

International Network for Capacity Development in Sustainable Water Management

# Phase III Completion Report

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# 1. Introduction

Phase III of Cap-Net UNDP, which ran from January 2010 to December 2015, completed 13 years of capacity development in the water sector. The goal of this phase was the 'sustainable management and development of water resources and improved access to basic water supply and sanitation services, benefiting the poor and contributing to the improvement of livelihoods, environmental sustainability and reduced vulnerability to climate change'. To achieve this goal, our core objectives (see Figure 1) were:

- ▶ capacity development
- ▶ strengthening partnerships
- ▶ knowledge management.

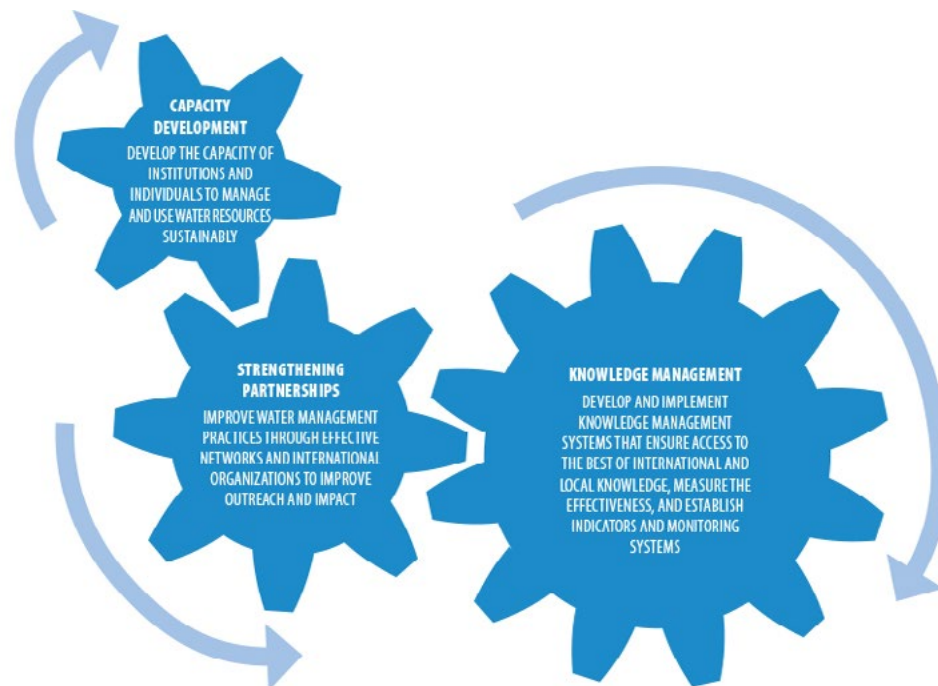


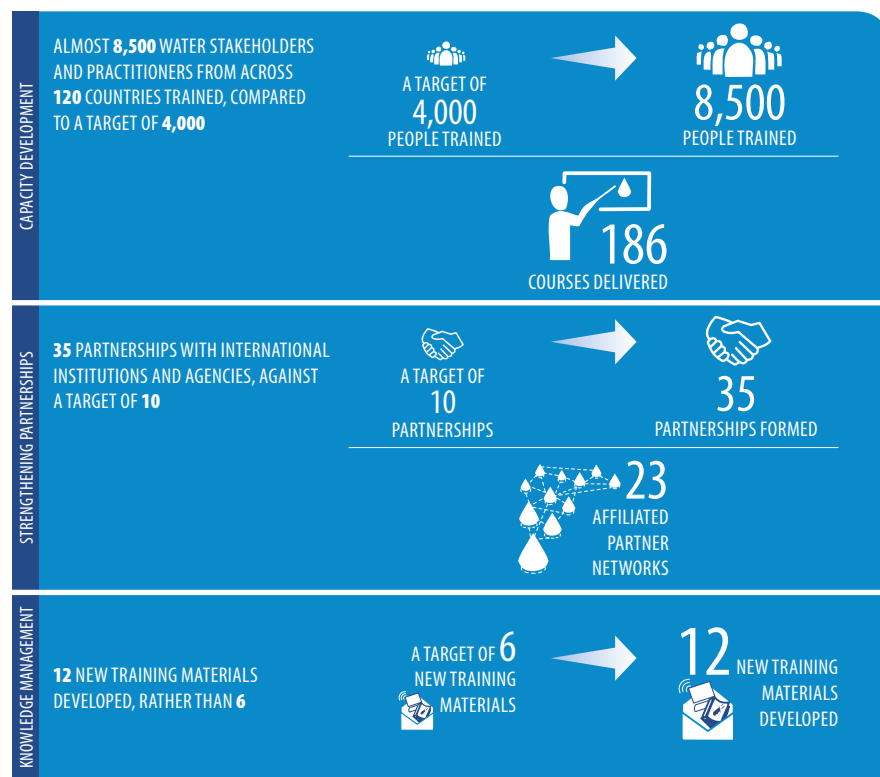
Figure 1. Cap-Net UNDP's core objectives during Phase III

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During Phase III, we achieved our overall output targets, and the majority of these were significantly exceeded (see Figure 2).<sup>1</sup> Further details of these outputs and activities by year can be found in our annual reports.<sup>2</sup>



**Figure 2. Achievements during Phase III**

<sup>1</sup> Annex 1 (available in the online version of this report) provides a full overview of the actual results each year versus the Phase III strategic plan targets.

<sup>2</sup> Available at: [www.cap-net.org/about-cap-net/reports](http://www.cap-net.org/about-cap-net/reports)

## Training and education

Training and education activities during Phase III reached 8,453 water managers, users, stakeholders and trainers. This demonstrates Cap-Net UNDP’s substantial capability to provide rapid, effective outreach and facilitate the interaction of ideas and knowledge related to water resources management. The actual number of people to benefit from these activities is even higher, given our approach, which adopts the model of ‘training of trainers’ so that knowledge and capacity are developed and then transferred.

During Phase III, our strategy of working with networks of capacity builders across the world enabled us to enhance our outreach, achieve impact on the ground and embed new knowledge into existing capacity development institutions. Local capacity builders also contribute substantially in terms of in-kind actions, and can source additional support from governments, donors and the private sector, often in very innovative ways. This approach has proven very effective over the years, and our future strategy will continue to apply this model. Cap-Net UNDP is also receptive to new opportunities to create impact, transfer knowledge and build new partnerships.

We also collaborated with water management institutions, for example river basin organizations (which have emerged as the most important institutions within water-sector reforms) and water utilities that affect the well-being of much of the world’s population. Our cascading model for capacity development, in which training is adapted based on demand, proved to be a significant investment, but highly effective in terms of providing leverage for funding and forging new partnerships. Notably, we achieved great impact and returns on investment in developing countries, where the ability to pay for training is often low.

Developing new training and educational materials was particularly successful and relevant during Phase III, and undoubtedly a catalyst for building partnerships with international agencies and stimulating training activities by the 23 networks affiliated to Cap-Net UNDP. Data gathered during this phase prove that our training materials have been used to adapt educational and training programmes, thus



ensuring a scaled-up approach, grassroots impact and a sustainable outcome. Proving that water management practices have been enhanced, and that food security has increased and livelihoods improved is, however, more challenging.

### Capacity development for IWRM

Integrated water resources management (IWRM) was Cap-Net UNDP's core purpose at the start and remains so today. However, applying the principles of IWRM on the ground is difficult to achieve and challenging to measure. Over the years, it has become increasingly apparent that many water management problems persist, despite significant changes in institutions and policies. Improved global communications and information exchange have had a notable impact, though, and we have benefited from this, scaling up our capacity development actions on water management across the developing world.

Capacity development needs in IWRM and related themes have evolved in recent years. IWRM has expanded to embrace cross-cutting areas such as climate change adaptation, coastal zone management, water footprints, gender mainstreaming, human rights-based approaches and water integrity. In response, there has been a considerable increase in demand and delivery by our networks. For example, requests for training materials on coastal zone management and integrated urban water management have risen; network members have also asked for more training of trainers activities in areas such as sustainable sanitation, water management, earth observation tools for IWRM and water footprints. This has increased demand beyond what we can accommodate and demonstrates a clear need for further investment and delivery across these areas.

These changing requirements, which have been considered in our upcoming strategic period, reflect the evolving landscape and demands from other parties, such as governments, with regard to the post-2015 agenda and the Sustainable Development Goals (see Box 1).

## Box 1. The Sustainable Development Goals

Global networks will have a key role to play in implementing the SDGs, and there is an opportunity for Cap-Net UNDP to make a significant impact through combined efforts with our partners within and outside the UN-Water framework. This is particularly true for SDG6, the dedicated water goal, but Cap-Net UNDP we will also contribute towards realizing 13 goals and 41 targets. Our strategic direction is fully aligned with the implementation of this global development agenda. A short video (Figure 3) explains how Cap-Net UNDP will contribute to achieving the SDGs, and there is also room for new partnerships towards this.

Click to watch the video.



Figure 3. How Cap-Net UNDP is contributing to the SDGs

## Our global impact

Cap-Net UNDP has close to 15 years of experience<sup>3</sup> in shaping and transforming attitudes towards the sustainable management of water resources, and now works with capacity development partners and networks across the world. A coordinated approach to capitalizing on these networks and this experience has enabled us to have a greater global impact during Phase III than was previously possible. For example, capacity development materials that combine international expert knowledge with practical experience and solutions from the ground, along with the global outreach of Cap-Net UNDP's experts, mean that numerous countries now work from the same knowledge base, adopt similar principles and incorporate this shared knowledge into their education programmes. International dialogue and cooperation will greatly improve when our platform of understanding is more streamlined.



<sup>3</sup> Cap-Net was established in 2002.

Our impact is far reaching because our partners and project intermediaries – capacity builders, students and knowledge centres – adapt and modify courses and curricula to enhance their local relevance. This has a long-term impact, as future generations will also be exposed to this knowledge. Indeed, one of the least-acknowledged impacts of our work is on the relationship between knowledge centres and water practitioners. In many cases it is apparent that these interactions have resulted in capacity builders becoming aware of real problems on the ground, adjusting their programmes to become more practical, and conducting research to address pressing social problems. This gap between the academic and the practitioner is real, and short-term courses have an impact on addressing and narrowing it.

As part of our global outreach during Phase III, we published the *Cap-Net@10* book in 2012 to celebrate a decade of developing capacity in sustainable water management. This outlined the achievements, challenges and lessons learned, and how to take this experience forward towards building a water-secure future. Other global outreach activities included the development of infographics, the SDG video and banners, extensive campaigns for World Water Day each year, and side sessions at World Water Week, which is held in Stockholm, Sweden, each year and reaches 2.5 billion people on average.



## 2. Capacity development

Capacity development starts from the principle that people are best empowered to realize their full potential when their means of development are sustainable, homegrown, long term, and generated and managed collectively by those who stand to benefit. Our capacity development activities are widely recognized as being of high quality, despite the challenges we face, such as the differences in the abilities of our partner networks to deliver high-quality training.

Some of the contributions made towards strengthening our networks cannot be quantified. For example, the number of people trained is a quantifiable achievement, but it is difficult to capture the actual number of trainers that use and apply our knowledge and materials. Some achievements are also below the expected level and contradictory to the expenditure levels, which suggests that proactive measures are needed to reduce the cost of interventions while still achieving targets. Partner's contributions and leverage to obtain funds need to be evaluated to establish the ultimate sustainability of the entire Cap-Net UNDP programme.

One area of concern is the gender balance of capacity development activities. While Phase II of Cap-Net UNDP showed a gradual upward trend, Phase III saw a downward trend, with lower female participation across almost all types of training programme, except gender courses. Across different regions, this low participation seems to correlate well with observed general gender inequities. However, female participation remains below 50% overall. To some degree, this is to be expected as the water sector is still dominated by men – although this is changing slowly. However, new measures and initiatives must be put in place to revise our gender policy and achieve greater impact on rebalancing the trend upwards.

Despite these challenges, in Phase III we significantly exceeded some capacity development targets, while most were fully achieved, and only a few partly achieved. Furthermore, our capacity development activities are adapted to respond to local

demands and emerging issues globally. Our continued relevance depends on addressing these changing needs.

There are two major trends behind this: the demand for a deeper understanding of IWRM implementation on the ground (see Box 2) and the increasing demand for the development of new programmes and materials, in broad areas such as planning, water management, conflict resolution and negotiation, and towards more focused areas such as climate and water, water integrity, gender mainstreaming and groundwater management.

### Measuring the outcomes of our activities

In order to track Cap-Net UNDP's progress, the outcomes from capacity development activities during Phase III were assessed in terms of their individual, institutional and societal benefits. Initially, the diverse reporting and analysis practices used by each network made the data incomparable and the results inconclusive. Therefore it was important to provide standard templates with improved guidelines. We developed the Monitoring, Evaluation and Learning Plan as a guide to capturing results using consistent approaches. Significant time and resources were invested into developing this, and it now provides a strong platform to streamline reporting. Section 4 has more details on this.

While this process captures data about the training activities and outputs themselves, measuring the actual impacts on water resources management remains difficult. To a large degree, we contribute indirectly to impact by changing mindsets, practices and application, and there is some evidence of this: participants have used their new knowledge to change training programmes within their organizations and ministries, for example. This suggests that our impact extends far beyond the participants of training courses. Measuring our exact contribution has proven difficult, but Figure 4 provides a glimpse into how some participants have managed to successfully integrate the knowledge they gained into their work and societies.



Figure 4. Participants from around the world share the impacts of their training



## Box 2. IWRM and gender mainstreaming

IWRM requires that the approach to water management is fluid, and transforms and adapts over time. Capturing changes in management practice, illustrating that integrated decision-making is necessary, and supporting the adoption of new management systems on the ground, are important challenges for capacity development practitioners, who consistently require new knowledge and must revise or develop new training materials. However, while some networks are already fully involved in providing training in the application of IWRM, others are yet to move beyond IWRM principles.

Cap-Net UNDP collaborated with partner networks to stimulate action on the ground at country and regional levels, and acts as an agent of change by creating enabling environments. One focus area was gender mainstreaming, a process for improving the relevance of development agendas and achieving gender equality goals, such as SDG 5. Throughout Phase III a number of training activities were implemented to promote gender mainstreaming in IWRM. Monitoring systems were also implemented to allowing gender-disaggregated data to be analysed.

## Reflections

The majority of Cap-Net UNDP's capacity development activities are short-term training courses that target individuals rather than institutions. These are important and their value should not be underestimated, particularly with regard to their ability to reach out broadly and to mobilize champions. Nonetheless, engaging in more long-term capacity development processes would significantly enhance the capacity of organizations to implement IWRM. Hence, while a number of our capacity development activities are long-term processes (e.g. Masters programmes and implementation projects), closer links to ongoing processes – on-the-ground development projects, the rolling out of new policies, or targeted capacity strengthening for key water governing institutions – will further enhance our effectiveness.



### 3. Strengthening partnerships

The Cap-Net UNDP Secretariat is a small team that benefits from our large global network of capacity development experts and water professionals. We use their multidisciplinary skills to scale up capacity and actively support the implementation of water management programmes. It is only through these partnerships that we can successfully implement our programme and meet needs on the ground; our core team does not possess the skills, resources or local knowledge needed to achieve such a significant impact.

Working with networks is our chosen strategy for implementing capacity development and improving water resources management. During Phase III, a range of international partners collaborated with us and, by the end, 23 autonomous capacity development networks were affiliated to Cap-Net UNDP, of which three are global and 20 regional or national networks. Networking is cyclical by nature; some networks were dormant, but reactivated during this period, while others switched between these states. A number of new networks also joined us during this period.

Our network members are individuals or institutions who contribute their knowledge, skills, and time, and often institutional backing and resources, to a project. Most importantly, they provide a critical channel through which knowledge is institutionalized in training and education programmes globally. They are the means by which that knowledge is translated into the capacity development of individuals and institutions globally.

The networks we work with are extremely varied, however, due to their informal nature, largely voluntary resource base and the transience of perceived benefits. There are several factors that determine how effective they are. Good leadership is critical, but not the sole factor; dedicated and competent individuals – ‘champions’ – are

another prerequisite for active, well-functioning networks, but some can be person-driven and thus vulnerable to collapse if that person leaves. Given these variables, consistent support for network management was a key component of Phase III.

#### Effective network management

Cap-Net UNDP provides core support to its 23 affiliated partner networks, which is calculated annually based on the total budget available. To be eligible for core support, partner networks must submit their workplans and monitoring, evaluation and learning reports by the end of each year. Our support is critical for many networks, to cover their running costs and enable them to engage in activities. Over the course of Phase III, the annual support provided per network varied due to budget availability and constraints; we applied a 15% rule of the entire Cap-Net UNDP budget to cater for these changes.

Despite these constraints, the networks’ achievements against management indicators show that most are performing well and implementing activities at a steady rate.<sup>4</sup> However, more important are the less tangible attributes: their time commitments, the extent of their communication and coordination with their members, the degree of member engagement in activities, and the benefits their members perceive from being involved with the network, among others. These have had a notable influence on the success and sustainability of our networks.

To support this, Cap-Net UNDP strengthened network members during Phase III through the training of trainers. This has been an invaluable way to take issues of global or common concern out to a wide audience very quickly, as well as a useful tool for strengthening networks and bringing visible benefits to members. The development of skills and knowledge across networks also helps them to deliver capacity development in IWRM.

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<sup>4</sup> These can be seen in the *Monitoring Report* and the *Peer Review Report*.

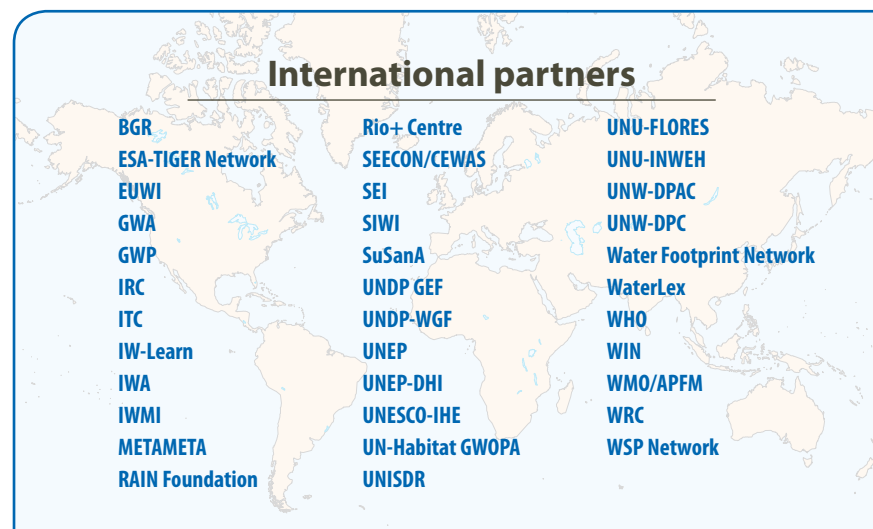
Another ongoing support element during Phase III was improving the database of network members, in terms of network indicators and the establishment of a searchable database on the Cap-Net UNDP website.<sup>5</sup> Our website has generally become a useful resource for engaging partners and information users.

## International partners

International partners collaborate with Cap-Net UNDP as a means to effectively transfer their knowledge through programmes on the ground. A critical point in these partnerships is joint ownership and true collaboration in providing knowledge and resources. In most cases, our international partners have been actively involved in both the development of training materials and the implementation of training on the ground. We placed an increasing importance on international partners throughout Phase III, with the aim of creating a global 'network of networks' that reaches out to capacity development experts and institutions across the developing world. International partners see the value of this in being able to meet their needs on the ground and assist in getting messages established in a timely, effective and coordinated way. As a result, it has become easier for us to establish new partnerships, bringing credibility and impact to our projects. There was a rapid growth in our partnerships with international institutions and agencies, which currently numbers 35, exceeded our target for this phase by over 300% (see Figure 5).

## Reflections

Our achievements in strengthening partnerships have been considerable since the beginning of Phase III. The capacity development networks and their outputs vary significantly, but overall, their consistent and effective contributions to our projects have been substantial and they remain a powerful tool. The development of skills



**Figure 5. Cap-Net UNDP's affiliated international partners**

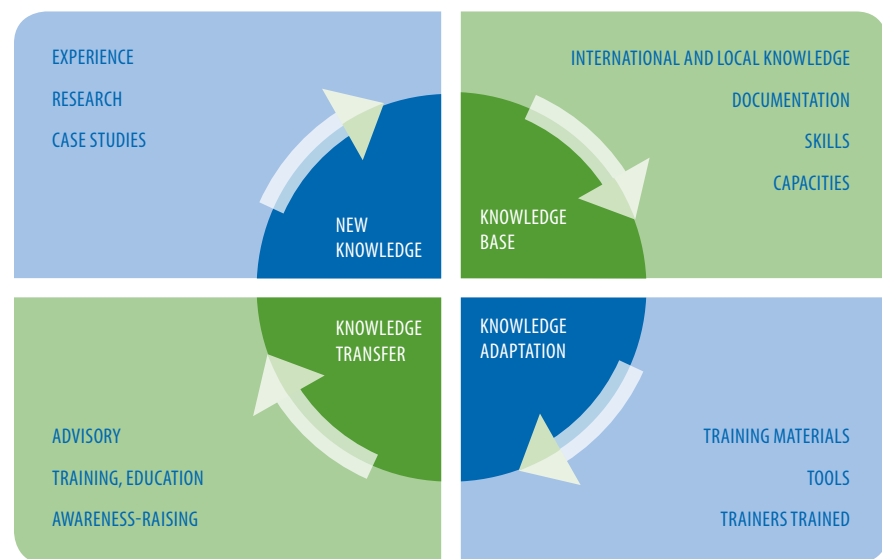
and knowledge within these networks helps them to be even more effective, and the attention given to the training of trainers during this phase served the dual functions of disseminating knowledge and strengthening both trainers and networks.

Integrated approaches to water resources management are not easy to implement without a better understanding of the complexities of integration and an integrated approach to capacity development. The partnership approach remains the most effective and logical one for addressing capacity development in a complex and multidisciplinary subject like water, and should be a central element for future strategies.

<sup>5</sup> [www.cap-net.org/expertise-search](http://www.cap-net.org/expertise-search)

## 4. Knowledge management

Building on experiences and lessons learned from previous phases, Cap-Net UNDP’s strategy for Phase III was based on the model of knowledge management (see Figure 6).



**Figure 6. The knowledge management cycle for capacity development in IWRM**

Furthermore, during Phase III we placed an even greater focus on strengthening our monitoring and evaluation systems to improve the measurement of our outputs and outcomes. Much of this was achieved through the Monitoring, Evaluation and

Learning Plan, as well as the training held for network managers in 2014. These saw an increased response rate to monitoring and evaluation activities, demonstrating that this new approach was successful. Other knowledge management activities during this phase included an external evaluation, network peer reviews, the introduction of innovative technologies and the development of new training materials.

### The Monitoring, Evaluation and Learning Plan

The Monitoring, Evaluation and Learning Plan,<sup>6</sup> which comprises a set of simple tools, is now the main instrument used to measure the relevance, efficiency, effectiveness, impact, sustainability and external utility of our programmes. From 2013 onwards, we encouraged our networks to use these tools and submit a conclusive report to the Secretariat as routine practice. This led to a dramatically higher response rate than before, and also contributed to strengthening the networks’ capacity in monitoring and reporting. A manual developed to guide this process serves as a critical tool for drawing lessons from project results and assessing the impacts of capacity development activities.

There are still some limitations in linking the Monitoring, Evaluation and Learning Plan with project activities, however. Cap-Net UNDP needs to have a more systematic way of facilitating this, with regular tracking and follow-ups. Currently, we are discussing ways to better implement this Plan to link knowledge management with the delivery of capacity development. This will be one of our highest priorities for the coming years. As monitoring is resource-intensive, demonstrating the benefits of streamlined processes for collecting and analysing data – for example improving the amount and quality of data collected – provides a window of opportunity to progress in this respect.

<sup>6</sup> [www.Cap-Net UNDPorg/reviced-melp-tools-2015](http://www.Cap-Net UNDPorg/reviced-melp-tools-2015)

## External evaluation

An external evaluation, carried out at the end of Phase III, proved to be a key tool for increasing awareness of the internal dynamics, strengths, weaknesses, opportunities and threats, at both the Secretariat and the network level.<sup>7</sup> Overall, the evaluation was positive and offered valuable advice to enhance our delivery and outreach, which will improve sustainability within and beyond Cap-Net UNDP. We have already acted on many recommendations; for example, working groups have been created to explore ways to enhance collaboration with the private sector, with the aim of diversifying funding.

## Network peer review

Another vital activity during Phase III was the network peer review carried out in 2013. The main objective was to provide an insight into Cap-Net UNDP's progress and achievements in strengthening networks to date, in terms of:

- ▶ developing regional and country networks
- ▶ developing products and programmes to service these networks
- ▶ the effectiveness of capacity development delivery.

In total, 24 geographic and thematic networks were reviewed, allowing network managers to understand each network's ways of functioning, point out strengths and weaknesses, and take part in peer-learning activities to evaluate and improve their own networks. This process proved valuable for internal evaluations, as well as sharing and learning across networks, and there is scope for expanding this in future.

<sup>7</sup> This was supported by DGIS and Sida and is available online: [www.Cap-Net\\_UNDP.org/download-document/?doc=6137&id=Joint%20Donor%20Review%20Cap-Net\\_UNDP%20Phase%20III](http://www.Cap-Net_UNDP.org/download-document/?doc=6137&id=Joint%20Donor%20Review%20Cap-Net_UNDP%20Phase%20III)

## Innovative technologies

While the Cap-Net UNDP website serves as the main resource for freely available capacity development materials and information, two new technological developments were completed during Phase III.



Launched in 2015 in partnership with 10 other organizations, Cap-Tec expands outreach and the use of innovative technologies for sustainable water management and productivity. Using the extensive Cap-Net UNDP network, it aims to develop and deliver capacity development that understands the needs, and generates the conditions, in which network members operate. It also establishes strong collaborative and knowledge transfer links between technology innovators, capacity development organizations and stakeholder groups.



Cap-Net UNDP explores diverse forms of new media for capacity development, and in 2014 this involved the launch of the Virtual Campus (<http://campus.cap-net.org/en/>) to make use of this wealth of materials developed by us and our partners over the years. The Virtual Campus is a cross-cutting facilitation platform for all

our activities, affiliated networks and partners, and addresses a recommendation from the external evaluation to develop a platform for strengthening network-to-network support, where network managers can share lessons and best practices.

### Training materials

Cap-Net UNDP, in collaboration with international partners and experienced capacity builders from the networks, developed a number of new training materials during Phase III. These materials built on case studies of practice from the ground and cover the general concepts and the practical application of IWRM and its related themes. These materials, which have been shared widely, are available on our website in Word and PowerPoint formats. This means they can be customized for various local purposes by teachers, moderators and facilitators, and used independently for educational programmes and awareness campaigns.



The uptake of these materials, for example their incorporation in educational and training programmes, has undoubtedly surpassed the results captured by the Monitoring, Evaluation and Learning Plan. This is of great significance, as it means that future generations of water managers will benefit from the Cap-Net UNDP project long after its closure.

### Reflections

There is widespread acknowledgment that the impacts of capacity development on water resources management are difficult to measure and to attribute. As

Cap-Net UNDP focuses on the development and building of capacity, and does not directly implement IWRM on the ground, our impacts are mainly indirect and thus intrinsically difficult to measure. Taking our monitoring approach to a more practical and personal level, for example capturing stories and experiences from the ground, has proven to be the most effective system and keeps us in touch with the realities of implementing knowledge and capacity.

The Monitoring, Evaluation and Learning Plan and the peer review process shed light on the strengths and weaknesses of Cap-Net UNDP and were useful for guiding discussions with network managers on areas for improvement. As noted, monitoring is challenging for any project, essentially when the impacts are indirect. But throughout Phase III, the commitment to this from networks improved and their inputs are essential. It is likely to require more investment to take our monitoring systems to another level, however.

During Phase III, we surpassed our target for developing new training materials by 200%, launching 12 new training materials rather than 6. These have undoubtedly been a catalyst for building partnerships with international agencies and for stimulating training by the networks, and as a means of meeting demand on the ground. This makes them a particularly successful and relevant component of Cap-Net UNDP, and the external evaluation noted their quality as being consistently high. As noted, these materials are highly adaptable, making their impact even more far-reaching. However, it is clear that there is much more to be done to create materials across the whole range of water resource management issues.

## 5. Project and resources management

Cap-Net UNDP is a programme of the United Nations Development Programme (UNDP), implemented by the United Nations Office for Project Services (UNOPS). Our UNDP status has proved beneficial in relations with partners, countries and networks, in terms of credibility and enforcement. Our governance structure comprises:

- ▶ our management board
- ▶ the Secretariat, which provides advisory and support services
- ▶ our networks and international partners.

This structure is an effective means to achieve our objectives, linking global projects right down to action on the ground and building on local expertise, capacity and knowledge.

Towards the end of Phase III, the Cap-Net UNDP Secretariat relocated from South Africa to Brazil. The rationale behind the move was primarily that a) the Government of Brazil, unlike in South Africa, could provide in-kind support (e.g. office space and facilities) and b) Brazil showed an interest in providing financial support to Cap-Net UNDP for South–South cooperation activities, with a focus on Lusophone countries.

Cap-Net UNDP streamlined its system for contract management during Phase III. We now use the UNOPS Intranet as a platform to store, edit and access documents from anywhere in the world, resulting in greater efficiency in project management and budget control and overview. This has proven crucial given the significant amount of travel undertaken by staff, and provided notable support before, during and after our relocation. This platform also contributes to our objective to establish a fully digitized and paperless office environment.

### Our strategy

Cap-Net UNDP's strategy is to operate as a global network committed to capacity development in water resources management. The Secretariat implements this strategy and acts as the coordinator of this global network, while executing our objectives. Despite our operational budget being substantially increased and then reduced during Phase III, alongside staff replacement and our relocation, we managed to implement this strategy and streamline our business processes with minimal interruptions. Quarterly self-audits on procurement and random checks on payments were carried out within UNOPS procurement policies without any issues.

During Phase III, at the request of Sida, Cap-Net UNDP aligned with the UNDP's Water and Ocean Governance Programme in order to streamline its partnership with UNDP in relation to water. This is reflected in our 2014–2017 strategy. In practical terms, our work was already largely aligned with this programme, for example by including gender mainstreaming, coastal zone management and human rights-based approaches in our outputs. In 2015, our activities were also fully aligned with the new strategic period 2014–2018 themed 'Water Knowledge for All: Empowering Individuals, Enabling Environments'.

### Human resources

The Cap-Net UNDP Secretariat has always been small and flexible. Project staffing remained relatively stable during Phase III, despite major changes such as the relocation. By the end of Phase III, the Secretariat comprised eight people: a director, a deputy director, two capacity development analysts, a finance associate and programme associate, virtual campus coordinator and a communications/IT assistant.

Fourteen people joined Cap-Net UNDP for placements of around three months during Phase III. These were primarily to strengthen the links between network partners and the Secretariat. Secondary objectives were to enable people to

gain specific network expertise, and to give them the opportunity to work at the global level and experience how our projects operates, then take back this experience to improve their own networks. This was very successful in all respects, making valuable contributions to our projects, to the network and to the individuals.

## Financial resources

The financial reporting for Phase III spans the period 2010–2015. Taking into account the global financial crisis that occurred during the time of developing the strategic plan for Phase III, an alternative funding and implementation strategy was developed. In order to avoid a slow start to Phase III and to simultaneously cater for activities, we exercised caution so as not to fully use the available budget. As a result, US\$250,000 was carried over as a buffer to ensure smooth performance. The global financial crisis also led to a reduced maintenance budget for two years, which was catered for by the slower start-up period.

Our two key financing agencies during this phase were the Swedish International Development Cooperation Agency (Sida) from 2010–2014 and the Netherlands Ministry of Foreign Affairs (DGIS) from 2012–2015. The total funds contributed during Phase III were US\$11 million.<sup>8</sup> Figure 7 provides an overview of expenditure by donor throughout Phase III.

Overall, there was a close match between the planned budget (US\$11.02 million) and expenditure (US\$10.99 million). For some activities, the higher demand led to over-expenditure, so funds were reallocated, within reason, during mid-year budget revisions. This flexibility enabled us to respond to demands on the ground.

<sup>8</sup> Sida funding ran from 1 January 2010 to 31 March 2014; DGIS funding ran from 1 January 2012 to 31 December 2015. In 2010, there was also funding carried over from Phase II.

	Budget Phase III	Project expenditures Phase III	SIDA expenditures Phase III	DGIS expenditures Phase III
<b>1. Capacity development</b>	2,570,701	2,492,768	918,761	1,574,006
<b>2. Strengthening partnerships</b>	2,946,506	3,386,164	1,160,291	2,225,874
<b>3. Knowledge management</b>	1,078,099	737,651	293,023	444,629
<b>4. Project implementation</b>	2,737,551	2,906,870	2,288,754	618,116
<b>TOTAL</b>	<b>9,332,857</b>	<b>9,523,453</b>	<b>4,660,829</b>	<b>4,862,624</b>
<b>UNOPS ISS</b>	698,375	664,794	324,219	340,575
<b>UNDP general management support</b>	736,799	802,014	439,708	362,306
<b>Phase III remaining funds</b>	250,000			
<b>GRAND TOTAL</b>	<b>11,018,031</b>	<b>10,990,261</b>	<b>5,424,756</b>	<b>5,565,505</b>

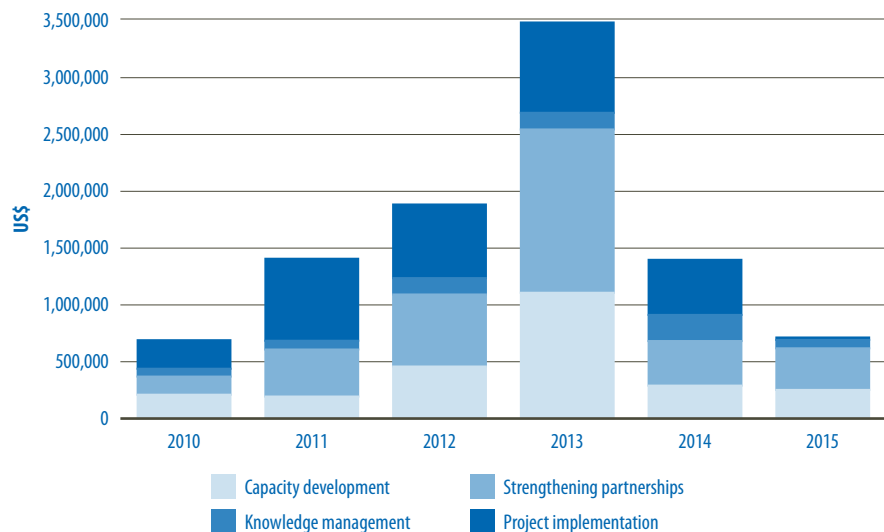
Some figures have been rounded up or down.

**Figure 7. Expenditure by donor during Phase III**

Figure 8 shows our annual expenditure during Phase III by activity, highlighting the steady upward trend in expenditure up to 2013, followed by a decline. These figures, combined with those that show our impact over Phase III (see Figure 2) demonstrate that it is possible to achieve a notable impact and return on investment in capacity development.

Through our network approach, we source funding at local levels, in terms of in-kind and cash contributions. Combined with our core funding, these make it possible to respond to demands for capacity development, even in developing countries where there is limited ability or willingness to pay for this.





**Figure 8. Expenditures by activity during Phase III**

### Leverage effects

As our partner networks propose capacity development activities beyond Cap-Net UNDP’s financial capacity, it is critical that additional funding is sourced by these networks. Our policy is to support activities up to a maximum of 50% of the cost (within reason and subject to funds), with network partners providing the rest. This set-up means there is a substantial leverage effect, meaning greater combined funding. However, this places significant responsibility on networks and their members, and it can present a challenge to put together course proposals that can secure financial support from governments and donors, or non-governmental organizations and self-sponsoring participants.

During Phase III, we received over US\$3.3 million from our networks. The leverage effect in 2015 was 185%, meaning for every US\$1 invested by Cap-Net UNDP,

partners contributed US\$1.63. These contributions took various forms, including cost-sharing, co-funding and in-kind contributions.

The amount of funds obtained in this way was actually even greater than this, as network managers and members usually receive little remuneration for their time in organizing activities. Furthermore, any other follow-up activities which took place as a result of a Cap-Net UNDP activity also constitute leverage.

### Cost-effectiveness

Overall, Cap-Net UNDP demonstrated significant cost-effectiveness during Phase III. For example, the total expenditure on capacity development was roughly US\$2.8 million, and the total number of people trained was almost 8,500, meaning that the average training cost was as low as approximately US\$165 per participant (considering the 50% cost-sharing arrangement).

The Cap-Net UNDP Secretariat is committed to cost-effectiveness and is currently considering further ideas to reduce costs. One major expense is travel (also in terms of staff time) due to the global nature of the network. In this regard, the development of our Virtual Campus helps to eliminate the costs associated with travel and daily subsistence costs, as the courses are virtual. Another significant step to reduce costs – and our environmental footprint – is that training manuals are no longer printed or released on CDs, but only made available digitally on the Cap-Net UNDP website.

### Financial sustainability

Funding can make or break programmes like Cap-Net UNDP. We are experiencing increased competition for funding from programmes that depend on the same bilateral and multilateral donors. Donor institutes are, in turn, becoming increasingly political, at times leading to drastic and unpredictable changes in their priorities, and



contract-wise becoming geared towards fewer and longer funding agreements. This scenario was further exacerbated by the global economic recession, which mainly affected donors from Western Europe and North America. Many donors also prefer to focus on their current partners, rather than exploring new partnerships in the water sector.

There has also been a shift among donors from providing funds at the global level to providing more decentralized disbursements, at country or regional levels. As a number of our activities (e.g. training of trainers), our signature programmes (e.g. Cap-Tec and the Virtual Campus) and core programming are global in nature, donors are sometimes less inclined to support these. While some of these shifts have affected our funding security as a global network, our partner networks can use the strength of the network approach to engage and obtain funds which may not be available at the global level. This can be described as leveraged support,

where impacts are beyond the region, and South–South cooperation and larger outreach impacts can be established. Efforts should be made to further develop these contacts and relationships. Affiliated networks should also look beyond Cap-Net UNDP for funding and approach entities such as development banks and the private sector.

There is a strong push – by donors and internally – for Cap-Net UNDP to increase and diversify its funding in order to make it sustainable. During our next phase, we will continue to focus on fundraising strategies and other approaches to diversify funding. Many of our global activities (see Introduction) help to increase our outreach to the donor community and are useful strategically in securing additional funding. However, for the reasons noted, it has so far proved difficult to attract other donors. In addition, and as confirmed by the external evaluation report, it is unrealistic to expect Cap-Net UNDP and its partner networks to become fully financially independent.

## Reflections

Financial management is a critical aspect of the overall management of Cap-Net UNDP, and requires as much attention as our technical objectives. We achieved strong financial management during Phase III, despite periodic budgetary constraints, in part through our improved project management systems. The role of the management board, and the participation of the network managers, were valuable control points which made an important contribution.

The flexibility in our financial support, for example seed funding for various capacity development activities, was critical to our success and should be maintained. The significant sums acquired through leverage effects demonstrate the credibility of Cap-Net UNDP and the potential of our networks and partners to raise funds. The significant cost-effectiveness and returns on investment also prove that capacity development can be achieved despite financial challenges.

## 6. Conclusions

During close to 15 years of shaping practices and attitudes towards sustainable water management, Cap-Net UNDP has created a global network of capacity builders and international partners concerned with capacity development. Throughout Phase III, their knowledge was captured in new training materials, which have been widely distributed, adapted and used to train close to 8,500 professionals and students globally. Partners welcomed the opportunity to work with Cap-Net UNDP and appreciated the impacts on the ground. The monitoring of our project outputs and outcomes improved significantly during Phase III, and our external evaluation provided useful insights into the scale, scope and challenges of a programme of this nature. Combined, these achievements provide clear evidence that capacity development is an essential and beneficial element of development assistance in the water sector.

Our Secretariat was an essential foundation for the success of Phase III, along with what is possibly the most important success factor: our networks of local capacity builders and experts who achieve impact on the ground. The commitment and contribution of these highly motivated professionals, who all believe in what they are doing, was responsible for the development and impact of all the capacity development networks who work with us. Nurturing and supporting those networks was an important task throughout this phase.

Despite Cap-Net UNDP's clear relevance, great achievements and enormous global impact, the continued sustainability of these accomplishments is vulnerable if continued funding is not secured. This vulnerability paves the way for unsustainability; the lack of funding is a real risk, and has resulted in sporadic interruptions to delivering capacity development and achieving our outcomes. This reality needs to be managed by capturing the lessons learned during Phase III and ensuring that our funding sources are diversified. We aim to focus efforts into



fundraising, outreach and raising awareness of our relevance and importance in the water sector and beyond. By doing so, we can secure funding from a wider range of donors, allowing for longer-term planning and the smoother implementation of activities, without the disruptions faced in the past.

Despite this uncertainty, the positive outcomes and continued relevance of Cap-Net UNDP during Phase III, alongside the identification of some important success factors, allows us to look to the future and consider how we can achieve an even greater impact. It is clear that water-sector reforms are being put centre stage at the global level, for example in the SDGs, and in order to take effect there will be a great need for capacity development. This will not only enable people to manage water resources better, but ensure that the expected outcomes of poverty reduction, food security, economic growth and environmental health are achieved.

## 7. Looking forward

The world today faces a water crisis that has critical implications for peace, political stability and economic development. Managing water resources more effectively and efficiently will enable humanity to better respond to today’s problems and to the surprises expected in a warming world. In the next strategic period, Cap-Net UNDP aims to secure ‘Water Knowledge for All’, with a focus on the concepts, principles, mechanisms and tools needed to realize this, as well as addressing our programme management, structure, implementation and monitoring challenges. Part of this process will involve embracing the lessons learned so far, and incorporating them into our planning and implementation.

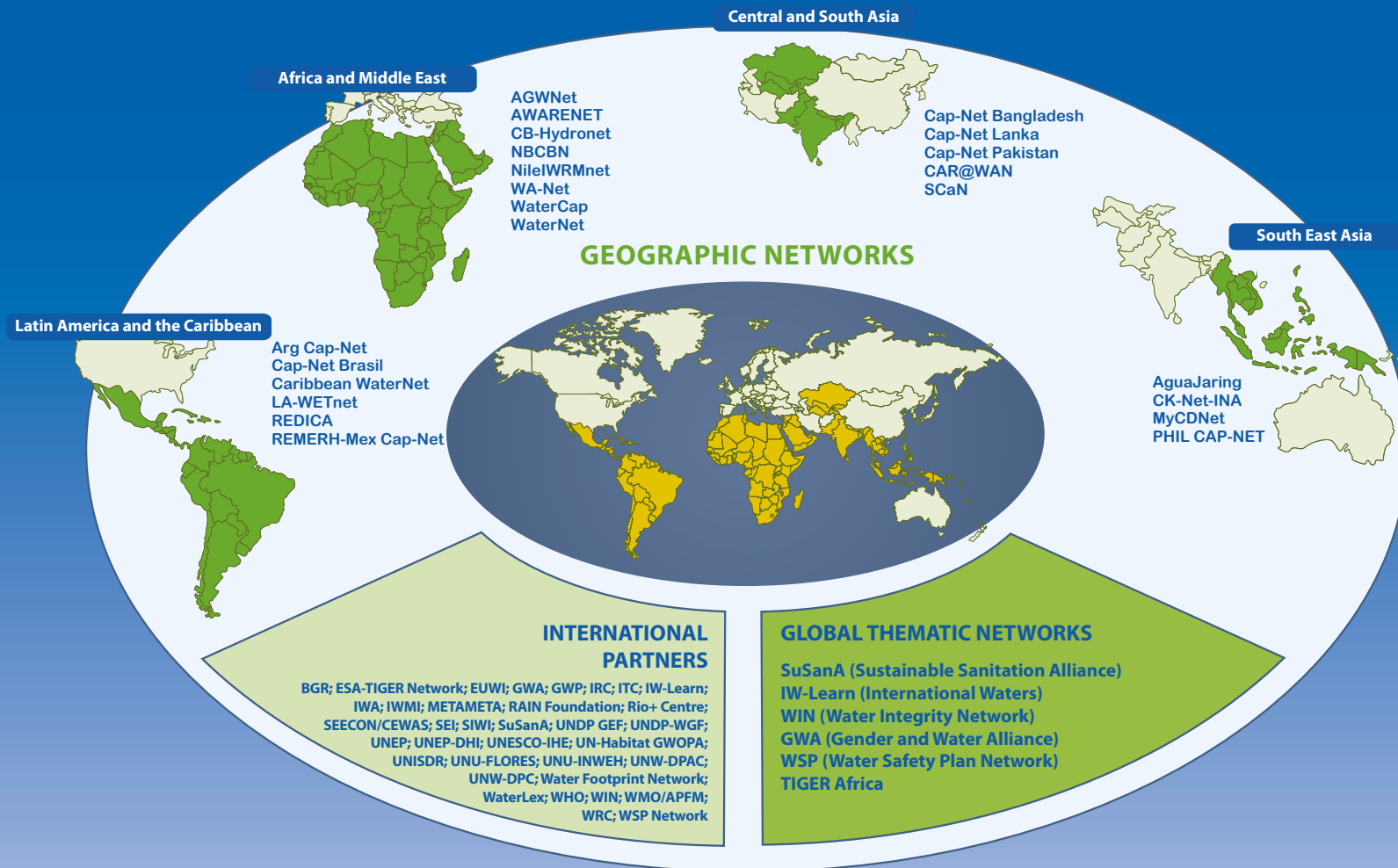
A major focus in the coming years will be the SDGs, in terms of resource management for the effective use of water, land and other resources to combat hunger, enable healthy living and ensure people are resilient to disasters. Many of the targets in the SDGs are closely linked to water resources management, and Cap-Net UNDP is poised to deliver on SDG commitments through its extensive networks. Our capacity development approach reflects the essence of these goals through the use of national, regional and global partnerships for developing a knowledge base, and delivering effective capacity development. For example, the basic principles of IWRM are a major driver for partnerships between all stakeholders, including scientific and academic communities, governments and parliamentarians, business and the private sector, civil society and all parties in a position to make a vital contribution in achieving the development targets. We expect to further reinforce the SDG targets into our work plans in the coming years.

Moving forward, Cap-Net will further strengthen its partnerships with networks in developing countries to make knowledge on water management more widely available and accessible, in particular through South–South cooperation. We will continue to develop local pools of resources and professionals equipped with the

technical knowledge required to face water management challenges in the 21st century. This will lead to effective knowledge transfer and ensure individual and institutional knowledge development that is closely bound to the approaches of Cap-Net UNDP, and will lead to a better impact in terms of contributing to ending poverty in all its forms, everywhere.



Figure 9. Cap-Net’s plans for 2016–2020



**Cap-Net UNDP**  
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