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Agenda Item 7

**ELEMENTS OF STRATEGIC COLLABORATION  
AND A FRAMEWORK FOR GEF ACTION FOR  
CAPACITY BUILDING FOR THE GLOBAL ENVIRONMENT**

## Recommended Council Decision

The Council, having reviewed document GEF/C.17/6:

- (a) approves the strategic elements and framework for GEF action to guide a more focused, strategic approach to capacity building for the global environment;
- (b) requests the GEF Secretariat to present the Strategic Elements and the Framework to the Conference of the Parties to the two conventions for which the GEF serves as the financial mechanism (UNFCCC/COP 7 in November, 2001 and CBD/COP 6 in April, 2002) and to ensure that in implementing the Framework the GEF continues to be responsive to new guidance of the Conventions on capacity building. The GEF Secretariat should also present the Strategic Elements and the Framework to the Conference of the Parties for the UN Convention to Combat Desertification;
- (c) [requests the GEF Secretariat to inform the Council at its meeting in April 2002 of the views of the Conferences of the Parties on the Strategic Elements and the Framework and to propose to the Council next steps for initiating implementation of the Framework];

OR

- (c) [requests the GEF Secretariat, in collaboration with the Implementing Agencies and Executing Agencies, to initiate processes so that the self assessment of capacity building needs and priorities (pathway A1) and targeted capacity building projects (pathway A3) can begin immediately in countries that request assistance for them. The Council agrees that country requests for financial assistance under pathway A1 up to US\$200,000 should be developed, approved and implemented through expedited procedures and further agrees that such requests may be approved by the CEO. For countries requesting financial resources beyond US\$200,000 the project proposal should be developed, approved and implemented in accordance with the GEF project cycle. The GEF Secretariat is invited, in collaboration with the Implementing Agencies and Executing Agencies, to prepare and widely disseminate guidelines to assist countries to prepare project proposals for such assistance];
- (d) requests the GEF Secretariat to inform governments and intergovernmental and non-governmental organizations participating in capacity building activities related to the global environment and sustainable development of the Strategic Elements and the Framework and to promote collaboration and partnerships in operationalizing the elements and contributing to their achievement through project activities in developing countries; and *cont'd.*

- (e) approves the extension of the Strategic Partnership between the GEF Secretariat and UNDP for an eighteen month period. For this purpose, the Council approves a resource allocation of US\$2.32 million. Under this new phase of the partnership, the planning work of the CDI should be continued to better define methodologies and delivery modalities for all pathways (A1-A4), particularly for the implementation for Pathway A2--the Program for Critical Capacity Building Activities for Least Developed Countries and Small Island Developing States--as well as for the Technical Support to Countries. The GEF Secretariat is requested to oversee promotion of the initiative amongst donor and recipient countries and ensure a prompt start on country needs assessments and other pilot activities under Pathway A3 (as agreed above). The Council requests the partnership to ensure that other Implementing Agencies, Executing Agencies, STAP and the Convention Secretariats are fully involved in the work of the partnership through the Steering Committee.

## NOTE BY THE SECRETARIAT

1. In May, 1999, the GEF Council approved the Capacity Development Initiative (CDI) as a strategic partnership between the GEF Secretariat and UNDP, for the preparation of a comprehensive approach for developing the capacities needed at the country level to meet the challenges of global environmental action.
2. The CDI was launched in January 2000, as an 18 month consultative, planning process and implemented in two phases : 1) assessment of capacity building needs at a broad level, and activities of the GEF and other multilateral/ bilateral institutions in the field of capacity building, and 2) the formulation of elements of strategic collaboration, and a framework for GEF action to meet capacity building needs in a comprehensive manner.

### **The Assessment Phase**

3. The assessment phase of the CDI produced nine reports, all of which are available on the GEF website.<sup>1</sup> These reports form the foundation on which a strategy for collaboration and a framework for GEF action are built.
4. The assessment phase was made as widely consultative and participatory as possible. Apart from the inputs invited from individuals, experts and institutions for purposes of regional assessments, consultations with Governments on the findings of the regional assessments were organized at Cairo, Beijing, Prague, and Rio de Janeiro, at the kind invitation of each host Government. A separate consultation with SIDS representatives was held in Samoa. Opportunities offered by CBD, UNFCCC and CCD meetings were used to present findings and obtain inputs from the Parties to the Conventions. NGO inputs were invited at the planning stage of the assessment phase, during the regional assessments, and during the regional consultations.

### **Strategic collaboration and framework for GEF action**

5. In this phase of the CDI, a joint team of the GEF Secretariat and UNDP, in active consultation with the Steering Committee, developed elements of strategic collaboration to support action on global environmental issues (hereinafter referred to as 'Strategic Elements'), and a framework for GEF action (hereinafter referred to as the 'Framework'). Inputs on the Strategic Elements and the Framework were obtained through consultations with policy level Government officials at regional meetings held at Cape Town, Kuala Lumpur, Istanbul, Buenos Aires and Nicosia (for SIDS) at the kind invitation of the

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<sup>1</sup> The nine reports are : one regional assessment each for Africa, Asia – Pacific, East Europe and Central Asia, and Latin America and the Caribbean, an assessment of the special needs of SIDS, an assessment of scientific and technical capacity building needs, an analysis of capacity building through activities regular GEF projects, a study of the capacity building efforts of other multilateral and bilateral institutions, and a compilation of decisions of the United Nations Framework Convention on Climate Change (FCCC), the Convention on Biological Diversity (CBD), and the Convention to Combat Desertification (CCD). concerning capacity development.

host Governments concerned. The Strategic Elements and the Framework were shared with the Parties to the CBD during a subsidiary body meeting in Montreal in March 2001, and with the OECD task force on global environment conventions, also in March 2001. As before, NGO inputs have been sought during various stages of the effort.

6. The extensive consultative process during the second phase of the CDI was made possible by the generous financial support of the Government of Finland.

7. The Strategic Elements and the Framework are annexed, for Council's consideration and approval. The Strategic Elements and Framework, once approved, will be presented to the Parties to the Conventions for their information and feedback.

### **Next steps**

#### *Activities pending the effectiveness of GEF3*

8. It is expected that significant financing to implement the proposed Framework will become available as a result of the third replenishment of the GEF Trust Fund. Pending the effectiveness of the third replenishment, there are some activities in the Strategic Elements and the Framework which can commence immediately, while others will require further development in terms of operational detail, and further consultations at various levels with governments, Implementing Agencies, Executing Agencies and other partners.

9. Activities that can commence immediately include initial self assessments of needs and priorities, in countries that request assistance, so that priority activities may be financed and implemented promptly when GEF3 resources are available. Some support may also be made available to pilot projects under the pathway of targeted capacity building, and more focused attention could be given to strengthening capacity building components in other GEF projects. These activities could be initiated in FY02 should the Council approve the Strategic Elements and the Framework.

10. Alternatively, the GEF could wait for presentation of the Strategic Elements and the Framework to the Conference of the Parties to the two Conventions for which the GEF serves as the financial mechanism (UNFCCC/COP 7 in November, 2001 and CBD/COP 6 in April, 2002) before undertaking any action to offer assistance for capacity building in the manner proposed. The Council is requested to advise the GEF Secretariat on the timing for initiating action under the Strategic Elements and the Framework.

#### *Country assessment of capacity building needs and priorities*

11. The self-assessment of capacity building needs and priorities at the country level, proposed in the framework, is entirely in keeping with the deliberations and decisions of the Parties to the CBD, FCCC and CCD, and is necessary to ensure the determination of country priorities and country drivenness. For many countries, it will be an important step towards defining country level objectives

and priorities for GEF and other assistance to build capacity to address global environmental issues within the context of sustainable development. In particular, these assessments will provide opportunities to explore common capacity needs across Conventions. It is expected that the GEF Secretariat will work with the Implementing Agencies and Executing Agencies to promptly respond to country requests to provide assistance for this purpose. It is also recognized that some countries may need technical support to carry out these assessments.

#### *Critical capacity building for Least Developed Countries (LDCs) and Small Island Developing States (SIDS)*

12. During the next year, models and modalities for operationalizing the new proposed pathway to respond to the special needs of Least Developed Countries (LDCs) and Small Island Developing States (SIDS) will be developed, in close consultation with the recipient countries and the Implementing and Executing agencies, and presented to the Council for consideration at its meeting in April 2002. The main objective of this proposed pathway is quick, decentralized approval and disbursement of funds for small projects that address critical bottlenecks identified by countries. It is envisaged that the new pathway will be made available to LDCs and SIDS during GEF3.

#### *Targeted capacity building projects*

13. It is envisaged that this pathway for GEF assistance will be fully available during GEF3, but a limited number of pilot projects could be launched during GEF2. Operational details will be finalized during the next year, particularly with regard to linkages with GEF's operational programs and pathway A 4 (capacity building through regular GEF projects).

#### *Capacity building through regular GEF projects*

14. This pathway is already available, and the Framework seeks to enhance and strengthen it. Appropriate changes in project design to enhance capacity building elements are expected to commence as soon as possible. The GEF monitoring and evaluation study on the subject, as well as the GEF portfolio analysis undertaken under the CDI, will provide a basis for identifying changes in project design consistent with country priorities.

#### *Technical support*

15. The Framework suggests a technical support component which will span the new pathways proposed for capacity building assistance. In order to be responsive to emerging needs and priorities, the nature of technical support will need to change from time to time and flexibility will thus be a key feature of technical support arrangements. Another key feature is expected to be the decentralized delivery of services. The modalities for technical support and coordination will be further developed over the next 12 months, although it is recognized that some technical support will be required to backstop the self assessments by countries in the initial phases. This initial support is discussed below (see paragraphs 17-20).

### *Consultation with other donors on capacity building goals and efforts*

16. The Strategic Elements recognize that the GEF cannot fulfill the entire range of capacity building needs by itself, and that cooperation and collaboration with other bilateral and multilateral institutions is essential if the needs of the developing countries and countries with economies in transition are to be met. Hence, the approach calls for periodic consultation amongst donors on the implementation of the Strategic Elements. It is proposed that these consultations be initiated during the first half of FY02 so as to begin to identify and promote partnerships to respond to urgent needs identified during the CDI and country self assessments. The consultations will serve an important purpose in exchanging experiences and coordinating efforts, synergies and complementarities.

### *Strategic partnership*

17. The planning process of the CDI has been carried out through a strategic partnership between the GEF Secretariat and UNDP, with regular inter-agency consultation through a Steering Committee in which the other Implementing Agencies, the STAP chair, and the Secretariats of the Conventions were represented. In order to continue the planning work necessary to make the Strategic Elements and the Framework fully operational, it will be necessary to continue to collaborate closely with all the Implementing Agencies and Executing Agencies that are expected to be engaged in capacity building activities.

18. It is proposed that the strategic partnership between the GEF Secretariat and UNDP be extended for a period of 18 months. Under this new phase of the partnership, the planning work of the CDI will be finalized (particularly with regard to the issues noted above concerning the pathway for LDCs and SIDS and elaboration of technical support measures and means of delivery), oversight will be provided for promotion of the initiative amongst recipient countries, and a prompt start ensured on country needs assessments and other pilot activities. It is expected that the partnership will do all the groundwork necessary to facilitate the quick and effective launch of capacity building activities by countries by the time GEF3 is operational.

19. New tasks for the partnership will include:

- (a) Assisting in the launch of initial self-assessment of needs and priorities by arranging technical support on request, and consultations at the regional level to facilitate exchange of experiences and information sharing.
- (b) Preparation of models and modalities for implementing programs for critical capacity building in LDCs and SIDS, targeted capacity building projects, capacity building through regular GEF projects, and technical support programs with the involvement of all implementing and executing agencies, and in consultation with STAP and the Convention Secretariats.

- (c) Promotion of the Strategic Elements and the Framework and to inform countries of the availability of resources for capacity building, particularly the LDCs and SIDS.
- (d) Continuation of the dialogue on the Strategic Elements and the Framework with the Convention bodies and to ensure that the Framework is responsive to new guidance.
- (e) Consultation with other donors on the Strategic Elements and to promotion of partnerships to respond to the capacity building needs of countries.

20. The partnership will operate so as to ensure that other Implementing Agencies and Executing Agencies are fully involved in the work of the partnership, including through the Steering Committee. For this purpose, the Steering Committee will be expanded to include Executing Agencies that are interested in assisting countries in capacity building.

21. It is estimated that these activities will require US\$2,335,000 for the next eighteen months. This estimate is based on the cost of consultations and country visits (US\$1,387,000), publications (US\$160,000), communications (US\$8,500), staff and consultants (US\$668,500), and contingencies (5%).



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## ACRONYMS AND ABBREVIATIONS

AOSIS	Alliance of Small Island States
CBD	Convention on Biological Diversity
CDI	Capacity Development Initiative
CHM	Clearing House Mechanism (of the CBD)
COP	Conference of the Parties
EA	(GEF) Executing Agency
EITs	Economies in Transition
IA	(GEF) Implementing Agency
LDCs	Least Developed Countries
NBSAP	National Biodiversity Strategy and Action Plan
OECD/ DAC	The Organization for Economic Co-operation and Development's Development Assistance Committee
PIR	Portfolio Implementation Review
SIDS	Small Island Developing States
STAP	Scientific and Technical Advisory Panel of the GEF
UNCCD	United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa
UNCED	United Nations Conference on Environment and Development
UNFCCC	United Nations Framework Convention on Climate Change

## EXECUTIVE SUMMARY

### **Convention Background**

22. Strengthening the capacity of countries to undertake global environmental management is an important objective of the GEF and the Conventions it serves. Recently, the issue of capacity building has received renewed attention from the Conventions as it has become increasingly clear that capacity needs and priorities of recipient countries will have to be addressed in a systematic way if countries are to be effective in implementing the Conventions.

23. The Convention frameworks provide the bases for action, set out the guiding principles and initial scopes of activities that will need to be supported in a coordinated manner in order to promote sustainable development in recipient countries, while meeting convention objectives. The specific objective of capacity building efforts is to build capacity, where none exists, and develop, strengthen, enhance, improve and retain the capabilities of recipient countries to achieve the objectives of conventions and prepare them for their effective participation in protocols, when they enter into force.

24. Even a cursory examination of the capacity building needs identified by the Conventions reveals the enormity of the task, which seems too big for any one Party or agency to handle alone and therefore can only be accomplished in partnerships. Moreover, a coordinated and cost-effective response demands the exploitation, wherever possible, of synergies between the capacity building requirements of various conventions.

### **Elements of a Strategic Collaboration**

25. In January 2000, the GEF Secretariat and UNDP launched the Capacity Development Initiative to provide the consultative and substantive foundation for developing elements of a strategic collaboration (Strategic Elements) and a specific framework for GEF action (Framework) to respond to the growing attention from the Conventions to capacity building. Several specific inputs led to the development of these strategic elements and the framework, most notably, Convention guidance; national and regional assessments of country needs and priorities, including scientific and technical needs; lessons learned from the experiences of the development cooperation community and from the implementation of the portfolio of GEF projects. Generous support from the Government of Finland made it possible to enrich and widen the participation in the consultations.

26. The goal of the Strategic Elements is to facilitate collaborative international effort to build recipient country capacities to meet the challenges of global environmental management within the context of their sustainable development actions. In order to facilitate greater international effort in capacity building, GEF will:

- (c) *Seek active forums for dialogue with partners and networks:* GEF will encourage collaborative forums of the donor and recipient community with opportunities to exchange at various levels views and experiences on approaches and methodologies and share technical expertise and build effective partnerships.

- (d) *Seek clarity about partners' differentiated roles based on comparative advantage:* To be effective in building capacity, one needs to go beyond a narrow focus on the global environmental conventions that the GEF serves to include other global conventions and sustainable development. If GEF is to be associated with activities that go beyond its mandate, it necessitates working with other partners with differentiated roles, responsibilities and mandates.
- (e) *Attempt to leverage financial resources, at both the program and project levels:* Given the multi-utility nature of capacity building, GEF will undertake to leverage financial resources at the program and project levels.
- (f) *Seek endorsement on the operational principles as a basis for action:* The principles listed below emerged consistently from the assessment phase, and with a striking convergence of views between recipients and donors. GEF will seek endorsement by its partners of these operational principles as a basis for action.
- (g) *Adhere to operational principles in GEF capacity building activities:* GEF will endeavor to apply the operational principles shown in the following Table in all its activities in support of capacity building, although the relative emphasis of each principle will vary from case to case.

### **Operational Principles for Effective Capacity Building**

1.	Ensure national ownership and leadership
2.	Ensure multi-stakeholder consultations and decision-making
3.	Base capacity building efforts in self-needs assessment
4.	Adopt a holistic approach to capacity building
5.	Integrate capacity building in wider sustainable development efforts
6.	Promote partnerships
7.	Accommodate the dynamic nature of capacity building
8.	Adopt a learning-by-doing approach
9.	Combine programmatic and project-based approaches
10.	Combine process as well as product-based approaches
11.	Promote regional approaches

## Framework for GEF Action

27. The overall goal of the Framework is to strengthen the capacity of recipient countries to meet the challenges of global environmental management in support of their sustainable development efforts. Specifically, it will:

- A. provide increased opportunities to recipient countries to access GEF resources for capacity building through flexible and responsive pathways;
- B. offer technical support to recipient countries to overcome special challenges; and
- C. ensure continuous improvement through regular review, dialogue, monitoring, feedback and evaluation with a GEF management system.

28. The Framework proposes and describes four pathways, (A1 through A4, see Figure 1), their aims, key features, principles that underpin them, as well as operational aspects relating to the scope eligible for support, challenges and safeguards, and procedures proposed for their approval. These pathways are neither mutually exclusive nor sequential but are strategically linked, providing countries with several options to address the dynamic and holistic nature of capacity building.

29. *Self-assessment of Capacity Needs (A1)*: The overall aim of this new pathway for GEF funding is to provide countries the opportunity to take the lead in articulating their capacity needs and priorities based on self-assessments (see Figure 1). It will facilitate a consultative process of stock-taking, sequencing and prioritization of capacity needs, especially for identifying bottlenecks. This pathway will adopt the expedited procedures similar to those currently applied by the GEF for Enabling Activities to fund the needs assessment so as to allow the process to get underway as soon as possible.

30. *Program for Critical Capacity Building Activities (A2)*: This also will be a new pathway for GEF funding, specially created for LDCs and SIDS to remove capacity bottlenecks to stimulate good environmental management with positive impacts on the global environment. LDCs and SIDS face particular challenges in this regard, a reality that has been recognized and highlighted in various decisions of the Conventions. Pathway A2 will be operated as a longer term, decentralized program that will be managed in-country. The decentralized arrangements, and the initial scope of activities to be funded through this program will be identified as part of the self needs assessment.

31. *Targeted Capacity Building Projects (A3)*: The overall aim of this new pathway is to support projects that have the primary goal of building capacity at the individual, institutional and/or systemic levels, with clear evidence of how this capacity will in turn deliver on the Convention and global environmental objectives. The scope of targeted capacity building projects will range from those that have a direct relationship and complementarity with the global environment to those that extend to other sectors where the relationship may be less direct, but there may be a need to build capacity for mainstreaming the global environment into sustainable development processes. Projects would emerge out of self assessments or some other national priority setting exercise, and would be guided by

convention priorities and the GEF mandate. Projects will be funded primarily according to procedures similar to those applied for the medium sized projects.

32. *Enhanced Attention to Capacity Building in Regular Projects (A4)*: The aim is to support projects that have the primary goal of meeting GEF Operational Program objectives, but with more explicit and enhanced consideration to building capacity through these projects in order to improve the effectiveness of countries in meeting Convention and global environmental objectives. This pathway will operate according to current project cycle and approval procedures that are continuously being streamlined.

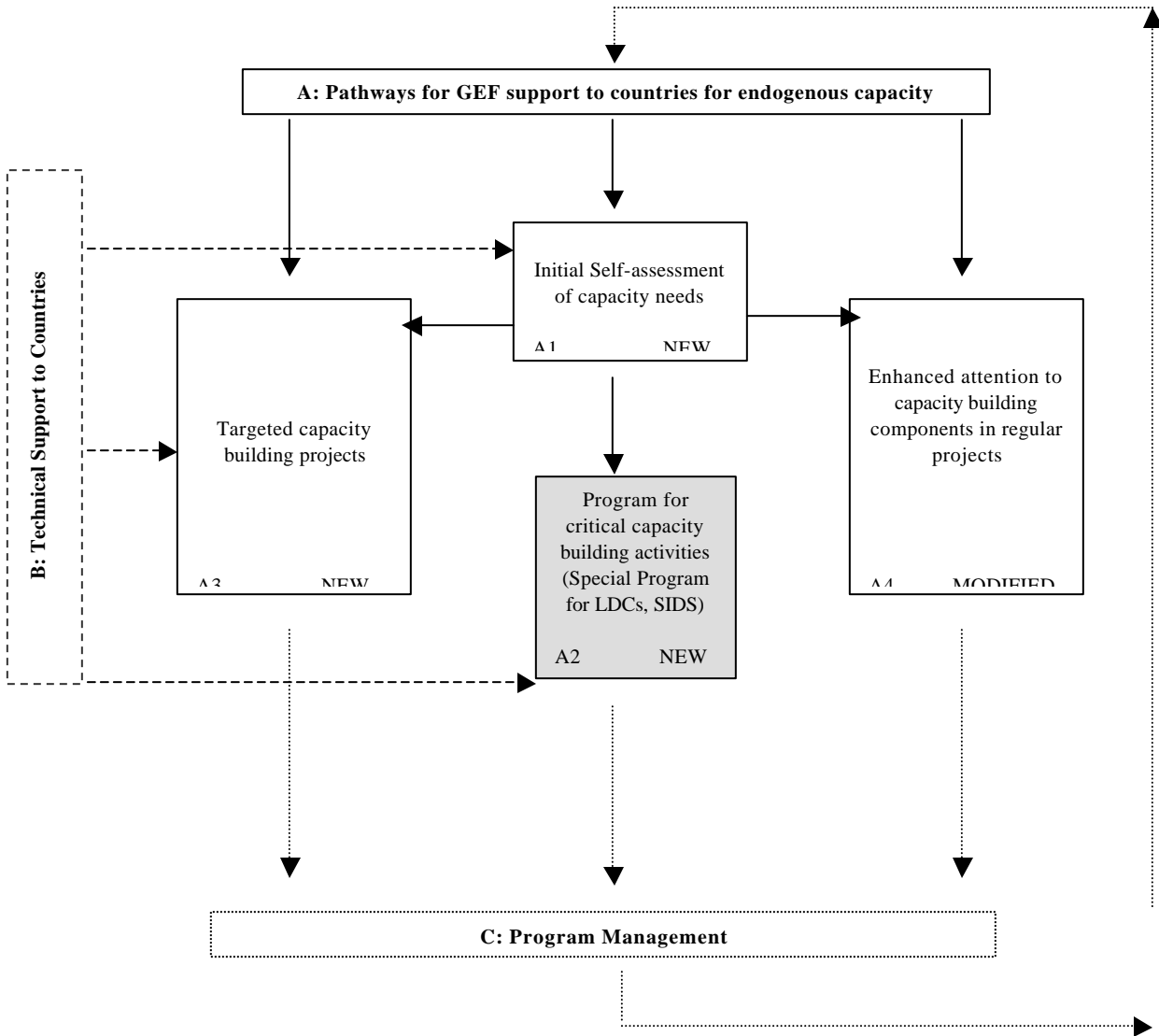
33. *Technical Support (B)*: One of the important lessons emerging from the experience of developing countries, donors and the GEF in capacity building is the need for technical support delivered in a decentralized manner. Some countries, such as the LDCs and SIDS, might face special challenges in building their capacities to address global issues, necessitating the provision of specialized technical support.

34. *Program Management (C)*: The aim of Program Management is for the GEF to put in place a system of continuous management and improvement, and to monitor progress. It will also ensure that the framework continues to be responsive to new Convention guidance.

35. Following Council discussion and decision, the GEF will initiate consultations with partners in appropriate forums to get their endorsement of the above operational principles and seek clarity on roles based on mandates and comparative advantages. Concomitantly, the GEF-specific actions will be implemented. The Framework will be applicable to all the focal areas of the GEF, and the crosscutting area of land degradation. It will also be applicable to new agreements, when they come into force, for which the GEF is designated as the financial mechanism.



**Figure 1. Framework for GEF Action\***



Notes to Figure:

\* Will continue to be responsive to new Convention guidance

- ▶ Represents the flow of resources through the Pathways for GEF support
- - -▶ Represents the flow of technical support
- .....▶ Represents program management and follow-up actions

## I. INTRODUCTION

36. Strengthening the capacity of countries to undertake global environmental management is an important objective of the GEF and the Conventions it serves. Recently, the issue of capacity building has received renewed attention from the Conventions as it has become increasingly clear that capacity needs and priorities of recipient countries need to be addressed in a systematic way if countries are to be effective in implementing the Conventions.

37. In January 2000 the GEF Secretariat and UNDP launched the Capacity Development Initiative (CDI) to provide the consultative and substantive foundation for developing elements of a strategic collaboration (Strategic Elements) and a specific framework for GEF action (Framework) to respond to the renewed attention from the Conventions. The generous support from the Government of Finland made it possible to enrich and widen the participation in the consultations that led to the development of the strategic elements and the framework.

38. An extensive process of consultation, outreach and dialogue was undertaken during the Assessment Phase of the CDI to get an indication of countries' capacity building needs and priorities. Further details on results of the Assessment Phase are provided in Section 3 of this document. Details of the methodology and consultative process are provided in Annex A. The Assessment Phase of CDI provided critical information on countries' capacity building needs and priorities for biological diversity, climate change and land degradation, together with some key lessons on the design and implementation of capacity building efforts. The lessons are derived from cumulative experience gained over the years, and from ongoing efforts of both recipient and donor countries. This feedback together with regular inputs from the CDI Steering Committee<sup>2</sup> and the results of various reviews of the GEF's operations provide the substantive foundation for the broad-based strategic elements and the framework.

39. The Strategic Elements and Framework have also benefited from feedback from countries through a second round of consultations in four regions and with SIDS and OECD countries, which helped ensure that both the strategic elements and framework will be responsive, pragmatic and effective in meeting capacity building needs of countries to address global environmental challenges.<sup>3</sup>

40. Capacity, as defined here, is the ability of individuals, groups, organizations and institutions to address and manage environmental problems as part of efforts to achieve sustainable development.<sup>4</sup> The CDI has adopted a holistic definition of capacity building that acknowledges its individual, institutional and systemic dimensions<sup>5</sup> and its dynamic nature. This approach recognizes that every effort

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<sup>2</sup> The members of the Steering Committee were from the three Conventions (UNFCCC, CBD and UNCCD), the three Implementing Agencies (UNDP, UNEP and the World Bank), STAP and GEFSEC.

<sup>3</sup> The second round of regional consultations were held in Nicosia, Cyprus; Istanbul, Turkey; Kuala Lumpur, Malaysia; Cape Town, South Africa; Buenos Aires, Argentina and OECD/DAC in Paris, France during January-March, 2001.

<sup>4</sup> This definition is derived from the OECD/DAC group (see GEF-UNDP Capacity Development Initiative, July 2000)

<sup>5</sup> At the *individual* level, capacity building refers to the process of changing attitudes and behaviors, imparting knowledge and developing skills while maximizing the benefits of participation, knowledge exchange and ownership. At the *institutional* level it focuses on the overall organizational performance and functioning capabilities, as well as the ability of an organization to adapt to

must be made to identify, mobilize, utilize, enhance, improve or convert capacities that already exist, to create capacity where it does not exist<sup>6</sup>, and finally to retain capacities created or built. Capacity thus defined requires many different skills, including in the areas of facilitation, process consultation, conflict resolution, social and system analyses. Given its complexity, it requires a gradual process of change that must take place from within a country, rather than being externally driven<sup>7</sup>.

41. The remainder of the document is organized as follows. The next section of the document discusses capacity building in the context of the global Conventions (biological diversity, climate change, and desertification). Section 3 summarizes the feedback from the reports and consultative processes undertaken during the assessment phase of the CDI. Section 4 outlines the proposed strategic elements that could guide the donor community, recipient countries, and the GEF and key private sector partners when addressing capacity building for global environmental management. Finally, Section 5 details the Framework, including key next steps.

42. The Strategic Elements aim at engendering a coordinated global effort among partners towards meeting identified country capacity building needs to address global environment challenges. The Framework sets out GEF's contribution to this approach, and details specific measures that it will put in place to enable countries to build their capacity, in accordance with their identified needs and priorities, to address global environmental challenges.

## II. CONVENTION GUIDANCE ON CAPACITY BUILDING

43. The GEF is the financial mechanism for the UN Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD). It also finances projects that respond to the UN Convention to Combat Desertification (UNCCD) if those projects also address the focal areas of the GEF. The GEF Council, when it approved the CDI, also approved the determination of capacity building needs related to these three Conventions. This section summarizes the guidance that these Conventions have provided on capacity building and also the central role that capacity building is expected to play in implementing them.

### **Guidance on Capacity Building from the UN Framework Convention on Climate Change**

44. The UN Framework Convention on Climate Change (UNFCCC) was opened for signature at the United Nations Conference on Environment and Development (UNCED) in 1992, and came into

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change. It aims to develop the institution as a total system, including individuals, groups and the organization itself. However capacity development further emphasizes the overall policy framework in which individuals and organizations operate and interact with the external environment, as well as the formal and informal relationships of institutions (UNDP, 1999).

<sup>6</sup>This articulation of the dynamic nature of capacity development comes from the Scientific and Technical Capacity Development: Needs and Priorities (see GEF-UNDP Capacity Development Initiative, September 2000)

<sup>7</sup>Many practitioners therefore feel the term "capacity development" is a better expression of this conceptual framework. Although we support this conceptual framework, we use the terms capacity development and capacity building interchangeably because Convention guidance to the GEF and Parties on the issue is phrased as "capacity building".

force in 1994. As of September 2000, 186 countries had ratified it. Its objective is to stabilize the concentrations of greenhouse gases at levels so as to prevent dangerous anthropogenic interference with the climate system. Such levels should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner. Its Conference of the Parties (COP) has met annually since 1995 and has at every session provided guidance on program priorities in capacity building. This guidance is contained in decisions 11/CP.1, 10-11/CP.2, 9/CP.3, 2/CP.4, 4-7/CP.4, 12/CP.4, 14/CP.4, and 10/CP.5.

45. Beginning with the meetings leading to the sixth COP, this guidance was being consolidated into a Framework for Capacity Building in Developing Countries (Annex to FCCC/ CP/ 2000/ CRP.11). Similarly a framework has been developed and is under negotiation for Capacity Building in Countries with Economies in Transition (EITs) (Annex to FCCC/ CP/ 2000/ CRP.12). Both these draft decisions are reproduced in Annex B. While these frameworks are still draft decisions, they represent a fairly advanced consensus, which will be discussed further at the resumed COP-6 session. Final decisions from the COP will continue to inform the development of the Framework for GEF Action.

46. The Convention framework provides the bases for action, sets out the guiding principles and initial scopes of activities that will need to be supported in a coordinated manner in order to promote sustainable development in developing countries and in countries with EITs, while meeting the Convention objective (Annex B). The specific objective of both frameworks is to build (where none exists), and develop, strengthen, enhance, improve and retain the capabilities of developing countries and EITs to achieve the objectives of the Convention and prepare them for their effective participation in the Kyoto Protocol, when it enters into force.

47. The guiding principles enunciated in the frameworks assert that capacity building is a continuous, progressive and iterative process. The identification of needs, the determination of a national strategy and priorities, and the implementation must all be country-driven. As the needs and conditions in countries differ, capacity building activities must be designed to suit local needs and conditions. The special needs of least developed countries (LDCs) are highlighted in the framework for developing countries.

48. Capacity building activities are to build on work already undertaken, build on existing processes and endogenous capacities. They should be undertaken in an effective, efficient, integrated and programmatic manner and therefore, wherever possible, emphasize learning-by-doing and mobilize existing national, sub-regional, regional and private sector institutions. They should maximize the synergies between this Convention and other global environmental agreements.

49. The initial scope of needs for capacity building have been identified in the framework documents. Table 1 summarizes the initial scope of needs identified for developing countries, special needs of LDCs and of countries with EITs. The frameworks also emphasize that the capacity building needs already identified in the various decisions of the COPs should continue to be comprehensively and promptly addressed. This draft decision urges the operating entity of the financial mechanism to adopt a streamlined and expedited approach to financing activities within this framework.

## **Guidance on Capacity Building from the Convention on Biological Diversity**

50. The Convention on Biological Diversity (CBD) was opened for signature during UNCED in 1992 and it came into force in 1993. Currently it has 180 Parties. The Conference of the Parties (COP) to the CBD has met five times and sets priorities for the countries to fulfill their obligations to the three major objectives of the Convention, namely conservation of biological diversity, sustainable use of its components, and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.

51. The decisions of the COPs as they relate to the three objectives of the Convention, the thematic ecosystems (e.g., inland waters, forests, marine and coastal, and drylands), and crosscutting issues (e.g., taxonomy, alien species, education and awareness, incentive measures) have grown with each meeting of the COP.

52. There are several decisions of the COP that explicitly call for capacity building in relation to thematic ecosystems and cross-cutting issues. In some other decisions, there is an implicit assumption that the capacity must be either developed, or that it should be in place for the decision to be followed through. The COP also provides guidance to the GEF to assist countries to implement these priorities through specific activities that also reflect national priorities. Table 2 provides a selected list of important COP decisions that relate to capacity building either directly or indirectly, aimed at the Parties to the Convention or the GEF.

53. These COP decisions represent collective priorities for the countries, but each country then sets its own priorities where the sequence or scope of particular actions may be adjusted to suit local situations and capacities. The GEF, based on country requests, assists countries to implement these priorities through specific activities that also reflect national priorities. In accordance with the guidance received GEF support to these requests has been through projects and for the preparation of national reports to fulfill essential communication requirements. Several decisions from the Convention have stressed the need for giving priority to LDCs and SIDS.

**Table 1: Guidance on Capacity Building from the UNFCCC**

Scope of Capacity Building Needs in Developing Countries	Specific Needs for Capacity Building in LDCs	Priority for Capacity Building needs in EITs
(a) Institutional capacity building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points	(a) Same	-- <sup>8</sup>
(b) Enhancement and/or creation of an enabling environments		
(c) National Communications	(a) Same	(h) Same; (k) Reporting Obligations
(d) National Climate Change Programmes	(b) Develop integrated implementation program which takes into account research and training	(h) National Climate Action Plans
(e) Greenhouse Gas Inventories, emissions database management, and systems for collecting, managing, utilizing activity data and emission factors		(a) National GHG Inventories, (b) Projections of GHG emissions; (i) National systems for estimation of GHG emissions; and (j) Modalities for accounting relating to targets, timetables, national registries
(f) Vulnerability and Adaptation Assessment	(c) Integrate V & A assessments into sustainable development programs	(d) Impact Assessment and Adaptation
(g) Capacity building for implementation of adaptation measures	(c) Develop national adaptation programs of action	
(h) Assessment for implementation of mitigation options		(c) Policies and Measures, and the estimation of their effects
(i) Research and systematic observations, including meteorological, hydrological and climatological services	(e) Strengthen capacity of met. and hydrological services to analyze, interpret and disseminate weather and climate information to support implement national adaptation programs of action	(e) Research and Systematic Observations
(j) Development and Transfer of Technology		(g) Transfer of environmentally sound technologies
(k) Improved decision making, including assistance for participation in international negotiations		
(l) Clean Development Mechanism		(l) Joint Implementation projects and emissions trading
(m) Needs arising out of implementation of FCCC Art. 4.8, 4.9		
(n) Education, Training and Public Awareness	(f) Enhancing public awareness	(f) Education, Training and Public Awareness
(o) Information and networking, including Database establishment		
	(d) Strengthen existing, and where needed,	

<sup>8</sup> The numbering of individual cells follows the numbering of the bullets in the original documents FCCC/CP/2000/CRP.11-12; a blank cell implies that particular entry has not been identified as an initial priority need.

	establish national research and training institutions to ensure the sustainability of capacity building programs.	
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**Table 2: List of CBD decisions on Capacity Building<sup>9</sup>**

Thematic ecosystems/ cross-cutting issue	Guidance to Parties on Capacity Building		Guidance to GEF on Capacity Building	
	Direct	Indirect	Direct	Indirect
Access to genetic resources	V/26 (14)	III/15 (3,5)	III/5 (4)	V/13 (2g)
		IV/8 (5)	III/15 (3)	
			IV/8 (4)	
			IV/13 (8)	
Agriculture	V/5 (9, 23)	III/11 (4-6)	VI/6 (12)	III/5 (2c)
		IV/6 (4,6)		III/11(22)
				IV/6 (13)
				V/13 (2b(i), 2c)
Alien Species	V/8 Annex I Guiding Principle 9(c)	IV/ 1(C3,4)		IV/ 1(C3)
				IV/13 (1)
		V/8 (1,6,9)		V/8 (17)
General Measures for Conservation and Sustainable use		II/7 (5)	II/7 (6)	II/6 (5,11)
		II/8(6i)	III/5 (2b)	
Identification and monitoring		III/10 (4)	III/10 (10)	
			IV/13 (4)	
Indigenous and local communities	V/16 (12a-d)	III/14 (1-3)	III/5 (5)	V/13 (2i)
	V/16 Annex II, Element 1, Task 1		III/14 (5)	
Benefit Sharing		IV/8 (5)	III/5 (2a)	V/13 (2g)
		V/26(A)	IV/8 (4c)	
			IV/13 (8c)	
Biosafety			III/5 (2a)	V/13 (1)
			III/20 (2c)	
			V/1	
Clearing House Mechanism		II/3 (8)	II/3 (9)	II/6 (11)
			III/5 (2d(i))	V/13 (2f)
			IV/2 (9b)	V/14
			IV/13 (5)	
CHM S&T	V/14	III/4 (d, 5,11)		III/4 (2)
Drylands		V/23 (3)		V/13 (2b (ii))
Ecosystem Approach	V/6, Annex C (9, 10)	V/6 (3, 6)		V/13 (2a)
Ex-situ collections	V/26 (C4)			
Forests	V/4(10)	IV/7 (2,3)	IV/7 (6)	IV/7 (5)
		V/4 (1,8,9)	IV/13 (4)	V/13 (2b (iii))
Impact Assessment		V/18 (2,3)		
Incentive measures	III/18 (5)	III/18(3,4)	IV/10 (A3)	III/5(3)
		V/15	IV/13 (7)	V/13 (2h)
Indicators	V/7(4)	III/11 (9)	V/13 (2j)	
Inland Waters	V/2 (8)	IV/4 (5)	V/13 (2n)	IV/4 (6)
Intellectual Property Rights		III/17 (1)		
Marine/Coastal		II/10 (3)		II/10 (11)
		IV/5 (2)		IV/5 (3)
Corals	V/3 (6e)		V/13(2d)	
National Reports		III/11 (15)	IV/13 (2e)	IV/13 (6)
Public Awareness/ Education	IV/10 (B1, 4)	III/11 (13)	V/13 (2l)	IV/10 (B9)
	V/17 (6)	V/8 (9)		
Sustainable Use	V/24 (5)			
Targeted Research				III/5(6)
Taxonomy	IV/1 (D)		III/5 (2b)	
	V/9 (2b, d)		III/10 (10)	
			IV/13 (2)	

<sup>9</sup> This list is illustrative of the importance given to capacity building by the Convention.



Thematic ecosystems/ cross-cutting issue	Guidance to Parties on Capacity Building		Guidance to GEF on Capacity Building	
	Direct	Indirect	Direct	Indirect
				IV/1 (D7)
			V/13 (2k)	
Threats		II/8 (6)	II/8 (1-5)	II/6(11)
Tourism	V/25 (4f, 7)			

## Capacity Building as reflected in the United Nations Convention to Combat Desertification

54. The United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD) was adopted in June 1994. In the four years since its coming into force in December 1996, 172 countries and the European Community had ratified it. The objective of the UNCCD is to “combat desertification and mitigate the effects of drought in countries through effective action at all levels...” The UNCCD defines desertification to mean land degradation in arid, semi-arid, and dry sub-humid areas resulting from various factors, including climatic variations and human activities. It further defines land degradation to mean a reduction or loss of the economic or biological productivity and complexity of cropland, or range, pasture, forest and woodland. Its other objective of mitigating the effects of drought aims to reduce the vulnerability of society and natural systems to drought.

55. The general principles enunciated by the UNCCD and the commitments it seeks from Parties include widespread participation and involvement of all stakeholders, fostering partnerships and the taking into account of special needs and circumstances of countries. The Convention also calls for increased flexibility in project design, funding and implementation, and the fullest possible coordination among various Parties and relevant organizations.

56. In pursuing the objectives of the UNCCD, Parties are urged to adopt an integrated approach that incorporates strategies for poverty reduction into efforts to combat desertification and mitigate the effects of drought; to establish strategies and priorities within the framework of sustainable development; to provide an enabling environment; and to strengthen sub-regional, regional and international cooperation. Article 19 of the Convention specifically recognizes the significance of capacity building through, *inter alia*, institution building, training and development of relevant local and national capacities.

57. The scope of “priority fields” of capacity building activities in CCD is revealed by information on the measures that the Parties are expected to include in their National Action Programs (Articles 10.3-4):

- (a) Promotion of alternative livelihood and improvement of national economic environments with a view to strengthening programs aimed at the eradication of poverty and at ensuring food security;
- (b) Establishment and/or strengthening of early warning systems and strengthening of drought preparedness and management;
- (c) Demographic dynamics;
- (d) Sustainable management of natural resources;
- (e) Sustainable agricultural practices;

- (f) Development and efficient use of various energy sources;
- (g) Institutional and legal frameworks;
- (h) Strengthening of capabilities for assessment and systematic observation, including hydrological and meteorological services, and
- (i) Capacity building, education and public awareness.

58. Countries affected by desertification are expected to implement the Convention by developing and implementing national, sub-regional, and regional action programs. Various consultations have identified capacity strengthening as one of the enabling activities needed for effective implementation of sub-regional programs between neighboring countries

### **Common Approaches to Capacity Building across the Conventions**

59. It is clear that the obligations to the Conventions are growing for each of the Parties, and with it the capacities that must be in place to deliver on these obligations. Even a cursory examination of the capacity building needs identified in Tables 1 and 2 and in paragraph 57 above reveals the enormity of the task at individual country level. The global task is even more daunting. There are three immediate implications of this observation. One, the task is too big for any one Party or agency to handle alone and therefore can only be accomplished in partnerships. Two, recipient country parties need to prioritize and sequence their capacity building efforts. And three, in the interests of a coordinated response and cost-effectiveness, they need to exploit wherever possible the synergies between the similarities of capacity building requirements across various Conventions.

60. The assessment of guidance from the three Conventions shows a notable similarity in some guidance across the Conventions. Thus for example, education and public awareness are identified needs of all the three Conventions. Identification of root causes of loss of biological diversity or of loss of soil fertility require overlapping skills. Also, adapting to climate change or to drought could also require similar response patterns. Hence any strategy to deliver on capacity needs should explore these cross-Convention synergies. This is especially relevant for the GEF, which is the financial mechanism for both the Biodiversity and Climate Change Conventions, and is mandated by its Instrument to support activities to combat land degradation.

61. Not surprisingly, an assessment of what countries' are identifying as priority concerns and capacity needs also reveals that capacity needs fall into a series of cross-cutting areas, i.e., there are considerable synergies between the Conventions with respect to capacity building needs. (See paragraph 94 and Table 4 below for findings of the Assessment Phase on cross-Convention synergies.)

62. It is important to note, however, that similarities in guidance across the Conventions should not mask the fact that each Convention also has very specialized needs. Thus while inventorying species or emissions of greenhouse gases might appear to have some similarities, they require different specialized skills.

### III. FEEDBACK FROM THE ASSESSMENT PHASE

#### Introduction

63. As mentioned in paragraph 38, an extensive process of consultation, outreach and dialogue was undertaken during the Assessment Phase of the CDI to get an indication of countries' capacity building needs and priorities. Drawing on the methodological work of UNDP and others, this included a review of various materials and documents prepared thus far on capacity needs; questionnaires sent out to over 3,000 recipients; country-level assessments undertaken in 14 countries; discussions with national delegations at the Conference of the Parties of the CBD; technical consultations during the UNFCCC meetings in Bonn, and during the fourth session of the Conference of Parties to the CCD in December 2000. Five regional workshops were held to enable countries to further discuss and provide inputs and information on the capacity needs of their respective regions. Further details on the methodology and consultative process are provided in Annex A.

64. The outputs of Phase I are documented in the following reports<sup>10</sup>:

- (a) Country Capacity Development Needs and Priorities: Regional Report for Africa;
- (b) Country Capacity Development Needs and Priorities: Regional Report for Asia and the Pacific;
- (c) Country Capacity Development Needs and Priorities: Regional Report for Eastern Europe and Central Asia ;
- (d) Country Capacity Development Needs and Priorities: Regional Report for Latin America and the Caribbean;
- (e) Country Capacity Development Needs and Priorities: Report for Small Island Developing States ;
- (f) Scientific and Technical Capacity Development: Needs and Priorities;
- (g) Country Capacity Development Needs and Priorities: A Synthesis (Synthesis of a-f above);
- (h) Assessment of Capacity Development Efforts of Other Development Cooperation Agencies; and
- (i) Assessment of Capacity Development in the GEF Portfolio

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<sup>10</sup> These reports can be accessed from the GEF website at [http://gefweb.org/Site\\_Index/CDI/cdi.html](http://gefweb.org/Site_Index/CDI/cdi.html). See list of references for full reference (GEF and UNDP, CDI, July 2000, September 2000a – f, October 2000a, b).

(j) Compilation of Convention Guidance.

65. These reports were commissioned to provide substantive feedback to inform formulation of the strategic elements and framework, and also to provide a broad understanding of capacity building needs at a regional level. We have summarized Convention guidance in Section 2; we shall summarize briefly the main findings (lessons, needs and priorities) from the regions (including SIDS); scientific and technical capacity needs report; efforts of other development cooperation agencies; and that of the GEF in the next section.

### **Lessons Learned from Current Approaches to Capacity Building**

66. The regional and crosscutting assessments have provided useful feedback on current approaches to capacity development, lessons learned and best practices on the process of capacity building. There are also several important lessons emerging from the assessment of capacity building efforts by other development cooperation agencies and of GEF's portfolio on how to design and implement effective capacity building efforts.

#### *Feedback from Regional Assessments and Assessment for Small Island Developing States*

67. The regional assessments emphasize that capacity building efforts across the thematic areas (biological diversity, climate change, land degradation) should identify and build on existing capacities. Furthermore, as far as possible, these efforts should add value by exploiting the convergence and synergy in capacities required for the three Conventions. The reports also stress that capacity building programs should be flexible and responsive to differences between and within countries and cannot follow a one-size-fits-all approach.

68. One way of ensuring that the above principles are reflected in practice is to base projects and programs in detailed national capacity self-assessments that build on and draw from existing work. While such assessments should form a basis for action, it is also important to note that since capacity needs are evolving, a strategy for capacity building should not be tied to a particular assessment but must be flexible and anticipatory to be able to address future and emerging capacity needs.

69. The reports also note that national capacity assessments would benefit greatly from the sharing of appropriate methodologies and tools, and particular attention needs to be given to promoting such sharing through regional collaboration (regional forums, regional centers of excellence and informal networks of issue-based professionals, also known as communities of practice). In assessing and meeting capacity needs emphasis should not only be placed on needs of individuals and institutions but also particularly on the overall enabling environment in which individuals and institutions operate. This can be implemented both by improving the rigorousness of projects where capacity building is seen as a means to achieving the overall goal of the project as well as by designing and implementing projects that address capacity needs as their main goal. Also, the more traditional approaches to capacity building should be combined with newer more diverse capacity building processes.

70. Another important point highlighted by the regional reports is that for maximizing impact and sustaining capacities, national ownership and leadership is essential. National ownership must be multi-stakeholder in nature with active involvement not just of national government but also of local governments, private sector, NGOs and the public.

71. Finally, the reports note that given the wide-ranging capacity needs, it will be important to enhance the allocation of national and donor resources to this end, as well as to improve coordination and linkages between ongoing efforts to realize efficiencies.

#### *Feedback from Scientific and Technical Needs Assessment*

72. Biodiversity, climate change, and, to a lesser extent, land degradation are relatively new concerns for which solutions are currently either poorly developed or unknown. Science and technology are not yet harnessed adequately to the generation of new knowledge and alternatives, or to supporting decision-making processes on these issues.

73. The special study of scientific and technical capacity for global environmental management (GEF-UNDP, CDI, October 2000) found that there are four common areas where scientific and technical capacity needs to be developed:

74. Assessment of the nature and status of the environmental problems and the generation (as well as management) of scientific information and knowledge on which to base responses, including anticipating degradation of the environment and establishing early warning mechanisms.

75. Integration of environmental considerations into national science and technology policies or formulation of science and technology policies that are deliberately aimed at addressing environmental problems.

76. Creation and/or strengthening of science research bodies and institutions to focus more explicitly on science for the solution of environmental problems in the three areas.

77. Specialized skills in such areas as taxonomy (for biological diversity), climatology (for climate change), and soil chemistry (for land degradation), as well as common skills in the use of, for example, geographic information systems and satellite technologies, and policy analysis related to environmental science and technology.

#### *Feedback from the Development Cooperation Community*

78. The assessment of capacity development efforts of development cooperation agencies notes a shift to embed capacity development explicitly as a central element of their corporate goals. Generally the approach has shifted towards a system's perspective to capacity development for the environment that covers various levels of capacity.

79. Experience of the development cooperation community also suggests that greater emphasis needs to be placed on the process of capacity development and that this process must be

locally/nationally owned. Furthermore, isolated approaches to capacity development lack sustainability. Therefore, efforts must be integrated with ongoing national sustainable development initiatives. In addition, emphasis needs to be laid on coordination and partnership. While there are obvious advantages to country-managed aid coordination, one must also be cognizant of the constraints implicit in coordinating donor agencies.

80. In designing and implementing capacity building activities, a more iterative approach needs to be adopted given the inherent dynamic nature and complexities involved. Many aid agencies are moving away from linear, blueprint approaches to an iterative approach with recognition of the need for adequate monitoring and evaluation procedures and the challenges involved in developing them. For the same reasons programmatic approaches, while not immune to the weaknesses of project-by-project approaches, need to be emphasized.

81. The report on development cooperation community's experience also notes that progress has been made from the efforts that have gone into identifying, designing and implementing projects and programs that address capacity development for the environment. There is however a growing need for multiple entry points for support and the development of tools to monitor and evaluate capacity development for the environment<sup>11</sup>.

82. Strategies, planning and implementation of capacity development activities in support of the global Conventions are slowly emerging as part of a tacitly understood strategy among the development cooperation community. But the scope and focus of this support vary greatly. Several efforts (at this stage) have been on the identification of priorities and needs in recipient countries (especially in climate change), awareness raising and training (including for negotiation processes), and strengthening capacity to diagnose and plan in relation to global environment issues. Some support has also gone into developing the capacity of institutions, dealing with legislation, administration, diagnosis, planning and monitoring of global issues.

83. However, the report notes that even though most of the conceptual underpinnings are in place to implement capacity development for the environment as a whole, few development cooperation organizations currently have a clear strategy to address and enact capacity development in support of global environmental issues. Practice still appears to lag theory.

#### *Feedback from the GEF portfolio*

84. A review of the overall GEF portfolio notes that a significant share of current projects address capacity needs – at individual, institutional and systemic levels – and the emphasis on capacity building has increased over time. The GEF's experience suggests that all three levels of capacity need to be addressed because capacity constraints or bottlenecks at one level can undermine progress and the development of capacities at other levels. While projects are attempting to address all three levels, a project-by-project approach is clearly insufficient to fully address system-level capacity needs. Various

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<sup>11</sup> Some of the approaches developed, or in development so far, show promise but require further testing and refining before they can be used in a systematic fashion.

other reviews of GEF operations suggest that current GEF mechanisms for channeling resources to countries are restricted and limited in their ability to fully embrace and address capacity building needs, which are a critical and integral component for accomplishing the GEF's mission.

85. Experience also suggests that capacity building must not be removed from a substantive objective. Capacity building efforts are most effective when there is a clear understanding of the objective for which the capacity is being developed. For instance, capacity building efforts in the current portfolio are seen to be most effective when linked to processes of market transformation associated with the energy sector and natural resource management in agriculture, fisheries, forestry, and land use.

86. Approaches to capacity building in the current portfolio are evolving from the more traditional, product-oriented ones to newer, process-oriented ones. Furthermore, some projects are adopting an iterative approach to program development with learning-by-doing being an important element.

87. While these are all encouraging changes in approach, the need remains to better sequence capacity building efforts, to conduct appraisals and assessments of existing capacities and gaps as part of project design, for more flexibility, longer time-spans, phasing and for designing exit strategies.

88. Another observation from the GEF portfolio relates to the importance of partnerships and multi-stakeholder ownership and participation. The partnering of NGOs and government in capacity building efforts facilitates capacity retention and sustainability, for instance when government staff changes.

89. The GEF was created to fulfill a unique niche – that of providing financing for programs and projects to secure global environmental benefits, and in support of sustainable development, in four focal areas, and the cross-cutting area of land degradation. Indeed, the flexibility of the GEF to respond promptly and effectively to changing circumstances, including evolving guidance of the Conference of the Parties, and experience gained from monitoring and evaluation is central to GEF's operational principles and its ability to remain innovative and to fulfill its mandate. The next three paragraphs summarize some of the important findings of GEF's evaluation exercises outside of CDI.

90. GEF's monitoring and evaluation activities are providing early indications that while many GEF projects have targeted capacity building at the systemic level through policy changes, they have not been able to address the systemic root causes, and hence larger policy concerns or reforms that may be required for effective results. The Project Performance Review (2000) concluded, "projects will achieve their objectives and be sustainable to the extent that GEF also addresses the broader socio-economic and political context and enabling environment in which they take place". A thematic study on "Achieving Sustainability of Biodiversity Conservation" identified eight principal factors as critical for sustained biodiversity impact in both protected areas and the wider production landscape.<sup>12</sup>

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<sup>12</sup> These include: political will; awareness and understanding of the value of biodiversity; capacity of institutions and people; policy and legal framework; resource uses; adequacy and diversity of financial resources; the international context of policies, commitments; and sound science and reliable information.



91. The GEF has recently completed reviews of its support for Enabling Activities in Climate Change and in Biodiversity. While the climate change enabling activities achieved more than the minimum required for initial communications and contributed significantly toward enhancing scientific and technical knowledge in countries, “they were neither a clear step in the direction of sustainable capacity building, nor have they helped countries prepare to develop policies and strategies required to deal with climate change”. Countries had higher expectations for capacity building than what the enabling activity projects could offer. Clearly therefore, the first round of Enabling Activities, the review concluded, should be considered a first step in a continuous and long-term series of efforts to establish a sustainable framework for meeting Convention obligations while also leading to concrete actions. The review recommended longer term funding for enabling activities and additional resources for enhancing the capacity building components of EA projects.

92. The Assessment of Biodiversity Enabling Activities revealed that the National Biodiversity Strategy and Action Plans (NBSAP) that were prepared lacked prioritization. They also did not include a mechanism for regular updates as new calls for action and guidance emerge from the COP meetings. Such a mechanism could be incorporated within a monitoring and evaluation system that should be part of NBSAP implementation. The Assessment also pointed out that achieving genuine inter-sectoral integration, and later joint implementation, will require additional capacity building. The review concluded that the GEF does not have the resources to support NBSAP implementation on a large scale and it may be better suited to facilitating partnerships between countries and donors – bilateral and multilateral.

### **Capacity Building Needs and Priorities of Countries**

93. The regional assessments including those from SIDS, scientific and technical assessment commissioned in Phase I, together with the regional consultations, have provided important feedback on priority concerns at a general level within the context of Convention commitments. While the emphasis on each priority concern is likely to vary from country to country, the feedback based on the Regional Assessments provides an illustrative list of priorities, which are common across both countries and regions and are summarized in Table 3. Because they are a result of a separate process, the priorities for Climate Change, while similar to those in Table 1, are not identical.

94. In addition, Assessment Phase reports and consultations also found that some capacity needs of countries to address these priority concerns, while varying in detail and importance between countries<sup>13</sup>, were common, such as those related to awareness and knowledge. These are summarized in Table 4. Another important finding is the marked similarities and opportunities for synergy across the three Conventions, such as those related to the development of negotiation skills.

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<sup>13</sup> Most notably with respect to the SIDS because of their size and vulnerability.

**Table 3. Priority Concerns Common Across Countries and Regions for Each Convention**

Related to <sup>14</sup>	BIODIVERSITY	CLIMATE CHANGE		LAND DEGRADATION
		Developing Countries	Economies in Transition	
I. Awareness and knowledge	<ol style="list-style-type: none"> <li>1. Low levels of awareness and knowledge of biodiversity issues</li> <li>2. Management and delivery of biodiversity information and knowledge, including both monitoring and gap filling</li> <li>3. Avoiding the loss of indigenous biodiversity knowledge and technology</li> </ol>	<ol style="list-style-type: none"> <li>1. Low levels of awareness and understanding of climate issues</li> </ol>	<ol style="list-style-type: none"> <li>1. Awareness of the risks</li> <li>2. Information systems, monitoring</li> </ol>	<ol style="list-style-type: none"> <li>1. Building public support;</li> <li>2. Cataloguing degraded areas</li> <li>3. Demarcating degraded areas that are salvageable</li> <li>4. Identifying areas facing imminent or possible threat of degradation</li> <li>5. Identifying factors and activities that lead to degradation, and their root causes</li> <li>6. Identifying the impacts of land degradation</li> </ol>
II. Policy-Making	<ol style="list-style-type: none"> <li>4. Biological diversity policy making and planning (particularly in response to article 6 of the Convention)</li> <li>5. Gaps, overlaps and conflicts in legal and regulatory frameworks and institutional jurisdictions and mandates</li> </ol>	<ol style="list-style-type: none"> <li>2. National climate change strategies</li> </ol>	<ol style="list-style-type: none"> <li>2. Development of protection strategies and action plans</li> </ol>	<ol style="list-style-type: none"> <li>7. Establishing priorities and developing action plans</li> <li>8. Integrating land degradation concerns into existing policies, laws and programs</li> </ol>
III. Conventions and Negotiations	<ol style="list-style-type: none"> <li>6. Mechanisms to address trans-national issues and the negotiation of international agreements and Conventions</li> <li>7. Biosafety and the Cartagena Protocol</li> </ol>	<ol style="list-style-type: none"> <li>3. Convention negotiation</li> <li>4. Understanding synergies between Conventions</li> </ol>	<ol style="list-style-type: none"> <li>3. National reporting</li> </ol>	--
IV. Implementation of Convention Provisions	<ol style="list-style-type: none"> <li>8. Access and benefit sharing</li> <li>9. In-situ management of biodiversity, in particular protected areas and their integration into the surrounding landscape</li> <li>10. Ex-situ conservation of both wild and domestic biodiversity (botanical gardens, zoos, gene banks)</li> </ol>	<ol style="list-style-type: none"> <li>5. Vulnerability and adaptation</li> <li>6. Observation and measurement</li> <li>7. Abatement of greenhouse gas emissions and carbon sequestration</li> <li>8. Clean development mechanism</li> <li>9. Transfer of environmentally sound technologies</li> </ol>	<ol style="list-style-type: none"> <li>4. Adaptation</li> <li>5. Energy efficiency (on both the supply and demand side)</li> <li>7. Renewable energy utilization</li> <li>8. Carbon sequestration</li> <li>9. Fuel shifting (replacement of fuels with those of lower carbon content)</li> </ol>	<ol style="list-style-type: none"> <li>9. Mobilizing government, professional bodies, and regional and international agencies to participate in actions to prevent land degradation</li> <li>10. Launching field programs</li> </ol>
V. Theoretical Underpinnings	<ol style="list-style-type: none"> <li>11. Valuation and incentive mechanisms</li> <li>12. Skills in environmental economics and</li> </ol>	--	--	--

<sup>14</sup> Separation into these five categories should not convey the impression that these five categories are unrelated to each other.

	taxonomy			
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**Table 4. Common Capacity Needs Across Regions and Across Conventions**

<b>Identified Common Capacity Needs</b>
1. Low levels of awareness and knowledge limit abilities for discussion, decision making, and action.
2. Paucity of information management, monitoring and observations hamper policy- and decision-making.
3. National policy, legal and regulatory frameworks tend to be unsynchronized leading to confusion between sectors and between national, regional and local levels.
4. Incentive systems and market instruments are inadequately developed.
5. Institutional mandates either overlap or have gaps, key institutions are not involved, and interactions between institutions are not always effective.
6. Science and technology are ineffectively mobilized in support of policy- and decision-making.
7. Preparing for, skill in participating in, and reporting back on, international negotiations and agreements is weak.
8. Coordination, and processes for interaction within the country are poorly developed.
9. Cooperation and networking within regions is often lacking.
10. Individuals tend to be ineffectively deployed, mobilized, motivated or given responsibility.
11. Institutional effectiveness is hampered by weak management and resource constraints.
12. Lack of financial resources and technology transfer.

#### IV. ELEMENTS OF A STRATEGIC COLLABORATION FOR FACILITATING INTERNATIONAL EFFORT

##### **Introduction**

95. One of the objectives of the CDI was to develop the elements of a strategic collaboration to guide multi-party efforts. The assessment phase has made it abundantly clear that GEF alone cannot address all the capacity building needs to meet global environmental challenges. Therefore, in addition to setting out the Framework (next section), the GEF also sought to develop a set of strategic elements to share with partners (countries, other donors, civil society, and private sector) to invite consensus, collaboration and partnerships.

96. The goal of the strategy is to *facilitate collaborative international effort* to build country capacities to meet the challenges of global environmental management within the context of their sustainable development actions. It emphasizes countries' abilities to implement the global Conventions. There are some very specific capacity needs (such as vulnerability and adaptation assessments, preparation of national reports) which countries have to develop to promote global environmental management. There may also be some very critical (national capacity) barriers that may exist in some countries (especially in LDCs and SIDS) which unless addressed will impede the delivery of global benefits.

## Elements of Strategic Collaboration

97. Findings of the CDI assessment phase have led to the identification of five constituent parts in facilitating greater international effort. The next paragraphs describe each part briefly. GEF will:

- (a) Provide active forums for dialogue with partners and networks.
- (b) Seek clarity about partners' differentiated roles based on comparative advantage.
- (c) Attempt to leverage financial resources, at both the program and project levels.
- (d) Seek endorsement of partners on the operational principles as a basis for action.
- (e) Adhere to the operational principles while making its contribution to the strategic collaboration through the framework.

98. *Forums for Dialogue:* As Section 2 on Convention guidance makes evident, the task of meeting capacity building needs for global environmental management is enormous. For pragmatic reasons and in the interest of maximizing the utility of capacity building efforts for the global environment, it is essential that the donor and recipient community cooperate and build effective partnerships. GEF will seek collaborative forums with opportunities to exchange at various levels views and experiences on approaches and methodologies and share technical expertise. The cooperation would extend to all levels – project, country, regional, and at the policy level among donors.

99. *Comparative Advantages:* To be effective in building capacity, the assessment phase underscored the need to go beyond a narrow focus on the global environmental conventions that the GEF serves to include other global conventions and sustainable development needs. If GEF is to be associated with activities that go beyond its mandate, it necessitates working with other partners with differentiated roles, responsibilities and mandates. GEF will seek clarity on the respective comparative advantages of different partners.

100. *Leverage Financial Resources:* Given the multi-utility nature of capacity building required, GEF will undertake to leverage financial resources, both at the program and project levels. These efforts will be more intense than carried out for existing projects and programs. GEF will work with the Implementing Agencies, executing agencies, donors and other partners depending on their different mandates and work programs to ensure that capacity building needs of recipient countries are met.

101. *Operational Principles:* The reports and consultations from the assessment phase of the CDI provide a good overview of current approaches to capacity building and important lessons that should be incorporated in developing operational principles. In recent years, the broad conceptual framework for capacity building that has emerged within the development co-operation community is increasingly being adopted and promoted within these institutions. There are several operational principles that can be seen as central to effective design and implementation of capacity building efforts. These principles emerged consistently from the assessment phase, and with a striking convergence of views between recipients and donors. The principles are listed in Table 5 and are described briefly in the next section.

GEF will seek endorsement of these operational principles as a basis for action from its partners. These principles are not carved in stone and can be modified to respond to new learning.

102. *Framework for GEF Action:* GEF's contribution to international effort to support capacity building in recipient countries is more fully spelt out in Section 5. GEF will endeavor to apply the operational principles mentioned in paragraph 101 above and listed in Table 5 in all its activities in support of capacity building, although the relative emphasis of each will vary from case to case.

**Table 5: Operational Principles for Effective Capacity Building**

<ol style="list-style-type: none"><li>1. Ensure national ownership and leadership</li><li>2. Ensure multi-stakeholder consultations and decision-making</li><li>3. Base capacity building efforts in self-needs assessment</li><li>4. Adopt a holistic approach to capacity building</li><li>5. Integrate capacity building in wider sustainable development efforts</li><li>6. Promote partnerships</li><li>7. Accommodate the dynamic nature of capacity building</li><li>8. Adopt a learning-by-doing approach</li><li>9. Combine programmatic and project-based approaches</li><li>10. Combine process as well as product-based approaches</li><li>11. Promote regional approaches</li></ol>
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### **Operational Principles for Effective Capacity Building**

103. *Ensure national ownership and leadership:* It is a fundamental principle that for positive outcomes of the capacity building process, including its long-term sustainability, the efforts should be nationally owned, led and driven. A high degree of national political commitment and leadership consistently sustained over time is essential. Related implications of this principle are that country representatives decide on priorities and courses of action and their links to other national priorities. It also implies self-monitoring, self-evaluation and learning-by-doing.

104. *Ensure multi-stakeholder consultations and decision-making:* National decision-making should involve multiple stakeholders, particularly with a view to tackling inter-sectoral issues. A necessary condition for effective and sustainable results is the involvement of principal stakeholders right from the start of the planning process as full and equal partners.

105. *Base capacity building efforts in self-needs assessment:* National ownership and leadership is more likely when capacity building efforts are preceded by a self-assessment of needs. This is also made imperative because of the wide variation in the levels of capacities to implement Convention obligations across countries. The objectives of capacity building efforts should be commensurate with the existing status of the capacities in the recipient country. Even when focused on problem-centered approaches, the efforts are often more successful when they are realistic, recognize and build on existing strengths, knowledge and experience within countries.

106. *Adopt a holistic approach to capacity building:* All dimensions of capacity need attention – the individual, the institution and the overall policy framework in which individuals and organizations operate and interact with the external environment, as well as the formal and informal relationships between institutions. An inadequate emphasis at the system level may diminish the impact of efforts at the institutional and individual levels. A proper balance, therefore, needs to be established between all three, closely interlinked, levels.

107. *Integrate capacity building in wider efforts to achieve sustainable development:* Capacity is very fluid and has multiple utility. Any strategy to address capacity building must therefore recognize that developing capacities for global environmental action is closely related to and must be integrated with on-going initiatives to enhance capacities for broader environmental management and for sustainable development in general.

108. *Promote partnerships:* Meeting capacity building needs is an immense and urgent task requiring a collective effort that draws upon the comparative advantages of the multiple parties to maximize impact. There is a need for differentiated roles. The opportunity for multiple channeling of financial resources and expertise must be capitalized. Furthermore, partnerships are central to achieving best, sustained results. The most successful capacity building efforts are often those where the partners invest some of their own financial and staff resources. In that context, it is important that the assistance be defined through open and transparent dialogue with all the key players (countries, civil society, donors, and private sector partners) in capacity building.

109. Coordination both between various efforts at the country-level and amongst donors is essential and there is clearly a potential for more coordinated efforts. However, there are constraints to country-managed aid coordination, as well as donor-induced constraints to coordination. There are, nevertheless, some basic hallmarks of good coordination (OECD, 2000).

110. *Accommodate the dynamic nature of capacity building:* Capacity building is a dynamic process with many facets: *mobilization* of existing potential that may not be utilized because it does not reside in the institution that is charged with the respective responsibility or individual expertise may not be utilized because of organizational deficiencies, among other reasons; *enhancement* of capacity to avoid obsolescence through continuous utilization and by providing short-term courses, workshops, seminars and other training services; *conversion* or *adjustment* of existing capacity to deal with the new problems; *creation* of capacity through formal training programs; and finally *succession* or the *improvement* of capacities by subsequent generations. Capacity *retention* is also a key challenge.

111. Given that capacity building is not static but a dynamic and iterative process (as opposed to linear), adequate monitoring and evaluation techniques with appropriate benchmarks and indicators are essential for learning-by-doing and for adaptive management. It is therefore important for the players to revisit the operational principles, strategic elements, tools and methodologies from time to time.

112. *Adopt a learning-by-doing approach to capacity building:* Capacity building efforts should be supported by a variety of tools and methodologies. These could range from the more traditional methods to capacity building (such as workshops, in-service technical training) to those that offer

greater scope both methodologically and institutionally (such as, networking, horizontal exchanges and co-operation, creation of multi-stakeholder project steering committees, sharing of project management responsibilities, internships, south-south co-operation, issue-based scientific networks).

113. *Combine programmatic and project-based approaches:* Programmatic approaches to the management of development assistance rather than project-by-project approaches are favorable, particularly if one is to promote local ownership and equal partnership, iterative management, and a cross-sectoral vision.

114. *Combine process as well as product-based approaches:* Greater emphasis must be placed on the process of capacity building, with recognition of a need to support slow, gradual, and sometimes-unpredictable processes.

115. *Promote regional approaches:* In some cases it might be more efficient and cost-effective to organize efforts on a regional basis. Technical assistance for national capacity building efforts should come from nationally-based institutions that are recognized regionally (or even globally) for their expertise. A number of other multilateral and bilateral agencies are already supporting regional cooperation and regional networks of expertise.

116. Central to the implementation of the strategic collaboration will be the need to be responsive to the varying circumstances of different countries through flexible and diverse approaches. The individual, institutional and system capacity building projects could be designed at various spatial scales (local, national, regional, and global), to cover various time frames (small, medium to long term), and adopt a mix of targeted and non-targeted, traditional and non-traditional approaches.

117. As a response following Council discussion and decisions, the GEF will initiate consultations with partners in appropriate forums to get their endorsement of the above operational principles and seek clarity on roles based on mandates and comparative advantages. Concomitantly, the GEF-specific actions will be implemented. These are described in the next section.



## V. FRAMEWORK FOR GEF ACTION FOR CAPACITY BUILDING FOR THE GLOBAL ENVIRONMENT

### **Overall Goal and Objectives of the Framework for GEF Action**

118. The overall goal of the Framework is to strengthen the capacity of developing countries and countries with economies in transition to meet the challenges of global environmental management in support of their sustainable development efforts. The specific objectives of the Framework are to:

- (a) provide increased opportunities to recipient countries to access GEF resources for capacity building through flexible and responsive pathways;
- (b) offer technical support to recipient countries to overcome special challenges; and
- (c) ensure continuous improvement through regular review, dialogue, monitoring, feedback and evaluation by a GEF management system.

119. Countries are clearly at different stages in terms of their capacity building needs, identification of priorities and ultimately utilization of the built capacity for environmental management in general, and to implement the global Conventions in particular. The framework is therefore designed to be flexible in its delivery to accommodate variations in country needs and priorities. The process of building capacity and the outputs of capacity built occupy a continuum between local and global needs, and therefore the linkages between capacity building for the global environment and national sustainable development must remain a central theme of the framework.

120. There is a substantial body of work on the importance of developing capacity and on applying best practices in this regard that reflects the several years of experience of developing countries and development cooperation agencies in capacity building. The formulation of the framework has benefited from this, particularly through the various reports undertaken by the Assessment Phase of the CDI that were designed to draw on this knowledge base. The framework responds to the operational principles emerging as important for effective capacity building.<sup>15</sup>

121. Within the GEF itself there have been several more recent evaluations and studies of GEF operations. In developing the Framework we have kept abreast of the findings of these reports that came to the fore following the Assessment Phase of the CDI<sup>16</sup>. The framework is therefore responsive

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<sup>15</sup> The GEF's Operational Principles add further emphasis to some of the key operational principles for effective capacity building. For example, country driven and based on national priorities (national ownership and leadership), consultation and participation of beneficiaries and affected groups of people (process versus product); GEF's catalytic role and leverage additional financing from others (need for co-ordination); flexibility to respond to changing circumstances and experience (dynamic nature of capacity development).

<sup>16</sup> These outputs are documented in the form of evaluation and study reports, in particular the annual Program Performance Report for 2000 (that reports on the annual PIRs), a special thematic review titled "Integrating Capacity Development into GEF Project Design and Evaluation: Approach and Frameworks", Review of Climate Change Enabling Activities, and An Interim Assessment of Biodiversity Enabling Activities, and a study on "Achieving Sustainability of Biodiversity Conservation".

to the concerns and broad consensus emerging from these internal processes of feedback and reflection on the need for the GEF to expand and deepen its support for capacity building.

122. The Framework will be applicable to all the focal areas of the GEF, and the crosscutting area of land degradation<sup>17</sup>. It will also be applicable to new agreements, when they come into force, for which the GEF is designated as the financial mechanism. For example, the framework could be extended to cover capacity building under the Stockholm Convention on Persistent Organic Pollutants and the Cartagena Protocol on Biosafety once the initial enabling activities have been completed. There are three parts to the framework, one for each objective listed above. Part A comprises new pathways, as well as modifications to existing pathways, to enhance delivery of GEF resources to countries to build their capacity for global environmental management. Part B comprises technical support to facilitate effective delivery through the pathways. Part C will ensure management of overall capacity building efforts undertaken by the GEF<sup>18</sup>. Each part of the framework is elaborated on in the next three sections.

## **The Framework for GEF Action**

### *Part A: Pathways for GEF Support*

123. There are four proposed funding pathways (Figure 1, page 5) and we will discuss each of these in turn, highlighting its aim, key features, principles that underpin it, as well operational aspects relating to its scope for support, challenges and safeguards, and procedures proposed for its approval. These pathways should not be seen as mutually exclusive or even sequential but as being strategically linked, providing countries with several options to address the dynamic and holistic nature of capacity building. The ongoing dialogue that will be undertaken as part of the Elements of the Strategic Collaboration will ensure that GEF support is additive and complementary to ongoing and parallel efforts, and cost effective.

#### *Pathway A1 (New): Self-assessment of Capacity Needs*

124. This will be a new pathway for GEF funding. The overall aim of this pathway is to provide countries the opportunity to take the lead in articulating their capacity needs and priorities based on self-assessments. It will facilitate a consultative process of stock-taking, sequencing and prioritization of capacity needs, especially for identifying bottlenecks. Countries will be encouraged to explore common capacity needs across the thematic areas of biodiversity, climate change and land degradation within the broader sustainable development context. By putting in place mechanisms for consultation and cooperation and by carrying out the necessary scoping, analysis, and planning in an integrated fashion,

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<sup>17</sup> Although the initial assessment phase of the CDI focused on climate change, biodiversity and land degradation, the proposed framework will be extended to meet the capacity needs for all its focal areas and land degradation (including international waters), as appropriate to the needs and requests from the individual countries.

<sup>18</sup> The Framework will also engage ongoing non-project activities of the GEF (such as Country Dialogue Workshops) to increase its effectiveness.

countries will be making significant progress in enhancing their capacity for global environmental management. Resources will be available to all countries with requests being made as needed and appropriate. Table A1 summarizes the highlights of this pathway

125. Given that countries are at different stages in terms of defining their capacity building needs, the precise scope and nature of this process is likely to vary from country to country<sup>19</sup>. This assessment process will build on the ongoing national communications (climate change), national reports and biodiversity strategy and action plans, and national action programs (for land degradation), and other existing national information. Guidelines on essential steps and methodologies for undertaking the needs assessments are in Annex C.

126. This pathway is particularly responsive to the first two operational principles, namely ensuring national ownership and leadership and multi-stakeholder participation and representation in consultative processes so as to allow for a more holistic approach to identifying, sequencing and prioritizing capacity needs. This in turn should provide a systematic basis upon which to address national capacity needs, including those for policy and institutional reforms, through ongoing and proposed national, bilateral and multilateral efforts, including those of the GEF.

127. There may be some circumstances in which a regional approach to pathway A1 may be better suited to the needs of a particular region. Regional approaches will be supported based on country-driven requests.

128. This pathway will adopt the expedited procedures similar to those currently applied by the GEF for Enabling Activity projects to fund the needs assessment so as to allow the process to get underway as soon as possible. It is anticipated that these self-needs assessments should take less than 15 months to complete, depending on in-country arrangements. It is proposed that countries be able to access resources up to US\$200,000 using expedited procedures, per country. Efforts will continue to be made for speedier disbursement. Guidelines on submitting proposals for the initial self-assessment of capacity needs will be provided.

129. In implementing this pathway LDCs and SIDS will receive special consideration in two important respects. First, these countries may need initial technical support to mobilize and prepare proposals for the self needs assessments. It is proposed that PDF-As be made available for such assistance. Second, these countries would explore as part of the needs assessment the most appropriate decentralized arrangements for implementing pathway A2.

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<sup>19</sup> Some countries, driven by their needs, may opt for comprehensive assessments that cover all areas, while others might need resources only to fill critical gaps or highlight cross-cutting features in existing information, or to undertake appropriate consultations with all stakeholders to ensure that the assessment of capacity needs reflects broad-based views.

**Table A1. Self-assessment of capacity needs**

Overall aim	To facilitate a consultative process of stock-taking, sequencing and prioritization of capacity needs, specifically focusing on synergies across the thematic areas of biodiversity, climate change and land degradation.
Responsiveness to Operational Principles	This pathway is particularly responsive to the following operational principles: <ul style="list-style-type: none"> <li>• Ensure national ownership and leadership.</li> <li>• Ensure multi-stakeholder consultations and decision-making.</li> <li>• Base capacity building efforts in self-needs assessments.</li> <li>• Adopt a holistic approach to capacity building.</li> <li>• Integrate capacity building in wider sustainable development efforts.</li> <li>• Combine process as well as product-based approaches.</li> </ul>
Scope (Types of activities that will be supported)	<ul style="list-style-type: none"> <li>• Consultative self-assessment of capacity needs building on existing National Reports, NBSAPs and other assessment efforts.</li> <li>• Identification of synergies in capacity needs across conventions and country priorities.</li> <li>• Identification of gaps in capacities.</li> <li>• Sequencing and prioritization of needs, especially for identifying bottlenecks.</li> </ul>
Delivery mechanism (GEF approval procedures)	Expedited Enabling Activity procedures
Resources (GEF and others)	Up to \$200,000 through expedited procedures, per country. Resources will also be leveraged from other partners at a program level, given the opportunities for synergy across other environmental issues.
Roles and Accountabilities	Country: Consult on needs assessment and prioritization; ensure views of all stakeholders are heard and considered. GEF: Offer technical support to countries, as requested and appropriate (see Part B); briefing staff within the GEF family on scope, eligibility and review criteria.
Special cases	PDF-As available for LDCs and SIDS to prepare such requests. Resources through this pathway will also be used by LDCs and SIDS to prepare for A2 (see under A2).
Challenges and safeguards	Challenges: <ul style="list-style-type: none"> <li>• Prioritization is based on needs and takes into account existing capacities.</li> <li>• To ensure that all stakeholders' views are reflected.</li> <li>• Recognizes that capacity needs are interlinked and must be approached holistically.</li> </ul> Safeguards: <ul style="list-style-type: none"> <li>• Provide coaching, technical guidance, and facilitation when requested.</li> </ul>
Technical support	<ul style="list-style-type: none"> <li>• Best practices on implementing a consultative process (multi-stakeholder, inter-sectoral) of stocktaking, needs assessment and prioritization.</li> <li>• Tools, methodologies and coaching on best practices in capacity assessment.</li> </ul>

*Pathway A2 (New): Program for Critical Capacity Building Activities*

130. This also will be a new pathway for GEF funding, specially created for LDCs and SIDS, to undertake critical capacity building activities. Critical capacity building activities are those which would assist in the removal of bottlenecks that impede the consideration of global environmental management. LDCs and SIDS face particular challenges in this regard, a reality that has been recognized and highlighted in various decisions of the Conventions. Countries will determine and address what they see as priority capacity bottlenecks to global environmental management. Table A2 summarizes the highlights of this pathway

131. Pathway A2 will be operated as a longer term, decentralized program that will be managed in-country. The decentralized arrangements, and the initial set of activities to be funded through this program will be identified as part of the self needs assessment undertaken through A1. In that context, support will be available for small, discrete projects to: (i) build capacity to remove capacity bottlenecks to effective environmental management such as strengthening the capacity skills of key individuals and institutions on issues and implications relating to the global conventions, strengthening capacities for cross-conventions dialogue at the national level; and (ii) facilitate an ongoing process to co-ordinate, manage and monitor and take stock of capacity built.

132. Some of the key challenges that countries are likely to face in effective implementation of A2 will be to focus on capacity bottlenecks identified through A1; ensure that decentralized arrangements are operated transparently and expeditiously; maintain effective multi-stakeholder and inter-sectoral representation and participation throughout; and design and operationalize a monitoring system.<sup>20</sup> It will be important therefore to build in appropriate safeguards such as good analysis through A1 to identify capacity bottlenecks; dissemination of guidelines on selection and operation of multi-stakeholder decision-making mechanisms; and guidelines on monitoring systems and indicators.

133. Key features of this pathway include the decentralized operation of this program, with an emphasis on enhancing in-country co-ordination efforts across sectors and thematic issues by addressing capacity bottlenecks. This pathway is responsive to the operational principles highlighted in Table 5, but is particularly responsive to the principles of nurturing country ownership and leadership, focusing on the processes critical to capacity building, and allowing for mobilization of in-country partnerships to address synergies across Conventions.

134. The GEF will provide resources to the country upon the initial request. Approval of subsequent requests to the GEF will be predicated on meeting benchmarks set out in the proposal. Given the decentralized, long-term and iterative nature of the mechanism, it will be particularly important for the country to develop and apply indicators to monitor progress over time and as a tool for adaptive management. Guidelines on submitting proposals for resources under this pathway will soon be provided.

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<sup>20</sup> For these countries (LDCs and SIDS) the Enabling Activity will be managed through the same arrangement. This will be explored further when the decentralized arrangements are further developed.

**Table A2. Program for Critical Capacity Building Activities (for LDCs and SIDS)**

Overall Aim	To enable countries (LDCs and SIDS) to remove critical capacity bottlenecks to good environmental management with positive impacts on the global environment.
Responsiveness to Operational Principles	This pathway is particularly responsive to the following operational principles: <ul style="list-style-type: none"> <li>• Ensure national ownership and leadership.</li> <li>• Ensure multi-stakeholder consultations and decision-making.</li> <li>• Adopt a holistic approach to capacity building.</li> <li>• Integrate capacity building in wider substantial development efforts.</li> <li>• Accommodate the dynamic nature of capacity building.</li> <li>• Combine process as well as product-based approaches.</li> </ul>
Scope (Types of activities that will be supported)	Small, discrete projects as identified in A1 that: <ul style="list-style-type: none"> <li>• Strengthen systemic capacity and skills of key individuals and abilities of institutions on matters relating to the global conventions.</li> <li>• Remove capacity bottlenecks to effective environmental management.</li> <li>• Provide iterative process to coordinate, manage, monitor, and take stock of capacity being built.</li> </ul>
Delivery mechanism (GEF procedures for approval)	To be determined. The GEF will explore with partners options and models for resource transfer through decentralized arrangements. Anticipated to operate as a rolling fund; replenishment predicated on meeting benchmarks.
Resources (GEF and others)	Will be determined through exploration of options and models for decentralized arrangements. Potential for resource mobilization from other partners at a program level, given the multiple-utility of the capacity being developed and the need for integrating capacity needs across other environmental issues as well.
Roles and Accountabilities	Country: Ensure priorities identified under A1 are funded, managed, monitored and report on progress; take stock of capacity developed; establish a simple, decentralized, multi-stakeholder arrangement to manage country-level approval and quick disbursement of funds using expedited procedures (based on evaluation of various options carried out under A1). GEF: Leverage and mobilize non-GEF resources; provide technical support to countries, as requested; training to staff within the GEF family on scope, eligibility and review criteria.
Special cases	A regional approach to meeting capacity needs might be more feasible in some cases, for instance in some groups of SIDS.
Challenges and safeguards	Challenges: <ul style="list-style-type: none"> <li>• Focus on capacity bottlenecks identified through A1.</li> <li>• Decentralized arrangements set up and operated transparently, and expeditiously.</li> <li>• Maintaining effective multi-stakeholder and inter-sectoral representation and participation throughout.</li> <li>• Country identifies, and operationalizes a monitoring system.</li> </ul> Safeguards: <ul style="list-style-type: none"> <li>• Good analysis through A1 to identify capacity bottlenecks.</li> <li>• Dissemination of guidelines on selection and operation of multi-stakeholder decision-making mechanisms.</li> <li>• Guidelines on monitoring systems and indicators.</li> </ul>
Technical support	<ul style="list-style-type: none"> <li>• Tools and best practices on establishing and managing decentralized arrangements and for facilitating multi-stakeholder consultation and capacity coaching.</li> </ul>

*Pathway A3 (New): Targeted Capacity Building Projects*

135. This will be a new pathway for GEF funding. The overall aim of pathway A3 is to support projects that have the primary goal of building capacity (individual, institutional and/or systemic levels), with clear evidence of how this capacity will in turn deliver on the Convention and global environmental objectives. Table A3 summarizes the highlights of this pathway

136. The scope of targeted capacity building projects will range from those that have a direct relationship and complementarity with the global environment (e.g., vulnerability and adaptation assessments, alien species, taxonomy) to those that extend to other sectors (e.g., education, health) where the relationship may be less direct, but there may be a need to build capacity for mainstreaming the global environment into sustainable development processes. But in all cases, these projects will seek to build capacity as an end product, which in turn is expected to stimulate broad based impact on global environmental management. Projects would emerge out of a country's priorities as identified through the self-assessment of capacity needs or some other national priority setting exercise, and would be guided by convention priorities and the GEF mandate.

137. Some illustrative examples of targeted capacity building projects that this pathway could support are:

- (a) Capacity needs in new and challenging areas (e.g., benefit sharing, vulnerability and adaptation).
- (b) Capacity needs in areas where traditionally there is weak capacity (e.g. taxonomy, global circulation models).
- (c) Special capacity needs of specific groups (for example, scientific and technical personnel, indigenous communities).
- (d) Capacity needs at the systemic level (e.g., power sector reform).
- (e) Common capacity needs across conventions (e.g., information management, incentive systems and market instruments).

138. In some cases, these targeted capacity building projects may be regional with special technical support needs. However, as indicated by the feedback from the assessment phase of the CDI it would be important that such projects originate from the region (based on countries' needs assessments), encourage within region collaboration, exchange and networking through nationally-based institutions that are recognized regionally (or even globally) for their expertise and communities of practice. Technical support would also be important when developing targeted capacity building projects in new and challenging areas (e.g., benefit sharing); or areas where there is weak capacity (e.g., global circulation models, taxonomy). As highlighted in Part B below, such technical support could be provided through a variety of ways including direct technical assistance, dissemination of best practices, through issue-based networks and south-south co-operation.

139. Targeted capacity building projects will take a holistic approach to capacity building (focus on the individual, institutional and systemic levels), account for the dynamic nature of capacity (capacity

mobilization, enhancement and creation, and efforts at retention), and will allow for a focus on both the product and processes of capacity building. These are all key operational principles that this pathway incorporates. It is also responsive to principles of country ownership, and regional learning and exchange where appropriate, as projects would emerge out of a self assessment.

140. There are some key challenges when designing targeted capacity building projects, and it is important to build in appropriate safeguards. For example, the capacity built and processes mobilized and deployed through such projects must contribute to improved global environmental management in the medium to long term. In this regard, the project should seek to ensure that capacity built has a context for delivery through some concrete outcome, such as leading to an investment project. Because it might take some time before capacities are fully functional, verifiable indicators and benchmarks should be clearly spelt out so that progress can be tracked, and if necessary the project corrected in mid-course.

141. Projects will be funded primarily according to procedures similar to those applied for the medium sized projects. Full sized projects would follow regular project approval procedures. The exact level of GEF funding, co-funding (through partnership and collaboration), and national contributions for each project would be guided by the scope and scale of the project, and the comparative advantages and mandates of the key agencies involved, including the GEF. Guidelines to assist countries in preparing proposals for this pathway will be widely distributed using GEF information dissemination processes.



**Table A3: Targeted Capacity Building Projects**

Overall aim	To support projects that have the primary goal of building capacity, with clear indicators for how this capacity will in turn deliver on the Convention and global environmental objectives.
Responsiveness to Operational Principles	This pathway is particularly responsive to the following operational principles: <ul style="list-style-type: none"> <li>• Base capacity building efforts in self-needs.</li> <li>• Adopt a holistic approach to capacity building.</li> <li>• Integrate capacity building in wider sustainable development efforts.</li> <li>• Accommodate the dynamic nature of capacity building.</li> <li>• Combine process as well as product-based approaches.</li> </ul>
Scope (Types of projects that will be supported)	The projects will target priorities in capacity building (as identified through A1 and other national priority setting exercises). Projects under this pathway will provide support to build capacity as an end product, which in turn is expected to stimulate broader based impact on global environmental management. Types of projects: <ul style="list-style-type: none"> <li>• Important capacity building needs in areas relevant to the Conventions.</li> <li>• Addressing cross-convention and cross-sectoral capacity needs that cannot always be met through GEF support under a particular Operational Program, or even focal area.</li> </ul>
Delivery mechanism (GEF approval procedures)	Projects will be funded primarily according to procedures similar to those applied for medium size projects. Regular procedures will apply for larger projects.
Resources (GEF and others)	The exact level of GEF funding, co-funding (through partnership), and national contributions for each project would be guided by scope and scale of project.
Roles and Accountabilities	Country: to be guided by the needs assessment in identifying such projects; guided by the minimum criteria for preparation of projects through this pathway, clear need to articulate some indicators and benchmarks of achievement through the projects. GEF: to disseminate information and provide assistance to formulate proposals and implement projects.
Special cases	Scope for regional projects, as appropriate and upon request. Potential for programmatic approach (to be explored further later).
Challenges and safeguards	Challenges: <ul style="list-style-type: none"> <li>• Important to ensure that capacity built and processes deployed have a context for delivery and related to results.</li> <li>• Might take some time before capacities get fully functional, or there may even be an element of unpredictability in the desired outcome.</li> <li>• Ensuring a holistic approach and focus on bottlenecks such that built capacities are not blocked by constraints at other levels.</li> </ul> Safeguards: <ul style="list-style-type: none"> <li>• Links between capacity built and countries' improved ability to respond to convention and global environmental objectives should be evident.</li> <li>• Verifiable indicators and benchmarks for capacity built and processes deployed through the project should be clearly spelt out.</li> <li>• Capacity building projects to be based on capacity assessments.</li> </ul>
Technical support	<ul style="list-style-type: none"> <li>• Technical know-how for new areas.</li> <li>• Tools and best practices for facilitating multi-stakeholder consultation.</li> <li>• Tools, methodologies and coaching on best practices.</li> </ul> Through issue-based networks, regional collaboration, and south-south co-operation.

*Pathway A4 (Modified): Enhanced Attention to Capacity Building Components in Regular Projects*

142. This is not a new pathway for GEF funding. A4 represents the regular pathway with enhanced attention to capacity building within the context and scope of the project. The overall aim is to support projects that have the primary goal of meeting GEF Operational Program objectives, but with more explicit and enhanced consideration to building capacity through these projects with a view to improving the effectiveness of countries in meeting Convention and global environmental objectives. Table A4 summarizes the highlights of this pathway

143. As indicated from the GEF portfolio feedback, almost all existing projects have capacity building elements, but oftentimes the design and provision for these have been done in non-optimal ways. The study “Integrating Capacity Development into Project Design and Evaluation” provides some guidance on best practice (Lusthaus and others, 2000). For example, it is important that the capacity needs assessment undertaken during the project preparation stage goes beyond the institutional needs of the immediate executing agency to include other institutions, individuals and the overall environment in which they operate. Best practice and case studies based on the experience of the GEF and others will be important to guide this process. The dialogue and forum convened as part of the strategic collaboration will be critical in this regard.

144. More specifically to encourage best practice and enhanced consideration for effective capacity building within regular projects, pathway A4 will allow for:

- (a) Capacity needs assessments within the design and preparation phase of the project through PDF resources;
- (b) a more considered approach to iteration during project preparation (rather than ad hoc iterations due to inadequacies of initial design) and implementation;
- (c) phasing projects, where necessary, with the first phase concentrating on building the necessary capacity (at the individual, institutional and organizational level, as appropriate);
- (d) longer time horizon for projects so that time and resources required to support change processes are taken into account;
- (e) development of indicators to monitor growth in capacity during project implementation; and
- (f) greater involvement of local experts and stakeholders, with a view to encourage south-south co-operation, and nationally-based centers that are recognized regionally (or even globally) for their expertise.

145. Projects under this pathway could face some important challenges. In particular, it is important that “capacity needs” assessment of the project be matched with existing capacities that may exist

beyond the immediate project so that capacities are mobilized, converted, or enhanced through this pathway, with creation of new capacities undertaken only as needed. The project should also consider as part of the assessment the longer-term utility of capacity at the individual, institutional and systemic levels to ensure that the capacity is not 'lost'.

146. This pathway is underpinned by and responsive to the operational principles for effective capacity building. In particular, it emphasizes application of best practice based on an iterative approach recognizing the dynamic nature of capacity building. It also will encourage the integration of capacity in the wider efforts sustainable development efforts, focusing on the various facets of capacity so that it is able to take a holistic approach to this issue. Observations of these principles would ensure longer-term sustainability and ownership of the project outcomes.

147. This pathway will operate according to current project cycle and approval procedures that are continuously being streamlined. The level of GEF funding, co-funding (through partnership and collaboration), and non-GEF contributions for each project would be guided by the scope and scale of the project, and the comparative advantages and mandates of the key agencies involved.

**Table A4. Enhanced attention to capacity building components in regular projects**

Overall aim	To improve the effectiveness of GEF support in meeting global environmental objectives by giving more explicit and enhanced consideration to building capacity within regular projects.
Responsiveness to Operational Principles	This pathway is particularly responsive to the following operational principles: <ul style="list-style-type: none"> <li>• Adopt a holistic approach to capacity building.</li> <li>• Accommodate the dynamic nature of capacity building.</li> <li>• Base capacity building efforts in needs assessments.</li> <li>• Integrate capacity building in wider sustainable development efforts.</li> <li>• Combine process as well as product-based approaches.</li> </ul>
Scope (Types of activities that will be supported)	The scope of projects will continue to be defined by the GEF Operational Programs and Convention priorities. Based on the articulation of capacity needs through the assessment undertaken as part of project design, appropriate activities and interventions will be designed. These would include, as appropriate, a mix of traditional and more diverse approaches to capacity building.
Delivery mechanism (GEF approval procedures)	Through current GEF project cycle and approval procedures that are continuously being streamlined. Capacity needs assessments at project level undertaken at the PDF stage. Could also be informed by A1.
Resources (GEF and others)	Resources for each project will be guided by scope and scale of project.
Roles and Accountabilities	Country: Ensure involvement of a broader group of stakeholders, particularly in capacity building elements of projects. GEF: Engage in a process of learning internally on best practices in developing capacity within projects, as well as disseminate this information externally through GEF's information dissemination processes.
Challenges and safeguards	Challenges: <ul style="list-style-type: none"> <li>• Retention, application and utilization of capacities developed through the project beyond the life of the project.</li> <li>• Existing capacities are being mobilized, enhanced and converted as appropriate.</li> <li>• Appropriate incentives are built into the process of capacity building to maintain motivation of stakeholders and therefore effectiveness of capacity building efforts.</li> <li>• Ensuring a holistic approach and focus on bottlenecks such that capacities built are not blocked by constraints at other levels.</li> </ul> Safeguards: <ul style="list-style-type: none"> <li>• Capacity needs assessments should be done holistically.</li> <li>• Provision of timely and appropriate technical support to countries, drawing on the best available knowledge and expertise.</li> </ul>
Technical support	<ul style="list-style-type: none"> <li>• Tools, methods, guides, coaching on carrying out capacity needs assessment and capacity building activities including, non-traditional approaches, indicators, among others.</li> </ul>

## *Part B: Technical Support to Countries*

148. One of the important lessons emerging from the experience of developing countries, donors and the GEF in capacity building is the need for technical support. In particular, the various regional reports and consultations undertaken by the CDI have highlighted that for countries to develop their capacities for global environmental management they need information, tools, methods, best practices on how best to identify, develop and implement capacity building measures at the level of individuals, institutions and the overall system. Such technical support is essential for engendering capacity building processes that are effective, sustainable and achieve the desired global environmental benefits. See Figure 1 and Table B.

149. Additionally, in order to address emerging and complex global issues countries may require further technical support to undertake specific capacity building measures in these new and complicated areas. Some countries may also face special challenges in developing their capacities to address global issues, such as LDCs and SIDS, necessitating the provision of specialized technical support to these countries. Therefore, a key objective of the framework is to respond to this need for technical support.

150. The experience of developing countries and the development cooperation community also suggests that technical support is most effective when it draws from the best available technical knowledge and expertise, and is then tailored and responsive to country demands. Continuous dialogue with partners as part of the strategic collaboration will help ensure this.

151. Decentralized delivery of support services will also be a key feature. As highlighted at several of the CDI regional consultations, in many cases countries will benefit from a regional approach to the delivery of technical support, particularly when countries share similar contexts and problems. The technical support system will therefore promote regional learning and exchange where most relevant through regional workshops, regional experts<sup>21</sup>, and existing institutions that are recognized regionally (or even globally) for their expertise. In other cases, it might be more appropriate to deliver services on a decentralized basis at a national level, and to promote south-south cooperation.

152. Technical support will be provided at two levels: (a) on a proactive basis through the distillation of available knowledge and expertise and the selective development and dissemination of tools, methods and services that meet broad support needs, and (b) as a direct response to specific needs that countries encounter as they implement capacity building measures through pathways A1 to A3. In this regard there is much to be gained from the experience and lessons of the GEF's climate change and biodiversity support programs.

153. To some extent this proactive technical support may be commonly applicable to the focal areas and to land degradation, but may also need to be modified and tailored to the specific context and needs of each thematic area. Some examples of selective development and

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<sup>21</sup> These can be identified through existing rosters such as those of STAP, UNDP's Sub-Regional Resource Facilities, and others.

dissemination of tools, methods and coaching include:

- (a) tools and methodologies for conducting a self-assessment of capacity needs that reflects the views of all stakeholders, encompasses needs of individuals, institutions, and the overall system, and also focuses on the dynamic aspect of developing capacity (mobilization, enhancement, conversion, creation, succession);
- (b) specialized methods and skills for facilitating multi-stakeholder consultation, especially when enhancing the capacity of the overall system;
- (c) tools, guides, case examples on emerging approaches in developing capacity (e.g., networking, horizontal exchanges, multi-stakeholder project steering committees, internships etc). These need to be combined with more traditional and structured approaches (in-service training, workshops); and
- (d) development of indicators to monitor and evaluate the impact of capacity building activities. This is particularly important in cases where project planning and implementation is iterative and learning and adaptation need to be built into the process.

154. An equally important part of technical support will be a help-desk function that services specific request from countries through tailored tools, methodologies and coaching for specialized needs.

155. Developing countries, other donors, the GEF family, and the Convention Secretariats will all play an important role in ensuring the effectiveness and maximizing the impact of this technical support. Countries will be responsible for articulating and sharing specific needs that require technical support, while other donors, the GEF family and Convention Secretariats will provide lessons and best practices from their own experience and provide advice and support to countries. STAP will play a particularly important advisory role on scientific and technical capacity needs and on how best to make the framework responsive to emerging issues.

156. In providing technical support to countries one of the key challenges will be ensuring that one is drawing from the best technical information and offering tailored expertise to countries on a timely basis. Safeguards to address these challenges will include maintaining an ongoing dialogue with partners and ensuring that the framework puts in place an adequate system and resources for providing technical support.

**Table B. Technical Support to Countries**

Overall aim	To offer technical support to countries for building capacity to address emerging and complex global issues through various pathways.
Responsiveness to Operational Principles	Part B is particularly responsive to the following operational principles: <ul style="list-style-type: none"> <li>• Promotes regional learning and exchange, i.e., is itself a process of capacity building within the region.</li> <li>• Promotes collaboration and partnership in the development of tools and methods across all partners in the strategic collaboration.</li> <li>• Takes a holistic approach to capacity building.</li> <li>• Supports the process of capacity building as well as products.</li> </ul>
Scope (Types of activities that will be supported)	<ul style="list-style-type: none"> <li>• Selective tool development and dissemination (Proactive)</li> <li>• Targeted support to respond to specific country demands (Help-desk function)</li> </ul>
Delivery mechanisms (GEF approval procedures)	To be developed.
Resources (GEF and others)	Estimated resource requirement ranges from 5-10% of overall GEF resources for this program. Additional resources will be sought from other partners.
Roles and Accountabilities	Country: To articulate its support needs in relation to A1, A2 and A3. GEF: To provide lessons and best practices from within the GEF family; active advisory and support role. STAP: Active advisory and support role, particularly on scientific and technical capacity needs, and to advise on how best to address new and emerging issues through the framework. Convention Secretariats: Advice on how best to address technical support needs to meet new guidance from the Conventions.
Special cases	Particular attention and support will be provided to LDCs and SIDS to help them overcome special challenges.
Challenges and safeguards	Challenges: <ul style="list-style-type: none"> <li>• To be able to provide the best technical information and expertise that is timely and meets the specific demands made by countries.</li> <li>• To share best practices and expertise from all partners of the strategic collaboration, to allow for distillation of best available technical information for countries.</li> </ul> Safeguards: <ul style="list-style-type: none"> <li>• Adequate system and resource put in place through the GEF framework.</li> <li>• Maintain an ongoing dialogue with partners.</li> </ul>

### *Part C: Program Management*

157. The aim of Part C, Program Management, is for the GEF to put in place a system of continuous management and improvement for the framework, and to monitor progress of the strategic collaboration (see Figure 1 and Table C). Based on feedback, it will also initiate actions to adapt the framework to maintain responsiveness to capacity building needs. This oversight and management function will be undertaken by the GEF, and will seek to:

- (a) ensure that the pathways and technical support are responsive to country needs;
- (b) report regularly progress to Conventions and ensure the framework continues to be responsive to new Convention guidance;
- (c) develop and apply indicators at the programmatic level to track overall progress and delivery of capacity to countries through Part A and B of the framework;
- (d) monitor progress on the dialogue with partners on the strategic collaboration; and
- (e) ensure that there is a system in place for adapting the framework in light of feedback.

158. The GEF will work with partners to develop and apply programmatic indicators to track the effectiveness of the pathways, as well as effective delivery of technical support to countries<sup>22</sup>. In particular, responsiveness to the needs of LDCs and SIDS will be tracked. It is important to ensure that the indicators are simple and reflect the dynamic nature of capacity building. This information together with the broader feedback from the IAs and EAs would allow for a system of continuous improvement. Regular reports will be made available to the GEF Council on progress made on the framework and strategic collaboration.

159. The GEF Secretariat will work with the IAs, EAs, Convention Secretariats and STAP to put in place processes to facilitate this program management. For example, STAP would play an active advisory and support role especially on development of specific indicators to track the overall program; the IAs and EAs would ensure that learning is fed back through coaching and program delivery, and the Convention Secretariats on the overall guidance on capacity building from the COPs.

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<sup>22</sup> In this regard, the study commissioned by the GEF's Monitoring and Evaluation Unit (Lusthaus, C. and others, 2000) provides a useful overview and analysis of outcomes, impacts and indicators of capacity building.



**Table C. Program Management**

Overall aim	To establish a GEF system for managing continuous progress in strengthening the capacity of countries in relation to the framework and strategic collaboration.
Responsiveness to Operational Principles	Part C is particularly responsive to the following operational principles: <ul style="list-style-type: none"> <li>• Adopt a learning-by-doing approach.</li> <li>• Accommodate the dynamic nature of capacity</li> <li>• Promote partnerships.</li> </ul>
Scope (Types of activities that will be supported)	Develop and apply programmatic indicators to track: <ul style="list-style-type: none"> <li>• Effective support through the pathways to recipient countries (especially LDCs and SIDS).</li> <li>• Effective and timely delivery of technical support to recipient countries (especially LDCs and SIDS).</li> </ul> Incorporate new convention guidance in the Framework. Track and report on progress of the strategic collaboration.
Roles and Accountabilities	GEF Sec: Report regularly to the GEF Council on progress made on the overall delivery through the Framework, and progress on the strategic collaboration. STAP: Active advisory and support role especially on development of specific indicators to track overall program. IA's and EA's: Reporting, ensuring learning is fed back into coaching and program delivery. Convention Secretariats: oversight on capacity building guidance from COPs.
Challenges and safeguards	Challenges: <ul style="list-style-type: none"> <li>• Important to develop indicators which are simple and responsive to the dynamic nature of capacity.</li> </ul> Safeguards: <ul style="list-style-type: none"> <li>• Need to supplement indicator-based tracking with a system to obtain feedback.</li> </ul>

### Next Steps

160. Following GEF Council discussion and decision in May 2001, on the Elements of Strategic Collaboration and a Framework for GEF Action, the GEF Secretariat and Implementing Agencies in consultation with STAP and the Convention Secretariats will discuss and undertake important steps towards launching the Strategic Elements and the Framework. This will involve identifying key partners and agreeing on a process on how best to engage them in this effort. The GEF will initiate consultations in appropriate forums to get the partners' endorsement of the operational principles and seek clarity on roles based on mandates and comparative advantages.

161. At the same time, the GEF-specific actions will be implemented. In terms of the Framework, the key steps will include preparation of guidelines on submission of proposals by countries under the various pathways; the development and extensive dissemination of a user-friendly guidebook on the

Framework; briefing within the GEF family on the scope, eligibility and review criteria for the various pathways; and development of a system for delivering technical support to countries under Part B of the Framework by drawing on the lessons and experiences of existing technical support systems.

162. The Framework will be applicable to all the focal areas of the GEF, and the crosscutting area of land degradation. It will also be applicable to new agreements, when they come into force, for which the GEF is designated as the financial mechanism.

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## ANNEX A

### METHODOLOGY FOR ASSESSING COUNTRIES' CAPACITY DEVELOPMENT NEEDS AND PRIORITIES

1. Countries were grouped into the following regions for assessing country needs – Africa, Asia Pacific, Eastern Europe and Central Asia, and Latin America and the Caribbean – with a separate assessment for Small Island Developing States (SIDS). A team was identified for each region comprised of regional experts in biodiversity, climate change, land degradation and capacity development issues. The assessment of country needs was carried out over a period of 3 months (April to June 2000) using the following approaches.
2. Review of background materials and documents: including Regional Development Banks Capacity Development Assessments, OECD's Development Assistance Committee studies and country reports, Capacity 21 country reports, countries' Agenda 21 Reports, National Environmental Action Plans, UNDP Country Programmes, World Bank Country Assistance Strategies, National Communication Reports to the Biodiversity, Climate Change and Land Degradation Conventions, National Biodiversity, Climate Change and Land Degradation Strategies and Action Plans, as well as relevant capacity development projects among others.
3. *Questionnaires* were sent out to over 3,000 recipients that included the following:
  - (a) STAP Biodiversity Experts
  - (b) STAP Climate Change Experts
  - (c) STAP Land Degradation Experts
  - (d) UNFCCC Focal Points
  - (e) UNCCD Focal Points
  - (f) CBD National Focal Points
  - (g) CBD CHM Focal Points
  - (h) GEF Operational Focal Points
  - (i) GEF Political Focal Points
  - (j) UNDP Residents Representatives in Africa, Arab States, Europe, Latin America & The Caribbean.
  - (k) UNDP Project Coordinators/Chief Technical Advisors
  - (l) National Coordinators Of GEF Small Grants Programme
  - (m) UNEP Field Office Directors in Africa, Arab States, Europe, Latin America & The Caribbean.
  - (n) UNEP Deputy Directors & Programme Officers in Africa, Arab States, Europe, Latin America & The Caribbean
  - (o) Infoterra Focal Points
  - (p) World Bank Country Officers
  - (q) GEF NGO Network Regional Focal Points
  - (r) Climate Change NGOs in the Global Climate Action Network
4. *Country-level assessments of capacity needs* were undertaken in the following 14 countries: Senegal, South Africa, Uganda, Indonesia, Nepal, Samoa, Vietnam, Estonia, Hungary, Kazakhstan,

Barbados, Colombia, Guatemala, and Peru. Carried out by more than 42 national experts, these country level studies informed the Assessment Phase through more in-depth, albeit rapid, national capacity needs assessments

5. *Discussions with national delegations:* The regional experts made presentations on their preliminary findings and consulted with Parties during the Conference of the Parties to the Convention on Biological Diversity (Nairobi, May 23, 2000) and the meeting of the Subsidiary Bodies of the UN Framework Convention on Climate Change (Bonn, June 14, 2000). During the meeting of Subsidiary Bodies of the UN Framework Convention on Climate Change (Lyon, September 6, 2000), the regional experts presented their final reports to the Parties. In addition to these presentations, the experts met with the Parties in regional group meetings to further discuss their studies and findings. The regional experts made similar presentations at the fourth session of the Conference of Parties to the Convention to Combat Desertification in December 2000.

6. *Regional Workshops:* With the kind collaboration of the host governments, a workshop was organized in each of the four regions during which the regional experts gathered information and exchanged views with representatives of the countries on their findings and draft reports. In addition to these four regional workshops, the Alliance of Small Island States (AOSIS) organized a workshop for which the CDI supported the attendance of representatives from the small island developing states to participate in a discussion of the CDI report on the capacity development needs and priorities of the SIDS. Countries hosting the workshops were as follows: Egypt (July 31 and August 1, 2000); China (July 27 and 28, 2000); Czech Republic (July 17 and 18, 2000); Brazil (July 31 and August 1, 2000); Samoa (July 28 and 29, 2000).

7. The CDI supported two representatives from each country in the region to attend the appropriate regional meeting, and the GEF encouraged all countries of the region to send representatives involved in biodiversity, climate change, and land degradation to the workshop. In addition, the CDI also supported three NGO representatives from the region, nominated by the NGO network, to attend the meeting. In total, more than 300 representatives from over 100 countries participated in the workshops.

## ANNEX B

### UNFCCC FRAMEWORK FOR CAPACITY BUILDING IN DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION

FCCC/CP/2000/CRP.11  
25 November 2000  
ENGLISH ONLY

CONFERENCE OF THE PARTIES  
Sixth session  
The Hague, 13-25 November 2000  
Agenda item 4 (d)(i)

#### **CAPACITY-BUILDING**

#### **CAPACITY-BUILDING IN DEVELOPING COUNTRIES (NON-ANNEX I PARTIES)**

Note by the President

1. This text has been prepared under the authority of the President of COP 6 to facilitate future work. It is based on the text forwarded to the COP by the subsidiary bodies at the second part of their thirteenth sessions (FCCC/SB/2000/CRP.16), as well as on informal consultations and recommendations from the chairmen of the subsidiary bodies, assisted by the co-chairs of the relevant contact groups.
2. The COP is invited to take note of this text, recognizing that the text forwarded to the COP by the subsidiary bodies contained in document FCCC/SB/2000/CRP.16 also remains on the table.

Draft decision -/CP.6

#### **Capacity-building in developing countries (non-Annex I Parties)**

*The Conference of the Parties,*

*Being guided* by Article 4.1, 4.3, 4.4, 4.5 and 4.7, in the context of Article 3, and Articles 5 and 6 of the Convention,

*Recalling* the provisions related to capacity building for developing countries contained in its decisions 11/CP.1, 10/CP.2, 11/CP.2, 9/CP.3, 2/CP.4, 4/CP.4, 5/CP.4, 6/CP.4, 7/CP.4, 12/CP.4 and 14/CP.4,

*Noting* Article 10 (c), (d) and (e), and Article 11 of the Kyoto Protocol,

*Recalling also* the paragraphs on capacity-building of Agenda 21 and the Programme for the Further Implementation of Agenda 21,

*Reaffirming* its decision 10/CP. 5,

*Reaffirming also that capacity-building for developing countries is essential to enable them to participate fully in, and to implement effectively their commitments under the Convention,*

1. *Adopts* the framework for capacity-building in developing countries annexed to this decision;
2. *Decides* that this framework should guide capacity-building activities related to the implementation of the Convention and effective participation in the Kyoto Protocol process;
3. *Decides* to give immediate effect to this framework in order to assist developing countries to implement the Convention and to effectively participate in the Kyoto Protocol process;
4. *Notes* that areas for capacity-building identified under the Convention are relevant to the preparation of developing country Parties for their effective participation in the Kyoto Protocol process;
5. *[Requests* the Global Environment Facility, as an operating entity of the financial mechanism, to provide financing to implement the annexed framework and to further support, enhance and implement its capacity-building activities in accordance with this framework.]
6. *Also requests* the Global Environment Facility, as an operating entity of the financial mechanism, to report on its progress in support of the implementation of this framework in its reports to the Conference of the Parties;
7. *Urges* the operating entity of the financial mechanism to adopt a streamlined and expedited approach in financing activities within this framework;
8. *Invites* bilateral and multilateral agencies, and other intergovernmental organizations and institutions, to inform the Conference of the Parties, through the secretariat, of capacity-building activities conducted to assist developing country Parties with their implementation of the framework;
9. *Encourages* bilateral and multilateral agencies, and other intergovernmental organizations and institutions to consult with developing countries in formulating programmes and action plans to support capacity-building activities in accordance with the annexed framework;
10. *Requests* the secretariat, in accordance with this framework for capacity-building, and consistent with Article 8 of the Convention, to undertake the following tasks:
  - (a) To cooperate with the operating entity of the financial mechanism, its implementing agencies and other entities for capacity-building to facilitate the implementation of this framework;
  - (b) To collect, process, compile and disseminate, in both printed and electronic formats, the information needed by the Conference of the Parties or its subsidiary bodies to review the progress in the implementation of this framework for capacity-building, drawing in particular on information contained in:
    - (i) National communications of developing country Parties relating to capacity-building activities;
    - (ii) National communications of Parties included in Annex II on activities and programmes undertaken to facilitate capacity-building in developing countries related to the implementation of this framework;
    - (iii) Reports from the Global Environment Facility and other agencies;
  - (c) To provide reports to the Conference of the Parties at each of its sessions on activities to implement this framework;
11. *Decides* that the Subsidiary Body for Implementation will regularly monitor the progress of the implementation of this framework, taking into account the information provided under paragraph 10 (b) and (c) above and reporting to the Conference of the Parties at each of its sessions;
12. *Decides* to conduct a comprehensive review of the implementation of this framework at its ninth session of the Conference of the Parties and every five years thereafter;
13. *Invites* Parties to provide information through national communications and other reports to enable the Subsidiary Body for Implementation to monitor progress in the implementation of this framework;



14. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt a decision containing a framework on capacity-building that reaffirms this framework with additional reference to priority areas for capacity-building relating to the implementation of the Kyoto Protocol.

15. [*Decides* to establish a special fund to support and promote effective implementation of this framework by the least developed countries.].

## CAPACITY-BUILDING

### CAPACITY-BUILDING IN DEVELOPING COUNTRIES (NON-ANNEX I PARTIES)

#### **Framework for capacity-building in developing countries**

##### A. Purposes

1. This framework for capacity-building in developing countries sets out the scope and provides the basis for action on capacity-building related to the implementation of the Convention and preparation for the effective participation of developing countries in the Kyoto Protocol process that will in a coordinated manner assist them in promoting sustainable development while meeting the objective of the Convention. It should serve as a guide for the Global Environment Facility as an operating entity of the financial mechanism and be considered by multilateral and bilateral organizations in their capacity-building activities related to the implementation of the Convention and preparation for their effective participation in the Kyoto Protocol process.

##### B. Guiding principles and approaches

2. This framework for capacity-building in developing countries is guided and informed by, *inter alia*, Article 4.1, 4.3, 4.4, 4.5 and 4.7, in the context of Article 3, and Articles 5, 6 and 11.1 of the Convention, and relevant provisions contained in decisions 11/CP.1, 10/CP.2, 11/CP.2, 9/CP.3, 2/CP.4, 4/CP.4, 5/CP.4, 6/CP.4, 7/CP.4, 12/CP.4, 14/CP.4, and 10/CP.5,<sup>23</sup> and takes into account Articles 10 (c), 10 (d), 10 (e), and 11 of the Kyoto Protocol.

3. Capacity-building activities related to the implementation of the Convention by developing countries and to the preparation for their effective participation in the Kyoto Protocol process should build on work already undertaken by developing countries, as well as on the work undertaken with support from multilateral and bilateral organizations.

4. The capacity-building needs already identified in the various decisions of the Conference of the Parties should continue to be comprehensively and promptly addressed to promote sustainable

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<sup>23</sup> For the full texts of decisions adopted by the Conference of the Parties at its first, second, third, fourth and fifth sessions, see documents FCCC/CP/1995/7/Add.1, FCCC/CP/1996/15/Add.1, FCCC/CP/1997/7/Add.1, FCCC/CP/1998/16/Add.1 and FCCC/CP/1999/6/Add.1, respectively.

development in developing countries through the effective implementation of the Convention and preparation for their effective participation in the Kyoto Protocol process.

5. There is no “one size fits all” formula for capacity-building. Capacity-building must be country-driven, addressing the specific needs and conditions of developing countries and reflecting their national sustainable development strategies, priorities and initiatives. It is primarily to be undertaken by and in developing countries in accordance with the provisions of the Convention.

6. Capacity-building is a continuous, progressive and iterative process, the implementation of which should be based on the priorities of developing countries.

7. Capacity-building activities should be undertaken in an effective, efficient, integrated and programmatic manner, taking into consideration the specific national circumstances of developing countries.

8. Capacity-building activities undertaken within this framework should maximize synergies between the Convention and other global environmental agreements, as appropriate.

9. Capacity-building is crucial to developing countries, especially those that are particularly vulnerable to the adverse effects of climate change. The special circumstances of least developed countries and small island developing States need to be taken into account in the implementation of this framework. They include:

- (a) Fragile ecosystems;
- (b) High population pressure and isolated geographical locations;
- (c) Weak economies, low incomes, high levels of poverty and a lack of foreign investment;
- (d) Land degradation, desertification;
- (e) Undeveloped services, *inter alia*, meteorological and hydrological services and water resources management;
- (f) Lack of early warning systems for natural disaster management;
- (g) Inadequate food security.

10. Capacity-building involves “learning by doing”. Demonstration projects may be used in identifying and learning about the specific capacities that need to be further developed in developing countries.

11. Existing national institutions have an important role to play in supporting capacity-building activities in developing countries. Such centers can incorporate traditional skills, knowledge and practices, to provide appropriate services in developing countries and facilitate information sharing. Whenever possible and effective, therefore, capacity-building should mobilize these existing national, sub regional and regional institutions and the private sector in developing countries and build on existing processes and endogenous capacities.

12. National coordinating mechanisms and focal points and national coordinating entities have an important role to play in ensuring coordination at the country and regional levels and may serve as the focal point for coordinating capacity-building activities.

13. Multilateral and bilateral bodies are encouraged to take account of this framework in their consultations with developing countries when supporting capacity-building activities related to the implementation of the Convention and the preparation for effective participation by developing countries in the Kyoto Protocol process.

#### C. Objective and scope of capacity-building

##### *Objective*

14. Capacity-building should assist developing countries to build, develop, strengthen, enhance, and improve their capabilities to achieve the objective of the Convention through the implementation of the provisions of the Convention and the preparation for their effective participation in the Kyoto Protocol process.

##### *Scope*

15. The following is the initial scope of needs and areas for capacity-building in developing countries as broadly identified in the annex to decision 10/CP.5, in the compilation and synthesis document prepared by the secretariat<sup>24</sup> and in submissions by Parties<sup>25</sup>:

- (a) Institutional capacity-building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points;
- (b) Enhancement and/or creation of an enabling environment;
- (c) National communications;
- (d) National climate change programmes;
- (e) Greenhouse gas inventories, emission database management, and systems for collecting, managing and utilizing activity data and emission factors;
- (f) Vulnerability and adaptation assessment;
- (g) Capacity-building for implementation of adaptation measures;
- (h) Assessment for implementation of mitigation options;
- (i) Research and systematic observation, including meteorological, hydrological and climatological services;
- (j) Development and transfer of technology;
- (k) Improved decision-making, including assistance for participation in international negotiations;
- (l) Clean development mechanism;
- (m) Needs arising out of the implementation of Article 4.8 and 4.9 of the Convention;
- (n) Education, training and public awareness;
- (o) Information and networking, including the establishment of databases.

16. Other capacity-building needs and possible responses are being identified by the Parties in their discussions of other issues. The decisions resulting from these discussions, as well as other activities

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<sup>24</sup> FCCC/SB/2000/INF.1.

<sup>25</sup> 3 FCCC/SB/2000/INF.5.

related to the implementation of the Convention and preparation for their effective participation in the Kyoto Protocol process, should continue to inform the scope and implementation of this framework.

*Specific scope for capacity-building in least developed countries*

17. The least developed countries, and small island developing States amongst them, are among the most vulnerable to extreme weather events and the adverse effects of climate change. They also have the least capacity to cope with and adapt to the adverse effects of climate change. The following is the initial assessment of needs and priority areas for capacity-building in these countries:

- (a) Strengthening existing and, where needed, establishing national climate change secretariats or focal points to enable the effective implementation of the Convention and effective participation in the Kyoto Protocol process, including preparation of national communications;
- (b) Developing an integrated implementation programme which takes into account the role of research and training in capacity-building;
- (c) Developing and enhancing technical capacities and skills to carry out and effectively integrate vulnerability and adaptation assessments into sustainable development programmes and develop national adaptation programmes of action;
- (d) Strengthening existing and, where needed, establishing national research and training institutions in order to ensure the sustainability of the capacity-building programmes;
- (e) Strengthening the capacity of meteorological and hydrological services to collect, analyze, interpret and disseminate weather and climate information to support implementation of national adaptation programmes of action;
- (f) Enhancing public awareness (level of understanding and human capacity development).

D. Implementation

*Actions to enhance the implementation of this framework, taking into account the initial scope outlined in paragraphs 15 to 17*

18. All Parties should improve the coordination and effectiveness of capacity-building efforts through dialogue between and among Annex II Parties, developing country Parties, and bilateral and multilateral institutions. All Parties should support the operation of this framework and promote conditions conducive to the sustainability and effectiveness of capacity-building activities.

19. In implementing this framework, developing country Parties should:

- (a) Continue to identify their specific needs, options and priorities for capacity-building on a country-driven basis, taking into account existing capacities and past and current activities;
- (b) Promote South-South cooperation by utilizing the services of institutions in developing countries that can support capacity-building activities at the national, subregional and regional levels, wherever possible and effective;
- (c) Promote the participation of a wide range of stakeholders, including governments at all levels, national and international organizations, civil society and the private sector, as appropriate;

- (d) Promote the coordination and sustainability of activities undertaken within this framework, including the efforts of national coordinating mechanisms, focal points, and national coordinating entities;
- (e) Facilitate the dissemination and sharing of information on capacity-building activities conducted by developing countries for better coordination and South-South cooperation.

20. In implementing this framework, Annex II Parties should:

- (a) [Provide additional financial and technical resources to assist developing countries, in particular the least developed countries and small island developing States amongst them, in the implementation of this framework, including promptly available financial and technical resources to enable them to undertake country-level needs assessments and to develop specific capacity-building activities consistent with this framework;]
- (b) Respond to the capacity-building needs and priorities of developing countries, in particular the least developed countries and small island developing States amongst them, in a coordinated and timely manner, and support activities implemented at the national and, as appropriate, subregional and regional levels;
- (c) Give particular attention to the needs of least developed countries and small island developing States amongst them.

#### *Financing and operation*

21. Financial and technical resources should be made available, through an operating entity of the financial mechanism and, as appropriate, multilateral and bilateral agencies and the private sector, to assist developing countries, in particular the least developed countries and small island developing States amongst them, in the implementation of this framework.

22. In response to this framework, the operating entity of the financial mechanism should elaborate a country-driven strategy for its capacity-building activities.

23. Multilateral and bilateral agencies are encouraged to take constructive action to support capacity-building activities in this framework through streamlined and coordinated approaches and in a timely manner.

24. Financial and other assistance is to be made available to developing countries, in particular to the least developed countries and small island developing States amongst them, to enable them to continue to determine, assess and prioritize their needs for capacity-building in a simple, timely manner and to assist them in strengthening existing institutions and, when needed, to establish the institutional arrangements to implement effective capacity-building activities.

25. The capacity-building activities undertaken within this framework are to be country-driven and implemented primarily at the country level.

26. In order to facilitate the exchange of information and cooperation, developing countries, in collaboration with relevant institutions, should identify regional, subregional and sectoral activities that can effectively and efficiently address common capacity-building needs.

27. The results of activities conducted by the Global Environment Facility as a multilateral financial institution, including the Capacity Development Initiative, as well as activities undertaken by multilateral, bilateral and private sector entities, may be considered in further developing capacity-building activities within this framework at the regional and subregional levels.

*Time-frame*

28. This framework for capacity-building should be implemented promptly, taking into account the immediate, medium- and long-term priority needs identified by developing countries.

29. Developing countries which have already identified their capacity-building priorities through ongoing work aimed at the implementation of the Convention, should be able to promptly implement capacity-building activities under this framework.

30. The immediate priority needs of developing countries, in particular the least developed countries and small island developing States amongst them, should be addressed urgently in the implementation of this framework.

*Review of progress*

31. The Conference of the Parties, through the Subsidiary Body for Implementation, shall regularly monitor and review the progress in the implementation of this framework.

32. The Global Environment Facility, as an operating entity of the financial mechanism, is requested to report on its progress in support of the implementation of this framework in its reports to the Conference of the Parties.

*Role of the secretariat*

33. In accordance with this framework for capacity-building, the secretariat is requested, consistent with Article 8 of the Convention, to undertake the following tasks:

- (a) To cooperate with the operating entity of the financial mechanism, its implementing agencies and other entities for capacity-building to facilitate the implementation of this framework;
- (b) To collect, process, compile and disseminate the information needed by the Conference of the Parties or its subsidiary bodies to review the progress in the implementation of this framework for capacity-building.

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## CAPACITY-BUILDING

### CAPACITY-BUILDING IN COUNTRIES WITH ECONOMIES IN TRANSITION

Note by the President

1. This text has been prepared under the authority of the President of COP 6 to facilitate future work. It is based on the text forwarded to the COP by the subsidiary bodies at the second part of their thirteenth sessions (FCCC/SB/2000/CRP.17/Rev.1), as well as on informal consultations and recommendations from the chairmen of the subsidiary bodies, assisted by the co-chairs of the relevant contact groups.
2. The COP is invited to take note of this text, recognizing that the text forwarded to the COP by the subsidiary bodies contained in document FCCC/SB/2000/CRP.17/Rev.1 also remains on the table.

#### **Draft decision -/CP.6**

Capacity-building in countries with economies in transition

*The Conference of the Parties,*

*Recalling* its decision 11/CP.5,

*Recalling* Articles 4.1, 4.2, 4.5 and 4.6, 5, 6 and 12 of the Convention,

*Noting* Articles 2, 3, 5, 6, 7, 10 and 17 of the Kyoto Protocol,

*Further recalling* its decisions 9/CP.2, 6/CP.4 and 7/CP.4,

*Having considered* the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation,<sup>26</sup>

1. *Adopts* the framework for capacity-building activities in countries with economies in transition contained in the annex below;
2. *Decides* to give immediate effect to this framework, in order to assist Parties with economies in transition to implement the Convention;
3. *Notes* that many areas for capacity-building identified under the Convention are also relevant to the preparation of Parties with economies in transition for participation in the Kyoto Protocol when it enters into force;
4. *Decides* to review the effectiveness of the implementation of the framework at regular intervals;

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<sup>26</sup> FCCC/SBSTA/2000/10, FCCC/SBI/2000/10

5. *Invites* Annex II Parties and Parties with economies in transition to provide information to enable the Conference of the Parties and the subsidiary bodies to monitor progress in the implementation of this framework, consistent with guidelines for the preparation of national communications;
6. *Urges* Annex II Parties, through multilateral agencies, including through the Global Environment Facility within its mandate, and bilateral agencies and the private sector, as appropriate, to make available financial and technical support for the implementation of this framework for capacity-building, including assistance for the development of national action plans of Parties with economies in transition consistent with their priorities;
7. *Further urges* multilateral and bilateral agencies to coordinate in support of the implementation of this framework for capacity-building;
8. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session, adopt a decision endorsing a framework for capacity-building under the Convention that parallels the framework contained in the annex below, with additional reference to priority areas for capacity-building relating to implementation of the Kyoto Protocol;
9. *Requests* the secretariat, consistent with Article 8 of the Convention:
  - (a) To cooperate with multilateral and bilateral institutions to facilitate the implementation of this framework;
  - (b) To collect, process, compile and disseminate the information needed by the Conference of the Parties and the subsidiary bodies to monitor progress in the implementation of this framework.

## Annex

### Framework for capacity-building in countries with economies in transition

#### **A. Purpose**

1. The purpose of this framework for capacity-building is to set out the scope and basis for action for capacity-building activities in countries with economies in transition (EIT Parties) under the Convention and for the preparation of EIT Parties for their participation in the Kyoto Protocol when it enters into force.

#### **B. Guiding principles and approaches**

2. This framework for capacity-building in EIT Parties is guided and informed by, inter alia, Articles 4.1, 4.2, 4.5 and 4.6, 5, 6 and 12 of the Convention and relevant provisions contained in decisions 9/CP.2, 6/CP.4, 7/CP.4 and 11/CP.5<sup>27</sup> and takes account of Articles 2, 3, 5, 6, 7 and 17 of the Kyoto Protocol.

3. As Parties included in Annex I, EIT Parties have quantified emission limitation and reduction commitments that impose challenges to their existing capacities to implement the Convention. As Parties undergoing the process of transition to a market economy, they need to enhance their ability to address climate change issues. Capacity-building is therefore critical to the effective implementation by EIT

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<sup>27</sup> For the full texts of decisions adopted by the Conference of the Parties at its second, fourth and fifth sessions, see documents FCCC/CP/1996/15/Add.1, FCCC/CP/1998/16/Add.1 and FCCC/CP/1999/6/Add.1 respectively.



Parties of their commitments under the Convention and the preparation of EIT Parties for their participation in the Kyoto Protocol when it enters into force.

4. Capacity-building for EIT Parties must be country-driven, consistent with their national sustainable development strategies, reflect their national initiatives and priorities, respond to needs determined and prioritized by EIT Parties themselves and be primarily undertaken by and in EIT Parties in partnership with other Parties and relevant organizations, as appropriate, in accordance with the provisions of the Convention.
5. Capacity-building should contribute to the effective implementation of the Convention by EIT Parties and the preparation of EIT Parties for their participation in the Kyoto Protocol when it enters into force.
6. Capacity-building efforts are more effective when they take place within an enabling environment conducive to the development of human, institutional and technical capacity.
7. Capacity-building should be results-oriented and implemented in an integrated and programmatic manner to facilitate its monitoring and evaluation, cost-effectiveness and efficiency.
8. Capacity-building is a continuous process aimed at strengthening or establishing, as appropriate, relevant institutions, organizational structures, and human resources in order to strengthen expertise relevant to paragraph 3 of this framework.
9. Capacities should be developed and strengthened in a manner and under conditions that will work towards sustainability and support the short- and long-term objectives and priorities of EIT Parties under the Convention.
10. Capacity-building involves “learning by doing”. Capacity-building activities should be designed and implemented in a flexible manner.
11. Capacity-building should improve the coordination and effectiveness of existing efforts and promote the participation of and dialogue between a wide range of actors and constituencies, including governments at all levels, international organizations, civil society and the private sector.
12. Wherever possible, capacity-building should utilize existing institutions and bodies and build on existing processes and endogenous capacities.
13. National focal points and other institutions such as research centers and universities and other relevant organizations should play an important role in providing capacity-building services and facilitating the flow of knowledge, best practices and information.
14. Capacity-building should be designed so that it results in the development, strengthening and enhancement of institutional capacities, human resources, knowledge and information, methodologies and practices, and the participation and networking of EIT Parties to promote sustainable development and for the purpose set out in paragraph 1 of this framework.

15. Capacity-building in support of achieving the objectives of the Convention should maximize synergies between the Convention and other global environmental agreements, as appropriate.

16. Capacity-building is more effective when it is coordinated at all levels (national, regional and international) through dialogue between and among Annex I Parties, and when past and existing efforts are taken into account.

### C. Objective and scope of capacity-building

#### *Objective*

17. To build the capacity of EIT Parties to enable them to effectively implement the objective of the Convention and to prepare for their participation in the Kyoto Protocol when it enters into force.

#### *Scope*

18. To ensure that capacity-building efforts are country-driven, each EIT Party should, within the scope for capacity-building, determine its specific objectives, needs, priorities, and options to implement the Convention and to prepare for its participation in the Kyoto Protocol when it enters into force, consistent with its national sustainable development strategy, taking into account existing capacities and past and current activities undertaken by the country itself and in partnership with bilateral and multilateral institutions and the private sector.

19. The needs for capacity-building in EIT Parties were first identified in the compilation and synthesis document prepared by the secretariat (FCCC/SB/2000/INF.2) based on the submissions of EIT Parties (FCCC/SB/2000/INF.7). The general areas and needs for capacity-building are listed below. This scope for capacity-building may be revised as further information is made available and as needs and priorities are further identified.

20. General priority areas for capacity-building identified by EIT Parties related to the implementation of the Convention, which may also be relevant to their preparation for participation in the Kyoto Protocol, are to be identified in their national action plan for capacity-building, and include:

- (a) National greenhouse gas (GHG) inventories;
- (b) Projections of GHG emissions;
- (c) Policies and measures, and the estimation of their effects;
- (d) Impact assessment and adaptation;
- (e) Research and systematic observation;
- (f) Education, training and public awareness;
- (g) Transfer of environmentally sound technologies;
- (h) National communications and national climate action plans;
- (i) National systems for estimation of GHG emissions;
- (j) Modalities for accounting relating to targets, timetables and national registries;

- (k) Reporting obligations;
- (l) Joint implementation projects and emissions trading.

21. In order to maximize available resources for capacity-building and to facilitate exchange and cooperation among EIT Parties, multilateral and bilateral agencies in consultation with EIT Parties should assist, as appropriate, the efforts of EIT Parties themselves to identify, develop and implement national, regional, subregional and sectoral activities that meet the capacity-building needs of EIT Parties. The results of the current and next phase of the Capacity Development Initiative of the Global Environment Facility (GEF) could provide valuable inputs for these activities.

#### D. Implementation

##### *Responsibilities for implementation*

22. In implementing the activities undertaken within this framework for capacity-building, EIT and Annex II Parties have the following mutual responsibilities:

- (a) To improve the coordination and effectiveness of existing efforts;
- (b) To provide information to enable the Conference of the Parties (COP) to monitor progress in the implementation of this framework for capacity-building.

23. In the implementation of this framework for capacity-building, EIT Parties have the following responsibilities:

- (a) To provide an enabling environment to promote the sustainability and effectiveness of capacity-building activities relating to the implementation of the ultimate objective of the Convention;
- (b) To identify their specific needs, priorities and options for capacity-building on a country-driven basis, taking into account existing capacities and past and current activities;
- (c) To identify and provide information on their own capacity-building activities;
- (d) To promote cooperation among EIT Parties as well as to report to the COP on these activities in their national communications;
- (e) To ensure the mobilization and sustainability of national capacities, including the institutional leadership necessary for national coordination and the effectiveness of capacity-building activities;
- (f) To promote the participation in and access to capacity-building activities of all stakeholders, including governments, civil society and the private sector, as appropriate.

24. In cooperating with EIT Parties to support the implementation of this framework for capacity-building, Annex II Parties have the following responsibilities:

- (a) To assist EIT Parties, including by making available financial and other resources, to undertake country-level needs assessments to effectively implement the Convention and, as appropriate, to prepare them for participation in the Kyoto Protocol when it enters into force;
- (b) To assist EIT Parties, including through the provision of financial and other resources, to implement options for capacity-building consistent with their specific priorities and this framework.

### *Financing*

25. The Annex II Parties, through multilateral agencies, including through the Global Environment Facility within its mandate, and bilateral agencies and the private sector as appropriate, are requested to make available financial and technical support to assist EIT Parties in the implementation of this framework for capacity-building.

### *Time-frame*

26. The implementation of activities undertaken within this framework for capacity-building should commence as soon as possible.

### *Monitoring of progress*

27. The COP, through the subsidiary bodies, shall monitor the effectiveness of the implementation of this framework for capacity-building.

28. Information to enable the COP to monitor the effectiveness of the implementation of this framework should be reported by Parties. Other institutions involved in capacity-building in EIT Parties are invited to provide information for this purpose.

*Role of the secretariat*

29. In accordance with this framework for capacity-building, the secretariat is requested, consistent with Article 8 of the Convention, to undertake the following tasks:

- (a) To cooperate with multilateral and bilateral institutions to facilitate the implementation of this framework;
- (b) To collect, process, compile and disseminate the information needed by the COP or its subsidiary bodies to monitor the progress in the implementation of this framework for capacity-building.

## ANNEX C

### A GUIDE TO SELF-ASSESSMENT OF COUNTRY CAPACITY NEEDS FOR GLOBAL ENVIRONMENTAL MANAGEMENT

#### INTRODUCTION

1. The overall aim of GEF support for self-assessment (pathway A1) is to provide countries with the opportunity to take the lead in articulating their own capacity needs and priorities. It is intended to facilitate a consultative process of taking stock of overall capacity needs, identifying critical capacity bottlenecks, and exploring common capacity needs and potential synergies across the thematic areas of biodiversity, climate change and land degradation within the broader sustainable development context.
2. A capacity self-assessment will bring together the various agencies and institutions whose activities have important impacts on the environment, and will encourage them to identify synergies, assess gaps, and devise a common strategy for strengthening overall capacity. By putting in place the mechanisms for consultation and cooperation and by carrying out the necessary scoping, analysis, and planning in an integrated fashion, countries will be making significant progress in enhancing their capacity for global environmental management.
3. Suggested steps in the process include:
  - (a) articulating the issue and getting organized;
  - (b) identifying and engaging key cross-sectoral stakeholders;
  - (c) taking stock of what is already known about capacity needs;
  - (d) identifying and assessing the key capacity constraints and bottlenecks; and
  - (e) developing a strategy for capacity building and sustaining the capacity developed
4. A country's ability to address the challenges of global environmental management is dependent on its capacity to analyze these challenges, formulate responses, and implement solutions itself. Capacity building is the process whereby these abilities are enhanced. In view of the cross cutting nature of global environmental management, capacity enhancement must be addressed in a cross-sectoral fashion, build on synergies between different focal areas, and be addressed in an integrated and holistic manner, i.e., at individual, institutional, and systemic levels. The logical implication of these principles is that the process of assessing capacity constraints, also called "bottlenecks", and the planning of solutions must be conducted by the stakeholders themselves. Further, the process itself develops capacity, i.e. the process an important part of the product.

#### I ARTICULATING THE ISSUE AND GETTING ORGANIZED

5. While the term "global environmental management" will be familiar to those individuals and institutions involved in the international processes associated with the global environmental conventions and the GEF it will not be familiar to the majority of stakeholders at national levels. The problems and issues associated with global environmental management must be articulated from the perspective of the country concerned in language that makes sense from the countries own sustainable development objectives. The key challenge in global environmental management is to move it from being seen as an "optional extra" to

understanding that it is both part of, and can be fully integrated into, national sustainable development activities.

## II. IDENTIFYING AND ENGAGING KEY CROSS-SECTORAL STAKEHOLDERS

6. The success of the process will depend on the effective participation of the key stakeholders. These will include individuals or entities (institutions) at a policy level that can ensure that the process succeeds, at a managerial level (who will make it work or do the work), and at a beneficiary level (who will be affected by the process), i.e., whose capacities will change. Obvious candidates are the different national agencies and institutions already involved in the various aspects of global environmental management but also include scientific and research bodies and NGOs. However, other stakeholders will come from other sectors whose work directly and strongly influences the global environment, such as finance and economic ministries, public works and transportation agencies, planning and resource management agencies, and the associated industrial and private sector counterparts.

7. Mechanisms for engaging the key stakeholders include their inclusion in formal management or steering committees, advisory or consultative groups, as workshop and conference participants, and survey or questionnaire recipients.

## III. TAKING STOCK OF WHAT IS ALREADY KNOWN ABOUT CAPACITY NEEDS

8. Most countries already have a variety of environmental planning documents, assessments of capacity needs, and the like. Since capacity constraints or needs are dependent on the “what” the capacity is for, each of the various agencies and institutions involved will have its own particular needs and constraints. These must be assembled, updated if required and reviewed for timeliness, gaps within them, gaps between them, and most important, potential synergies between them. The key challenge will be to draw stakeholders out of their own sectoral perspectives each with its own problems and needs, and to search for ways to integrate and link these in a holistic way.

9. The end product of the stocktaking should be an understanding of what is already known about capacity building needs within each sector, where there are gaps between sectors, and where there are overlaps and potential synergies between sectors.

## IV. IDENTIFYING AND ASSESSING THE KEY CAPACITY CONSTRAINTS OR BOTTLENECKS FOR GLOBAL ENVIRONMENTAL MANAGEMENT

10. While the stocktaking exercise should identify gaps and potential synergies both within and between the various sectors that need to be filled, the assessment should also assess the capacity constraints that are preventing a cross-sectoral approach to global environmental management at the country level. Again, there is likely to be a divergence of interest between the different actors emphasizing the needs associated with their own sectors, the challenge will be to draw them together to look at the bigger picture of what are the key capacity constraints or bottlenecks that prevent an integrated or holistic approach to global environmental management at the country level. It is also important to look at capacity bottlenecks at all three levels, systemic, institutional, and individual.

## Tools for Assessing Capacity Needs

11. Various tools can be used for assessing capacity bottlenecks including logical framework analysis for the development of a problem tree, SWOT analysis, force field analysis<sup>28</sup>, etc. The guiding question should always be “What should be happening so that global environmental management is effectively addressed?” It is also important to look forward to how the global environment should be managed at a national level, and avoid simply asking how the various stakeholders can simply continue doing what they are already doing, but better.

12. While stakeholders may be unfamiliar with this kind of approach it is critical that it is the stakeholders (or stakeholder institutions) themselves who undertake the analysis, not external experts and consultants. The latter may assist by helping to develop background papers or by facilitating the process of analysis (see GEF Framework - Part B), but undertaking the analysis is an essential part of actually starting the process of capacity building and ensures ownership of the results.

## V. DEVELOPING A STRATEGY FOR OVERCOMING BOTTLENECKS AND ENHANCING AND SUSTAINING NATIONAL CAPACITIES TO MANAGE THE GLOBAL ENVIRONMENT

13. The analysis carried out during the assessment stage provides an initial framework for organizing the results of the needs assessment. However, the full array of bottlenecks must be examined, organized and prioritized. Again, the development of an objective tree as in a logical framework or logical planning exercise provides a useful guiding methodology. Issues are interrelated by cause and effect and by sequencing through time, with some having to precede others. However, for each logical action responsibility must be taken by a stakeholder entity or institution. While actions will be developed within, or by, institutions and individuals, it is the composite result of these actions by all the stakeholders that will lead to the required capacity enhancements in the systemic environment.

14. While developing the strategy it is important to pay attention to issues of sustainability. Capacity building is a process of enhancement, a continuous cycle of learning and review. While at individual levels new skills can be learnt, unless they are then used they will be forgotten. Sustaining capacity at the individual level is then dependent on the continued evolution of the institutional environment so that new skills can continue to be effectively deployed and redeployed in the context of the evolving nature of the problems and issues associated with global environmental management. Similarly at the systemic level, institutional mandates, alignments and responsibilities must be continually redrawn if institutional capacity is not to be lost. Essentially sustaining capacity, sometimes called “capacity retention”, involves establishing “learning systems” - an environment conducive to ongoing learning, review and change at all levels - individual, institutional and systemic. A successful capacity building strategy should be largely self-sustaining.

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<sup>28</sup> For more information on tools see reference list.