Monitoring Guidelines of Capacity Development in Global Environment Facility Projects

Acknowledgements

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS

ACM	Adaptive Collaborative Management
BDP	Bureau for Development Policy
CB-2	Cross-Cutting Capacity Development Projects
CBD	United Nations Convention on Biological Diversity
CCA	Common Country Assessment
CCD	United Nations Convention to Combat Desertification
CDG	Capacity Development Group
CDI	Capacity Development Initiative
COP	Conference of the Parties
EA	Enabling Activity
ECIS	Eastern Europe and Commonwealth of Independent States
EEG	Energy and Environment Group
FCCC	United Nations Framework Convention on Climate Change
FSP	Full-Size Project
GEF	Global Environment Facility
GSP	Global Support Programme
LDC	Least Developed Country
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MEA	Multilateral Environmental Agreement
MENA	Middle East and North Africa
METT	Management Effectiveness Tracking Tool
MOU	Memorandum of Understanding
MSP	Medium-Size Project
NCSA	National Capacity Self-Assessment
NGO	Non-Governmental Organization
OECD	Organization for Economic Cooperation and Development
PIF	Project Implementation Form
PIU	Project Implementation Unit
PPG	Project Planning Grant
RBM	Results-Based Management
STAR	System for Transparent Allocation of Resources
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

Introduction

Capacity Development is a major concern and priority of the international community and it is now an officially declared key objective of international development. In recent years, the concept of capacity development also moved from a focus on building the capacity of individuals to include strengthening the institutional capacities and enabling environment within which environmental action takes place.

In line with the Global Environment Facility's (GEF) *Strategic Approach to Enhance Capacity Building* (2003) and their *Results-Based Management* (RBM) *Framework* (2007), this document proposes an approach to monitoring and evaluation in such a way that supports the integration of capacity development into programme and project design. It also aims to provide a framework for the use of capacity development indicators to establish baselines and monitor progress made. These indicators are intended to be flexible enough so that they can be tailored to specific programmes and projects.

The approach presented in this document contributes to the objective of the GEF RBM *"to design mechanisms to ensure the measurement of progress"* toward the specific goals of the GEF. In and of itself, this framework also provides a tool for assessing existing capacities, as well as identifying the capacity gaps within a programme or project. This report is also an important complement to UNDP's recently release report *Measuring Capacity* (UNDP, 2010).

As per the Paris Declaration, the partner countries will benefit from using this framework to strengthen their respective environmental monitoring systems and improve the coordination of aid at the national level. Bearing in mind the need to operationalize capacity development indicators to help measure programme and project performance, this framework also captures the inherent process

characteristics of capacity development, it being a 'moving target' influenced by many contextual factors.

This framework is based on a review of the most recent work on capacity and capacity development from the GEF, its Implementing Agencies, and from external research, mainly from work undertaken by the Organisation for Economic Cooperation and Development's Development Assistance Committee (OECD/DAC), the United Nations Development Group (UNDG), the United Nations Development Programme (UNDP), and the World Bank Institute. In 2006, UNEP published a *Manual on Compliance with and Enforcement of Multilateral Environmental Agreements* that provides detailed explanations and guidance to support broader capacity development efforts for countries to achieve environmental sustainability. This 800-page manual should be viewed as an important resource to practitioners in countries seeking practical examples of capacity development approaches for MEA implementation. In particular, each of these capacity development approaches can be tied to a particular set of indicators that could be used to assess countries' overall progress to achieve (global) environmental sustainability.

Research and work on the development and testing of indicators to measure and assess capacities is on-going. Empirical data from GEF-funded projects will help the further development and improvement of the indicators described below. For this reason, this study should be viewed as an incremental step to a more robust and resilient set of capacity development indicators. This includes modeling the data from a scorecard to make a better assessment of capacity development trends.

This scorecard takes a cross-cutting approach to assessing capacities developed, as opposed to the focal area evaluation tools that look at only those capacities developed, for example, to strengthen

Soil erosion and deforestation are factors contributing to the depletion of the Guatemalan ecosystem which is evident from these aerial views of mountains in the Quiche province. UN Photo.

The Capacity Development Scorecard is a tool to monitor progress made to develop capacities that are critical to meeting global environmental sustainability.

protected area management or to undertake specific approaches to mitigate the impacts of climate change. This scorecard is therefore complementary to these evaluation tools in that they take a horizontal approach to assessing capacities compared to the vertical evaluation of the focal area interventions.

Background

Following the Declaration adopted at the High-Level Forum on Harmonization in Rome (February 2003) and the core principles put forward at the Marrakech Roundtable on Managing for Development Results (February 2004), the OECD Paris Declaration on Aid Effectiveness (March 2005) committed to strengthen national capacities and national development strategies.

The Paris Declaration includes a number of partnership commitments, which are based on lessons of experience. They include:

a) **Ownership:** Partner countries exercise effective leadership over their development policies and strategies, and coordinate development actions;

b) **Alignment:** Donors base their overall support on partner countries' national development strategies, organizations, and procedures;

c) **Harmonization:** Donors' actions are more harmonized, transparent, and collectively effective;

d) **Managing For Results:** Donors manage resources and improve decision-making for optimum results; and

e) **Mutual Accountability:** Donors and partners are accountable for development results.

As part of their commitment to align their support with other partners, the Paris Declaration recognizes that *"the capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives — from analysis and dialogue through implementation, monitoring, and evaluation".* Furthermore, *"capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political, and economic environment, including the need to strengthen human resources".* (OECD 2005)

Within this context, the partner countries are committed to integrate specific capacity strengthening objectives in national development strategies, and must pursue their implementation through country-led capacity development strategies, where needed. The donors are committed to align their analytic and financial support with partners' capacity development objectives and strategies, as well as to make effective use of existing capacities, and harmonize support for capacity development accordingly.

A series of 12 progress indicators are included in the Paris Declaration that are to be measured nationally and monitored internationally. This list includes two specific indicators related to capacity development:

a) **#4 Strengthen capacity by coordinated support:** A percentage of donor-supported capacity development is provided through coordinated programmes, which is consistent with partners' national development strategies;

b) **#6 Strengthen capacities by avoiding parallel implementation structures:** Find an agreed number of parallel project implementation units (PIUs) per country[1].

Following the Paris Declaration, Member States have called for the United Nations (UN) system to enhance its efforts, particularly at the country level, to support national capacity development; they view capacity

---

[1] This indicator must be reconciled with the need for some minimum redundancy or overlap, and the necessity to build resilience and ensure sustainability in complex dynamic social systems characterized by a relative high degree of uncertainly and unpredictability. Increasingly, more countries are establishing Programme Coordination Units, under which multiple project implementation units are managed, so as to reduce overlap and create economies of scale, as well as creating synergies and enhancing the exchange of lessons learned and best practices.
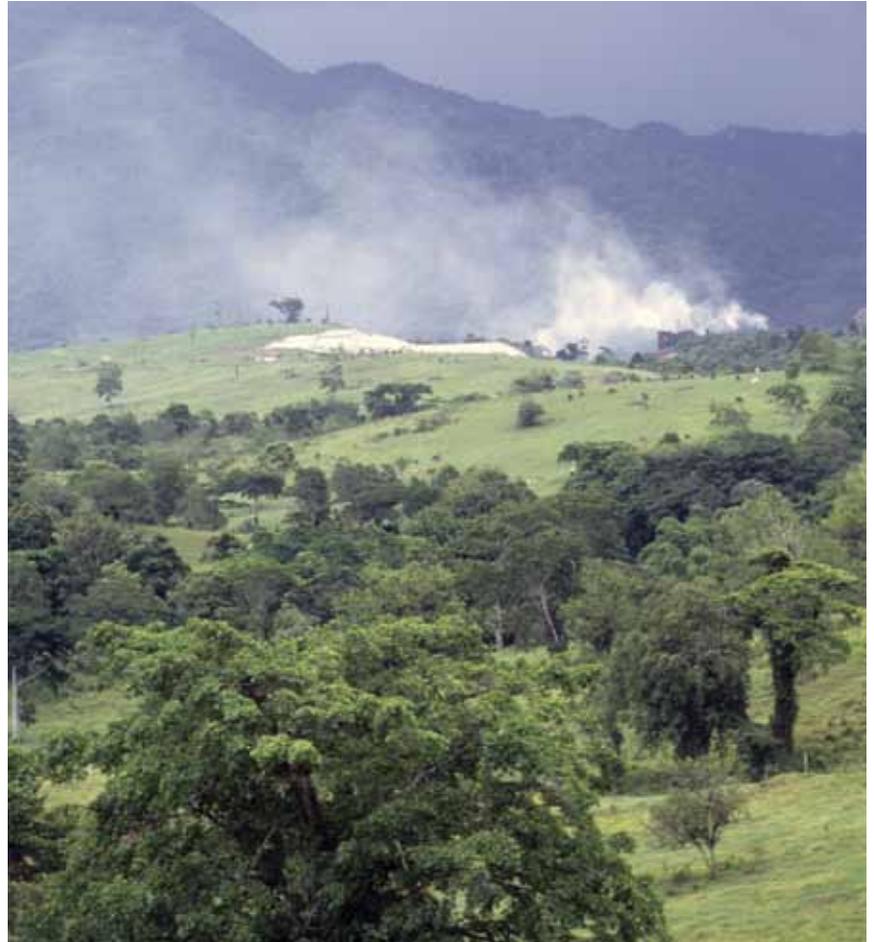
development as a comparative advantage of the UN development system. A UNDG position paper, *Enhancing the UN's Contribution to National Capacity Development* (October 2006), laid out a new framework for the UN's work at the country level to enhance its contribution to national capacity development. The paper emphasizes that UN country teams *"will have to make capacity development the core of their work"* and to *"articulate capacity development and its underlying principles as the central thrust of the UN's role in the country, captured in the Common Country Assessment (CCA) and the UN Development Assistance Framework (UNDAF)".*

The UNDG position paper suggests four key entry points to guide and position the UN country teams' work and to make it more effective in terms of country-level capacity development:

a) Articulate capacity development and its underlying principles as the central thrust of the UN's role in the country, as outlined in the CCA and the UNDAF;
b) Situate the UN's work on capacity development within national policy and development plans;
c) Assess the level of national and local capacity assets, and respond to the identified capacity needs by drawing on, or feeding into, national or sector capacity assessments and capacity development strategies; and
d) "Unpack" capacity development into tangible components.

empirical data garnered through UNDP's interventions across the multiple areas of work, e.g., democratic governance, poverty reduction, environment, and energy. Their most recent report published in July 2010 updates the concepts, principles and approaches behind the measurement of capacities (UNDP, 2010).