house nodes);

(c) Coastal Zone Management Framework; and,

(d) Economic Sectors.

UNEP's Global Environmental Monitoring System (GEMS) also maintains a centralized database on freshwater quality which complements the GPA clearinghouse.

UNEP's OzonAction Clearing house:

One of UNEP's roles as an Implementing Agency under the Multilateral Fund for the Implementation of the Montreal Protocol is to provide a clearinghouse function to assist developing countries with their phase out of ozone depleting substances (ODS). UNEP's OzonAction Programme fulfils that mandate by providing industry, government and other stakeholders in developing countries with information exchange services, training and networking of ODS Officers. In addition to these core clearinghouse services, the programme also provides assistance with Country Programmes and Institutional Strengthening projects.

2.1.4 Environmental Information Networks

Environmental information networking is a key element in UNEP's programme of work in facilitating the collection, exchange and dissemination of environmental data and information between countries and regions for the collaborative assessment of key environmental issues related to sustainable development. It is used to improve international policy formulation and planning, and to raise public awareness and further strengthen capacity.

ENRIN

An example of such a network is ENRIN. This network has been developed by UNEP's Environmental Information Networking Unit in the Division of Environmental Information. Assessment and Early Warning (DEIAEW) to promote development of national and sub-regional capacities in environmental data and information management to support State-of-the-Environment (SoE) and issue-based assessments by partner institutions in developing countries and countries with economies in transition. It focuses on (i) the accessibility of relevant and appropriate environment and natural resources information to decision making processes at national and regional levels; and, (ii) the capacity of existing national and regional institutions to manage environment and natural resources information and improve delivery to decision making processes.

ENRIN is a coordinated suite of activities designed to provide technical assistance and help formulate capacity development projects related to environmental assessment. The aim is to enhance the institutional capacities of national agencies and appropriate sub-regional intergovernmental organizations to carry out environmental assessment and reporting tasks, and to create, improve or manage databases as appropriate. The ENRIN approach to capacity development has four steps, each carried out with national or regional partner institutions: (i) national or regional consultations to evaluate requirements and develop strategies to address priority environment assessment, reporting, and/or associated data management issues; (ii) formulation of investment projects to enhance or develop the necessary institutional skills, technology and staff capacities together with representatives from participating institutions; (iii) joint efforts to secure funding for implementation, when possible with seed funding from UNEP's Environment Fund used to leverage funds from multi and bilateral donors; and, (iv) finally, provision of long-term technical backstopping assistance by UNEP's GRID and INFOTERRA networks.

As a result of the network, capacity development projects to develop or enhance environmental information systems and networks are being implemented in six countries (Eritrea, Ghana, Kenya, Tanzania, Uganda and Zambia) and in four sub-regions (CILSS, ECOWAS, IGAD, SADC), with more planned at the national (Madagascar and Botswana) and sub-regional levels (IOC). In addition, Geographic Information Systems (GIS) units have been established in Burkina Faso, Ivory Coast, Lesotho, Mozambique, and Niger. In Asia and the Pacific, operational agreements and programmes are being implemented with five sub-regional intergovernmental organizations (ASEAN, ICIMOD, MRC, SACEP, SPREP) covering 40 countries. Capacity development activities are at varying stages in 30 countries in the region involving technology transfer through training/ workshops and provision of hardware and software. Assistance has been provided in the preparation of national and sub-regional SoE

reports for the ASEAN region, the Greater Mekong sub-region, South Asia and the South Pacific. In Central and Eastern Europe, assessments of environmental information systems have been completed and reports published for twelve countries in the region, with three more in the pipeline. Through co-operating partners seven countries have produced prototype SoE reports available on the Internet (Poland, Hungary, Estonia, Latvia, Lithuania, Ukraine and Georgia). At the sub-regional level, assistance is being provided to the Black Sea Environmental Programme (BSEPCU) and the Environmental Programme of the Danube River Basin.

In Latin America and the Caribbean, networks have been strengthened through agreements with national governments, national, sub-regional and regional organizations and institutions. In co-operation with UNDPCSD, a local (regional) sustainability indicator programme has been developed which addresses environmental concerns.

The GEO global network of Collaborating Centres

The GEO network is a global coordinated network of regional multidisciplinary institutes conducting integrated assessments and forecasts in order to keep under review the state of the regions and world environment and provide scientific guidance to regional and international policy setting and action planning for sustainable development. It is the aim that the institutes of excellence participating in the GEO Collaborating Centre network will become the regional engines for policy-relevant assessments, providing the information and knowledge base for sustainable development planning and for analyzing the long-term consequences of current policy decisions. To this end, the centres network with other institutes in the region that have the required sectoral expertise to cover all environmental sectors pertaining to sustainable development. Through this networking mechanism the best regional knowledge is brought to bear on issues that are of regional or global importance. The Collaborating Centres network with the regional UNEP/ GRID centres and the UNEP/ENRIN programme, thus ensuring that data and information compilation activities required for integrated assessments are integrated within and amongst regions.

Collaborating Centres use innovative and cutting-edge methodologies such as integrated modeling, scenario and indicator development and policy dialogue to assess the state of the environment, analyze environment development interactions, conduct research on alternative futures, and arrive at realistic proposals for ways to tackle the emerging problem areas identified.

UNEP's global overview and co-ordination enables aggregation and compilation of regional findings to the global level. It also provides an effective mechanism for engaging, in a coordinated and mutually supportive manner, bilateral and multilateral donors and international agencies in their efforts to develop capacity in developing countries for integrated, policy-relevant assessments (Collaborative Forum of Integrated Assessment Centres - CFIAC).

The collaborating centres include Environment Resource Centre for Southern Africa - ERCSA (Zimbabwe); Centre for Environment & Development for the Arab Region and Europe-CEDARE (Egypt); Network on Environment and Sustainable Development in Africa - NESDA (Ivory Coast); Tata Energy Research Institute - TERI (India); Asian Institute of Technology -

AIT (Thailand); Thailand Environment Institute -TEI (Thailand); Centre for Global Environmental Research - CGER (Japan); National Institute of Public Health and the Environment - RIVM (The Netherlands); Stockholm Environment Institute - SEI (Sweden); Wuppertal Institute (Germany); Moscow State University (Russia); Central European University (Hungary); El Colegio de Mexico (Mexico);University of Chile (Chile); Arabian Gulf University (Bahrain); and Royal Scientific Society (Jordan).

INFOTERRA

INFOTERRA is the global environmental information exchange network developed by UNEP. The network operates through a system of government-designated national focal points which at present number 176. An INFOTERRA national focal point is essentially a national environmental information centre usually located in the ministry or agency responsible for environmental protection. The primary function of each centre is to provide a national environmental information service.

At the national level, INFOTERRA focal points provide a wide range of environmental information products and services including environmental bibliographies; directories of sources of information; query-response services; environmental awareness leaflets; and access to Internet services. The INFOTERRA secretariat at UNEP headquarters, Nairobi, supports the national focal points by providing technical services and publishing reference tools such as the EnVoc Multilingual Thesaurus of Environmental Terms; the International Directory of Sources; training manuals; sourcebooks; and promotional materials. A capacity development programme provides assistance to focal points in developing countries.

The Climate impacts and response strategies network (CIRSNet)

The Climate impacts and response strategies network (CIRSNet) is a network of government focal points that exchange information and experiences on climate change impacts and responses. To complement this, a network of African Centres of Excellence has been started as a subset of CIRSNet.

The Environmental Training Network for Latin America and the Caribbean (ETN-LAC)

The Environmental Training Network for Latin America and the Caribbean (ETN-LAC) was established in 1981. It is supported by a Trust Fund established in 1989 by all the governments of the region and aims to co-ordinate, promote and support activities related to environmental education and training in the region. It develops its activities along the following lines of action:

(a) Promotion, advisory services and support to incorporate the environmental dimension in all levels of the educational system;

(b) Develop a system of postgraduate courses on environment and sustainable development;

(c) Support the training of teachers for the educational system;

(d) Support to environmental training at the community level;

(e) Develop a publishing programme, and the production of basis texts and manuals for environmental training in priority themes for the region.

Major Achievements of the programme include over 2000 professionals trained yearly in environmental and sustainable development subjects in 12 countries of the region; a system of post-graduate courses incorporating the environmental dimension in priority issues such as environmental education, ecological economics, biodiversity, agroforestry and agroecology, urban environmental planning, environmental management and sustainable development, energy, environment and development; Consortia and Thematic Networks (in partnership with universities and international agencies) on environmental education, biodiversity, agroforestry and agroecology, environmental urban management, environmental health and desertification; National programmes on environmental education and National Environmental Training Networks linked and supported by the ETN-LAC: Argentina, Brazil, Colombia, Cuba, Guatemala, Mexico, Paraguay and Peru; regional, sub-regional and national seminars on "University and Environment"; Publication and distribution of 26 issues of the Newsletter Environmental Training, distributed to 4,000 subscribers; Monthly distribution by internet of "Environmental Training News"; Directory of environmental training institutions and programmes; and Publication of 4 books, 4 basic text books and 4 manuals for environmental training.

Network for Environmental Training at Tertiary Level in Asia and the Pacific (NETTLAP)

NETTLAP is a regional Asia/Pacific based network consisting of institutions and individuals active in environmental education and training at a tertiary level. With the ASEAN Secretariat, NETTLAP has provided technical assistance to the Secretariat for the development of the ASEAN Environmental Education and Training Action Plan, 2001-2005. An Environmental Training Network also exists for Latin America and the Caribbean, ETN-LAC which supports new curricula designs to incorporate the environmental dimension in all levels of the education system, strengthening a system of post-graduate courses on the environment and sustainable development, and support to teachers.

2.1.5 Development of Standards, Tools and Guidelines

At a global level UNEP assists countries and regional groups in meeting international requirements through development of applicable environmental standards and methods (e.g. for pollutant monitoring in collaboration with the IAEA and IOC) and through development of guidelines and methods for addressing defined environmental issues and problems. Illustrative

of guidelines and methods are guidelines that have been developed and/or applied for demonstration purposes are:

(a) Guidelines for Integrated Coastal Area and River Basin Management and its application;

(b) Guidelines for Lake Management;

(c) Guidelines for Integrated Waste Management;

(d) Methodologies for Assessing Genetic Erosion of Priority Tree Species as a basis for developing appropriate strategies for conservation and sustainable use of forest genetic resources (in collaboration with IPGRI and the SAFORGEN programme);

(e) Training on the use of climate scenario data for Impact Assessment.

The development of standards, tools and guidelines in UNEP is supported by training programmes. Utilising these tools and methods, technical assistance is provided for establishment of regional programmes such as:

(a) Development of regional environmental action plans;

(b) Development of regional waste minimisation strategies for particular regions sharing a waterbody;

(c) Development of international river basin management plans;

(d) training to increase understanding and use of analytical quality control methodologies to ensure reliable water quality data in UNEP's GEMS water programme;

(e) training on ground water quality assessment and hydrology.

2.1.6 Capacity development through Identification, Dissemination and Replication of Success Stories and Best Practices

Among UNEP's programme activities are ones designed to analyse and identify best practices and lessons learned dealing with particularly problematic issues that others can benefit from. A common reporting format for success stories and best practice schemes is being developed which will enable a more user-friendly review of such practices. An internet clearing house mechanism for collection, appraisal and dissemination of information on good practices on various thematic issues is also being developed. One such example of the best practice scheme focuses on best practices on land degradation control.

2.1.7 Transfer of technology

UNEP's International Environmental Technology Centre (IETC) in Japan plays a major role in capacity development on various technologies. Activities have included seminars and training workshops on evaluating technology performance; harvesting and utilisation of rainwater in urban areas; integrated waste management; environmentally sound technologies for air quality management; phytoremediation of contaminated soil, groundwater and surface water, among other initiatives.

Other relevant training approaches used in UNEP's Technology, Industry and Economics programme include the use of training networks for awareness and preparedness for emergency at local levels; industry sector workshops (e.g. training mining sector personnel on environmental technology assessment, on tourism - environmental management systems in hotels, sustainable tourism for tour operators, etc).

2.1.8 Environmental Education and Public Awareness Raising

There is also a large awareness raising programme that encompasses programmes on awareness raising and education at the individual and institution level. Target groups include journalists, policy makers, and the general public including children and youth. Illustrative of the environmental education activities undertaken through this area are:

(a) the Regional Environmental Action Learning (REAL) programme in eco-schools of sub-Saharan Africa through teachers' training and development of learning tools and materials;

(b) the UNEP/UNESCO/BMU post graduate programme on environmental management;

(c) the University of Adelaide/Ngee-Anne-Institute/UNEP International graduate certificate programme in environmental management for Asia/Pacific countries;

(d) the Watson (Brown University)/UNEP international scholars of the environmental programme;

(e) the Train-Sea-Coast programme development under the GPA programme as a network of training/educational centres with assistance from UNDP;

(f) development of environmental education strategies in the regions with inputs from UNEP (e.g. an Action Strategy for Environmental Education and Training in the Pacific developed through SPREP, a five year environmental education and training action plan for South Asia developed through SACEP and the ASEAN Environmental Education and Training Action Plan 2001-2005)

On public awareness raising, some highlights of activities are:

(a) UNEP's partnership with TVE on the *Earth Report*, a weekly series broadcast on BBC;

(b) UNEP's International Photographic Competition on the Environment, *Focus on Your World;*

(c) The convening biennially of the *International Children's Conference* and the *Global Youth Forum* on the environment;

(d) The establishment of the *Children's Network*, a network comprising 1000 schools and children's groups as a forum on environmental issues;

(e) The launching of the *Youth and Sustainable Consumption Campaign;*

(f) Training seminars on Sport and the Environment in conjunction with the International Olympic Committee.

These programmes are in addition to UNEP's training networks such as the Environmental Training Network for Latin America and the Caribbean (ETN-LAC) and the Asia Pacific NETTLAP training network described earlier.

2.2 Capacity Development in UNEP's GEF Project Design and early implementation

At the conceptual level, when implementing any environment related programmes, two basic questions are addressed:

(a) Do the institutions within the project region have the institutional capacity to support the environmental programme?

(b) Do they have the human capacity to sustain these programmes once they have been implemented?

Within its operational strategy, UNEP works with government agencies, international organisations and NGOs to identify any existing gaps in capacity and then endeavours to fill them. Capacity development is integrated into the planning of project execution modalities. An initial training needs assessment is carried out to identify strategic capacity needs in critical areas. Once the requirements are identified, at the conceptual level of project implementation, areas which require capacity development are included in the project as a number of actions at the national and sectoral level to effectively bridge any deficits. In effect, each project has some elements of capacity development.

UNEP's projects within the framework of its GEF activities, in general, focus on:

(a) the development, testing and demonstration of tools and methods for improved environmental management at the national and regional levels;

(b) the carrying out of environmental analyses and assessments on specific thematic issues;

(c) management of transboundary ecosystems;

(d) transfer of technology and know-how.

Most of the organisation's portfolio focuses on a sub-regional, regional or global level, where sharing of experiences between countries or improved, co-ordinated multi-country action is required. Within each of these categories of projects, a sizeable proportion of the project is dedicated towards capacity development as explained below:

2.2.1 UNEP GEF Projects focused on development of Tools and Methods

For projects that develop tools and methods for improved environmental management, the countries themselves benefit from an increased capacity to develop and later use the particular tool or method that has been developed through the project. The following are a sample of projects within UNEP's GEF portfolio which have been instrumental in developing tools and methodologies:

Biodiversity

Tools for Biodiversity Management:

(a) Testing Guidelines for carrying out Biodiversity Inventories;

(b) Practical application of guidelines on Biodiversity Strategies & Action Plans;

(c) Guidelines for managing Biodiversity Data;

(d) Development of Biodiversity Indicators as a tool for monitoring national ecosystem health & effectiveness of national responses; and

(e) Guidelines for development of National Biosafety Frameworks

Land Degradation

Tools for Managing Land Degradation:

(a) Indicator Model for Dryland Ecosytems; and

(b) Land Use Change Analysis as an Approach for Investigating Biodiversity Loss and Land Degradation

Climate Change

Tools for Greenhouse Gas Reduction and Climate Change Adaptation:

(a) Methodologies on greenhouse gas inventories;

(b) Practical application of UNFCCC guidelines on National Communications;

(c) Methodologies on Assessment of Climate Change Impacts and Adaptation Strategies;

(d) Economics of GHG Limitations (Methodologies for analysing economic costs of greenhouse gas limitation).

Projects for the development of tools and methodologies have been designed in response to requests from governments, NGOs and/or scientific bodies for such tools. For example, the People, Land Management and Environmental Change (PLEC) project was developed in response to demand from governments and local groups for models of biodiversity conservation within agricultural systems. The project "Support to the Preparation of Biodiversity Country Studies" was designed to assist countries to take stock of the status of national biodiversity at the ecosystem, species and genetic levels. Through the project, participating countries were also expected to identify the major threats to biodiversity, the current measures to conserve and sustainably use biodiversity, as well as the cost and benefits of these measures. In order to facilitate the above tasks, the project provided necessary methodological tools and technical assistance. In this latter case, the methodological tools were provided to assist countries carry out the inventories in a co-ordinated and standardised manner.

The medium sized project "Rescue Plan for the Cap Blanc Colony of the Mediterranean Monk Seal, Mauritania" was designed to assist Mauritania deal with the emergency situation relating to the rapid decline of the Mauritanian Monk Seal. In addition to achieving this objective, it also resulted in a replicable protocol developed for rescue, husbandry and rehabilitation of monk seals. The development of such an agreed protocol for rescue, husbandry, rehabilitation, release and re-introduction of monk seals will be presented for adoption to all organisations involved in monk seal protection in the Atlantic and the Mediterranean Sea. In this project, unlike the Biodiversity Country Studies where the tools were provided to the countries and then used in the project itself, the Mauritanian Monk Seal project resulted in a method/protocol. The protocol

was designed to help enhance the ability and effectiveness of neighbouring countries to deal with a similar emergency situation should it arise in their countries in the future.

In the climate change focal area, the project on "Economics of GHG Limitations" is illustrative of another tool/methodology development project. It was designed to assist countries with economic analysis of climate change mitigation strategies by establishing, applying and testing a consistent methodological framework. It was designed to establish a common methodological framework for calculating the cost of climate change mitigation activities at national level, testing and applying this framework in 8 national studies through assessments of their mitigation costs as an input to their national mitigation strategies and national communication under the UNFCCC. The project was therefore aimed at enhancing the national capacity in the relevant institutions to be able to undertake future mitigation assessments on their own.

In a collaborative effort between WRI, UNEP and IUCN, guidelines were developed in 1995 to assist countries in their national biodiversity planning. Subsequently, under the framework of GEF enabling activities, UNEP is assisting about 30 eligible Parties. In line with Decision III/20 of COP-3, a module related to the Clearing House Mechanism (CHM) has been added to these enabling activities to assist eligible countries to participate effectively in the pilot phase of the CHM. Since June 1997, the GEF has also provided grants through UNEP to 21 countries for enabling activities specifically related to their obligations concerning national communications. This can include assistance for national mitigation strategies that identify the most suitable options and establish priorities for mitigating climate change, comprehensive vulnerability assessments for various sectors used to develop policy frameworks for implementing measures for adapting to climate change and response strategies, strengthening of capacity of national development planners to enable them to integrate climate change concerns into medium and long term planning of the country, development of public awareness programmes to promote implementation of the Convention at all levels and/or initial national communications prepared for submission to the Conference of the Parties of the Convention.

UNEP is also providing assistance to countries to help them give due consideration to issues relating to biosafety within their efforts to develop national biological diversity strategies, plans and programmes. The national biosafety frameworks being prepared assist countries to better identify their needs and requirements for an effective implementation of the *UNEP International Technical Guidelines for Safety in Biotechnology* and other requirements arising out of the Biosafety Protocol.

2.2.2 Environmental Analyses, Assessments and Information

Below is a representative sample of UNEP's GEF projects dealing with environmental analyses, assessment and information:

Biodiversity

(a) The Global Biodiversity Assessment;

(b) Biosafety Country Needs Assessments;

(c) Global Millennium Ecosystem Assessment;

(d) Catalysing Conservation Action in Latin America: Identifying Priority Sites and Best Management Alternatives in Five Globally Significant Ecoregions; and

(e) Country Case Studies on biodiversity inventories.

Land Degradation

(a) Dryland Land Degradation Assessment (LADA)

International Waters

(a) Global International Waters Assessment (GIWA);

(b) Regionally-based Assessment of Persistent Toxic Substances;

(c) Transboundary Diagnostic Analyses (TDAs) of Shared Water Bodies such as:

i. Rio Bermejo River Basin;

ii. Canary Current LME;

iii. Western Indian Ocean;

(d) Mediterranean Sea;

(e) Rio Sao Francisco River Basin;

(f) San Juan River Basin;

(g) South China Sea,

(h) Lake Volta

Climate Change

(a) Country studies on Assessment of Climate Change Impacts/ Adaptations;

(b) Capacity Building on IPCC scientific and technical assessments/ methodologies;

(c) Country Case Studies on Sources and Sinks of GHGs;

(d) Solar and Wind Energy Resource Assessment Facility;

(e) Fuel Cell Bus and Distributed Power Generation Market Prospects and Intervention Strategy Options.

Ozone Layer

(a) Data collection of ODS and Identification of needs for:

(i) Latvia & Lithuania

(ii) Georgia & Azerbaijan

(iii) Turkmenistan, Cyprus & Uzbekistan

(iv) Estonia & Moldova

In each of the projects above, environmental analyses or assessment was the main over-arching theme. Capacity development featured as an important element of this analysis or assessment since in each case activities were carried out with the relevant local, national and/or regional institutions. Here, the general framework for the analysis or assessment was applied by these institutions with technical backstopping from UNEP (e.g. National Ozone Centres in the case of the ozone layer related projects; National Councils for Science and Technology in the Biosafety Needs Assessment; National Biodiversity Units in the case of the biodiversity country studies inventories, etc).

The outputs of these projects will be disseminated to national policy and decision-makers and other relevant parties to understand the kinds of actions that are of most urgent priority from a scientific and analytical perspective.

Further, some of these projects (e.g. the Biosafety Needs Assessment) had large awareness raising components owing to the fact that the issue was not clearly understood within most countries yet seen as a national priority given the interest in biotechnological advances to date.

Deriving Best Practices and Lessons Learned and Sharing of Knowledge

Biodiversity

(a) Global Support Programme for Biodiversity Enabling Activities;

(b) Analysis of Best Practices and Lessons learned to date on dealing with Exotic Invasive Species;

(c) Best Practices for integrating biodiversity considerations into the tourism sector;

(d) Support to the Global Biodiversity Forum.

The project "**Analysis of Best Practices and Lessons learned to date on dealing with Exotic Invasive Species**" is typically representative of UNEP's GEF projects analysing best practices and lessons learned with the view towards promoting the use of such experiences for other countries facing similar problems. The project is expected to result in (i) the present state of knowledge, analytical capacity, educational programmes, technology and legal instruments on the global problem of alien invasive species made accessible to all stakeholders; (ii) published list of existing invasive species databases, their accessibility, scope and usefulness; (iii) home page on the Internet which is being updated periodically; (iv) management guides for selected particularly dangerous invasive species; (v) training packages including toolkits for dealing with invasive species, targeting field managers, quarantine officials and other key operators in the prevention and control of the spreading of alien invasive species; (vi) technical reports on important dimensions of concern in the control of invasive species; and, (vii) public awareness materials on invasive species to heighten public awareness of a leading threat to biological diversity. Such best practices type projects thus form an important technical assistance tool for capacity development for other stakeholders faced with similar problems elsewhere.

Another type of approach for developing capacity under this type of project is the approach followed in the "The Global Biodiversity Forum". This project was designed with the aim of sharing of experience and debate on the issues and options critical to the development and implementation of the CBD thus providing a forum for technical support for national and regional implementation of the CBD.

Ozone Layer

(a) Promoting Compliance with the Trade and Licensing Provisions of the Montreal Protocol in Countries with Economies in Transition (CEITs)

The above named project was designed to have an information sharing cum training element to enhance the capacity of the national ozone focal points to design and implement effective phase out policies through training and regional co-operation and information exchange among CEITs to decrease the incidence of illegal ODS trade.

Targeted Research

Biodiversity

(a) Conservation of *Graminae* and associated Arthropods for Sustainable Agriculture

(b) People, Land Management and Environmental Change (an agro-biodiversity research project focused on smallholder farmers and their response to environmental changes

(c) Land Use Change, Agro-biodiversity & Global Environmental Benefits

International Waters

(a) The Role of the coastal ocean in the disturbed and undisturbed Nutrient and Carbon cycles.

2.2.3 Transboundary Management of Ecosystems

Biodiversity

(a) Rift Valley Lakes Biodiversity;

(b) Desert Margin Programme;

(c) Transborder Co-operation - on land degradation Senegal River Basin;

(d) Transborder Co-operation on management of Indigenous vegetation;

(e) Rehabilitation of degraded transboundary lands in the African Sub-Continent;

(f) Enhancing Conservation of the Critical Network of Wetlands Required by Migratory Waterbirds on the African/ Eurasian Flyways; and,

(g) Legislative and Policy measures for the establishment of the Mesoamerican Biological Corridor (UNEP components of joint UNDP/UNEP project)

International Waters

Shared Water Management in full Strategic Action Programmes(SAPs)

(a) Implementation of SAP for Mediterranean Sea;

(b) Implementation of SAP for Red Sea;

(c) Implementation of SAP for the Caspian Sea;

(d) Implementation of SAP for the Bermejo River Basin;

(e) Implementation of SAP for the San Juan River Basin; and,

(f) Implementation of SAP for the Rio Sao Francisco River Basin.

Through UNEP's extensive experience in facilitating multi-country action for shared ecosystem management, the organisation has assisted national and regional institutions of the neighbouring countries sharing particular ecosystems to understand the transboundary dimensions of the issues. Through this process, it has also strengthened the national and regional capabilities of institutions to be able to work together towards addressing management of the shared ecosystem. CD components under this programme have focused on technical, policy/legislative reform and information/networking activities.

2.2.4 Transfer of Technology and Know-how

International Waters

(a) Reducing the impact of tropical **Shrimp Trawling** fisheries on living marine resources

Climate Change

(a) Redirecting Commercial Investment Decisions to **Cleaner Technologies**

Ozone Layer

(a) Enabling CEITs phase out ODS

(b) Promoting compliance with trade and licensing provisions of the Montreal Protocol.

The CD components under UNEP's GEF 'technology and know-how transfer' projects have focused on developing the capacity of countries to deal with innovative and more environmentally friendly alternatives. The project "Reducing the impact of tropical **Shrimp Trawling** fisheries on living marine resources", for example, is aimed at demonstrating the use of alternatives to shrimp trawling devices that result in high incidences of incidental by-catch and assisting countries in the removal of barriers to these alternatives. The climate change project on "Redirecting Commercial Investment Decisions to **Cleaner Technologies**" is designed to promote the uptake of cleaner technologies in the participating countries. It does this by providing technical assistance services to commercial banks to assist them in understanding potential merits and/or liabilities of private sector requests for commercial finance of RET investments.

2.3 Implementation of CD initiatives in UNEP GEF Projects

The start of Chapter 2 above briefly discusses the kinds of approaches used by UNEP in its regular programme to develop capacity. This includes the use of networks, information-clearing houses, technical training workshops and seminars, public awareness raising programmes and the use of tools and standardised methods for dealing with particularly challenging issues or problems.

Approaches on capacity development that have been identified in UNEP's GEF projects include:

(a) Training workshops at sub-regional and regional levels to increase opportunities to interact with other teams involved in the same process;

(b) Provision of technical assistance particularly for application of specific tools or standard methods for dealing with a particular problem or issue at hand;

(c) Use of project implementation teams that are multidisciplinary, with members drawn from several institutions, including in most cases at least one member from government, local authorities, and NGOs. Associated participants come from community-based NGOs, farmers' organisations, and other community bodies. To enhance capacity development, participants, farmers and practitioners involved in the project are joined also by students;

(d) Public meetings to inform and consult communities and other local stakeholders in the preparation of master plans, regional projects, surveying efforts, etc. which in turn help to increase their capacity and that of national stakeholders who then have the opportunity to learn a new perspective to a specific problem. This has included, for example, farmers' visits, meetings and training courses arranged to facilitate learning and exchange between farmers and scientists;

(e) Strengthening of networks that already exist;

(f) Distribution of information via dedicated web sites and via hard copy distribution;

(g) Campaigns to increase environmental awareness using medium such as educational posters, print media and videos;

(h) E-mail communications: E-mail links between national teams facilitate the rapid resolution of operational problems and have assisted in the delivery of technical assistance;

(i) Extended research stays at the relevant institutions where hands-on experience can be gained at an individual level;

(j) The use of press (newspaper, radio, etc.) and networking to increase awareness of a given issue to the general public.

2.4 Monitoring and Evaluation of CD initiatives

UNEP has been tracking its CD achievements in its GEF projects only to the extent of easily measurable indicators having been met through agreed upon project activities being completed and immediate project objectives being met. Illustrative of this point is the project on "Economics of GHG Limitations" designed to assist countries with economic analysis of climate change mitigation strategies by establishing, applying and testing a consistent methodological framework. While CD achievements were measured in terms of the participating national institutions benefiting from training and an improved ability to carry out their own mitigation assessments, the broader CD impact on whether the tested methodology was applied in countries other than the participating ones was not easily measurable. In addition to delivery of training, technical assistance and the application of the methodology in the participating countries, the only other measurable CD related indicator includes the dissemination of the guidelines to national CC teams. This was done through a variety of channels such as through the GEF funded National Communications Support Programme (UNEP/UNDP) and through distribution to experts worldwide. However, the actual use in this wider grouping of countries (that did not actively participate in the project but rather were recipients of the tested methods and tools) following this has not been monitored or evaluated at an in-depth level.

Several other projects of a similar nature face the same scenario. It has been difficult to ascertain the extent to which a broader selection of countries adopts a methodology that has been developed and tested extensively rather than starting afresh. Indeed, a recent GEF proposal on invasive species control did not make mention of the use of the best practices available through UNEP's GEF project on best practices for control of exotic invasive (alien) species executed by SCOPE, CABI and IUCN. This is a challenge for monitoring and evaluation particularly since the wider impact of such projects would need to be measured long after the project is completed.

2.5 Provision for exit strategies (sustainability)

Observations made on UNEP's GEF projects that are of relevance to exit strategies (sustainability) include the following:

(a) The "Economics of GHG Limitations" project is a key example of a project where exit strategies were put in place to ensure that capacity is maintained after GEF funding was over. Four countries chose to use research institutions or NGOs to implement the project and here it is expected that the capacity will remain for work on similar types of projects, provided funding is available. Experience from earlier studies show that this type of capacity is generally sustained. Similar consideration applies to the regional centres used for the regional studies. The four countries using ministerial teams, on the other hand, may face different circumstances at a time where few countries have resources to maintain dedicated climate change offices. Most likely the capacity will not disappear but staff may periodically be directed to work e.g. on other global conventions or similar. Thus stakeholders benefiting from capacity development activities for a given programme should not only include government entities but also other stakeholders. This way, in the event that changes occur in governmental agency staffing, then at the very least, some capacity is retained in other target groups who are likely to continue to work in the subject area;

(b) With the emergence of the web, any basic data gathering/data acquisition exercise should capture the data in a form that does not get lost. This will not only help towards preventing duplication of similar activities if the data is easily available and accessible, but also will ensure its use in dealing with other related problems in a given region. UNEP, through its Strategic Partnership with the GEF Secretariat, is developing a global knowledge management system which is basically a metadatabase or clearing house of clearing houses with links to relevant data sources. Thus, relevant outputs from the various data gathering exercises funded by the GEF and others could be linked into such a system to make it more easily accessible than it currently is;

(c) Given that a sizeable proportion of UNEP's GEF projects are designed to develop tools or methods for dealing with a particular issue, linkages with the UNFCCC related SBSTA methodological work programme, the IPCC or the CBD SBSTTA are highly relevant to ensure uptake by other Parties when the need arises. Similarly, such linkages are also relevant for assessment and analytical outputs from UNEP GEF projects so as to enable Parties to have access to scientifically derived data on which their decision making can be based upon;

(d) An important question on sustainability arises for the GEF enabling activity (EA) process established to support the development of the first national communication and how it can be developed to accommodate the needs associated with the possible implementation of the Kyoto Protocol and future

national communications. The same holds for biodiversity. It would be highly undesirable in terms of capacity or institution development to have a process where EA programmes were implemented with regular intervals and gaps in between.

2.6 Management of CD initiatives

UNEP has used a regional or global approach for delivery of its CD interventions. Some of the approaches used to date in the CD initiatives in UNEP's GEF activities include the following:

(a) Developing tools for national policy and decision making and for implementation;

(b) Enhancing institutional capacity of Regional Centres of Excellence of a given thematic issue which would in turn act as a form of "train-the-trainers" approach. Developing the capacity of Regional Centres of Excellence has enabled a more cost effective use of resources that would otherwise have had to be applied for each national circumstance individually rather than utilising limited financial resources for regional centres that can in turn provide technical advice to national and local institutions (i.e. building up regional or sub-regional organisations who can then take over the institution-building support role);

(c) One capacity development approach that has been applied globally is the use of an Early Warning system. An Invasive Species Database is the major output of the Early Warning Systems component, which is based at the office of IUCN's Invasive Species Specialist Group (ISSG) as part of the UNEP GEF Project on "Best Practices for control of Invasive Alien Species." The system has been designed with two parts: data storage (in a standard database) and data presentation (via automatically generated WebPages). It is also considered very important that the entire system remain simple, with very few graphics. At the outset, the database will focus on invasive species that threaten the biodiversity of oceanic islands; eventually it will be developed into a global resource. The database is currently accessible through the ISSG website at http://www.issg.org and it serves as one approach to helping countries strengthen their ability for dealing with invasive species. Carrying out the project at a global level thus allowed for input of a worldwide network of the best experts in the field. It will be based on close collaboration among various scientists and other groups with expertise on the diverse dimensions of the alien invasive species issue, from developed as well as developing countries and especially the case-study countries; and on a global database as part of an Early Warning system that is nationally relevant and can be kept up-to-date in a cost effective manner;

(d) At a national and regional level, a multi-disciplinary approach to project implementation has been another key approach used in some of UNEP's GEF projects. The project "Support to the Preparation of Biodiversity Country Studies" used for example, a multi-disciplinary approach for the collection and analysis of data. It also established National

Biodiversity Units (NBUs) involving government and non-governmental institutions and the scientific community to build a strong basis for national biodiversity planning.

2.7 Types of actors with which CD seems to work best

From the experience in UNEP's GEF projects, the types of actors involved in capacity development components are naturally dependent on the kind of project at hand. However, some important lessons learned on actors crucial for capacity development are:

(a) use of national teams that are central to policy development and/or implementation thus ensuring that participating national institutions are in the right institutional set-up to influence policy for the key sectors;

(b) use of NGOs side-by-side to national agencies, where possible, so that when government personnel changes occur, some level of capacity is still maintained within the country.

2.8 The enabling environment/ conditions conducive to effective CD

A large percentage of UNEP's projects particularly those on development and testing of tools and methodologies are designed to help form a more enabling environment that would benefit future interventions. The "Economics of GHG Limitations" project, for example, contributes to helping build a more enabling environment by developing the capacity at a systemic and entity level which would provide input to the process of integrating environmental and specifically climate change concerns with national and regional development priorities.

The project on "Support to the Preparation of Biodiversity Country Studies" was designed to support national biodiversity planning that would contribute towards the conservation and sustainable use of biological diversity. The Biodiversity Country Studies have produced valuable tools for national biodiversity planning, i.e., the “UNEP Technical Guidelines for Country Studies on Biological Diversity” (available in all UN official languages) and the “National Biodiversity Planning: Guidelines Based on Early Experiences Around the World” - WRI/UNEP/IUCN (available in English, French and Spanish).

Increased governments awareness on environmental problems allows for a more enabling environment that in turn allows for incorporation of environmental concerns into national policy, development plans and changes in development practices. Thus, an important lesson learnt is that a strong awareness-raising programme is needed both at a project level and a broader programmatic level if sustained interest is to be maintained at the national policy and decision maker level. In addition, general public awareness raising helps to increase the advocacy needed

within civil society. For the development of the Strategic Action Programme for the Bermejo River Basin, a UNEP GEF project, curricula, including work books and teacher guidance, were produced and a program of school-based and community-based education completed in two areas of the basin.

2.9 Constraints to effective CD initiatives at the country, IA and GEF level

Constraints at the country, IA and GEF level are discussed in Chapter 3.

2.10 Lessons learned from CD interventions

(a) the establishment of implementation frameworks that involve NGOs, scientific bodies and government has worked as a more successful approach in project implementation and in sustaining capacity. In some cases, national agencies in UNEP's GEF projects have chosen a research institution or an NGO to be responsible for implementation while overall co-ordination remains with the government. In other cases where government institutions were leading implementation, local research institutions and/or NGOs were involved in providing technical assistance. Both cases resulted in a sustained level of capacity nationally rather than simply government agencies working on their own;

(b) The establishment of an Advisory Group in UNEP's GEF projects has appeared to be a useful mechanism for providing guidance where programmatic redirection was needed to ensure objectives were met and to establish useful linkages to other GEF projects with related mandates (e.g. UNDP/ICARDA's 'Fertile Crescent', TSBF's 'Soil Biodiversity' and ICRISAT's 'Desert Margins Programme' in the case of the PLEC project). The use of an Advisory Group not only has been useful in ensuring informative contact with other relevant projects but more so a continued cross-fertilisation of matters of mutual interest between related projects;

(c) One of the key points in the work on methodologies for climate change analysis and national capacity development is that any such work should build on and strengthen existing structures where possible and certainly be integrated with broader social and economic development planning in order to have any policy impact;

(d) A major focus of UNEP's GEF projects has been the development of globally or regionally applicable environmental standards, tools and guidelines. One important lesson learned is the need for plans, standards, tools or methods to be available and accessible to other countries wishing to deal with a similar problem.

As an example, the project, "Rescue Plan for the Cap Blanc Colony of the Mediterranean Monk Seal" developed a replicable protocol for rescue, husbandry and rehabilitation of monk seals. The lesson learned here was that it is invaluable for not just Mauritania but other countries providing habitat to the monk seal to have available a Monk Seal Contingency Plan ahead of time before any catastrophic event does occur. To be prepared for action, a detailed protocol describing responsibilities and duties of participants is invaluable for being effective and responsive on very short term;

(e) An Early Warning System can also be in an invaluable tool for improving capacity to deal with other emergency measures. The development of an "Early Warning System and Forest Fire Hazard Mapping in Indonesia" was considered an important output of the UNEP GEF project dealing with the forest fires in Indonesia so as to have data on hand on high risk areas and thus assisting national planning to be more effective in the case of a recurring situation;

(f) Similarly, a GIS database based on data collected and analysed to date through GEF and non-GEF projects on high priority areas or issues would also contribute to assisting capacity development efforts at a national or regional level when dealing with a particular environmental problem.

The evolution of GEF's approach towards Capacity Development and GEF specific constraints in dealing with CD issues

CHAPTER III:

GEF related constraints

In general, capacity development initiatives have been included in GEF funded projects to the extent that they increase capacity for dealing with the issue at hand. However, not all capacity development needs can be met through a project-by-project approach. For example, at the recent COP to the CBD, emphasis was placed on capacity building for the clearing house mechanism, supporting design and implementation of incentive measures, formulation of access and benefit-sharing mechanisms, biosafety, assessment and monitoring programmes including taxonomy, among others. While some of the capacity development priorities identified by the COP can be met through the project-by-project approach, there are others that will simply fall through the cracks in the current framework within which the GEF operates. For example, formulation of access and benefit-sharing mechanisms should ideally be undertaken at a national level putting in place the necessary legislation. The ecosystem approach adopted by the GEF in its Operational Programmes would not be the channel for developing countries capacity for putting in place the necessary legislative frameworks. Neither would the enabling activity framework which advocates for assisting countries with needs assessments, stock taking exercises, and national planning. The only other option is to use the short-term measures as the only possible window for accessing financial and technical assistance for this.

Similarly, Article 6 of the UNFCCC calls for the development of education and awareness raising programmes on climate change related issues. The GEF Operational Programmes would only include awareness raising as small components of projects dealing with the GEF programme areas such as barrier removal to energy conservation/efficiency, renewable energy technologies, low GHG emitting technologies or sustainable transport. However, broader education and awareness raising programmes would not be eligible for funding within the GEF's current framework of operation.

It has been observed that an enabling environment comprising of policy and decision makers (and also some relevant civil society Major Groups) aware of the various issues at hand would be more likely to sustain interest and will in integrating environmental considerations into national development and socio-economic goals. Yet, without the GEF placing a larger emphasis on education and public awareness, this is not likely to happen at the pace that is required. This constraint is also compounded by another GEF constraint - the extended length of time taken for adoption of new priorities to be funded by the GEF, from the time following COP guidance to the GEF to its actual adoption by the GEF.

Within the context of timing lags, an important question that also needs to be dealt with in reviewing GEF related constraints is how the enabling activity process can be developed to accommodate countries' needs associated with future implementation and with future National Reporting to the relevant conventions. It would be highly undesirable in terms of capacity or institutions building to have a process where EA programmes were implemented with regular intervals and gaps in between.

1. Government related constraints

The major government related constraint relating to capacity development and identified within UNEP's GEF projects includes difficulties in accessing data and information needed at a national level. For example, project proponents find it difficult to access information on on-going projects, on data that may have been captured from a prior project, etc. A central national storehouse of technical and substantive environmental information has been identified as a useful tool, which if maintained, would provide national stakeholders with information that could likely enhance capacity and strengthen project development and implementation.

2. UNEP related constraints

UNEP's major challenge is to identify how it can more fully utilise the experience within its regular programme to benefit its GEF related CD interventions. For example, UNEP's extensive experience in CD interventions on developing national legislation has not been utilised adequately in its GEF interventions. UNEP, in the past, had attempted to utilise this experience in its GEF projects by developing projects that would have included strong CD components on national environmental legislative frameworks. However, the projects did not meet GEF criteria for project eligibility. The organisation faced the same issue when attempting to utilise its extensive experience on development of awareness raising programmes, data and information management e.g. early warning system development, GIS databases, etc. The challenge for UNEP is thus to be able to transform the experience on such issues to a form that can be utilised within the GEF framework to help develop capacity for the relevant circumstances.

Capacity Development in the World Bank Group's Global Environment Facility Portfolio

August 2000

This report has been prepared by Jose I. dos R. Furtado, a consultant contracted by the World Bank's GEF Unit.

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ABBREVIATIONS & ACRONYMS

BD	Biological Diversity or Biodiversity
BDC	Biodiversity Collections
CAS	Country Assistance Strategy
CBD	Convention on Biological Diversity
CBNRM	Community-based Natural Resources Management (recently known as Community-driven Development)
CC	Climate Change Mitigation
CCD	Convention to Combat Desertification
CD	Capacity Development
CDD	Community Driven Development
CDF	Comprehensive Development Framework
CDI	Capacity Development Initiative
CDM	Clean Development Mechanisms
CGIAR	Consultative group for International Agricultural Research
CLOS	Convention on the Law of the Sea
CPOL	Convention on the Protection of the Ozone Layer
CPPA	Conservation of Priority Protected Areas
CSERGE	Centre for Socio-Economic Research on the Global Environment, University College London and University of East Anglia
CSO	Civil Society Organizations
DAC	Development Assistance Committee, OECD
DIVERSITAS	Biodiversity Programme, ICSU
DSM	Demand Side Management
EA	Environmental Action; also Environmental Assessment
EAP	East Asia and the Pacific Region of the World Bank's Operations
EIA	Environmental Impact Assessment (also known as Environmental Assessment, EA)
ENV	Environment Department, IBRD
ENVGC	Global Environment Coordination Unit, Environment Department
ESD	Energy Services Delivery
FAO	Food and Agriculture Organization, UN
FCCC	Framework Convention on Climate Change
GEF	The Global Environment Facility
GEF1	GEF Operations Phase I
GEF2	GEF Operations Phase II
GEPRENAF	Community Based Natural Resources Management
GHG	Greenhouse Gases
GT	Geothermal
HE	Household Energy
IA	Implementing Agency for the Global Environment Facility
IB	Industrial Boilers
IBRD	International Bank for Reconstruction and Development (The World Bank)
ICZM	Integrated Coastal Zone Management
ICSU	International Council of Scientific Unions
IDF	Institutional Development Fund
IIED	International Institute for Environment and Development
IFC	International Finance Corporation, WBG
IGBP	International Geosphere-Biosphere Programme, ICSU
IGO	Inter-Governmental Organizations
IHDP	International Human Dimensions Programme, ICSU

IPM	Integrated Pest Management
IT	Information Technology
IUCN	World Conservation Union (The International Union for Conservation of Nature and Natural Resources)
IW	International Waters Program, GEF
JFM	Joint Forest Management
KGT	Klapedia Geothermal Demonstration
KMS	Knowledge Management Systems
LD	Land Degradation
MIGA	Multilateral Investment Guarantee Authority, WBG
MNA	Middle East and North Africa Region, World Bank Operations
MSP	Medium-sized Projects
MTI	Market Transformation Initiative
NGO	Non-Governmental Organizations
NR	Nature Reserves
ODA	Official Development Assistance
ODS	Ozone Depleting Substances
OECD	Organization for Economic Co-operation and Development
OED	Operations Evaluation Department, the World Bank
OP	Operational Programs
PA	Protected Areas
PACC	Planning for Adaptation to Climate Change
PCF	Prototype Carbon Fund
PHRD	Program for Human Resources Development
PIC	Prior Informed Consent
PROBIO	Biodiversity Program
PROFONAN	Nature Trust Fund
PROFONANPE	Peru Nature Trust Fund
PRSP	Poverty Reduction Strategy Paper
PRT	Project-Related Training
PVMTI	Photovoltaic Market Transformation Initiative
R&D	Research and Development
SADC	Southern Africa Development Council
SAR	South Asia Region, World Bank Operations
S&T	Science and Technology
SCOPE	Scientific Committee on the Problems of the Environment, ICSU
SIDS	Small Island Developing States
STAP	Scientific and Technical Advisory Panel, GEF
START	Global Change System for Technical Assistance, Research and Training, ICSU
SWH	Solar Water Heating
TA	Technical Assistance
TFCA	Trans-frontier Conservation Area
TWAS	Third World Academy of Science, Trieste
UCL	University College London, University of London
UEA	University of East Anglia
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNCHE	United Nations Conference on the Human Environment
UNCHS	United Nations Centre on Human Settlements
UNCRD	United Nations Centre on Regional Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNGASS	Special Session of the United Nations General Assembly
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research

UNSC	United Nations Staff College
UNU	United Nations University
UAG	Users' Advisory Group
WB	The World Bank (see also IBRD)
WBG	The World Bank Group, includes the IBRD, IFC and MIGA
WBI	The World Bank Institute (formerly, the Economic Development Institute)
WCED	World Commission on Environment and Development, UN
WCRP	World Climate Research Programme, ICSU
WEM	Water and Environmental Management
WHO	World Health Organization, UN
WMO	World Meteorological Organization, UN
WWF	World Wide Fund for Nature Conservation

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ACKNOWLEDGEMENTS

This assessment of capacity development in the World Bank Group's GEF portfolio was made possible by funds from the Global Environment Facility, and closely coordinated with the United Nations Development Programme. I am grateful to the following: Messrs. Lars Vidaeus and Rohit Khanna gave me the opportunity to conduct this assessment, and provided invaluable comments on the draft of this document. Messrs./Mmes. Irene Bomani, Robin Broadfield, Gonzalo Castro, Christophe Crepin, Malcolm Jansen, Tina Kimes, Kathy Mackinnon, Gunars Platais, Karin Shepardson, May Zeki, Shobha Shetty, Vikram Widge, Francisco Pichon, Susan Shen, Dely Gapasin, Anthony Whitten, Lily Hale, Peter Whitford, Andrei Kushlin, Philip Brylski, Anders Halldin, Maria Donoso-Clark, Rafaello Cervigni and Claudia Alderman provided me documentation and, in some instances, insights about the selected projects from the Bank Group's GEF Portfolio that were examined in detail. Mr. Vikram Widge suggested corrections to the draft that was circulated within the Bank Group. Messrs./Mmes. Dinesh Aryal, Razmik Bazikian, Sharon Esumei, William E. Rogers, and Jose Walton Santos provided support and humor during the course of this assessment; and Dinesh Aryal assisted in converting the table in Annex 2 into charts. Messrs. Vinod Thomas, Jarle Harstad, Juha Uitto, Andres Liebenthal and Muthukumara Mani provided me useful documentation.

Table 1: Capacity Development by Thematic Areas in the World Bank Group's GEF Portfolio

CD Dimensions	Thematic Areas	
	Biodiversity	**Climate Change Mitigation**
General	> 85% of projects Biodiversity << Climate change & Land degradation	
Project Types	Full projects > Medium-sized projects	
GEF Phases	Equally in all phases	
Project Management	Regional & National projects > Global projects	
Geographic Regions	Equally in all regions	
Importance or Design	Central (Objective) > Primary (Output)	
	Primary (Output)	Central (Objective)
Intervention or Entry Approach	Entity level >> System level	
	Entity	System
Substantive Objective	Technical >> Management & Commercialization	
	Information & Networks	Policy & Legislative reform

Table 2: Capacity Development by Regions in the World Bank Group's GEF Portfolio

CD Dimensions	Regions
General	Somewhat equally distributed in all regions Asia-Pacific, Europe & Central Asia & Africa > Latin America & Caribbean, & Arab states > Global
Importance or Design	Central (objective) >> Secondary (activity) in all regions ***Primary (output)***: Africa >> Asia-Pacific, & Arab states > others ***Central (objective)***: Global >> Asia-Pacific, & Europe > other regions
Intervention or Entry Approach	Entity >> System in all regions except Global
Substantive Objectives	Technical >> Managerial & Commercial >> Others in all regions except Global

Regions: sub-Saharan Africa, Asia and the Pacific, Europe and Central Asia, Arab states (West Asia or Middle East and North Africa), Latin America and the Caribbean, and Global

CHAPTER I

Capacity Development in the World Bank Group's GEF Portfolio - An Overview

INTRODUCTION

1. At its May 1999 meeting, the Council of the Global Environment Facility (GEF) approved a Capacity Development Initiative (CDI) to be undertaken over 18 months and coordinated by the United Nations Development Programme (UNDP) to prepare a comprehensive strategy, and a multi-year, operations-oriented action plan, through a consultative process, to assist GEF-eligible countries to strengthen their capacity to meet the challenges of global environmental action. The work plan for the consultative phase consists of three stages:

(a) Assessment of capacity development needs and past activities,

(b) Development of a comprehensive strategy for multi-party action to meet identified needs, and

(c) Development of action plans for the GEF-financed activities to contribute to the strategy.

The initial assessment phase (a) is intended to identify the capacity development needs of GEF-eligible countries and lessons learned from GEF-financed activities and efforts of multilateral and bilateral agencies. As an Implementing Agency (IA), the World Bank Group (WBG) was required to prepare this initial assessment of its GEF portfolio of projects. The terms of reference for this review are attached (Annex 1), and were guided by generic terms of reference for the GEF portfolio assessment prepared by UNDP in consultation with the inter-agency steering committee.

(a) Capacity development (CD) has been defined by UNDP (1997) as "the process by which individuals, organizations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives." UNDP's focus on CD arises from its concerns with sustainable human development, and its experiential understanding that (UNDP 1995):

(b) When dealing with governments, CD has often not been upstream of long-term and central issues of socio-economic development in the country;

(c) The capacities developed or strengthened have often not been retained or sustained by the general public environment in the country;

(d) CD efforts have often been at the individual level, without much attention to the organizational and institutional context that retains, uses and strengthens the capacity acquired;

(e) The concentration of CD at the government level has often overlooked the capacity needs of other national development partners such as the civil society and the private sector;

(f) CD has not enabled recipient countries to better integrate technical cooperation within a coherent national development framework; and

(g) Technical cooperation has not been managed as a capacity development tool but, instead, as a capacity substitution tool often in areas not central or critical to the success of national development efforts.

After 50 years of official development assistance (ODA) (both bilateral and multilateral), especially under the United Nations system, there still appears inadequate institutional capacity in many developing countries to promote sustainable development; and ODA does not appear to be increasing nor matching the natural flow of resources from less organized systems or developing economies to more organized systems or industrialized or metropolitan economies.

METHODOLOGY

2. A statistical analysis of capacity development (CD) was undertaken of the WBG's portfolio of GEF projects, using the terminology and format fully harmonized across IAs. Key words were searched mainly in the executive summary of project documents. For the selected projects examined in detail in Chapter 2, this search was expanded to all relevant documents including project appraisal reports, project implementation and supervision reports, and evaluation reports; and task managers were interviewed wherever possible concerning them. There were no visits to countries, field sites or WBG country offices where many task managers now reside to assess in some detail issues concerning capacity development.

CATEGORIES AND CRITERIA

3. CD was assessed in the WBG's portfolio of GEF approved projects (in terms of numbers and percentage) using the following categories and criteria that were agreed upon by the inter-agency steering group for the CDI review:

(a) **Thematic areas**: CD was assessed in all approved projects in terms of three thematic areas corresponding to three global environmental conventions: Biodiversity (BD), Climate change mitigation (CC), and Land degradation (LD). International waters (IW) projects were not reviewed in this exercise, but those projects with a bearing on any one of these themes were included in the survey.

(b) **Project types**: CD was assessed in all approved projects in terms of three project types: Full projects (Full), Enabling activities (EA), and Medium size projects (MSP).

(c) **GEF phases**: CD was assessed in all approved projects in terms of the three GEF phases: Pilot phase (FY91-94), GEF Phase I (FY95-98), and GEF Phase II (FY99-). Pipeline projects were excluded from this review.

(d) **Project coverage**: CD was assessed in all approved projects in terms of their management approach at three levels that were not mutually exclusive: National, Regional, and Global.

(e) **Geographic regions**: CD was assessed in all approved projects in terms of six geographic regions: Africa (WBG's Sub-Saharan region), Asia-Pacific (WBG's East Asia and the Pacific and South Asia regions), Arab States (WBG's Middle East and North Africa region), Europe (WBG's Europe and Central Asia region), Latin America (WBG's Latin America and Caribbean region), and Global. There may be some discrepancies among the IAs in the placement of countries in these regional categories.

(f) **Design importance**: The design importance of CD in all approved projects was assessed in terms of three non-mutually exclusive and hierarchical scales: Secondary (at the activity level), Primary (at the output level), and Central (at the objective level).

(g) **Intervention or Entry approach**: The intervention or entry approach or level for CD was assessed in all approved projects in terms of three non-mutually exclusive and somewhat hierarchical scales:

(i) **Individual level**: People-centered; Changes in individual knowledge, skills and attitudes; Application of training on the job; Application of individual's knowledge, skills and attitudes on department, group or organizational performance, policy process;

(ii) **Entity or Organization level**: Society; Improvements in mission or goals; More efficient use of resources; Improved ability to lead strategically, to plan, implement and monitor financial systems, to plan, manage and evaluate human resources, to manage organizational processes, to plan, implement and monitor programs, and to understand the opportunities and constraints posed by the systemic environment; Improved internal organizational incentive systems; and

(iii) **System level**: Interdependency and interrelationships between entities; Ability to formulate and enforce policy, and to choose amongst alternative solutions.

(h) **Substantive objectives**: The substantive objective of CD was assessed in all approved projects in terms of five non-mutually exclusive categories:

(i) **Technical objective**: Concerning skills-based, technology demonstration, or local area management or administration - e.g. wildlife / protected area / fresh water management, species inventories / scientific research / conservation management, supervisory staff / site managers, environmental education / public awareness / technical and administrative skills at local level;

(ii) **Information and Networks**: Concerning information systems, monitoring, and networking to share information - e.g. public and private sector use of environmental information, environmental information system of public use;

(iii) **Policy and Legal reform**: Concerning policy, legislative or market reforms - e.g. creating appropriate policy / institutional environment, policy / legal / regulatory framework, promoting technology substitution / demand management, accelerating technology transfer / substitution, penetration with small-scale / private / new technology sources;

(iv) **Resource mobilization**: Concerning innovative financing mechanisms - e.g. user fees, visitor / concession charges; and

(v) **Management and Commercialization**: Concerning general management functions of the public sector and its agencies, or public-private sector partnerships - e.g. integrated management of environment and development, of natural resources / land restoration / wildlife / minor products / ecotourism, government facilitation of ecotourism, public-private sector partnerships for sustainable area / resource management, design / testing / dissemination of technology alternatives. These categories are somewhat unequal.

3. Key words were used to search for CD in the WBG's GEF portfolio of approved projects:

(a) "**Hard keywords**": such as capacity building or development, institution building or strengthening, training, demonstration; and

(b) "**Soft keywords**": such as policy reform or change, legislation reform or change, raising awareness.

An analysis of the executive summary of the Project Appraisal Document was undertaken to determine if the WBG's GEF portfolio of approved projects actually relate to CD as defined in the CDI conceptual framework, for the purposes of this review. Only if some ambiguity about CD appeared in a project's executive summary was the Project Appraisal Document scanned

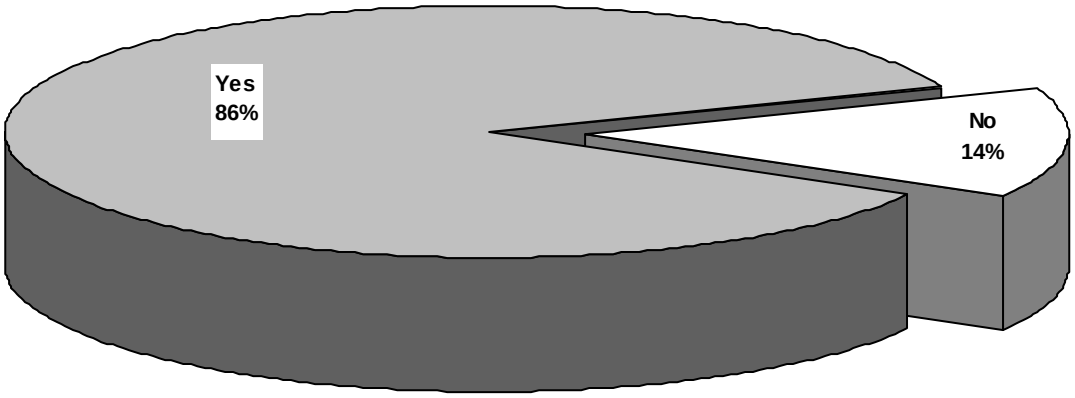
further. Selected projects in WBG's GEF portfolio were examined in detail to highlight key methods, concepts and approaches in the portfolio (Chapter 2).

RESULTS, ANALYSIS AND DISCUSSION

4. Annex 2 summarizes CD in the WBG's portfolio of GEF projects, 1990-2000. The results are presented in actual numbers and two percentage figures, one relating to the distribution of projects in the set, and the other relating to the standardization of columns so as to enable comparisons between rows in each column and between columns. This latter percentage approach tends to exaggerate the values of columns containing a few projects. Nevertheless, it is used with caution in the text, and the actual numbers are presented in bar charts.

5. **Capacity Development**: CD occurred in 109 or 86% of a total of 127 projects (Figure 1a). This percentage is conservative at best for two basic reasons: Firstly, as a lender of last resort, the WBG's investments are designed to help strengthen project and fiscal management capacities of borrowing countries and their entities, so that they will eventually graduate from eligibility for concession loans. This CD dimension was not captured by the key words used when searching the executive summary of project documents, and can be surmised only when reading the full project document and other project–related documents especially supervision reports. Secondly, while CD was not an explicit objective or criterion for GEF grant funds, it was

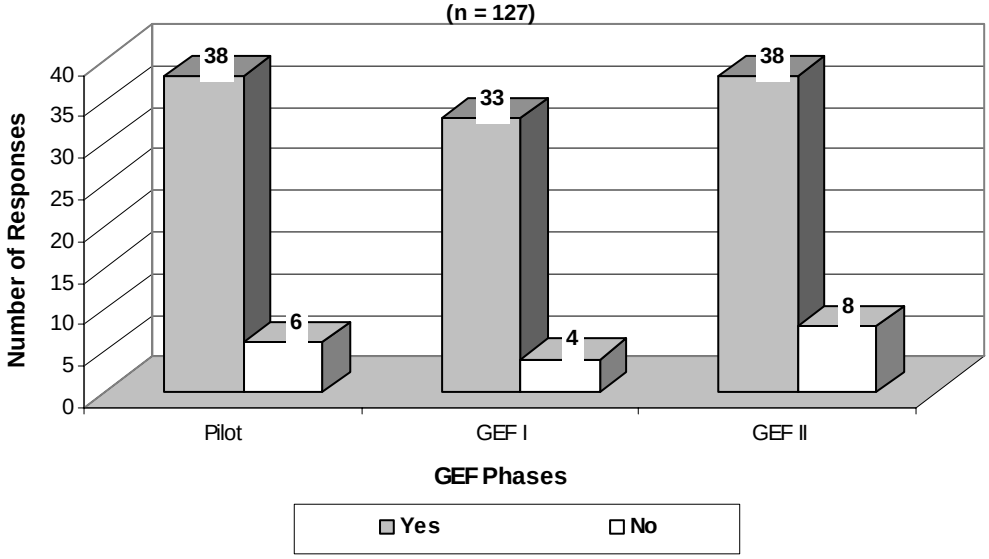
Figure 1a - Capacity Development Component - All Projects (n = 127)



identified as a process element and an outcome for ensuring the sustainability of global environmental benefits, explicitly linked to ecosystem sites for biodiversity projects and to market-oriented technology demonstration for climate change mitigation projects (GEF 1997). CD may not have been explicit in the executive summary of project documents, especially when it formed only an activity within the complex framework of an investment project. The 18

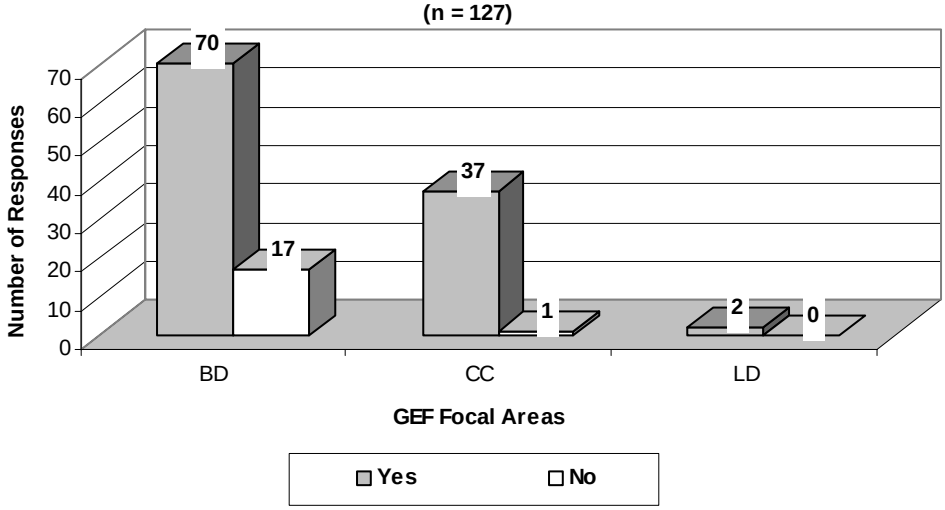
projects (14%) that did not explicitly mention CD in their executive summary were somewhat evenly distributed in all three GEF phases, and were mainly biodiversity projects (17 projects), mainly full (9 projects) and medium-sized projects (7 projects) and all the enabling activities (2 projects), mainly nationally managed projects (16 projects), and mainly from Latin America (7 projects) and Africa (4 projects). Nevertheless, CD occurred:

Figure 1b - Capacity Development Component - GEF Phases (n = 127)



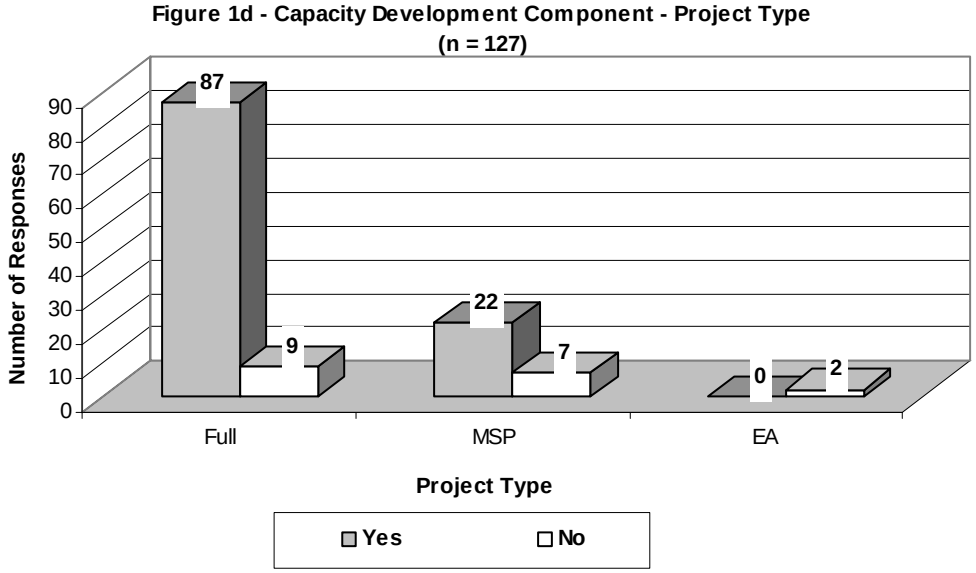
(a) Somewhat evenly in all three GEF phases (Figure 1b), occurring in 86% of Pilot Phase, 89% of GEF1 and 83% of GEF2 projects.

Figure 1c - Capacity Development Component - Thematic Area (n = 127)

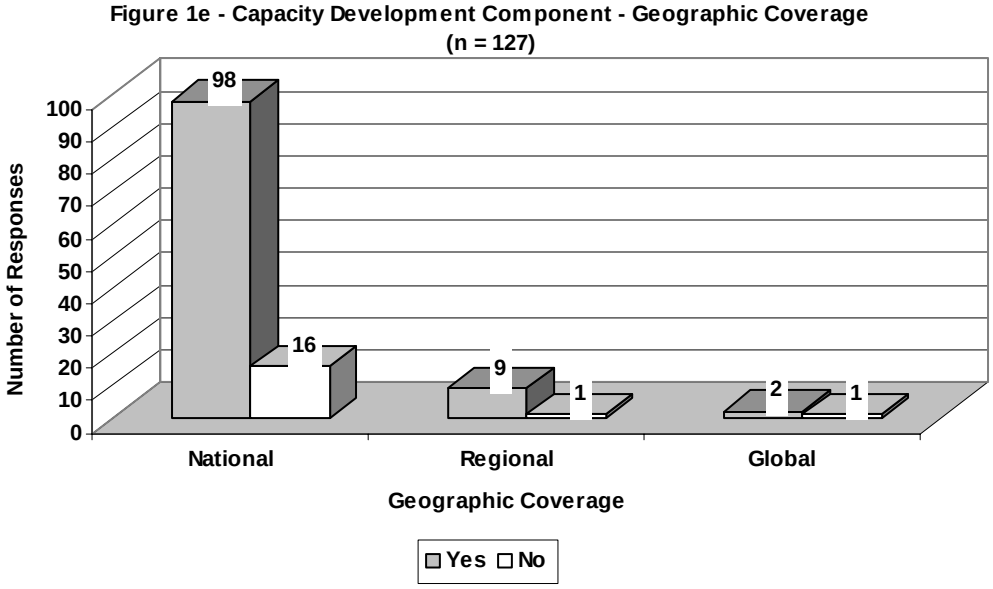


(b) More in land degradation (100%) and climate change mitigation (97%) projects than in biodiversity (80%) projects (Figure 1c), although the first category is exaggerated by a small sample size. A few international waters projects addressed biodiversity (e.g. Jordan's Gulf of Aqaba Environmental Action Plan, Lake Ohrid Conservation, and Lake Victoria Environmental Management) or land

degradation (e.g. Lake Chad Basin Ecosystem, and Aral Sea Basin Environmental and Water Management) themes. Land degradation did not feature as a distinct project theme in WBG's GEF portfolio.

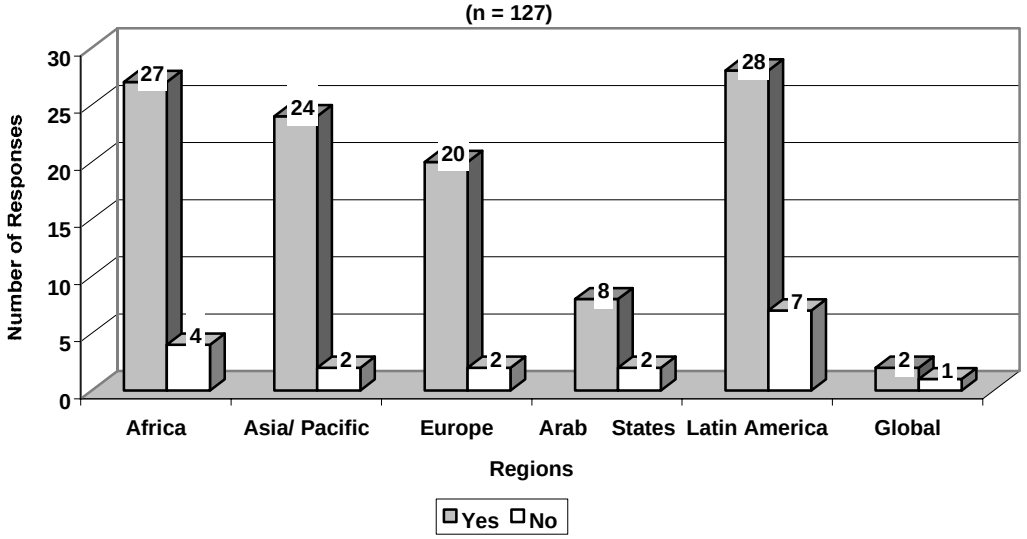


(c) More in full projects (91%) than in medium-sized projects (76%); and none in enabling activities (Figure 1d).



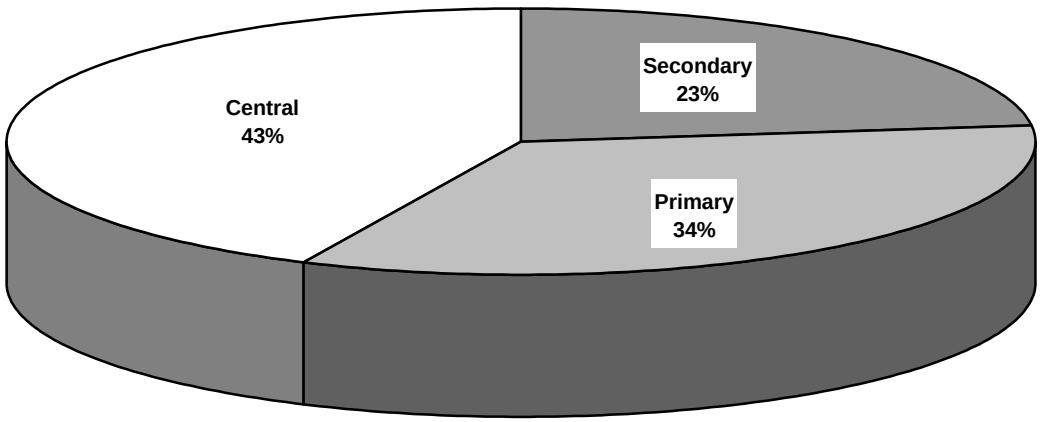
(d) More in regional (90%) and national (86%) projects than in global (67%) projects (Figure 1e).

Figure 1f - Capacity Development Component - Regions
(n = 127)



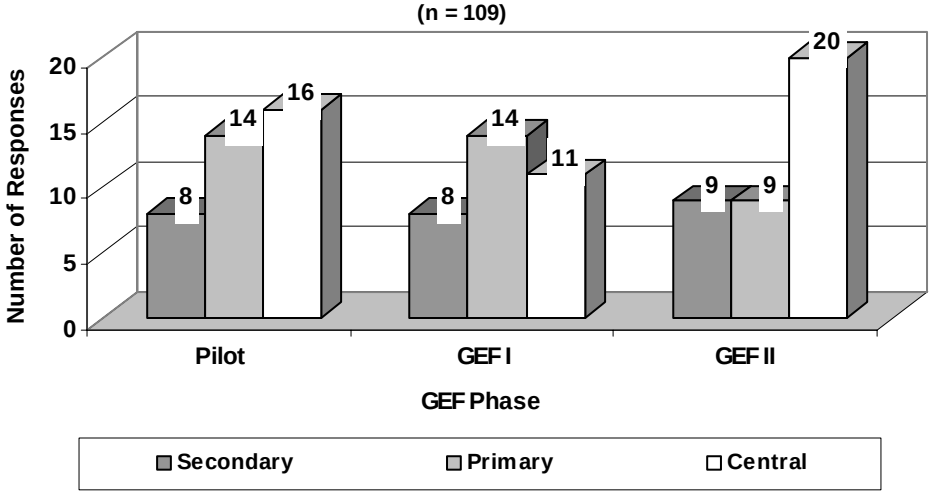
(e) More in Asia-Pacific (91%), European (91%) and African projects (87%) than in Latin American (80%) and Arab States (80%) projects (Figure 1f), and in few global projects (67%) introduced recently.

Figure 2a - Importance of Capacity Development
(n = 109)



6. **Design Importance**: The design importance of CD in the WBG's GEF portfolio occurred more at the objective or central level (43%) than at the output or primary (34%) and activity or secondary (23%) levels in the 109 projects (Figure 2a). These hierarchical categories are not mutually exclusive. This design importance of CD corresponds to the need for national capacity to ensure the sustainability of global environmental benefits, even though CD is not among the 10 criteria for GEF loans. The central design importance of CD was evident:

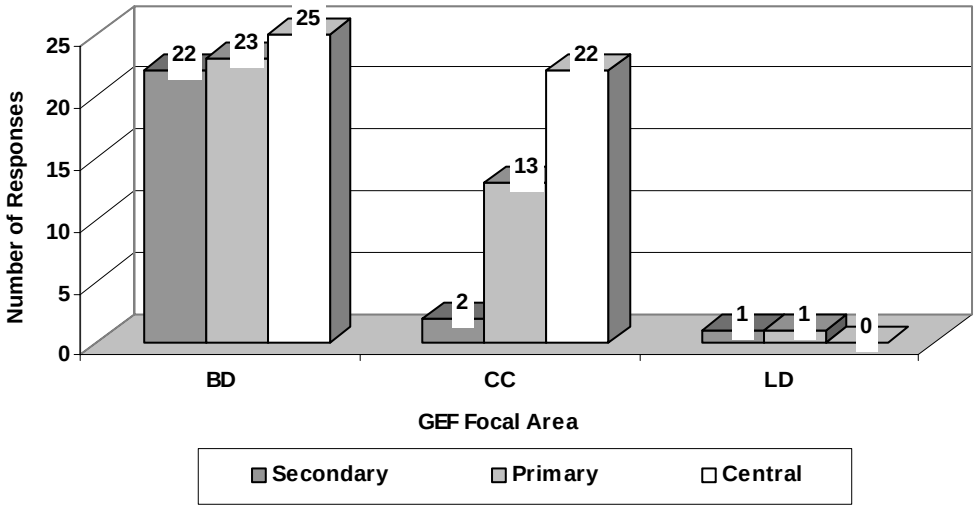
Figure 2b - Importance of Capacity Development - GEF Phases
(n = 109)



(a) More in GEF2 (52%) than Pilot Phase (42%) or GEF1 (33%) projects (Figure 2b). Its primary importance was evident more in GEF1 (42%) and Pilot Phase (37%) than in GEF1 (24%) projects. CD has been important through all GEF phases.

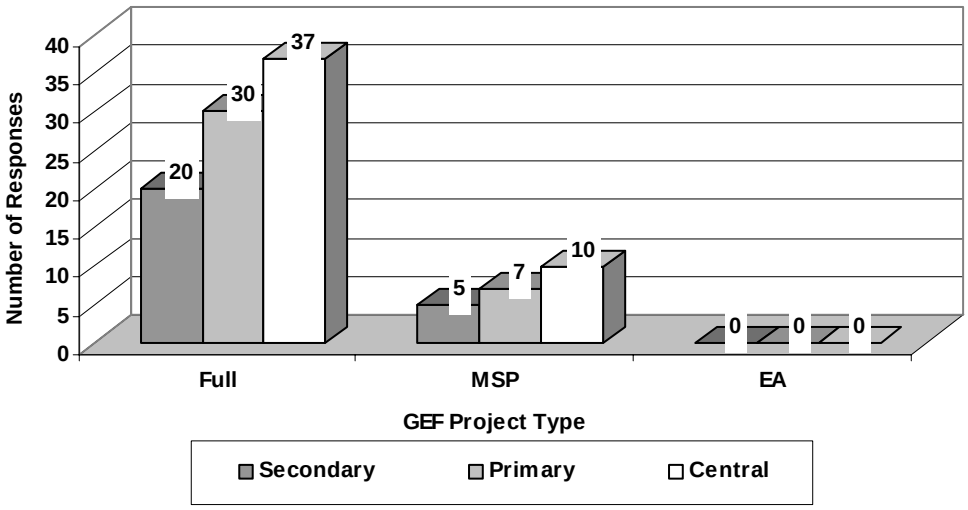
(b) More in climate change mitigation (59%) than biodiversity (36%) projects (Figure 2c), reflecting the need for ensuring specialized capacity for technology demonstration and market transformation. CD was less important in land degradation projects.

Figure 2c - Importance of Capacity Development - Thematic Areas
(n = 109)



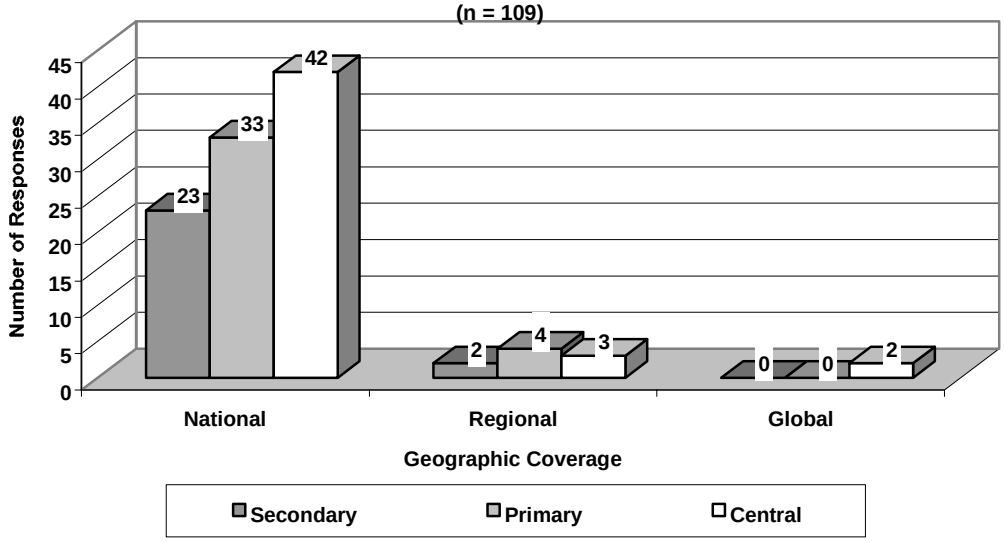
(c) Equally in full (43%) and medium-sized (45%) projects (Figure 2d), confirming the WBG's role in using GEF grants with concessionary loans in project investments to strengthen national capacity.

Figure 2d - Importance of Capacity Development - Project Types
(n = 109)

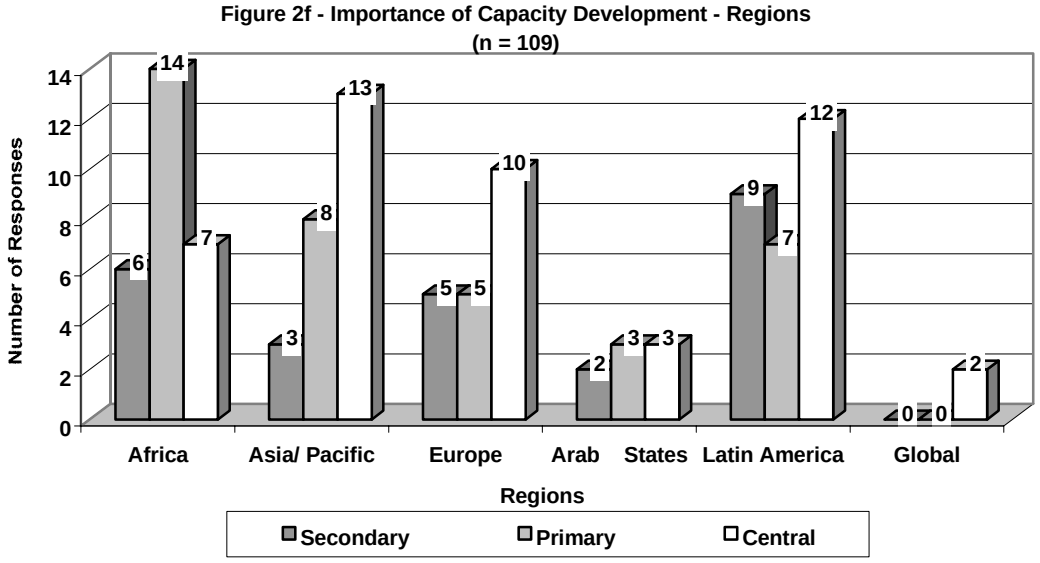


(d) More in global (100%) than national (43%) or regional (33%) projects (Figure 2e), although the first category has a small sample size. Nevertheless, it suggests the value of designing global and regional projects implemented nationally besides the usual modality of working with national governments and institutions.

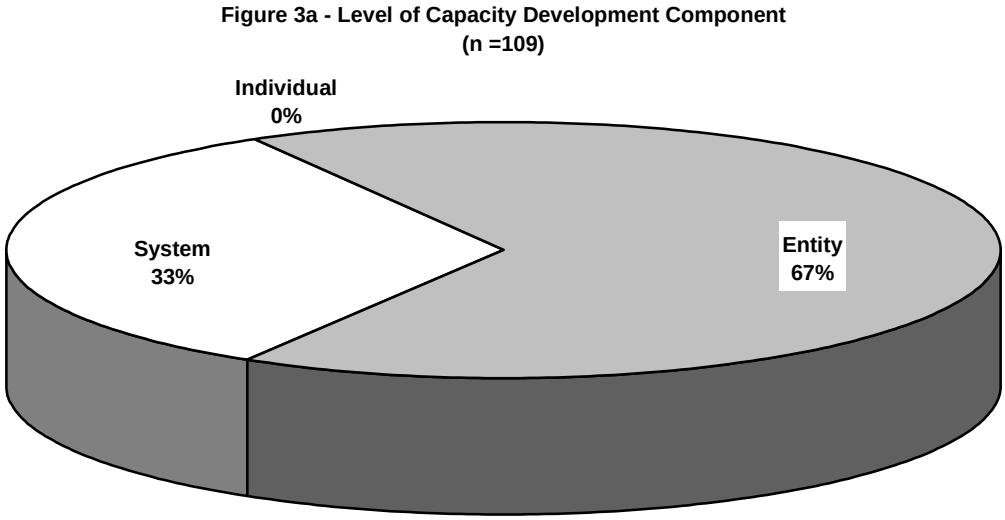
Figure 2e - Importance of Capacity Development - Coverage
(n = 109)



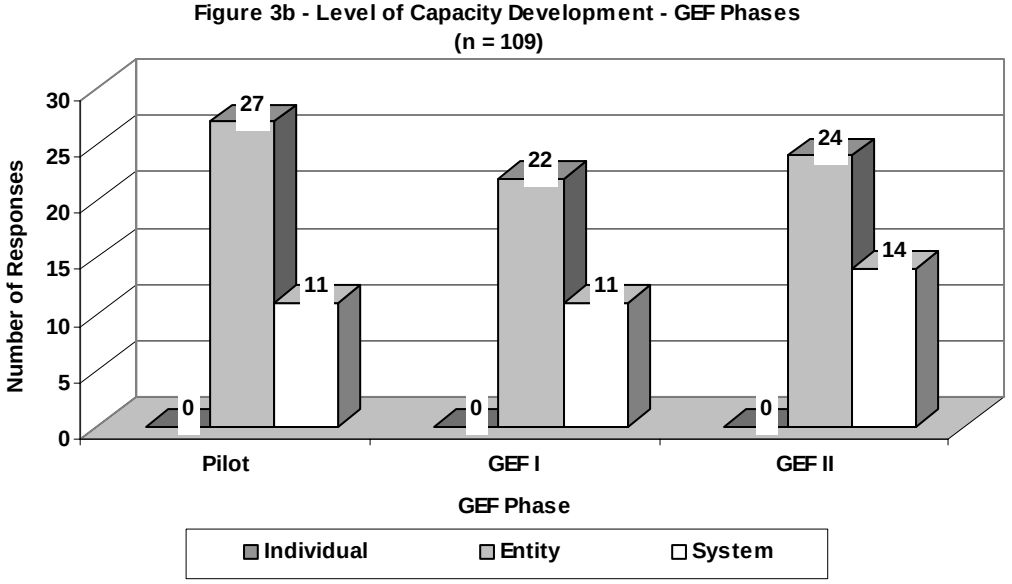
(e) More in global (100%) than in Asia-Pacific (54%) and European & Central Asian (50%) projects, when compared to Latin American & the Caribbean (43%), the Arab states (38%) and African (26%) projects (Figure 2f). Primary importance of CD was evident more in African projects (52%) than in the Arab states (37%) and Asia-Pacific (33%), and in European (25%) and Latin American (25%) projects.



7. **Intervention or Entry Approach or Level**: CD interventions in the WBG's GEF portfolio occurred more at the entity / organization / institution level (67%) than at the system level (33%) (Figure 3a), and there were no interventions at the individual level. This corresponds to the sectoral and country approach used by the WBG in providing development assistance and the prevailing need of client countries for strengthening institutional capacities in order to initiate and absorb system-wide changes and reforms. CD interventions occurred:



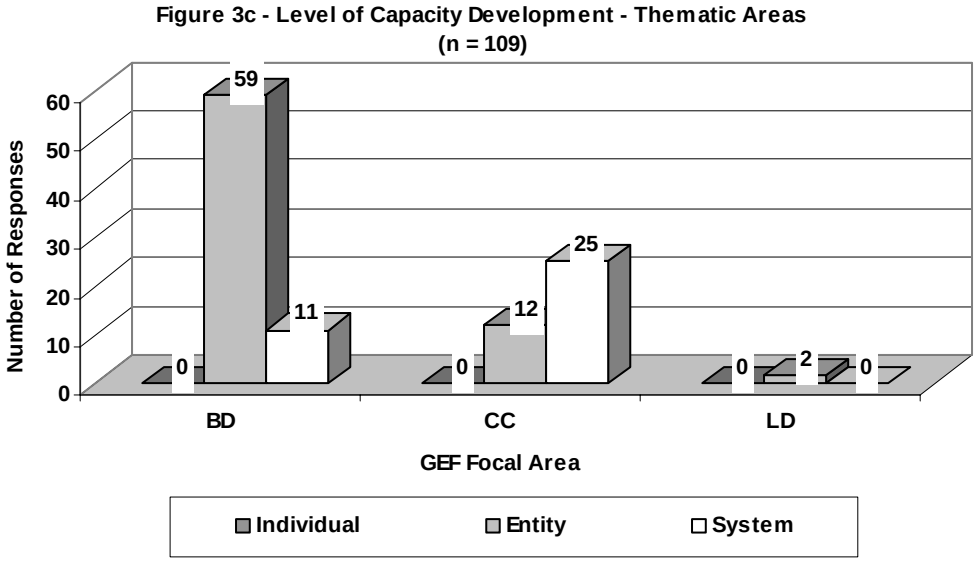
(a) Equally more at the entity level in all GEF phases (71% Pilot Phase, 67% GEF1 and 63% GEF2) than at the system level (Figure 3b).

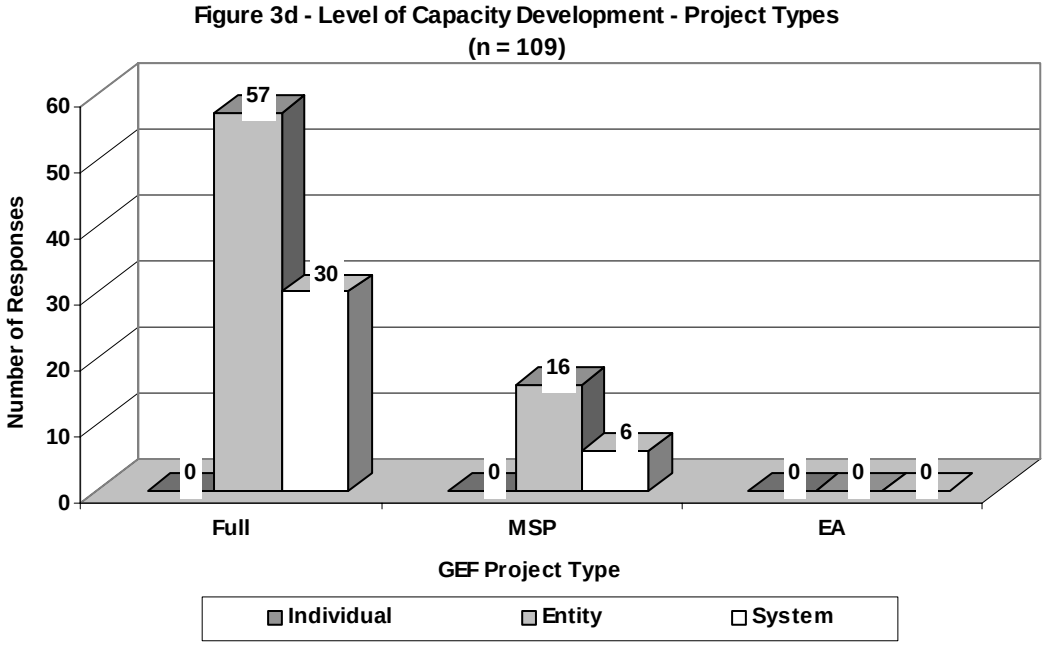


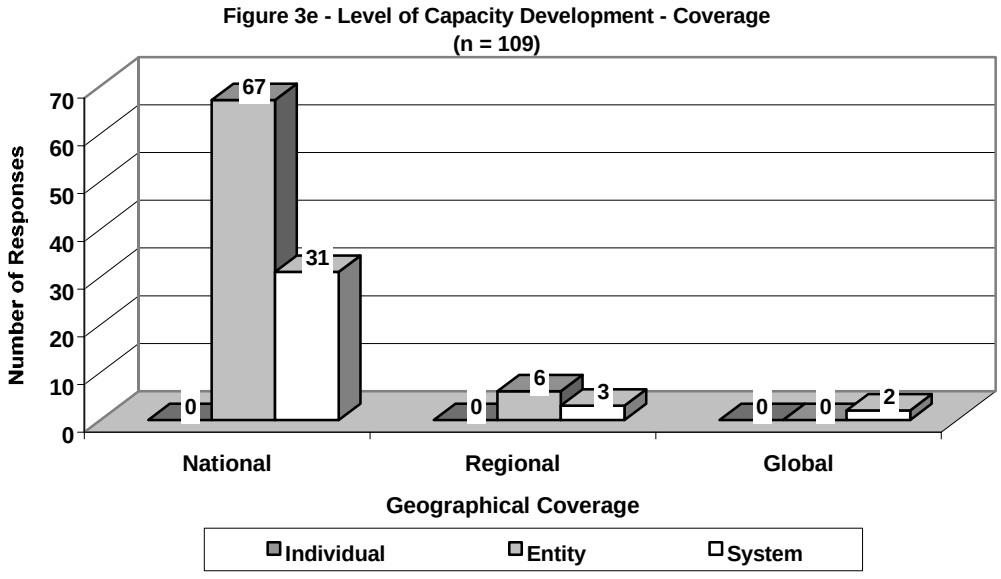
(b) More at the entity level in biodiversity (84%) and land degradation (100%) projects, and more at the system level in climate change projects (68%) (Figure 3c).

(c) More at the entity level in full (66%) and medium-sized (73%) projects (Figure 3d), and the 27% system level interventions for medium-sized projects appears an artifact of expressed idealism.

(d) Equally more at the entity level for national (68%) and regional (67%) projects, and more at the system level for global (100%) projects (Figure 3e).

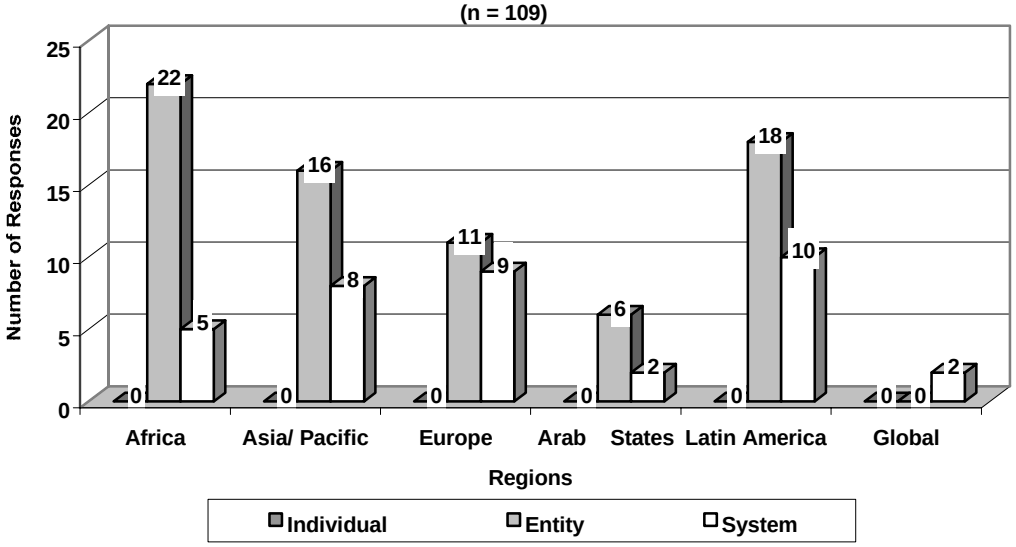






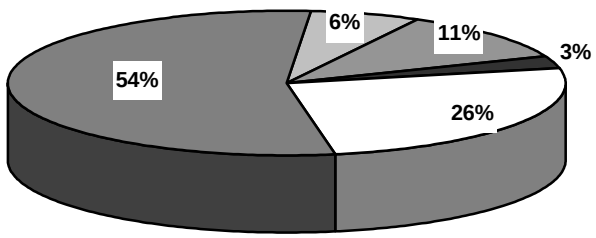
(e) More at the entity level in African (88%) and Arab States (75%) projects than in Asia-Pacific (67%) and Latin American (64%) projects; and more at the system level in Global (100%) and European (45%) projects (Figure 3f).

Figure 3f - Level of Capacity Development - Regions
(n = 109)



8. **Substantive Objectives**: Overall, technical (54%), and management and commercialization (26%)objectives were more prevalent for CD than policy and legislative reform, information and networking, and resource mobilization objectives in the WBG's GEF portfolio (Figure 4a). In hindsight, this is somewhat of an artifact of the breadth of the former two categories, which are very basic and critical to the sustainability of global environmental benefits. Among these substantive CD objectives:

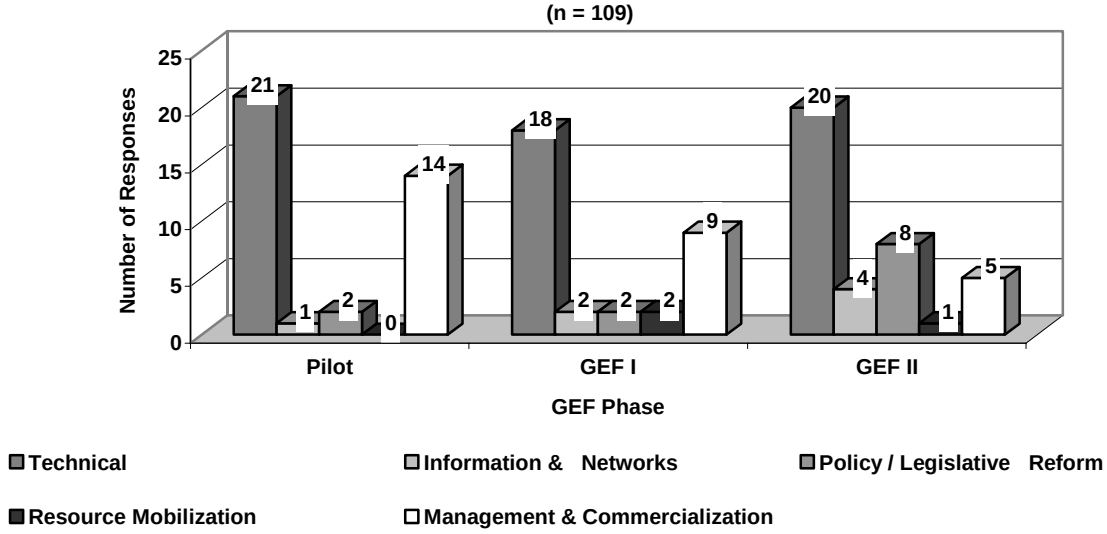
Figure 4a - Substantive Objectives of Capacity Development
(n = 109)



Technical
Information & Networks
Policy / Legislative Reform
Resource Mobilization
Management & Commercialization

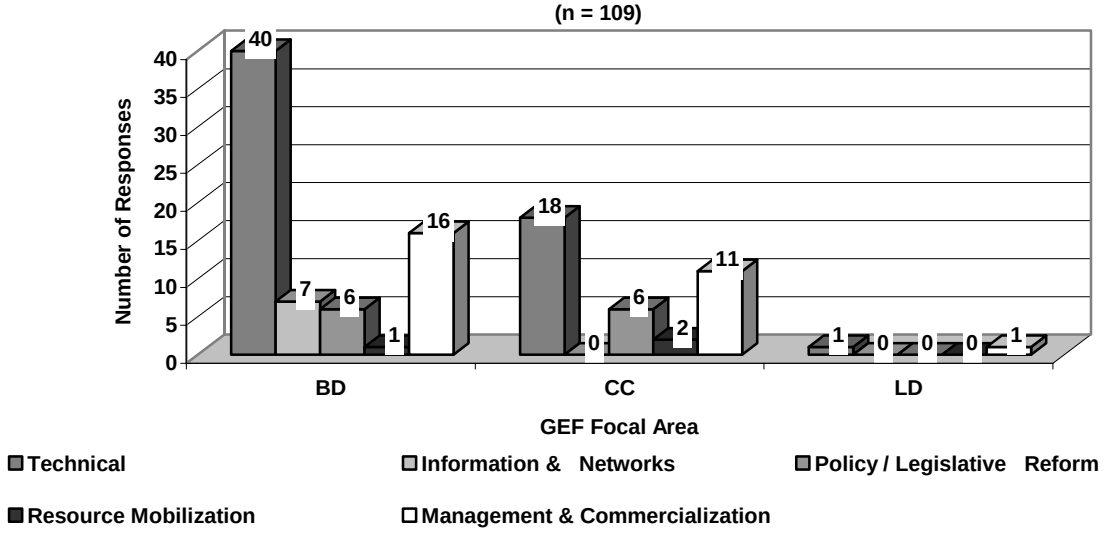
(a) Technical objectives (53-55%) were consistently more prevalent during all GEF phases (Figure 4b), while management and commercialization objectives tended to decline somewhat (37% in Pilot Phase, and 13% in GEF2), and information and networking (from 3% to 11%) and policy and legislative reform (from 5% to 21%) objectives have tended to increase somewhat from the Pilot Phase to GEF2.

Figure 4b - Substantive Objectives of Capacity Development - GEF Phases
(n = 109)



(b) Technical objectives were equally prevalent for biodiversity (57%), climate change (49%) and land degradation (50%) projects, while management and commercialization objectives were more prevalent for land degradation (50%) than climate change (30%) and biodiversity (23%) projects (Figure 4c). Information and network objectives were more prevalent in biodiversity projects (10%), while policy and legislative reform objectives in climate change projects (16%).

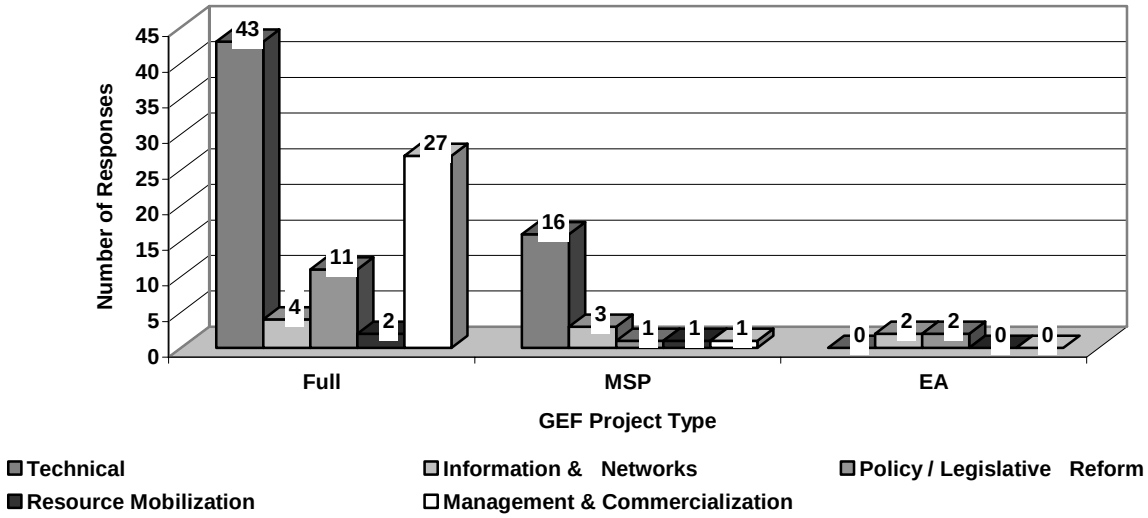
Figure 4c - Substantive Objectives of Capacity Development - Thematic Areas
(n = 109)



(c) Technical, and information and network objectives were more prevalent in medium-sized projects (73% and 14%, respectively), whereas technical, management and commercialization, and policy and legislative reform objectives

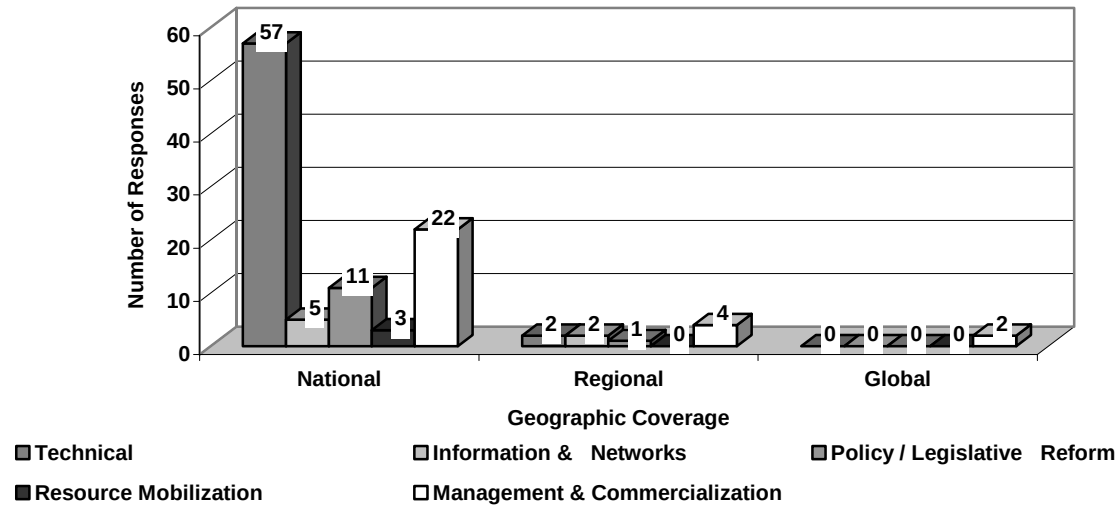
in full projects (49%, 31% and 13%, respectively) (Figure 4d), being linked to the WBG's use of project investments for strengthening country capacity.

Figure 4d - Substantive Objectives of Capacity Development - Project Types (n = 109)



(d) While technical, and management and commercialization objectives (58% and 23%, respectively) were more prevalent in national projects (Figure 4e), management and commercialization objectives were in global projects (100%), and management and commercialization, information and networking, and technical objectives (44%, 22% and 22%, respectively) were in regional projects. There seems some merit for designing global and regional projects.

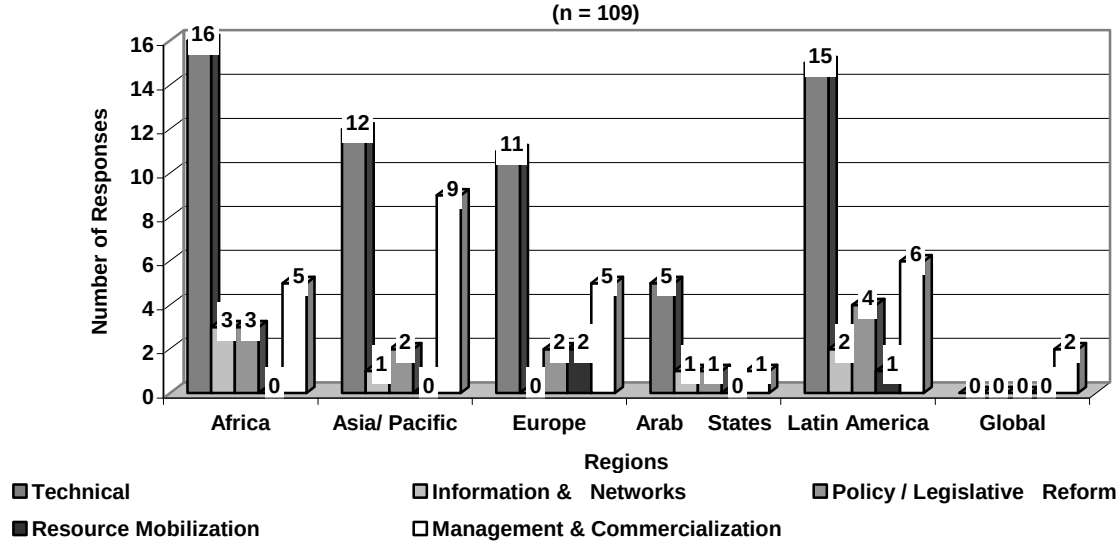
Figure 4e - Substantive Objectives of Capacity Development - Coverage (n = 109)



(e) Technical objectives were more prevalent than management and commercialization objects in all regions (59% vs. 19% Africa, 50% vs. 38% Asia-

Pacific, 55% vs. 25% Europe & Central Asia, 63% vs. 12% Arab states, 54% vs. 21% Latin America & the Caribbean) except in Global projects where the latter were important (100%) (Figure 4f). At the next level, information and networking were prevalent in Africa and the Arab states, policy and legislative reform in all regions, and resource mobilization objectives in Europe.

Figure 4f - Substantive Objectives of Capacity Development - Regions (n = 109)



SUMMARY

9. Tables 1 and 2 summarize the findings on CD in the WBG's GEF portfolio. There is not much difference in CD between the thematic areas except in terms of importance or design, intervention approach, and substantive objective (Table 1); and there is no consistent difference in CD between the regions except in terms of importance or design at the central (objective) and primary (output) levels, and in terms of entry level and objectives for Global projects (Table 2).

Table 1: Capacity Development by Thematic Areas in the World Bank Group's GEF Portfolio

CD Dimensions	Thematic Areas	
	Biodiversity	**Climate Change Mitigation**
General	> 85% of projects Biodiversity << Climate change & Land degradation	
Project Types	Full projects > Medium-sized projects	
GEF Phases	Equally in all phases	

Project Management	Regional & National projects > Global projects	
Geographic Regions	Equally in all regions	
Importance or Design	Central (Objective) > Primary (Output)	
	Primary (Output)	Central (Objective)
Intervention or Entry Approach	Entity level >> System level	
	Entity	System
Substantive Objective	Technical >> Management & Commercialization	
	Information & Networks	Policy & Legislative reform

Table 2: Capacity Development by Regions in the World Bank Group's GEF Portfolio

CD Dimensions	Regions
General	Somewhat equally distributed in all regions Asia-Pacific, Europe & Central Asia & Africa > Latin America & Caribbean, & Arab states > Global
Importance or Design	Central (objective) >> Secondary (activity) in all regions ***Primary (output)***: Africa >> Asia-Pacific, & Arab states > others ***Central (objective)***: Global >> Asia-Pacific, & Europe > other regions
Intervention or Entry Approach	Entity >> System in all regions except Global
Substantive Objectives	Technical >> Managerial & Commercial >> Others in all regions except Global

Regions: Sub-Saharan Africa, Asia and the Pacific, Europe and Central Asia, Arab states (West Asia or Middle East and North Africa), Latin America and the Caribbean, and Global

CHAPTER II

Capacity Development in Selected Projects from the World Bank Group's GEF Portfolio

INTRODUCTION

1. An in-depth study was requested of 15-20 projects from the World Bank Group's (WBG) GEF portfolio related to the three themes (Biodiversity, Climate change, Land degradation) with respect to approaches, guidelines, tools and methodologies used to:

(a) Conceptualize CD with reference to country assistance and policy dialogue, different approaches for different sectors & country contexts, priority areas, and to broader goals & priorities;

(b) Identify and assess CD needs and & gaps during project design and/or early implementation, including processes for identifying and involving stakeholders in CD identification and design, approaches and tools for diagnosing CD needs, mapping CD needs at system & organizational level, etc.;

(c) Implement and manage CD initiatives in terms of different approaches;

(d) Monitor and evaluate CD initiatives in terms of defining appropriate indicators, fit with the log-frame approach, promising evaluation approaches, etc.; and

(e) Especially emphasize:

(i) Explicit CD design importance in planning documents (objective, output, or activity level)

(ii) Identification of CD intervention or entry points (individual, entity, systemic)

(iii) Provision for CD exit strategies (sustainability)

(iv) Management of CD initiatives:

(1) Iterative-phased vs. Blue-print approach

(2) National vs. Regional/Global project approach

(3) National vs. Other execution modalities

(v) Actors /audiences for CD

(vi) Enabling environment / conditions conducive to effective CD

(vii) Constraints to effective CD at country, IA & GEF levels

(viii) Lessons learned from CD intervention

METHODOLOGY

2. The WBG's Regional Coordinators for GEF projects and technical specialists in the Environment Department's Global Environment Coordination Unit (ENVGC) were invited to suggest 5-6 projects in the biodiversity and climate change mitigation focal areas for an in-depth review. On the basis of the statistical review of the WBG's GEF portfolio (Chapter 1), case examples were selected on the basis of their distribution in:

(a)	GEF Phases (Pilot Phase and GEF 1):	1:1
(b)	GEF Focal Areas (Biodiversity and Climate Change):	2:1
(c)	Project types (Full projects and MSPs):	3:1
(d)	Regions: Asia and the Pacific (incl. SAR and EAP)	5
(i)	Latin America and the Caribbean	5
(ii)	Sub-Saharan Africa	4
(iii)	Europe (and Central Asia)	3
(iv)	Arab States (MNA)	2
(v)	Global (IFC)	1

3. From the basket of case study suggestions received, the following 22 were selected for in-depth review in consultation with the WBG's regional coordinators for GEF projects:

AFRICA

i. Mali Household Energy

ii. Mozambique Trans-Frontier Conservation Areas

iii. West Africa Community Based Natural Resources Management (GEPRENAF)

iv. Lake Malawi Biodiversity Conservation

ASIA AND THE PACIFIC

v. Philippines Conservation of Priority Protected Areas

vi. China Nature Reserves Management

vii. Indonesia Biodiversity Collections

viii. China Efficient Industrial Boilers

ix. India Eco-Development

x. Sri Lanka Energy Services Delivery

EUROPE AND CENTRAL ASIA

xi. Aral Sea Basin Water and Environmental Management

xii. Russia Biodiversity Conservation

xiii. Ukraine Danube Delta Biodiversity Conservation

xiv. Lithuania Klapeida Geothermal Demonstration

ARAB STATES (MNA)

xv. Jordan / Gulf of Aqaba Environmental Action

xvi. Tunisia Solar Water Heating

LATIN AMERICA AND THE CARIBBEAN

xvii. Jamaica Demand Side Management

xviii. Caribbean Planning for Adaptation to Climate Change

xix. Brazil National Biodiversity

xx. Mexico Protected Areas

xxi. Peru Trust Fund (PROFONANPE)

GLOBAL (IFC)

xxii. Photovoltaic Market Transformation Initiative

Although the Aral Sea Basin Water and Environmental Management and the Jordan / Gulf of Aqaba projects fall within the International Waters program of GEF, the WBG's regional coordinators for GEF projects in these regions felt they concerned mainly land degradation and biodiversity, respectively, and hence these projects were included to provide the regional balance desired.

4. All project documents, project status reports, evaluation reports, supervision reports, implementation completion reports, project implementation reviews, and STAP selective reviews that were available on the above projects were scanned for information along the criteria outlined

above. While useful, the documents available on file generally lacked the country reports that formed the basis of project appraisal, and the progress reports by country execution teams that formed the basis of supervision and completion reports. These country reports provided some useful insights wherever available. Reports on CD within the WBG, GEF and UNDP were scanned for useful information. The WBG staff serving as task managers for the above projects, as regional GEF coordinators, and as thematic specialists were interviewed for further insights on the selected projects reviewed. Many of these staff were not available, and several of them were located in the field offices and could not be reached easily by phone.

RESULTS AND DISCUSSION

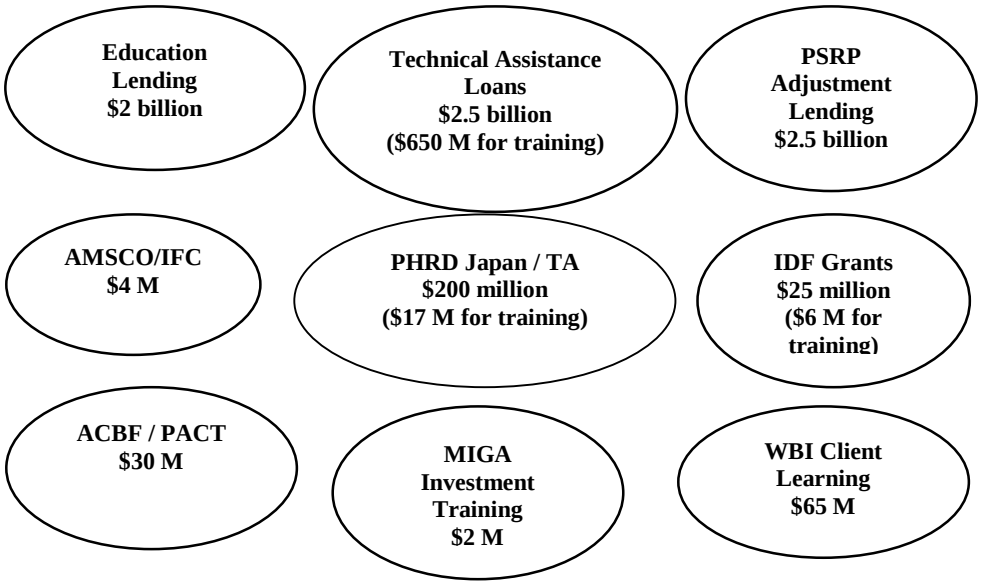
5. The results of the selected projects reviewed from the WBG's GEF portfolio are tabulated in Annex 3.

CONCEPTUALIZATION AND DESIGN OF CD

(a) Overall Approach

6. As the lender of last resort, CD has been and continues to be a critical basis of the WBG's business plan as a whole so as to enable client countries to graduate from concessionary lending, especially in view of the WBG's mandate to reduce poverty through economic growth and sustainable development. In the early decades, the WBG's approach to CD was through project economic and financial management and sequencing, using traditional phases of the project cycle and through sectoral projects, mainly concerning infrastructure and industry. In the past decade in particular, this approach has been supplemented by the policy dialogue, initially, around a macro-economic framework (resulting in a Country Assistance Strategy, CAS) and, subsequently, including sectoral work (resulting in an Economic Sector Work, ESW). The WBG has leveraged a considerable variety of funds for CD through strategic partnerships (World Bank 1999) (Figure 5). Among these, direct technical assistance (TA) includes around $650 million annually to address CD or training related to projects, within an investment portfolio of around $20 billion (Mani and Rist 1998). The approach to designing CD in WBG projects has been somewhat decentralized and uncoordinated hitherto, with each task manager responsible for deciding on needs, priorities and approaches, and with each Operation Region and Central Department or Network responsible for its own portfolio. This reflects the decentralized functioning of the WBG; and only recently has horizontal structure been introduced in the form of Networks. There has been a perception that borrowing countries needed freedom to select their own training partners for project-related training (PRT), without any conditionality from the WBG as the lender. This approach is being re-examined.

Figure 5: The World Bank Group's Investments on Capacity Development for Clients (or Borrowing) Countries



The World Bank Group's approach to CD linking lending and non-lending services in partnership with UNDP, GEF, CGIAR, InfoDev, etc.; M = Million, USD

Source: *Strategic Forum: Capacity Building Refocusing on Ownership* (World Bank; Corporate Day, December 3, 1999)

7. Until very recently, there was little or no coordination of CD in investment projects with the World Bank Institute (WBI), or its predecessor the Economic Development Institute (EDI). The WBI (or EDI) constitutes the training arm of the WBG and initially served clients alone; however, recently with the transformation of the WBG as a Knowledge Bank for functioning in the Knowledge Age, the WBI has begun integrating both staff and client learning and developing partnerships to do this. The WBI (or EDI) was established to build or strengthen the capacity of client countries to absorb and manage WBG investments, and pioneered training on project formulation and management; however, in the past decade, it has also focused on policy issues in line with changes in the business plan of the WBG. The WBI (or EDI) has defined the CD priorities for its limited funds (around $60 million) through an annual consultation process with the WBG's Operation Regions and Central Departments, and recently with the Network Boards that represent both entities. In the selected projects reviewed from the WBG's GEF portfolio, CD design used the log-frame approach employed for project formulation and management (Table 1; Chapter 1). However, CD design was not coordinated generally with the WBI (or EDI) in view of the decentralized structure of the WBG. Nevertheless, CD combined the use of GEF and other grants with concessionary loans.

Table 3: Capacity Development linked to Economic Priorities in the Selected Projects from the World Bank Group's GEF Portfolio

GEF Projects	Linkage to Economic Development			
	Economic Transition	Policy Reforms	Energy Needs	Others
(A) Climate Change Projects				
Mali Household Heating		✔		Domestic efficiency
China Industrial Boilers	✔			Industrial efficiency
Sri Lanka ESD			✔	
Lithuania Geothermal			✔	
Tunisia SWH			✔	
Jamaica DSM			✔	
Global PVMTI			✔	
Caribbean PACC				Small island fragility
(B) International Waters Projects				
Aral Sea Basin WEM	✔			Land degradation
Jordan Aqaba Gulf EA		✔		Biodiversity threats
(C) Biodiversity Projects				
Mozambique TFCA	✔			
West Africa GEPRENAF			✔	Micro-credit scheme
Lake Malawi BD				SADC Commission
Philippines CPPA		✔		
China Nature Reserves	✔			
Indonesia BD Collections		✔		
India Eco-Development				JFM Experience
Russia BD	✔			
Ukraine Danube Delta	✔			
Brazil PROBIO				Financial instability
Mexico Protected Areas				Government program
Peru PROFONAN				New agency

Note: JFM = Joint Forest Management SADC = Southern Africa Development Council
(See Table 4 for abbreviations used)

Source: Based on review of project documents (Annex 3)

(b) Links with Country Assistance Strategy and Sector Work

8. Very few Country Assistance Strategies (CAS) in the WBG explicitly refer to the environment, and they essentially concern a macro-economic framework since countries have other pressing priorities for development assistance. Nevertheless, all selected projects reviewed from the WBG's GEF portfolio show some linkage to the CAS process and to sector priorities for the countries concerned, confirming the importance of CD in the WBG's GEF portfolio (Table 1; Chapter 1). The climate change mitigation projects were linked strategically to alternative energy demands and market transformation in non-oil producing countries; whereas the biodiversity projects were linked to economic transition difficulties and policy reforms in mainly tropical and sub-tropical biodiversity-rich countries (Table 3). The two international waters (IW) projects included in this review resembled the biodiversity projects.

9. Apart from the sector differences outlined above and below, the selected projects from the WBG's GEF portfolio had different specific contexts to their approach for CD conceptualization (Table 3):

(i) Country Assistance Strategies (CAS) - e.g. West Africa GEPRENAF, Sri Lanka ESD

(ii) Sector Adjustment Loans - e.g. Philippines CPPA

(iii) National Environment Action Plans (NEAP) - e.g. Mali HE, Lake Malawi, China NR, India Eco-development

(iv) Pre-feasibility technology transformation studies - e.g. China Industrial Boilers

(v) Integrated coastal zone management (ICZM) approaches - e.g. Ukraine Danube delta, Caribbean PACC

(vi) Preceding UNEP program on the causes of environmental and land degradation - e.g. Aral Sea Basin WEM

(vii) Consequences of climate change - e.g. most of the climate change mitigation projects.

Each project had its own starting point therefore for CD design, based on the needs and priorities of the country concerned, and the historical legacy of the project and the institutional setting concerned with it.

(c) Sector Approach

10. Except for the West Africa GEPRENAF, and potentially the Lake Malawi Biodiversity and the India Eco-development projects, the approach to CD in the biodiversity projects was firmly based in the environment or consumptive sector. This was useful for generating basic information and skills mainly about ecosystem management, but was somewhat far removed

from any kind of market transformation associated with natural resources development and management. In the climate change mitigation projects, on the other hand, the approach to CD was firmly based in economically productive power or industry sectors, but often was not made explicit because of its direct link to project sequencing and to phasing of technology demonstration and transfer and/or demand-side management approaches. These two sets of projects have somewhat different but complementary strategic approaches to sustainable development. There is some merit for exploring innovative approaches to CD in linkages between the productive and consumptive sectors of the economy, and between the different thematic areas, wherever practicable as has been undertaken in the West Africa GEPRENAF project. This conforms to the spirit of the Convention on Biological Diversity (CBD), can take advantage of increasingly scarce resources for CD in official development assistance (ODA), and can potentially integrate sustainability issues around water, biodiversity, or both, in terms of ecological and socio-economic functions on this planet. In that respect, for example:

(i) The West Africa GEPRENAF project has successfully integrated natural resources management (agro-forestry for fuel-wood) with biodiversity and climate change mitigation (domestic heating sources),

(ii) The Indonesia Biodiversity Collections project has focused on biodiversity groups (taxa) of priority interest to user groups,

(iii) The India Eco-development project has the potential for linking biodiversity (wildlife, and non-timber products) to agro-forestry for community livelihood and timber forestry,

(iv) The Lake Malawi Biodiversity project has the potential for linking biodiversity (mainly of Cichlidae fish) to lake fisheries and land use in the watershed, and

(v) The Caribbean PACC has linked integrated coastal zone management (ICZM) to adaptation to the consequences of climate change for highly vulnerable, small islands, developing states (SIDS).

Innovative linkages of biodiversity projects to productive sectors like agriculture, forestry, fisheries, land use or primary industry, help to build broader partnerships between key stakeholders concerned with resource use, management and conservation for long term environmental sustainability, as has happened with climate change mitigation projects.

(d) Design Importance of CD

11. Designing the importance of CD in the selected projects reviewed from the WBG's GEF portfolio differed somewhat. CD was designed at the objective (or central) level in climate change mitigation projects, and at one of three levels in the biodiversity projects (Table 4). In the overall portfolio review, the central importance of CD design outweighed its primary importance, although its central importance was more prevalent in climate change mitigation projects and in the Global, Asia-Pacific and Europe & Central Asia regions, while its primary importance was more prevalent in biodiversity projects and in the Africa, Asia-Pacific and Arab

states regions (Tables 1 and 2; Chapter 1). This difference between the two sets of projects appears linked to the location of CD along the knowledge spectrum (see later) and the institutional legacy of the countries and regions concerned. Except for the West Africa GEPRENAF project, two distinct approaches have been used for designing CD in climate change mitigation and biodiversity projects, respectively.

12. In climate change mitigation projects, CD has been designed in association with market transformation accompanying:

(i) The insertion, adaptation and adoption of a proven "hard" technology – e.g. the Mali Household Heating, Lithuania Geothermal, Tunisia Solar Water Heating and the Global Photovoltaic MTI projects,

(ii) The introduction of proven "soft" technologies (improved management and quality control procedures) for existing "hard" technologies – e.g. the Sri Lanka ESD, the Jamaica DSM projects,

(iii) Both the above – e.g. the China Industrial Boilers project.

The Caribbean PACC project has been an exception, being a hybrid between international waters (IW) and adaptation to the consequences of climate change; and its CD has been designed to enable small island developing states (SIDS) to establish regionally coordinated information and monitoring systems for detecting sea level changes related to climate change. The climate change mitigation projects falling under GEF OP 5, 6 and 7 (GEF 1997) would effect changes in energy consumption patterns, and thereby induce changes in socio-economic and cultural behavior ("ripple effect").

13. In the biodiversity projects, on the other hand, CD has been designed with reference to an ecosystem site to promote its conservation through:

(i) The collection and authentication of specimens of potential economic use – e.g. the Indonesia Biodiversity Collections project,

(ii) Technical and managerial enhancement of protected areas (PA) or nature reserves (NR) – e.g. most projects,

(iii) Improving the livelihood of communities living traditionally in and around the protected area (PA) or nature reserve (NR) – e.g. the Mozambique TFCA, West Africa GEPRENAF, Philippines CPPA, China NR, India Eco-development, Russia Biodiversity, Ukraine Danube Delta and the Mexico PA projects,

(iv) Improving community awareness and technical knowledge about natural resource exploitation and management and biodiversity conservation – e.g. Lake Malawi Biodiversity and West Africa GEPRENAF projects,

(v) The establishment and operation of a fund for biodiversity conservation and use, with or without involving local communities – e.g. the Brazil PROBIO, and the Peru PROFONAN projects.

These biodiversity projects conform to GEF OP 1, 2, 3 and 4 (GEF 1997); and their CD has been concerned more with information generation (or science) in the knowledge spectrum, generating considerable redundant information in terms of immediate utility, and has tended to be more supply-driven in view of their location far from market transformation. The design of CD to manage isolated natural ecosystem areas surrounded and, often strongly, impacted by a variety of intensive, and extensive, land and water use technologies and practices from productive economic sectors, such as those of plantation agriculture, induce externalities (or "edge" or "hostage" effects of an isolate) that would not normally be accountable in those sectors. The design of CD in these projects needs to be re-assessed from a broader ecological perspective of environmental goods and services on the scale of landscapes or seascapes, than has been interpreted and implemented thus far. GEF OP9 on Integrated Land and Water Multiple Focal Areas and OP12 on Integrated Ecosystems Management provide the framework for addressing such shortcomings in CD design, providing an integrated approach to biodiversity protection and its commercial and public uses on a landscape or biogeographic basis. Such an approach could engage a wider range of stakeholders and partners, could focus selectively on moving towards a market transformation, and thereby could ensure steady and long-term flows of global environmental benefits.

Table 4: The Design Importance of and the Intervention or Entry Point for Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

GEF Projects	Design Importance Level			Intervention/Entry Point		
	Activity (Secondary	Output (Primary)	Objective (Central)	Individual	Entity	System
(A) Climate Change Projects						
Mali HE			✔		✔	
China IB			✔			✔
Sri Lanka ESD			✔			✔
Lithuania KGT			✔			✔
Tunisia SWH			✔			✔
Jamaica DSM			✔		✔	
Global PVMTI			✔			✔
Caribbean PACC			✔			✔
(B) International Waters Projects						
Aral Sea Basin WEM		✔			✔	
Jordan Aqaba Gulf EA	✔				✔	
(C) Biodiversity Projects						
Mozambique TFCA			✔			✔
W. Africa GEPRENAF		✔			✔	
Lake Malawi BD			✔			✔
Philippines CPPA	✔				✔	
China NR		✔			✔	
Indonesia Collections			✔		✔	
India Eco-development			✔		✔	
Russia BD	✔				✔	
Ukraine Danube Delta			✔		✔	
Brazil PROBIO	✔				✔	
Mexico PA		✔			✔	
Peru PROFONAN	✔				✔	

Note:

BD	Biodiversity	CPPA	Conservation of Priority Protected Areas
DSM	Demand Side Management	EA	Environmental Action
ESD	Energy Services Delivery	GEPRENAF	Community-based Natural Resources Management
GT	Geothermal	HE	Household Energy
IB	Industrial Boilers	NR	Nature Reserves
PA	Protected Areas	PACC	Plan of Action for Climate Change
PROBIO	Biodiversity Program	PROFONAN	Nature Trust Fund
PVMTI	Photovoltaic Market Transformation Initiative	SWH	Solar Water Heating
TFCA	Trans-frontier Conservation Area		

Source: Based on a review of project documents (Annex 3)

(e) Intervention Approach or Entry Point

14. The selected projects reviewed from the WBG's GEF portfolio show a difference in the intervention approach or entry point used for CD (Table 4). The climate change mitigation projects have focused at system level interventions, and the biodiversity projects at entity level interventions. Although generally entity level interventions prevail over system level ones, these differences between climate change mitigation and biodiversity projects also occur in the overall review of the WBG's GEF portfolio (Tables 1 and 2; Chapter 1). These differences appear linked to the location of these projects on the knowledge spectrum (see later), with the climate change mitigation projects being more market and technology-related, and the biodiversity projects more science and information-based. The use of system level CD interventions in climate change mitigation projects is linked to the central importance of CD in design, and suggests the prevalence of strong institutional capacity in the countries concerned. Such a linkage is not evident for the biodiversity projects reviewed.

(f) Project Approach and Priorities

15. The selected projects reviewed from the WBG's GEF portfolio have all followed the Bank Operations procedures, including the use of the log-frame approach and some stakeholder consultations, in designing CD in projects. CD has been an essential input or a supporting element to somewhat complex investment projects; and its priorities were presumably determined in consultations with the institutions in the country concerned. In a few cases, such as the India Eco-development project, they have followed the new approach to program development in the WBG: namely, listening, piloting, demonstrating and mainstreaming. Such an iterative approach to program development would potentially benefit projects that, in hindsight, have been somewhat complex, ambitious, regional in scope without much foundation, or multi-tiered or faceted, such as the Philippines CPPA, Lake Malawi Biodiversity, Ukraine Danube Delta, the Caribbean PACC, and the Aral Sea Basin WEM. CD in most of these projects has not been related to a market transformation. These projects would benefit from piloting CD for some of their elements before moving it to the demonstration or mainstreaming phases, in view of project complexity.

(g) Exit Strategy

16. The exit strategy for CD in the selected projects reviewed from the WBG's GEF portfolio has been somewhat unclear. In the China Industrial Boilers project, CD was centered around established national institutions, the Design Engineering Institutes; and in the India Eco-development project, CD was also centered at established national institutions, like the Wildlife Institute of India. In the Indonesia Biodiversity Collections and the Lake Malawi Biodiversity projects, external institutions played a key role in strengthening national CD. The role of external institutions has been prevalent in the selected projects reviewed, and has been useful for information and knowledge transfer from industrialized or developed economies or countries to developing economies or countries. The strengthening of national training and education

institutions in this CD process was not evident in most project documents. The climate change mitigation projects linked specialized CD approaches directly to technology adaptation and use or to market transformation stages, and thereby may have addressed one aspect of the sustainability of CD both at the entity and system levels. The biodiversity projects, on the other hand, rarely show such implicit CD linkages, probably due to their remoteness from markets; and hence can be expected to encounter a high attrition rate of any capacity developed at the individual level, partly due to market distortions, which do not pay or reward well for non-market oriented information and capacity. Such a situation potentially undermines the sustainability of CD approaches in a knowledge-based economy; and could be changed by promoting linkages with national training and educational institutions, and with market transformation approaches concerned with the provision of biodiversity products and services for public and commercial uses, however difficult this may be to orchestrate. There is a need for an explicit exit strategy for and sustainability of CD approaches in the WBG's GEF portfolio, based on the strength and reliability of national or regional institutions concerned with learning and training.

(h) Lesson Learned

17. The conceptual approach to designing CD in the WBG needs to be coordinated involving the WBI, participatory involving key stakeholders, using the log-frame and "learning-by-doing" in the new iterative project cycle approach, and involving national or regional educational and training institutions, after the policy and sector dialogue, in order to establish CD priorities, design importance, intervention or entry points, and sustainability or exit strategy.

NEEDS ASSESSMENT

(a) General Approach

18. The selected projects from the WBG's GEF portfolio have all identified CD needs and gaps during their project design phase. How exactly these were identified was not entirely clear and transparent in the project documents examined. Such information was probably included in some background country documents that were not available for this review. In the selected projects, CD needs were designed based on limited consultations, more with government institutions for the biodiversity projects, and with private sector and industrial institutions for the climate change mitigation projects, reflecting their primary objective of site protection and market-oriented technology adaptation, respectively. The projects showed no consultation with WBI in making this needs assessment, except the India Eco-development project. A comprehensive needs assessment for CD was not evident for any of the selected projects examined. It was implicit in the climate change mitigation projects, where it was linked to the needs of each step of technology demonstration and adaptation for local markets. In the India

Eco-development project, there was some consultation with site managers, local communities and civil society organizations (CSO) and some collaboration with WBI.

(b) Needs Diagnosis and Mapping

19. CD needs were identified in the selected projects reviewed from the WBG's GEF portfolio by the countries and their institutions. In the climate change mitigation projects, the CD needs originated mainly from the demands for alternative energy sources for industrialization (see earlier) where market interests have been generally strong. In the biodiversity projects, on the other hand, CD needs originated from the demands for managing protected areas or nature reserves, where public interests were strong and markets relatively weak. There was no evidence of attempts to diagnose and map CD needs at different levels in the selected projects reviewed, and to determine what needs were trainable and what were not. CD needs identification generally relied somewhat on external expertise.

Table 5: The Audience for or Actors Involved in Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

GEF Projects	Audience		
	Public Sector	Private Sector	Community Sector
(A) Climate Change Projects			
Mali Household Heating		✔	✔
China Industrial Boilers		✔ (T)	
Sri Lanka ESD	✔	✔ (T)	✔
Lithuania Geothermal		✔ (T)	
Tunisia SWH		✔ (T)	
Jamaica DSM		✔ (T)	
Global PVMTI		✔ (T)	
Caribbean PACC		✔ (T)	
(B) International Waters Projects			
Aral Sea Basin WEM	✔ (T)		✔ (D)
Jordan Aqaba Gulf EA	✔		
(C) Biodiversity Projects			
Mozambique TFCA	(✔)		✔
West Africa GEPRENAF	(✔)		✔
Lake Malawi BD	(✔)	✔ (S)	
Philippines CPPA	(✔)		✔
China Nature Reserves	(✔)		✔
Indonesia BD Collections		✔ (S)	
India Eco-development	(✔)		✔
Russia BD	✔		✔
Ukraine Danube Delta	✔ (S)		

Table 5 (continued): The Audience for or Actors Involved in Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

GEF Projects	Audience		
	Public Sector	Private Sector	Community Sector
(C) Biodiversity Projects (continued)			
Brazil PROBIO		✔	
Mexico Protected Areas	✔		✔ (D)
Peru PROFONAN		✔ (S)	

Notes: (S) Scientists, (T) Technicians, (D) Delayed
(✔) Indirect actors (See Table 4 for explanation of abbreviations used)

Source: Based on review of project documents (Annex 3)

(c) Target Audience

20. The target audience identified for CD differed among the selected projects reviewed from the WBG's GEF portfolio. It primarily involved the community and public sectors in biodiversity projects, and mainly the private sector in climate change mitigation projects (Table 5). It is a limited range of audience targeted for CD, and is related to the absence of a comprehensive needs assessment for CD.

(d) Lesson Learned

21. A comprehensive CD needs assessment is necessary in the WBG projects in order to map clearly the different type of training and learning approaches, and the audiences for each.

MANAGEMENT AND IMPLEMENTATION

(a) Management Approach

22. The selected projects reviewed from the WBG's GEF portfolio showed due diligence to CD management and implementation. In both biodiversity and climate change projects, CD management and implementation was of the iterative-phased type (Table 6). This corresponds to the WBG's approach of using investment projects as the vehicle for CD especially in project management, implementation and review, and project sequencing. Only in the Sri Lanka ESD project does CD implementation appear to be of the blue print type, due to its isolation from the project phases; however, this was an artifact from the planned iterative-phased approach probably due to over-enthusiasm for CD on the part of a government agency.

(b) Execution Modality

23. In most of the selected projects reviewed from the WBG's GEF portfolio, CD was managed and executed nationally as in most WBG projects (Table 6). The Caribbean PACC project showed implementation difficulties when it was regional managed and coordinated and nationally executed due to its complex and multi-tiered structure and the weak capacity of small island states. The Lake Malawi Biodiversity project experienced difficulties when its regional program scope was managed and led by one country. Lake Victoria, a regional project, shows similar problems. However, the Global PVMTI project experienced no difficulties when its was globally coordinated and nationally managed. National management of CD has to be paramount. Nevertheless, there is scope for regional or global coordination for complex and multi-faceted or tiered CD in projects, or among countries of unequal institutional capacity, in order to facilitate inter-country transfer of experiences in CD. Such CD projects need to be transparent, have a common understanding and mutual help, as in a commonwealth, and to have rotational leadership between participating countries so that all may learn from the regional or global experience. The global Photovoltaic MTI project appears a good model for such arrangements since it has facilitated an exchange of similar experiences between countries in different regions.

Table 6: Management Approach and Execution Coverage of Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

GEF Projects	Management Approach		Execution Coverage		
	Iterative-Phased	Blue-Print	National	Regional	Global
(A) Climate Change Projects					
Mali HE	✔		✔		
China IB	✔		✔		
Sri Lanka ESD		✔	✔		
Lithuania KGT	✔		✔		
Tunisia SWH	✔		✔		
Jamaica DSM	✔		✔		
Global PVMTI	✔		✔		✔
Caribbean PACC	✔		✔	✔ (C)	
(B) International Waters Projects					
Aral Sea Basin WEM	✔			✔	
Jordan Aqaba Gulf EA	✔		✔		
(C) Biodiversity Projects					
Mozambique TFCA	✔		✔		
W. Africa GEPRENAF	✔			✔	
Lake Malawi BD	✔		✔ (R)		
Philippines CPPA	✔		✔		
China NR	✔		✔		
Indonesia Collections	✔		✔		
India Eco development	✔		✔		
Russia BD	✔		✔		

Table 6(continued): Management Approach and Execution Coverage of Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

GEF Projects	Management Approach		Execution Coverage		
	Iterative-Phased	Blue-Print	National	Regional	Global
(C) Biodiversity Projects (continued)					
Ukraine Danube Delta	✔		✔		
Brazil PROBIO	✔		✔		
Mexico PA	✔		✔		
Peru PROFONAN	✔		✔		

Note:

BD	Biodiversity	CPPA	Conservation of Priority Protected Areas
DSM	Demand Side Management	EA	Environmental Action
ESD	Energy Services Delivery	GEPRENAF	Community-based Natural Resources Management
GT	Geothermal	HE	Household Energy
IB	Industrial Boilers	NR	Nature Reserves
PA	Protected Areas	PACC	Plan of Action for Climate Change
PROBIO	Biodiversity Program	PROFONAN	Nature Trust Fund
PVMTI	Photovoltaic Market Transformation Initiative	SWH	Solar Water Heating
TFCA	Trans-frontier Conservation Area		
C	Complex project	R	Regional project managed by one country

Source: Based on a review of project documents (Annex 3)

(c) Implementation Modalities

24. In the selected projects reviewed from the WBG's GEF portfolio, CD was implemented in a variety of areas and modalities (Table 7). Most CD areas were related somewhat to project objectives, being more closely associated in climate change mitigation projects. Most CD modalities were of a formal nature; and only in two African biodiversity projects, West Africa GEPRENAF and Lake Malawi Biodiversity, were the performing arts used to reach out to local communities lacking formal education. Graduate and post-graduate education featured in projects like the Indonesia Biodiversity Collections, Lake Malawi Biodiversity, and Russia Biodiversity. In the absence of clear CD indicators, it was not possible to assess the success of these implementation modalities.

Table 7: Elements and Modalities for Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

CD Elements & Modalities		
Policy-making	**Decision-making**	**Opinion-making**
(a) Policy advice (b) Strategic planning (c) Legal review & reform (d) Setting standards & establishing regulations	(a) Program & project formulation & management (b) Institution building (c) Cross-sectoral coordination (d) Stakeholder participation (e) Trans-boundary cooperation (f) Market incentives (g) Technology adaptation & generation (h) Financial leverage (i) Program sequencing & administration (j) Financial management (k) Skills training & knowledge transfer	(a) Education (b) Training (c) Information dissemination (d) Information generation (e) Data collection & analysis (f) Network development (g) Advice
(e) Personal contact (f) Experience sharing (g) Mentoring (h) Expert consultations (i) Briefings (j) Workshops	(l) Seminars (m) Workshops (n) Courses (o) Staff exchange (p) Mentoring (q) On-the-job training (r) Expert consultations (s) Briefings (t) Technology demonstrations	(h) Research & analysis (i) Graduate & post-graduate studies (j) Workshops & seminars (k) Multi-media broadcasts, including performing arts (l) Personal contacts & interest groups (m) Lobbying (n) Technology demonstrations

Source: Based on review of project documents (Annex 3)

(d) Partnerships

25. Partnerships were critical to CD and its sustainability in the selected projects reviewed from the WBG's GEF portfolio. They helped to strengthen the capacity and understanding of partners, both from developed and developing countries, and from the public, private and civil or community sectors (Table 8). In the climate change mitigation projects, these CD partnerships were essentially between the public and the private sectors, and successful. They encountered some difficulties in certain projects, such as the novelty of the market system for a transitional country as in the China Industrial Boilers project, the dominance of the government sector as in

the Sri Lanka ESD, and the complex and tiered structure of the Caribbean PACC project for the small island states.

26. In the biodiversity projects, most CD partnerships were between the public sector and the civil sector (local communities and/or non-governmental organizations), and were generally successful. However, they encountered some CD difficulties essentially due to the unequal corporate structure of these partners. Most of these CD difficulties concerned project implementation and financial flows (Table 8), although some were linked to project management, and to complex and tiered project structure. In addition, the following projects encountered some CD difficulties:

(i) Philippines PACC - due to the security of tenure,

(ii) Ukraine Danube Delta - non-involvement of the private sector during the economic transition,

(iii) Indonesia Biodiversity Collections - lack of consultations with the Users Advisory Group, and resignation of its International Information Systems Advisory Group,

(iv) Lake Malawi Biodiversity - expatriate management.

Partnerships are critical for CD to mobilize relevant experiences and expertise in an increasingly complex and changing world.

(e) Lessons Learned

27. Successful CD management and implementation in the WBG's GEF portfolio needs clear inputs, targets and outcomes, definition of national management with or without regional or global coordination, careful structuring and sequencing to surmount project complexity, and identification of inter-sector and international partnerships to facilitate transfer of knowledge and experiences.

MONITORING AND EVALUATION

28. The selected projects from the WBG's GEF portfolio showed no distinct CD indicators for monitoring and evaluation. CD indicators were implicit, instead, within project indicators in the log-frame approach used in WBG projects. While the climate change mitigation projects tended to phase CD to correspond to technology transfer or market transformation stages, such phasing was not evident in the biodiversity projects

29. There is a need for establishing clear CD indicators for monitoring and evaluating within the WBG's portfolio of projects.

Table 8: Partnerships for Capacity Development and their Difficulties in the Selected Projects from the World Bank Group's GEF Portfolio (Indicating the type of difficulties where encountered)

GEF Projects	Partnerships			
	Public-Private	Public-Community	Private-Community	Public-Private-Community
(A) Climate Change Projects				
Mali Household Heating			✔	
China Industrial Boilers	✔ (M)			
Sri Lanka ESD	✔ (G)			
Lithuania Geothermal	✔			
Tunisia SWH	✔			
Jamaica DSM	✔			
Global PVMTI	✔			
Caribbean PACC	✔ (C)			
(B) International Waters Projects				
Aral Sea Basin WEM		✔ (Pc)		
Jordan Aqaba Gulf EA	✔			
(C) Biodiversity Projects				
Mozambique TFCA				✔ (R)
West Africa GEPRENAF				✔
Lake Malawi BD		✔ (X)		
Philippines CPPA		✔ (F, T)		?
China Nature Reserves		✔		
Indonesia BD Collections	✔ (I, U)			
India Ecodevelopment		✔ (P, N)		?
Russia BD		✔ C)		
Ukraine Danube Delta	✔ (Pv)			
Brazil PROBIO		✔ (F)		
Mexico Protected Areas		✔ (F, C)		
Peru PROFONAN		✔ (F, P)		

Types of difficulty encountered in partnerships:

C:	Complex & tiered structure	F:	Financial flow	G:	Government dominance & isolation from power generation needs
I:	International Information Systems Advisory Group	M:	Market novelty	N:	NGO critics, advocacy for indigenous rights
P:	Project management	Pc:	Public consultations due to engineering bias	Pv:	Private sector involvement
R:	Regulatory	T:	Tenurial security	U:	Users Advisory Group
X:	Expatriate domination of the program				

(See Table 4 for clarification of project abbreviations used)

Source: Based on review of project documents and interviews with persons associated with projects (Annex 3)

SUMMARY

30. A summary of CD in the selected projects reviewed from the WBG's GEF portfolio is presented in biodiversity and climate change mitigation projects (Table 9) in terms of conceptualization (economic stimulus, design importance, intervention approach, sustainability or exit strategy), needs assessment, management and implementation (target audience, partnerships), monitoring and evaluation, and knowledge base or spectrum.

Table 9: Summary of Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

CD Dimensions	Thematic Areas	
	Biodiversity	**Climate Change Mitigation**
Conceptualization	➢ GEF grants leverage other WBG funds especially TA & PRT ➢ Priorities set by policy dialogue / CAS & sector work ➢ Linked to investment projects using log-frame approach ➢ Each project with unique context & institutional legacy	
	➢ Information, Science, Public goods & Supply-oriented	➢ Technology & Market-oriented
Economic Stimulus & Interest	➢ Economic transition difficulties & Policy reforms in biodiversity-rich countries (mainly tropical & sub-tropical) ➢ Consumptive sector (Environment)	➢ Alternative energy demands for non-oil producing countries ➢ Productive economic sector (Energy or Industry)
Design Importance	➢ Central (Objective) >> Primary (Output) level	
	➢ Primary (Output) level in Africa, Asia-Pacific & Arab States	➢ Central (Objective) level in Global, Asia-Pacific & Europe & C. Asia
Intervention or Entry Point	➢ Entity >> System level	
	➢ Entity level, Science or Information related, Supply-oriented ➢ Subject to "edge" or "hostage" effects like an isolate	➢ System level, Market transformation-oriented, Demand-driven ➢ Generates a "ripple" effect
Sustainability & Exit Strategy	➢ Uncertain & Dependent on external institutions	➢ Directly linked to market transformation
Needs Assessment	➢ Public sector-based, Supply-driven	➢ Private sector-based, Demand-driven
Management & Implementation	➢ Iterative-Phased approach ➢ National execution modality ➢ Variety of implementation modalities	
Target Audience	➢ Public & Community sectors ➢ Scientists / Civilians	➢ Private sector ➢ Technicians
Partnerships	➢ Public-Community ➢ Public-(Private)-Community	➢ Public-Private
Monitoring & Evaluation	➢ Indicators embedded within Project indicators ➢ Fitting log-frame approach ➢ Not distinctly outlined or enumerated	
		➢ Directly linked to steps in market transformation
Knowledge or R&D Spectrum	➢ Science or Information-based ➢ High redundancy for use of general information	➢ Technology or Market-based ➢ High applicability of specialized information

31. Table 9 summarizes the lessons learned on CD in the selected projects reviewed from the WBG's GEF portfolio.

Table 10: Lessons Learned on Capacity Development in the Selected Projects from the World Bank Group's GEF Portfolio

CD Stage	Lessons Learned
Conceptualization	The conceptual approach to designing CD in the WBG needs to be coordinated involving the WBI, participatory involving key stakeholders, using the log-frame and "learning-by-doing" in the new iterative project cycle approach, and involving national or regional educational and training institutions, after the policy and sector dialogue, in order to establish CD priorities, design importance, intervention or entry points, and sustainability or exit strategy.
Needs Assessment	A comprehensive CD needs assessment is necessary in the WBG's portfolio in order to map clearly the different type of training and learning desired, and the audiences for these.
Management & Implementation	Successful CD management and implementation in the WBG's portfolio needs clear inputs, targets and outcomes, national management with or without regional or global coordination, careful structuring and sequencing to surmount project complexity, and inter-sector and international partnerships to facilitate transfer of knowledge and experiences.
Monitoring & Evaluation	There is a need for establishing clear indicators for monitoring and evaluating CD in the WBG's portfolio.

CHAPTER III

Evolution of Capacity Development in the World Bank Group's Global Environment Portfolio

1. Tables 1 and 2 summarize the findings of CD in the WBG's GEF portfolio reviewed in Chapter 1, and Table 9 of CD in the selected projects reviewed from this portfolio in Chapter 2; Table 10 provides the lessons learned from this review of capacity development in the WBG's GEF portfolio.

COMPREHENSIVE STRATEGY

2. The selected projects reviewed and the WBG's GEF portfolio do not show the existence of a GEF CD strategy. GEF has a framework for integrated CD at different levels (GEF 2000; Taschereau 1998). The selected GEF projects reviewed elucidate CD for different target audiences and thematic areas (Chapter 1 and 2). Since ODA is scarce, there is a need to explore integrated CD across different conventions and sectors (Figure 5), through pilots that explore incremental approaches to the transfer of global environmental benefits accruing at the global level to the local level where costs are incurred (Table 11). One such example is the development of innovative market transformation initiatives linking reforestation under climate change mitigation, to watershed management, fossil fuel tax, and protected areas management under the prototype carbon fund (PCF) in Costa Rica.

Figure 6: Potential Synergies in the Implementation of the Four Rio Agreements

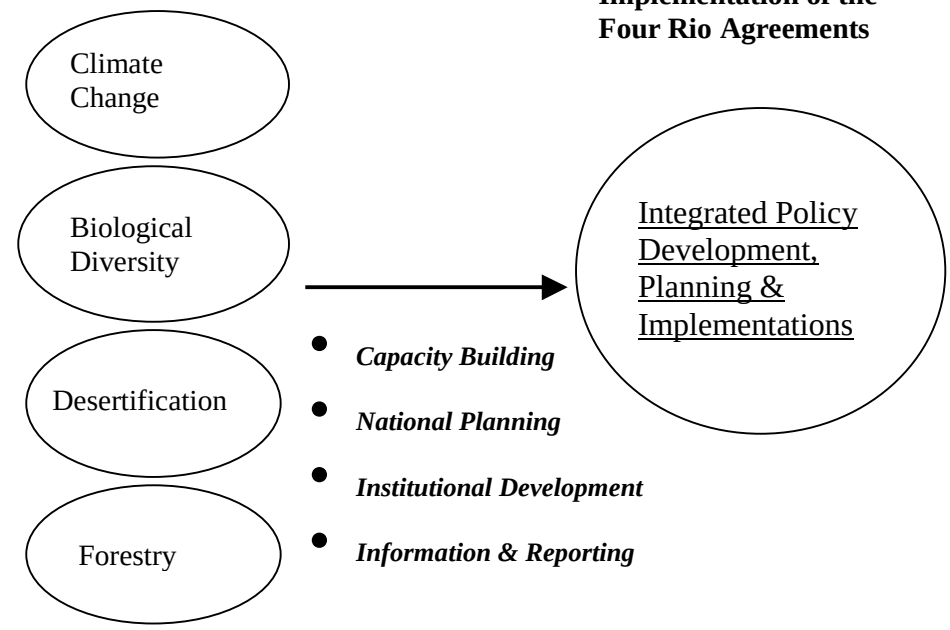


Table 11: Transfer of Global Environmental Benefits from the Global to the Local Level for Sustainable Land and Water Use

Levels		
Local	**National**	**Global**
(A) Habitats		
	←	**Crop Germplasm**
Land races		
← Plant Remedies		
	←	**Pharmaceutical Discoveries**
Wildlife		
	← Species Diversity	
(B) Ecological Services		
← Micro-climate		
	←	**Global Climate Change**
Pollination		
Pest Regulation		
Soil Formation		
← Nutrient Cycling		
← Water Quality & Flows		
← Land Disturbance Regulation		
(C) Amenity Values		
← Recreation		
	← Tourism	

Note: ← CD and instruments for transferring environmental benefits accrued at the global level to the local level where costs are incurred

3. There is a need for a comprehensive CD strategy to address global environmental challenges in the 21st century. Such a comprehensive CD strategy will be a need to examine:

(a) What capacity needs to be developed (built or strengthened) for the program, and through which kinds of partnership and with whom (nationally, regionally and internationally)?

(b) What capacity needs to be mobilized from amongst those trained and available for the program, and through which kinds of partnerships and with whom (nationally, regionally, and internationally)?

(c) What capacity needs to be retained for the long-term sustainability and flow of global environment benefits, and through which kinds of partnerships and with whom (nationally, regionally, and internationally)?

It will necessarily have to accommodate the differences of the thematic areas, as seen for biodiversity conservation and climate change mitigation, and address the key factors affecting CD conceptualization and design, needs assessment, management and implementation, and monitoring and evaluation outlined in Chapters 1 and 2. In light of the prevalence of economic globalization, such a strategy will need to explore linkages towards a market transformation

approach. Such a strategy could benefit from the experience of the WBG and WBI, a leading institute for development learning, and from emerging approaches to development learning in the Knowledge Age.

Table 12: Implications of Globalization for Development Learning

5 Issues	Status & Learning Needs
Globalization	Rapid integration into the global market enables a country: (a) To improve its ability to import knowledge-enhancing capital (b) To facilitate learning-by-doing, technological catch-up, & industrial upgrading (c) To expose itself to inherent risks associated with the international trading system. Countries will need to learn: (a) To absorb & use information & technology made available through trade & foreign investment (b) To essentially manage international flows of trade, capital, environmental pollutants, and people (migration) (c) To coordinate policies to achieve sustainable growth with stability.
Urbanization	Rapid urbanization will double the urban population in developing countries by 2015, creating major challenges for managing urban development & environment. Countries will need to learn: (a) To manage human health & natural resources in large metropolitan areas (b) How to realize the potentials inherent in rapid urbanization while keeping in check some of its negative economic, social, and environmental effects.
Decentralization	Information technology and democratization in many countries has caused local governments & communities to demand for greater autonomy in determining their development paths & in exercising leadership in managing their own development problems. Countries will need to learn: (a) To devise rules to maximize their gains from decentralization (b) To redistribute both authority & functions across different levels of government.

Table 12(Continued): Implications of Globalization for Development Learning

5 Issues	Status & Learning Needs
Governance	Global integration of economies & democratization dramatically alters the role of government, making it no longer the sole provider but, instead, the facilitator & regulator. Countries will need to learn: (a) To reform tax policies, investment rules, & other economic policies in order to be effective (b) To be more effective in many developing countries where the state has failed to deliver such fundamental public goods as property rights, roads, basic health & education (c) To initiate reforms in areas such as effective regulation, privatization, industrial policy, social security, & corruption. (d) To narrow the growing gap between the demands on government and its capability to meet those demands.
Environment	Countries worldwide are experiencing environmental degradation diminishing the environment's ability to provide adequate source & sink services. Countries will need to learn: (a) To understand the causes and possible solutions to environmental degradation (b) To manage the complex web of market & policy failures, on one hand, and information imperfections & knowledge gaps, on the other, and their inter-relationships, in order to improve environmental quality. (c) How to promote economic growth that improves environmental quality

Source: Thomas, Vinod, 1998. *Globalization: Implications for Development Learning*. Keynote Speech to the Annual Conference of Directors of Special Courses, Manchester, U.K., April 20-21, 1998. Washington, DC: World Bank Institute

DEVELOPMENT LEARNING IN THE KNOWLEDGE AGE OR 21ST CENTURY

4. The 21st century forebodes to be a period of unprecedented changes due to the phenomenon of globalization brought about by information technology (IT), urbanization accompanying human population growth and its asymmetric distribution, and increasing stresses on the global environment especially in its most vulnerable areas where resource endowment per capita is already low. Globalization has five concurrent implications for development learning: Globalization, Urbanization, Decentralization, Governance, and Environment (Table 12) (Thomas 1998), which CD for environmental management will need to address by encouraging sustained reforms, providing a wealth of cross-country experiences, and disseminating knowledge and experiences on best practices.

5. Most low and middle-income countries already confronted with complex serious economic, social and environmental challenges, and with long-standing generic capacity constraints, stand to be adversely affected by these globalization trends unless they actively engage in the emerging knowledge-based development paradigm. Institutional capacity remains a serious bottleneck in their development process (DAC 1999), and their governments have development priorities higher than environmental capacity. Nevertheless, these countries will need to adopt a 'no regrets' approach towards environmental management and growth by engaging, on the one hand, in immediate low-cost environmental actions that reduce risks of a global catastrophe and, on the other, in formulating long-term strategies for investments in new technologies that encourage sustainable trading systems related to their comparative and competitive advantages (Tehranian 1986). International cooperation will be essential for CD through mechanisms and partnerships related to the globalization, and through the learning modalities of training, policy services and knowledge networks.

6. Knowledge-based development has become the hallmark of globalization in the 21st century, because of the increasing importance of tacit knowledge. Its potential for environmental management has yet to be tested. Knowledge has unique characteristics: increasing abundance with use and questionable propriety, accessibility and empowerment, economic substitution and transformation, easy transplantation and mobility, transparency and leakage, and sharing and valuation (Cleveland 1999). These have profound implications for building a learning organization for global success (Marquardt 1996) and for global education for development (Tehranian 1986).

THE WORLD BANK GROUP AND THE WORLD BANK INSTITUTE

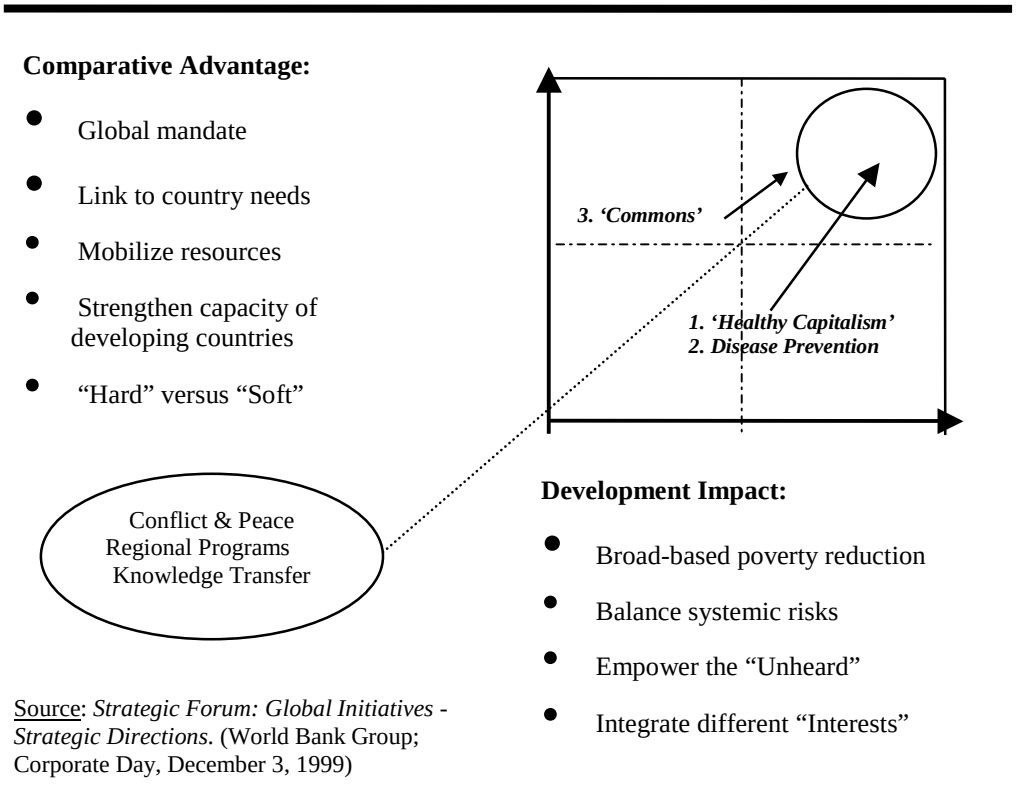
7. Within the context of an emerging Knowledge Age, the WBG has formulated its learning agenda identifying four key thrusts for discharging its mission to reduce poverty and attain sustainable development (Table 13). CD is a key thrust area in this agenda due to the WBG's core strength of comparative advantage and development impact (Figure 6), and follows on its commitment at the Special Session of the United Nations General Assembly in 1997 (UNGASS 97) to address global environment issues mainly because it could build meaningful capacity in member countries (World Bank 1999). The WBG has a global development mandate to reduce poverty (PRSP – Poverty Reduction Strategy Paper) by balancing systemic risks, empowering the 'unheard' and integrating different interests. It is achieving this through a Comprehensive Development Framework (CDF) that facilitates linkage to country needs using the Country Assistance Strategy (CAS), mobilizing resources, strengthening the capacity of developing countries, and using both 'hard' and 'soft' approaches to development. The global commons issue is thus a logical evolution to its on-going efforts to introduce 'healthy capitalism' and prevent disease.

Table 13: The World Bank's Learning Agenda in the Knowledge Age

Key Thrusts	Learning Agenda
Scale-up	Expand the global reach, and scale up the impact of knowledge & learning for development and poverty reduction
Core Business	Ensure that a concern for knowledge and learning pervades all the Bank's core business processes
Capacity Development	Rely on knowledge and learning as key instruments for building capacity within the Bank & in client countries
Staff Skills	Preserve & enhance staff skills, recognized as a key element of the Bank's comparative advantage

Source: WBI, 2000. *The World Bank Institute's Work Program, FY01*. Washington, DC: World Bank Institute

Figure 7: Evolution of World Bank Group's Capacity Development based on its Core Strengths



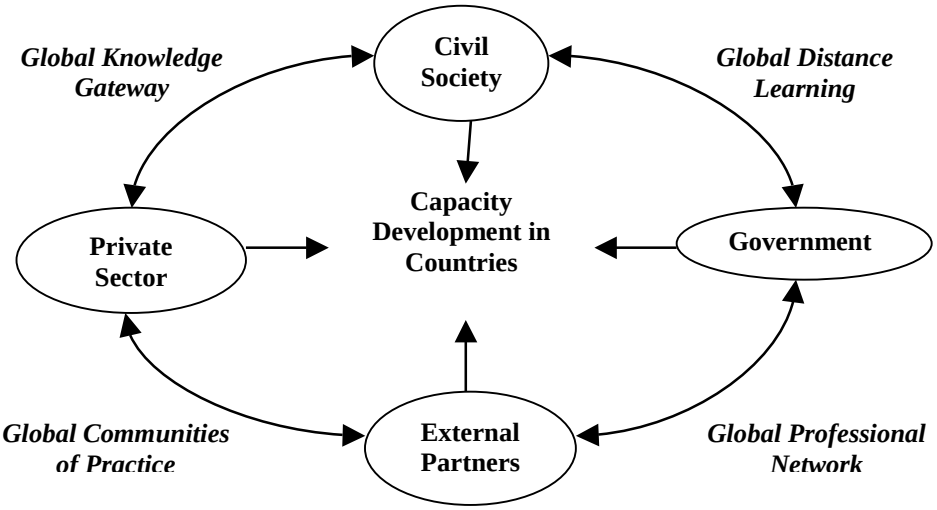
Source: *Strategic Forum: Global Initiatives - Strategic Directions*. (World Bank Group; Corporate Day, December 3, 1999)

8. Within this framework, the WBI has formulated its CD strategy around participation with countries and institutions, ownership by countries, and governance (WBI 2000). It has identified four thrusts for implementing its strategy:

(a) "Wholesaling" or scaling up learning programs through country and institutional partnerships, and distance learning, so as to increasing their impact and outreach,
(b) Spearheading institutional change and reforms through learning,
(c) Integrating learning with lending through internal WBG partnerships,
(d) Facilitating participatory demand-driven approaches to enhance country ownership and CD sustainability.

The success of this CD strategy within the CDF depends on the importance of a global knowledge gateway, global distance learning, global professional networks, and global communities of practice to secure the ownership and cooperation of various stakeholders and partners (Figure 7). CD in the WBG's GEF portfolio can be enhanced by better coordination with the WBI, and already CD for climate change adaptation is being piloted through a partnership involving WBI, the Africa Operations region and START.

Figure 7: World Bank Group's Strategic Approach



Source: *Strategic Forum: Capacity Building Refocusing on Ownership* (World Bank; Corporate Day, December 3, 1999)

THE GLOBAL ENVIRONMENT FACILITY

9. GEF has recognized the importance of CD in undertaking this assessment, and the need for an integrated approach in formulating umbrella operational programs, such as OP9 on Integrated Land and Water Multiple Focal Areas, and OP12 on Integrated Ecosystem Management. There has been an evolution of CD in GEF Operational Programs from a site-based approach to an integrated ecosystems approach, and from single focal areas to multiple focal areas. However, CD in GEF needs to address the challenges of globalization and the Knowledge Age. CD in the selected projects reviewed from the WBG's GEF portfolio (Chapter 2) were located somewhat at opposing ends of the knowledge or R&D (research and development) spectrum, with biodiversity projects more at the research or basic knowledge end

(Table 14) and climate change mitigation projects more at the technology application and market transformation end (Table 15).

Table 14: Capacity Development of the Selected Biodiversity Projects Reviewed on the Knowledge Spectrum

Biodiversity Levels	R&D Spectrum of CD				
	Basic Science	**Applied Science**	**Technology Genera**	**Applied Technology**	**Business Applications**
Genes & Species	Genetics Taxonomy	Food species Pest species Disease species	Biotechnology IPM	Fermentation Vaccines	Species culture
Habitats & Ecosystems	Ecosystem dynamics	Forestry Fisheries	Farming systems PA management CBNRM	Ecotourism	Productive farm
Landscapes & River basins			ICZM Integrated land use	Integrated farming systems	
Trends	→				
	Δ Selectivity, Specialization, Technology-driven, Market-driven, Costly, Capacity-retention				
World Bank Group's Selected GEF Projects	Indonesia BD Collections Lake Malawi BD				Climate Mitigation Projects (Table 11)
			Mozambique TFCA Philippines CPPAP China NR Management India Ecodevelopment Russia BD Conservation Ukraine Danube delta Brazil PROBIO Mexico PA		
				W. Africa GEPRENAF Aral Sea Basin Jordan Gulf of Aqaba	

Notes: BD = Biodiversity
PA = Protected area
NR = Nature reserve
IPM = Integrated pest management
CBNRM = Community-based Natural Resources Management
ICZM = Integrated Coastal Zone Management
TFCA = Transfrontier Conservation Area
CPPAP = Conservation of Priority Protected Areas, Philippines

Source: Based on review of selected GEF projects (Chapter 2)

Table 15: Capacity Development of the Selected Climate Change Mitigation Projects Reviewed on the Knowledge Spectrum

	Technology Application and Adaptation		
	Piloting	**Demonstrating**	**Mainstreaming**
GEF Projects	Mali Household Energy Tunisia Solar Water Heating Caribbean Planning for Adaptation (CPACC)	China Industrial Boilers Sri Lanka Energy Services Lithuania Klaipeda Geothermal Jamaica demand Side Management Global Photovoltaic Market Transformation	

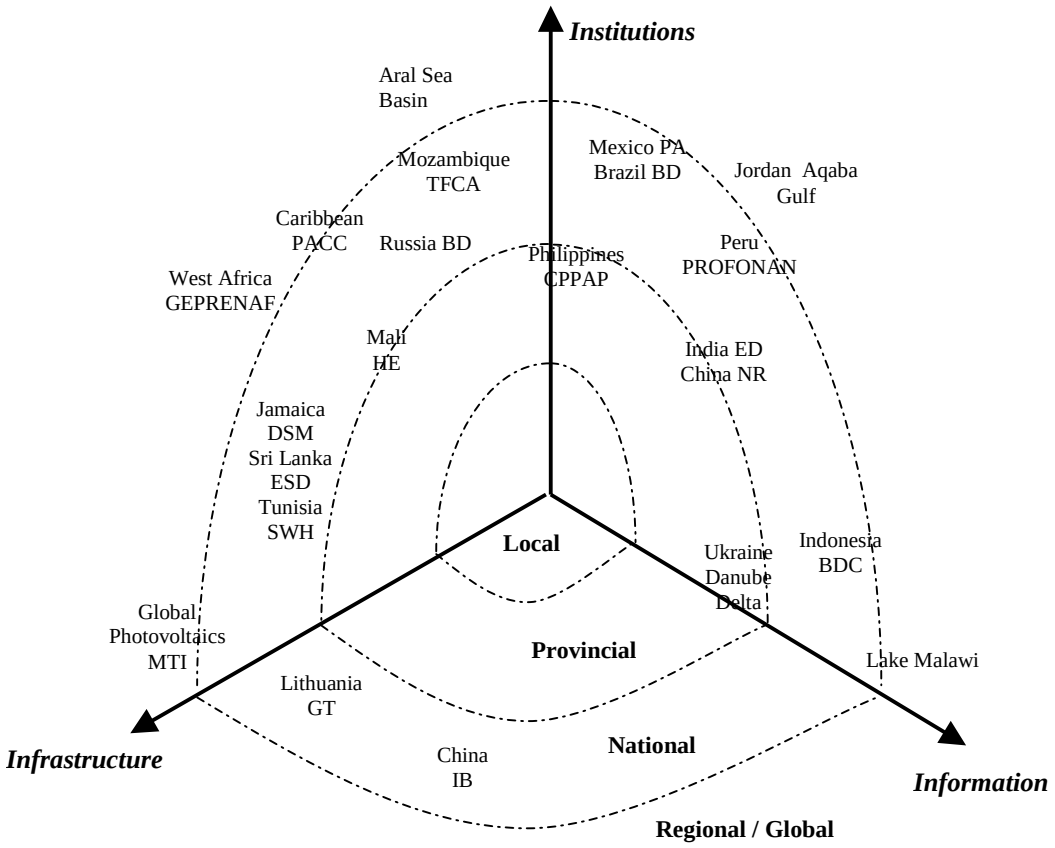
Note: CPACC = Caribbean Planning for Adaptation to Climate Change

Source: Based on review of selected projects (Chapter 2)

Although somewhat less expensive to implement, knowledge generated at research or science end has a high redundancy factor in terms of utility, and a high attrition rate in terms of the capacity developed. Climate change mitigation projects, on the other hand, were market-oriented and somewhat more costly to implement, but they had less redundancy in the specialized knowledge generated, and were able to retain the capacity developed in the market transformation process. Several biodiversity projects had the CD potential of developing links towards market transformations, and need to be encouraged to do so. As countries become affected by globalization and transform towards a knowledge-based economy, there will be the need for GEF to examine carefully the knowledge base for CD in relation to its sustainability in its projects, and encourage linkages towards market-orientation and transformation as far as is practicable. This may take several project cycles.

10. Evaluation of the WBG's project investment portfolio by the Operations Evaluation Department (OED) suggests the importance of integrating CD with reference to three axes along increasing scales for sound economic development and environmental sustainability: namely, harnessing and application of appropriate information or knowledge, appropriate institutional arrangements involving the public, private and civil sectors, and appropriate underpinnings of infrastructure and 'hard' technology. The selected projects reviewed from the WBG's GEF portfolio had elements of all three and were uniquely distributed with reference to these axes (Figure 8). CD in biodiversity projects was concentrated more around information acquisition and institution strengthening, while in climate change mitigation projects dealing with proven technology it was located around institution strengthening and infrastructure development linked to markets. The inter-play of these three factors appears important for market orientation and CD sustainability, and GEF may need to consider it in its future programs.

Figure 8: Interplay of Information, Institutions and Infrastructure in Capacity Development in the Selected WBG GEF Projects



CONCLUSIONS

11. A number of conclusions emerge from this review:

(a) There is a need for a comprehensive CD strategy for GEF programs in order to address the global environmental challenges of the 21st century or the Knowledge Age.

(b) International cooperation will continue to be essential for CD concerning global environment issues through a variety of mechanisms and partnerships related to economic globalization, especially through the learning modalities of training, policy services and knowledge networks.

(c) CD in the WBG's GEF portfolio can be enhanced by better coordination with the WBI, which has been positioned in the WBG to play a leading role in CD for the Knowledge Bank.

(d) As countries become affected by globalization and transform towards a knowledge-based economy, GEF will to examine carefully the knowledge base for CD in relation to project sustainability, and to promote linkages towards market-orientation and transformation, as far as can be practicable.

Annex 1: Terms of Reference

World Bank GEF Portfolio Assessment[25]
Capacity Development Initiative

BACKGROUND

1. At its May 1999 meeting, the GEF Council approved a Strategic Partnership between UNDP and the GEF Secretariat, and in December 1999 it approved a work plan and budget for the initiative. The CDI is an 18-month consultative planning process to prepare a comprehensive strategy and multi-year, operations-oriented action plans to assist GEF eligible countries to strengthen their capacity to meet the challenges of global environmental action.

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

3. The assessment phase of the CDI is intended to identify the capacity development needs of GEF-eligible 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 plan to address the capacity development needs of GEF-eligible countries in the area of the global environment.

4. The outputs to be prepared in this initial assessment phase of the CDI include:

(a) Assessments of country needs in the context of country priorities prepared for four regions;

(b) Assessment of needs in the context of the 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.

[25] This includes IFC projects.

5. These terms of reference apply to the review of the World Bank Group's GEF portfolio (i.e. assessment (e) above). To facilitate both the assessment and the subsequent analysis and comparability of findings and conclusions across Implementing Agencies, the terms of reference for the Bank's assessment will be guided by the generic terms of reference for the GEF portfolio assessments prepared by UNDP/GEF.

EXPECTED OUTPUTS OF THE CONSULTANCY ASSIGNMENT

6. The assignment's output will be a report summarizing the findings and conclusions of the portfolio assessment. The reports will be forward-looking, focused on applying lessons from what has been done and how.

7. The reports will have three chapters.

(a) Chapter one will give a statistical overview of CD interventions. Categories and criteria will be defined by the GEF inter-agency steering committee for the CDI and provided to the consultant.

(b) Chapter two will identify approaches, results, and lessons of capacity development activities for global environmental actions carried out by the World Bank Group. The primary focus will be on the GEF project portfolio, but the report will also highlight conceptual approaches, guidelines and experiences from the regular non-GEF portfolio of the Bank.

(c) Chapter three will describe the evolution of GEF's approach towards CD and constraints faced in dealing with CD issues (at the GEF, Bank and country policy and operational levels), as well as recommend actions and opportunities to address those constraints.

SCOPE

8. The scope of the three chapters is further elaborated below:

Chapter I:

9. Categories and criteria for the statistical analysis in Chapter I will be agreed upon as soon as possible.

Chapter II:

10. The review will assess experiences (and differences) with capacity development activities in the three areas that are relevant to the CDI: i.e. biodiversity, climate change, and land degradation. Selected projects (CD activities are usually embedded in projects) will be reviewed with regard to approaches/ guidelines/ tools/ methodologies in use to assist in:

(a) Conceptualization of CD in the Bank (e.g., how does CD fit into the overall country assistance and policy dialogue, different approaches for different sector situations and country contexts, priority areas, the relation of CD to broader goals and priorities, etc.)

(b) Identification and assessment of capacity needs and gaps during project design and/ or early implementation (that would include processes for identification and involvement of stakeholders in identification and design, approaches and tools for diagnosis of CD needs, mapping of capacity needs, both at the system and organisational level, etc)

(c) Implementation of CD initiatives (this would include looking at experiences from different approaches to project management and implementation)

(d) Monitoring and evaluation of CD initiatives (this would include a discussion of how CD indicators are defined and monitored, fit with the log frame approach, the most promising approaches to evaluating CD activities, etc).

11. Special emphasis will be given to the following issues:

(a) The level at which CD is made explicit in the planning documents (activity, output, or objective level)

(b) Identification of GEF entry points in reference to the three CD levels (individual, entity, systemic)

(c) Provision for exit strategies (sustainability)

(d) The management of CD initiatives (i.e. the iterative- phased vs. the blue print approach, national vs. regional/ global project approach, national execution vs. other execution modalities etc)

(e) The types of actors with which CD seems to work best

(f) The enabling environment/ conditions conducive to effective CD

(g) Constraints to effective CD initiatives at the country, IA and GEF levels

(h) Lessons learned from CD interventions

12. This approach will provide the CDI with a clear sense of where the GEF portfolio stands in terms of approaches, guidelines, tools and lessons. To ensure a systematic assessment that facilitates comparison between agencies it is suggested that the consultant use the 3-level framework proposed by the CD approach paper:

Level of individual:

Issues to be looked at:

(a) Changes in individuals knowledge, skills, attitudes

(b) Application of training on the job

(c) Application of individual's knowledge, skills, attitudes on department, group, organizational performance, policy process, etc.

Level of entity/ organization:

Issues to be looked at:

(a) Improvement in mission or goals

(b) More efficient use of resources

(c) Improved ability to lead strategically

(d) Improved ability to plan, implement and monitor financial systems

(e) Improved ability to plan, manage and evaluate human resources

(f) Improved ability to access needed infrastructure

(g) Improved ability to manage organizational processes

(h) Improved ability to plan, implement and monitor programs

(i) Improved internal organizational incentive systems

(j) Improved ability to understand the opportunities and constraints posed by the systemic environment

Systemic level

Issues to be looked at:

(a) The ability to formulate policy

(b) The ability to enforce policy

(c) The ability to choose amongst alternative solutions

Chapter III:

13. Chapter III will describe the evolution of the GEF's approach towards CD and its implications for Bank operations as well as specific constraints in dealing with CD issues (at the GEF, Bank, and country policy and operational levels). Issues to be covered in chapter III include GEF policies and procedures (project cycle, project review criteria, project approach, Operational Programs), IA policies and procedures (internal project cycle, country dialogue and assistance strategies, mainstreaming, project submission formats) and also government policies and procedures. Chapter III will be based on the analysis/ results/ insights of the previous two chapters.

14. This chapter will also include an analysis of capacity development for replication and application of lessons learned from GEF projects. This could include examining opportunities for World Bank Institute-managed client-focused field-based training courses on technology transfer, knowledge dissemination of best practice and inter-country sharing of information.

METHODOLOGY

15. The portfolio assessment will cover 15-20 Bank GEF projects, which could provide relevant information on the issues outlined in these ToR. The sample of projects may include the range of GEF project types (enabling activity projects, full projects, medium size projects, regional/ global/ national projects), and will be balanced in terms of focal areas (biodiversity and climate change) and regions.

16. Since this is a desk review, the primary source of information will be project documents, evaluation reports, ICRs, PIR reports, STAP selective reviews, Project Status Reports, Bank reports on capacity development, as well as interviews with Bank GEF anchor staff, regional coordinators, thematic specialists, task teams, and IFC/GEF unit staff. Field visits are not envisioned under this review.

17. The consultant will also maintain contact with other assessment teams in the CDI (i.e. country needs, Small Island Developing States, scientific and technical capacity, other bilateral/multilateral institutions, and UNDP and UNEP portfolio assessments), in order to ensure coordination, sharing of information and consistency of effort.

18. The task manager at ENVGC for the assignment will be Rohit Khanna, GEF Operations Officer.

TIMEFRAME

19. The consultant will contracted for 30 days, for a period beginning May 8 and ending June 16, 2000. The final draft report will be submitted to the task manager for review by June 9.

COSTS

20. The total cost of the assignment will be borne by the Bank's allocation from the CDI budget.

Annex 2-1: Statistics of Capacity Development in the World Bank Group's GEF Portfolio, 1990-2000

Project Numbers and (Percentage)

Capacity Development (CD)		**GEF Phases[26]**				**Thematic Areas[27]**			
		Pilot	**GEF I**	**GEF II**	***Total***	**BD**	**CC**	**LD**	***Total***
CD Component	**Yes**	38[28] (86) (30)	33[4] (89) (26)	38[5] (83) (30)	**109 (86) (86)**	70[29] (80) (55)	37[3] (97) (29)	2[30] (100) (2)	**109 (86) (86)**
	No	6 (14) (5)	4 (11) (3)	8 (17) (6)	**18 (14) (14)**	17 (20) (13)	1 (3) (1)	0 (0) (0)	**18 (86) (14)**
	Total	**44 (100) (35)**	**37 (100) (29)**	**46 (100) (36)**	**127 (100) (100)**	**87 (100) (68)**	**38 (100) (30)**	**2 (100) (2)**	**127 (100) (100)**
Importance of CD Component[31]	**Secondary**	8[3] (21) (7)	8[4] (24) (7)	9[5] (24) (9)	**25 (23) (23)**	22[4] (31) (20)	2[3] (6) (2)	1[5] (50) (1)	**25 (23) (23)**
	Primary	14 (37) (13)	14 (42) (13)	9 (24) (8)	**37 (34) (34)**	23 (33) (21)	13 (35) (12)	1 (50) (1)	**37 (34) (34)**
	Central	16 (42) (15)	11 (33) (10)	20 (52) (18)	**47 (43) (43)**	25 (36) (23)	22 (59) (20)	0 (0) (0)	**47 (47) (43)**
	Total	**38 (100) (35)**	**33 (100) (30)**	**38 (100) (35)**	**109 (100) (100)**	**70 (100) (64)**	**37 (1000 (34)**	**2 (100) (2)**	**109 (100) (100)**

[26] / **GEF Phases**: Three phases: FY91-94 = Pilot Phase; FY95-98 = GEF Phase I; FY99-00 = GEF Phase II.
[27] / **Thematic Areas**: Three program areas: BD = Biodiversity; CC = Climate Change; LD = Land Degradation.
[28] / **Project 32** on Re-powering a power plant in Morocco was cancelled [Project numbers taken from the WBG/GEF database].
[29] / Includes three **International Waters** (IW) projects with biodiversity components: 41 – Gulf of Aqaba Environmental Action Plan (Jordan); 250 - Lake Ohrid Conservation (Regional); and 91 – Lake Victoria Environmental Management (Regional).
[30] / Includes two **International Waters** (IW) projects with land degradation component: 1118 – Reversal of Lake Chad Basin Ecosystem (Regional); and 42 – Aral Sea Basin Water and Environmental Management (Regional).
[31] / **Importance**: Three levels: Secondary = at the activity level; Primary = at the output level; Central = at the objective level.

Annex 2-2: Statistics of Capacity Development in the World Bank Group's GEF Portfolio, 1990-2000

Project Numbers and (Percentage)

Capacity Development (CD)		**Project Type**[32]				**Coverage**			
		Full	**MSP**	**EA**	**Total**	**National**	**Regional**	**Global**	**Total**
CD Component	**Yes**	87 [3,4,5] (91) (69)	22 (76) (17)	0 (0) (0)	**109 (86) (86)**	98 [3,4] (86) (77)	9 [4,5] (90) (7)	2 (67) (2)	**109 (86) (86)**
	No	9 (9) (7)	7 (24) (6)	2 (100) (1)	**18 (14) (14)**	16 (14) (13)	1 (10) (1)	1 (33) (0)	**18 (14) (14)**
	Total	**96 (100) (76)**	**29 (100) (23)**	**2 (100) (1)**	**127 (100) (100)**	**114 (100) (90)**	**10 (100) (8)**	**3 (100) (2)**	**127 (100) (100)**
Importance of CD Component[6]	**Secondary**	20 [3,4,5] (23) (18)	5 (23) (5)	0 (0) (0)	**25 (23) (23)**	23 [3,4] (23) (21)	2 [4,5] (22) (2)	0 (0) (0)	**25 (23) (23)**
	Primary	30 (34) (28)	7 (32) (6)	0 (0) (0)	**37 (34) (34)**	33 (34) (30)	4 (45) (4)	0 (0) (0)	**37 (34) (34)**
	Central	37 (43) (34)	10 (45) (9)	0 (0) (0)	**47 (43) (43)**	42 (43) (39)	3 (33) (2)	2 (100) (2)	**47 (43) (43)**
	Total	**87 (100) (80)**	**22 (100) (20)**	**0 (0) (0)**	**109 (100) (100)**	**98 (100) (90)**	**9 (100) (8)**	**2 (100) (2)**	**109 (100) (100)**

[32] / **Project Types**: Three types: Full = Full projects; MSP = Medium Sized Projects; and EA = Enabling Activities.

Annex 2-3: Statistics of Capacity Development in the World Bank Group's GEF Portfolio, 1990-2000

Project Numbers and (Percentage)

Capacity Development (CD)		GEF Phases				Thematic Areas			
		Pilot	**GEF I**	**GEF II**	**Total**	**BD**	**CC**	**LD**	**Total**
Level of CD Component[33]	**Individual**	0 (0) (0)	0 (0) (0)	0 (0) (0)	**0 (0)** **(0)**	0 (0) (0)	0 (0) (0)	0 (0) (0)	**0 (0)** **(0)**
	Entity	27[3] (71) (25)	22[4] (67) (20)	24[5] (63) (22)	**73 (67)** **(67)**	59[5] (84) (54)	12[4] (32) (11)	2[6] (100) (2)	**73 (67)** **(67)**
	System	11 (29) (10)	11 (33) (10)	14 (37) (13)	**36 (33)** **(33)**	11 (16) (10)	25 (68) (23)	0 (0) (0)	**36 (33)** **(33)**
	Total	**38 (100)** **(35)**	**33 (100)** **(30)**	**38 (100)** **(35)**	**109 (100)** **(100)**	**70 (100)** **(64)**	**37 (100)** **(34)**	**2 (100)** **(2)**	**109 (100)** **(100)**
Substantive Objectives of CD [34]	**Technical**	21[3] (55) (19)	18[4] (55) (17)	20[5] (53) (18)	**59 (54)** **(54)**	40[4] (57) (37)	18[3] (49) (16)	1[5] (50) (1)	**59 (54)** **(54)**
	Information & Networks	1 (3) (1)	2 (6) (1)	4 (11) (4)	**7 (6)** **(6)**	7 (10) (6)	0 (0) (0)	0 (0) (0)	**7 (6)** **(6)**
	Policy / Legislative Reform	2 (5) (2)	2 (6) (2)	8 (21) (7)	**12 (11)** **(11)**	6 (8) (5)	6 (16) (6)	0 (0) (0)	**12 (11)** **(11)**
	Resource Mobilization	0 (0) (0)	2 (6) (2)	1 (2) (1)	**3 (3)** **(3)**	1 (2) (1)	2 (5) (2)	0 (0) (0)	**3 (3)** **(3)**
	Management & Commercialization	14 (37) (13)	9 (27) (8)	5 (13) (5)	**28 (26)** **(26)**	16 (23) (15)	11 (30) (10)	1 (50) (1)	**28 (26)** **(26)**
	Total	**38 (100)** **(35)**	**33 (100)** **(30)**	**38 (100)** **(35)**	**109 (100)** **(100)**	**70 (100)** **(64)**	**37 (100)** **(34)**	**2 (100)** **(2)**	**109 (100)** **(100)**

[33] / **Level**: Three entry levels: Individual = at level of individual; Entity = at level of entity / institution / organization; System = at level of country or region.

[34] / **Objectives**: Five categories: **Technical** = concerning skills-based, technology demonstration or local area issues (e.g. wildlife / protected area / fresh water management, species inventories / scientific research / conservation management, supervisory staff / site managers, environmental education / public awareness / technical & administrative skills at local level); **Information & Monitoring** = concerning information systems and networking to share information (e.g. public & private sector use of environmental information, environmental information system of public use); **Policy & Legislative Reform** = concerning policy, legislative and market reforms (e.g. creating appropriate policy / institutional environment, policy / legal / regulatory framework, promoting technology substitution / demand management, accelerating technology transfer / substitution, penetration with small-scale / private / new technology sources); **Resource Mobilization** = concerning innovative financing mechanisms (e.g. user fees, visitor / concessions charges); **Management & Commercialization** = concerning general management functions of the public sector and its agencies, or public-private sector partnerships (e.g. integrated management of environment and development, of natural resources / land restoration / wildlife / minor products / ecotourism, government facilitation of ecotourism, public-private sector partnerships for sustainable area / resource management, design / testing / dissemination of technology alternatives).

Annex 2-4: Statistics of Capacity Development in the World Bank Group's GEF Portfolio, 1990-2000

Project Numbers and (Percentage)

Capacity Development (CD)		Project Types				Coverage			
		Full	**MSP**	**EA**	**Total**	**National**	**Regional**	**Global**	**Total**
Level of CD Component[8]	**Individual**	0 (0) (0)	0 (0) (0)	0 (0) (0)	**0 (0)** **(0)**	0 (0) (0)	0 (0) (0)	0 (0) (0)	**0 (0)** **(0)**
	Entity	57 [3,4,5] (66) (52)	16 (73) (15)	0 (0) (0)	**73 (67)** **(67)**	67 [3,4] (68) (62)	6 [4,5] (67) (5)	0 (0) (0)	**73 (67)** **(67)**
	System	30 (34) (28)	6 (27) (5)	0 (0) (0)	**36 (33)** **(33)**	31 (32) (28)	3 (33) (3)	2 (100) (2)	**36 (33)** **(33)**
	Total	**87 (100)** **(80)**	**22 (100)** **(20)**	**0 (0)** **(0)**	**109 (100)** **(100)**	**98 (100)** **(90)**	**9 (100)** **(8)**	**2 (100)** **(2)**	**109 (100)** **(100)**
Substantive Objectives of CD [9]	**Technical**	43 [3,4,5] (49) (39)	16 (73) (15)	0 (0) (0)	**59 (54)** **(54)**	57 [3,4] (58) (52)	2 [5,6] (22) (2)	0 (0) (0)	**59 (54)** **(54)**
	Information & Networks	4 (5) (4)	3 (14) (2)	0 (0) (0)	**7 (6)** **(6)**	5 (5) (5)	2 (22) (1)	0 (0) (0)	**7 (6)** **(6)**
	Policy / Legislative Reform	11 (13) (10)	1 (4) (1)	0 (0) (0)	**12 (11)** **(11)**	11 (11) (10)	1 (12) (1)	0 (0) (0)	**12 (11)** **(11)**
	Resource Mobilization	2 (2) (2)	1 (4) (1)	0 (0) (0)	**3 (3)** **(3)**	3 (3) (3)	0 (0) (0)	0 (0) (0)	**3 (3)** **(3)**
	Management & Commercialization	27 (31) (25)	1 (5) (1)	0 (0) (0)	**28 (26)** **(26)**	22 (23) (20)	4 (44) (4)	2 (100) (2)	**28 (26)** **(26)**
	Total	**87 (100)** **(80)**	**22 (100)** **(20)**	**0 (0)** **(0)**	**109 (100)** **(100)**	**98 (100)** **(90)**	**9 (100)** **(8)**	**2 (100)** **(2)**	**109 (100)** **(100)**

Annex 2-5: Statistics of Capacity Development in the World Bank Group's GEF Portfolio, 1990-2000

Project Numbers and (Percentage)

Capacity Development (CD)		Regions						
		Africa	**Asia/ Pacific**	**Europe**	**Arab States**	**Latin America**	**Global**	**Total**
CD Component	**Yes**	27 [4,5] (87) (21)	24 (91) (19)	20 (91) (16)	8 [3,4] (80) (6)	28 (80) (22)	2 (67) (2)	**109 (86) (86)**
	No	4 (13) (3)	2 (9) (1)	2 (9) (2)	2 (20) (1)	7 (20) (6)	1 (33) (1)	**18 (14) (14)**
	Total	**31 (100) (24)**	**26 (100) (20)**	**22 (100) (18)**	**10 (100) (7)**	**35 (100) (28)**	**3 (100) (3)**	**127 (100) (100)**
Importance of CD Component	**Secondary**	6 [4,5] (22) (6)	3 (13) (3)	5 (25) (5)	2 [3,4] (25) (1)	9 (32) (8)	0 (0) (0)	**25 (23) (23)**
	Primary	14 (52) (13)	8 (33) (7)	5 (25) (5)	3 (37) (3)	7 (25) (6)	0 (0) (0)	**37 (34) (34)**
	Central	7 (26) (6)	13 (54) (12)	10 (50) (9)	3 (38) (3)	12 (43) (11)	2 (100) (2)	**47 (43) (43)**
	Total	**27 (100) (25)**	**24 (100) (22)**	**20 (100) (19)**	**8 (100) (7)**	**28 (100) (25)**	**2 (100) (2)**	**109 (100) (100)**
Level of CD Component	**Individual**	0 (0) (0)	0 (0) (0)	0 (0) (0)	0 (0) (0)	0 (0) (0)	0 (0) (0)	**0 (0) (0)**
	Entity	22 [4,5] (88) (20)	16 (67) (15)	11 (55) (10)	6 [3,4] (75) (6)	18 (64) (16)	0 (0) (0)	**73 (67) (67)**
	System	5 (22) (5)	8 (33) (7)	9 (45) (9)	2 (25) (1)	10 (36) (9)	2 (100) (2)	**36 (33) (33)**
	Total	**27 (100) (25)**	**24 (100) (22)**	**20 (100) (19)**	**8 (100) (7)**	**28 (100) (25)**	**2 (100) (2)**	**109 (100) (100)**
Substantive Objectives of CD	**Technical**	16 [4,5] (59) (15)	12 (50) (11)	11 (55) (10)	5 [3,4] (63) (4)	15 (54) (14)	0 (0) (0)	**59 (54) (54)**
	Information & Networking	3 (11) (3)	1 (4) (1)	0 (0) (0)	1 (12) (1)	2 (7) (1)	0 (0) (0)	**7 (6) (6)**
	Policy / Legislative Reform	3 (11) (2)	2 (8) (2)	2 (10) (2)	1 (13) (1)	4 (14) (4)	0 (0) (0)	**12 (11) (11)**
	Resource Mobilization	0 (0) (0)	0 (0) (0)	2 (10) (2)	0 (0) (0)	1 (4) (1)	0 (0) (0)	**3 (3) (3)**
	Management & Commercialization	5 (19) (5)	9 (38) (8)	5 (25) (5)	1 (12) (1)	6 (21) (5)	2 (100) (2)	**28 (26) (26)**
	Total	**27 (100) (25)**	**24 (100) (22)**	**20 (100) (19)**	**8 (100) (7)**	**28 (100) (25)**	**2 (100) (2)**	**109 (100) (100)**

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Filename:	Consolidated_CDI_IA_portfolio_assessment_reports
Directory:	M:\NOF Publish\CDI
Template:	Q:\Templates\Normal.dot
Title:	Contents
Subject:	
Author:	Emma Torres
Keywords:	
Comments:	
Creation Date:	January 23, 2002 2:03 PM
Change Number:	3
Last Saved On:	April 17, 2003 2:58 PM
Last Saved By:	WB72319
Total Editing Time:	3 Minutes
Last Printed On:	April 17, 2003 4:30 PM

As of Last Complete Printing

Number of Pages:	168
Number of Words:	44,051 (approx.)
Number of Characters:	251,094 (approx.)