



*Empowered lives.
Resilient nations.*

Poverty-Environment Action *for Sustainable Development Goals*



United Nations
Environment Programme



INCEPTION REPORT

1 September - 31 December 2018

Acronyms

ACAFS	Africa Climate Adaptation and Food Security
CPD	Country Programme Document
DRR	Disaster Risk Reduction
ECD	Environmental Conservation Department
EID	Environmental Impact Assessment
FAO	United Nations Food & Agriculture Organization
GRSP	Governance for Resilience and Sustainability Project
INAM	Mozambique National Meteorology Institute
KM	Knowledge Management
MA	Managing Agent
M&E	Monitoring & Evaluation
MIMAIP	Mozambique Ministry of the Sea, Inland Waters and Fisheries
MITADER	Ministry of Land, Environment and Rural Development
MSDP	Myanmar Sustainable Development Plan
NAP	National Implementation Plan
NDC	Nationally Determined Contributions
PAGE	Partnership for Action on Green Economy
PEI	Poverty-Environment Initiative
PEP	Poverty-Environment Partnership
Poverty-Environment Action	Poverty-Environment Action for Sustainable Development Goals
SDG	Sustainable Development Goals
TA	Technical Assistance
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UN Environment	United Nations Environment Programme

Table of Contents

Acronyms	2
1. Introduction	4
1.1 Project Background	4
1.2 Context and Purpose of the Inception Report	6
2. Progress to Date	9
2.1 Full-fledged country projects	9
2.2 Technical Assistance	13
2.3 Project Governance and Management Arrangements	14
2.3.1 Project Governance.....	14
2.3.2 Management & Implementation Arrangement Update.....	17
2.4 Annual Work Plans	17
2.4.1 2019 Global annual work plan and targets.....	18
2.4.2 Country Annual Work Plans and targets (2019)	19
2.5 Results and resource framework and Theory of Change	23
2.5 Recruitment Update	23
2.7 Partnerships and Resource Mobilization	24
2.8 Visibility and Communication	26
3. Financial Update	27
4. The Way Forward	28
5. Annexes	28

1. Introduction

1.1 Project Background

In 2018, United Nations Development Programme and United Nations Environment Programme launched Poverty-Environment Action for Sustainable Development Goals 2018-2022 (Poverty-Environment Action). It builds on more than a decade of experience of its predecessor, the Poverty-Environment Initiative (PEI). The new focus is on aligning finance and investment with poverty, environment and climate objectives to accelerate SDG implementation.

Poverty-Environment Action is implementing this new focus by operating at country, regional and global levels through a two-pronged strategy of deepening and broadening support to countries on poverty-environment and climate mainstreaming. These two complementary tracks will:

- Deepen mainstreaming efforts to integrate environmental sustainability and climate objectives for poverty eradication into development planning, budgeting and monitoring systems and—in line with the new focus of Poverty-Environment Action—into public and private finance and investment;
- Broaden the dissemination and use of the project’s substantial body of country-level experience in the application of integrated poverty-environment mainstreaming approaches and tools through stepped-up efforts in knowledge management and sharing—including through targeted technical assistance to selected countries, South-South knowledge transfer and cooperation, and proactive engagement with key global and regional actors supporting national SDG implementation and acceleration processes.

The expected project outcome is: **strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the SDGs** to be delivered through three interrelated outputs:

- **Output 1:** Development planning, budgeting and monitoring systems integrate environmental sustainability and climate objectives for poverty eradication
- **Output 2:** Public finance and investment frameworks incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication
- **Output 3:** SDG implementation and acceleration processes leveraged to scale up use of integrated poverty-environment mainstreaming approaches and tools

Each output comprises a package of key deliverables and technical advisory and capacity-building services to support poverty-environment mainstreaming for the SDGs detailed in the Poverty-Environment Action project document, approved in Sept 2018 (see Annex 1).

Poverty-Environment Action has eight full-fledged country projects in Africa and Asia (Bangladesh, Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Nepal and Rwanda) where substantive gains were made

through PEI and with high potential to deliver the shift in investments expected from Poverty-Environment Action.

The Poverty-Environment Action project will also deliver technical assistance for poverty-environment mainstreaming at country, regional and global levels. Technical Assistance for selected countries will focus on those countries that do not have a Poverty-Environment Action full-fledged country project. The aim of technical assistance is to catalyze poverty-environment action and broaden the use of poverty-environment mainstreaming tools and approaches through wider UNDP and/or UN Environment programmes that contribute to the overall Poverty-Environment Action outcome and outputs.

Technical assistance will be provided in the form of technical expertise and knowledge of the Poverty-Environment Action team backed by financial resources. Technical assistance will be delivered through two tracks:

- **Country specific technical assistance** will be delivered to interested member states through broader UNDP and/or UN Environment projects. Technical assistance will be open to countries that have passed the eligibility criteria listed in section 2.1. of the Technical assistance criteria (approved in Dec 2018 – See Annex 2) which also set out the proposal process and selection criteria for country specific technical assistance.
- **Global/regional technical assistance** will be delivered to interested member states through global/regional technical service support within one of the Poverty-Environment Action thematic focus areas (e.g. investments, public environmental and climate expenditure, environmental sustainability in poverty measures, gender-agriculture nexus etc.) with an emphasis on south-south cooperation. Due to the focus on methodological development and south-south cooperation global/regional technical assistance may be extended to a wider pool of interested countries than those eligible for country specific support. Section 2.2. of the Technical assistance criteria sets out the guiding principles for global and regional technical assistance.

The ambition is to have at least 10 Poverty-Environment Action technical assistance interventions of about US\$ 100,000 per year each, subject to funding availability, during the lifetime of the Poverty-Environment Action Project.

Poverty-Environment Action will build on earlier PEI collaboration with organizations engaged in promoting the transition to an inclusive green economy, including current efforts to jointly construct a best practice framework and in-country delivery model for avoiding duplication and enhancing programming collaboration and synergies. Going forward, key engagements include the following: - Partnership for Action on Green Economy (PAGE): assessment and strategies with respect to green economy (UN Environment); green jobs (International Labour Organization); green industry (United Nations Industrial Development Organization); training, networking and learning (United Nations Institute for Training and Research) - European Union SWITCH regional programmes in Asia and Africa - Green Economy Coalition - International Institute for Environment and Development - GIZ - Organisation for Economic Co-operation and Development - Green Growth Knowledge Platform: knowledge hub, link to global experts, data and analysis - UN Environment Finance Initiative - Global Green Growth Institute etc.

1.2 Context and Purpose of the Inception Report

The start of the project was marked by an inception phase from 1 September to 31 December 2018. Poverty-Environment Action's inception phase was reasonably short and no major changes influencing the planned implementation of project activities were identified.

The objective of the Inception period was to conduct preparatory project activities and set-up the project with necessary tools and processes to enable full implementation as from January 2019. Furthermore, the objective was to create a common understanding of the project's goals, activities and management arrangements among the key stakeholder, as well as generating the project's refined work plan, budget plan and country work plans including the updated data on baselines, indicators and targets at country level.

The following table provides an overview of the results achieved during the inception phase:

Table 1: Inception Period results summary

Expected Deliverable	Result
Consultations held with national stakeholders and partners	Consultations with national stakeholders and partners were held in Bangladesh, Lao PDR, Malawi, Mauritania, Myanmar, Mozambique, Nepal, Rwanda as well as Tanzania as the first technical assistance project under Poverty-Environment Action.
Development and approval of 8 full-fledged country projects	Six out of eight originally proposed full-fledged country projects (Lao PDR, Malawi, Mauritania, Myanmar, Mozambique, Rwanda) were developed in consultation with national partners and governments and formerly approved in 2018. Poverty-Environment Action components in both Bangladesh and Nepal will be part of broader UNDP Country Office SDG projects which are currently being developed by the UNDP Country Offices and are expected to be ready by May (Nepal) and June (Bangladesh) this year.
Development of technical assistance criteria and approval of technical assistance projects	Technical assistance criteria, based on which future technical assistance projects will be selected to be part of Poverty-Environment Action, were established and presented to the Project Board in December 2018. To date, one technical assistance project (Tanzania) has been approved and has started implementation. Poverty-Environment Action plans to have six additional technical assistance initiatives on board by the end of 2019. The ambition is to have at least 10 Poverty-Environment Action technical assistance interventions of about US\$ 100,000

	each per year, subject to funding availability, carried out during the lifetime of the Poverty-Environment Action project.
Poverty-Environment Action templates developed, and training organized for all Poverty-Environment Action staff	To mainstream planning and reporting processes for all countries, standardized work plan and project report templates were developed and shared with the countries that are in line with the Poverty-Environment Action project document, donor requirements and with UNDP rules and regulations. A training with participating UNDP Country Office staff on the implementation of Poverty-Environment Action is planned in Quarter 2 of 2019.
Recruitment of global staff	During the inception phase, the following competitive recruitments at global level have been initiated and are expected to be completed within Quarter 2 of 2019. <ul style="list-style-type: none"> • Project Management Specialist (Nairobi) • Knowledge Management/M&E Specialist (Bangkok) • Finance Analyst (homebased/Nairobi) • Consultant for Sustainable Finance & Investment (Bangkok)
2019 Annual work plans developed and approved	The Poverty-Environment Action global annual workplan 2019 was approved by the Project Board in Dec 2018. (See Annex 3) All country level annual work plans for 2019 have been approved by the Poverty-Environment Action Co-Managers on behalf of the Project Board.
Delegation of Authority Framework issued	Poverty-Environment Action set-up a Delegation of Authority Framework which sub-delegates certain tasks and responsibilities for implementation of resources mobilized under the joint global project to the full-fledged country projects. Thus far, Delegations of Authority have been signed with the UNDP Country Offices in Lao PDR, Malawi, Mauritania, Mozambique, Myanmar and Rwanda as well as Tanzania.
Results-Resource Framework is further refined	At country level, baselines, indicators and targets have been refined and are attached in Annex 4. The global project document's results and resources framework will be revised by the newly recruited KM/M&E Specialist once the last two

	<p>remaining full-fledged country projects (Bangladesh and Nepal) are on board and once all 2019 technical assistance initiatives are approved.</p>
<p>Approval and signature of country project documents (Full-fledged countries)</p>	<p>Bangladesh: country project document still in development</p> <p>Lao PDR: <i>“Improving Quality Investment for Achieving Sustainable Development Goals in Lao PDR”</i> signed in January 2019</p> <p>Malawi: UN Joint Programme Document, pending signature of FAO</p> <p>Mauritania: <i>“Project d’appui a la mise en œuvre et au suivi des objectifs Pauvreté/Environnement de la SCAPP et des politiques sectorielles en relation avec les ODD en Mauritanie”</i> signed in November 2018</p> <p>Mozambique: <i>“Sustainable Management of Natural Resources for Resilient and Equitable Development – SUNRED II”</i> signed in January 2019</p> <p>Myanmar: <i>“Governance for Resilience and Sustainability Project”</i> signed in November 2018</p> <p>Nepal: Country project document still in development</p> <p>Rwanda: <i>“Poverty-Environment Action for SDGs”</i> signed in October 2018</p>

2. Progress to Date

2.1 Full-fledged country projects

During the inception phase, six out of eight full-fledged country projects (Lao PDR, Malawi, Mauritania, Myanmar, Mozambique, Rwanda) were developed in consultation with national partners and governments and approved to be part of Poverty-Environment Action. Poverty-Environment Action components in both **Bangladesh** and **Nepal** will be part of broader UNDP Country Office SDG projects which are currently being developed by the UNDP Country Offices and are expected to be ready by the end of Quarter 2 2019.

Malawi

In **Malawi**, initial consultations were held with the Office of the President for the planned capacity building for sector ministries to better apply the poverty-environment guidelines included in the National Guide to Executive Decision Making. Consultations with relevant government departments and the Food and Agriculture Organization of the United Nations (FAO) on the development of a national soil management strategy were held building on the [PEI-FAO soil loss assessment reports](#). The strategy will form the basis of capacity building to different stakeholders at district level on soil management practices. The project document has been signed by the Government of Malawi, UNDP and UN Women. It has yet to be signed by FAO, which is expected to take place by April 2019.

Poverty-Environment Action will be implemented within the context of the [Malawi Growth and Development Strategy III](#) which has been formulated based on the broader agenda 2063 and agenda 2030. The main Poverty-Environment Action implementing partner is the Ministry of Finance, Economic Planning and Development, in collaboration with other government Environment and Natural Resource Management (ENRM) relevant departments and ministries. The focus will be on addressing the development challenge by deepening and broadening the application of poverty-environment mainstreaming tools and approaches to better integrate environmental sustainability and climate objectives for poverty eradication. The project will include a specific focus on creating incentives for private investments in poverty reducing environment and natural resource management. The project aims to further explore ways of linking national and district level plans to community investments.

Mauritania

In **Mauritania**, the project document was approved by the Local Project Appraisal Committee which included representatives from the Government of Mauritania and the UNDP Country Office. Following the approval, the project document was signed by the UNDP Country Office and the Government of Mauritania in November 2018. Late 2018, the first Poverty-Environment Action Mauritania project board meeting was also held, where the Poverty-Environment Action 2019 workplan, budget and targets were jointly developed and approved together with government counterparts.

The work of Poverty-Environment Action will take place in the context of Mauritania's fifteen-year Growth and Prosperity strategy 2016-2030 (SCAPP), the National Strategy for Sustainable Development (SNEDD) and national SDG implementation processes. The Government of Mauritania has also recently adopted a new budget-programme which provides a great opportunity to translate poverty-environment objectives into implementation strategies and actions through increased investments from both the public and the private sector as well as development partners.

The Ministry of Economy and Finance will be the main government partner to deliver Poverty-Environment Action in close collaboration with the Ministry of Environment and Sustainable Development and four sector ministries: mining, agriculture, fisheries and livestock. The project will focus on deepening and broadening the application of poverty-environment mainstreaming tools at the national level and through the four key sectors referred to above. Moreover, the project will work to influence public financial management systems to better measure and monitor public investments for poverty reducing environmental sustainability. The support will also include a focus on incentivizing private actors to invest in poverty-environment actions through new legislative approaches and taxation measures.

Mozambique

In **Mozambique**, the new *Sustainable management of Natural resources for Resilient and Equitable Development – Phase II (SUNRED-2)* project was approved by the Local Project Appraisal Committee which included representatives from the Government of Mozambique and the UNDP Country Office. The project document was signed in January 2019. The project addresses the relationship between unsustainable management of the environment & natural resources, climate change and climate adaptation, poverty eradication and broader economic growth.

The project strategy has been built bringing together three complementary project components, all of them addressing the development challenge in an integrated manner, but from different perspectives maximizing synergies and efficiencies¹. The three project components contribute to the achievement of the same outputs and outcomes and are as such mutually reinforcing. The three components are as follows:

- a. **Green Human Development (GHD):** with a focus on the successful implementation and monitoring of the environmental related SDGs and integration of the environmental dimension of sustainable development across sectors to be mainly implemented by the MITADER (Ministry of Land, Environment and Rural Development) as the coordinating institution for the environment sector in the country.
- b. **Poverty-Environment Action for Sustainable Development Goals (Poverty-Environment Action):** with a focus on the integration of environmental sustainability and climate objectives for poverty eradication into national plans, budgets and investment frameworks at central, sectorial and sub-national level. mainly implemented by the Ministry of Economics & Finance (MEF), to ensure ownership and clear orientations from Planning and Budgeting authorities.
- c. **National Adaptation Plan (NAP):** with a focus on starting the implementation of the National Adaptation Plan Road Map, as the Adaptation component of the NDC (Nationally Determined Contributions) for the implementation of the Paris Agreement. Mainly implemented by UNDP, in close coordination with the MITADER, the MEF, the INAM (Mozambique National Meteorology Institute) and the MIMAIP (Ministry of the Sea, Inland Waters and Fisheries).

¹ This is a good practice recognized by the SUNRED-I Terminal Evaluation

The project strategy builds on the achievements and lessons learned during the implementation of the SUNRED I programme and previous phases of the ACAFS (Africa Climate Adaptation and Food Security), PEI and GHD projects.

Myanmar

The Government of **Myanmar** has committed to a series of policy reforms on environmental governance, climate change and disaster risk reduction (DRR), to ensure that economic growth in Myanmar is more inclusive, resilient and sustainable. In this regard, *the Governance for Resilience and Sustainability Project (GRSP)* was initiated in July 2018 and the project document was officially signed in November 2018. The project will support the Government of Myanmar's implementation of these policies, building on UNDP's ongoing support for these reform efforts, as well as the joint UNDP and UN Environment Poverty-Environment Action for Sustainable Development Goals project, which is embedded in the GRSP project.

In 2018, GRSP provided active support to the Environmental Conservation Department (ECD) and other stakeholders to ensure environmental considerations were mainstreamed into the Myanmar Sustainable Development Plan (MSDP) and the draft MSDP Indicator Framework. This effort provides a strong, high-level policy platform for ensuring that mainstreaming commitments are translated into practice, helped empower ECD staff to advocate for strong environmental controls, and built important inter-ministerial connections.

Technical assistance for ECD has seen a significant reduction in the backlog of environmental impact assessment (EIA) reports requiring review, which is anticipated to enable ECD to focus on other areas of regulatory responsibility. ECD requested urgent assistance and in addition to providing direct technical support, UNDP organized a coordinated approach amongst other development partners to ensure assistance was efficient and not duplicated. This unplanned assistance was deemed necessary to respond to a significant challenge identified by a core GRSP counterpart and to ensure broader GRSP objectives were not hindered.

The MSDP and its Indicator Framework, along with the National Environmental Policy (NEP) which was approved by the Cabinet in December 2018, lays the foundation for pursuing the United Nations Development Assistance Framework (UNDAF) and Country Programme Document (CPD) outcomes around environmental sustainability, while the support for ECD recognized that addressing the environmental impact assessment backlog is fundamental to improved environmental governance.

Rwanda

The Poverty-Environment Action **Rwanda** project document was approved by the Local Project Appraisal Committee which includes representatives from the Government of Rwanda and the UNDP Country Office. Following the approval, the project document was signed by UNDP Rwanda and the Government of Rwanda in October 2018.

The project addresses the relationship between unsustainable management of Environment & Natural Resources (ENR) and multi-dimensional poverty in Rwanda. The natural resource base and its contribution to economic growth and poverty elimination is under pressure in Rwanda, mainly because of very high population densities in rural areas. This situation is aggravated by the high vulnerability caused by the undulating terrain, susceptibility to erosion and climatic hazards.

Rwanda has made important progress in poverty reduction, though there is a need to better link “ending poverty” as stated in the new National Strategy for Transformation (NST-1) and the SDGs, with the sustainable use of the environment and natural resources. This is recognized by the Government of Rwanda and policies and action plans to that effect are mostly in place, while mainstreaming of ENR into planning and budgeting has been achieved to great extent, with support from PEI and REMA. However, there is a need for more effectively mainstreaming Poverty–Environment (P-E) linkages, in terms of investing in, budgeting, spending and assessing its effects into sectors and districts.

The Outcome of Poverty-Environment Action is: *“Increased and enhanced investments that deliver concrete and significant results in poverty reduction, environmental and natural resource sustainability and resilience building at national and district levels”*. This will be achieved through the Outputs: 1. *“Strengthened national planning and budgeting capacity and frameworks to sustainably implement poverty-environment actions”*; 2. *“Capacity for programming, budgeting and action that eliminate poverty and deliver sustainable ENR management at district-level”*; and 3. *“Increased investments with enhanced impacts for poverty elimination and ENR sustainability catalysed”*.

The results framework follows the guidance of the SDGs and is aligned with the global Poverty-Environment Action project document, national policies and strategies, UNDP country Document programme (CPD), United Nations Development Assistance Plan (UNDAP, 2018-2023) and other relevant frameworks, and will work with the appropriate stakeholders through effective partnerships.

In 2018, technical assistance was provided to align the 2019/2020 district and sector plans poverty-environment related priorities and targets with those of the National Transformation Strategy 2018-2024 including support for the district greening components. The Poverty-Environment Action team further provided inputs to the development of a draft environment and climate budget statement. The statement is expected to be approved following the adoption of the new national environmental policy in 2019. An assessment of 2017/18 public budget allocations showed that 9.3% of the national budget was dedicated to environment and climate. In 2016/17 the national budget allocation was 6% but actual expenditure only reached 2.7% of the national budget. While it is positive that the budget allocations are increasing an analysis of the actual expenditure for 2017/18 needs to be undertaken in 2019 to confirm if expenditure trends are also on the rise.

2.2 Technical Assistance

The Poverty-Environment Action project will deliver technical assistance for poverty-environment mainstreaming to selected countries, regions and sub-regions that do not have a Poverty-Environment Action full-fledged country project. The aim of the technical assistance is to catalyze poverty-environment action and broaden the use of poverty-environment mainstreaming tools and approaches through wider UNDP and/or UN Environment programmes that contribute to the overall Poverty-Environment Action outcome and outputs.

The technical assistance to be provided comes in the form of the expertise and knowledge of the Poverty-Environment Action team backed by financial resources. Technical assistance will be delivered through two tracks:

- **Country specific technical assistance** to be delivered to interested member states through broader UNDP and/or UN Environment projects.
- **Global/regional technical assistance** to be delivered to interested member states through global/regional technical service support within one of the Poverty-Environment Action thematic focus areas (e.g. investments, public environmental and climate expenditure, environmental sustainability in poverty measures, gender-agriculture nexus etc.) with an emphasis on south-south cooperation. Due to the focus on methodological development and south-south cooperation, global/regional technical assistance may be extended to a wider pool of interested countries than those eligible for country specific support.

Technical Assistance criteria, based on which future Technical Assistance projects will be selected to be part of Poverty-Environment Action, were developed and approved by the Project Board in December 2018. (See Annex 2) The ambition is to have at least 10 Poverty-Environment Action technical assistance interventions of about US\$ 100,000 each/per year, subject to funding availability, during the lifetime of the Poverty-Environment Action Project.

So far, one country – **Tanzania** – has successfully submitted a Technical Assistance proposal to Poverty-Environment Action, which was approved by the Project Board Executive/Poverty-Environment Action Co-Managers on behalf of the Project Board. The Government of Tanzania has, in its five-year development plan 2016-2021 and its related forthcoming Poverty Reduction Action Plan, identified sustainable natural resource management and climate action as strategic interventions for economic growth and an enabler for poverty reduction. The UNDP Country Office has thus designed a four-year project July 2018-June 2022 “Mainstreaming Poverty-Environment-Gender-Climate Change Objectives into LED and SDGs Localization for sustainable development and poverty eradication in Tanzania) to address remaining poverty-environment challenges in the context of Local Economic Development and the SDGs. These challenges include substantive poverty-environment mainstreaming capacity weaknesses at the subnational level, including for the preparation of sound project proposals for the sustainable use of natural resources. It has committed \$1,200,000 in UNDP TRAC resources and \$350,000 of One UN funds to this project. This provides an excellent opportunity for the Poverty-Environment Action project to provide technical advisory support to catalyze substantive results at the district level by building on the achievements and lessons learned from the PEI and to deepen and broaden the application of tested poverty-environment mainstreaming tools [cost benefit analysis](#), regional investment guides that integrate poverty-environment objectives, M&E framework and Poverty Monitoring System for the country’s five year development plan.

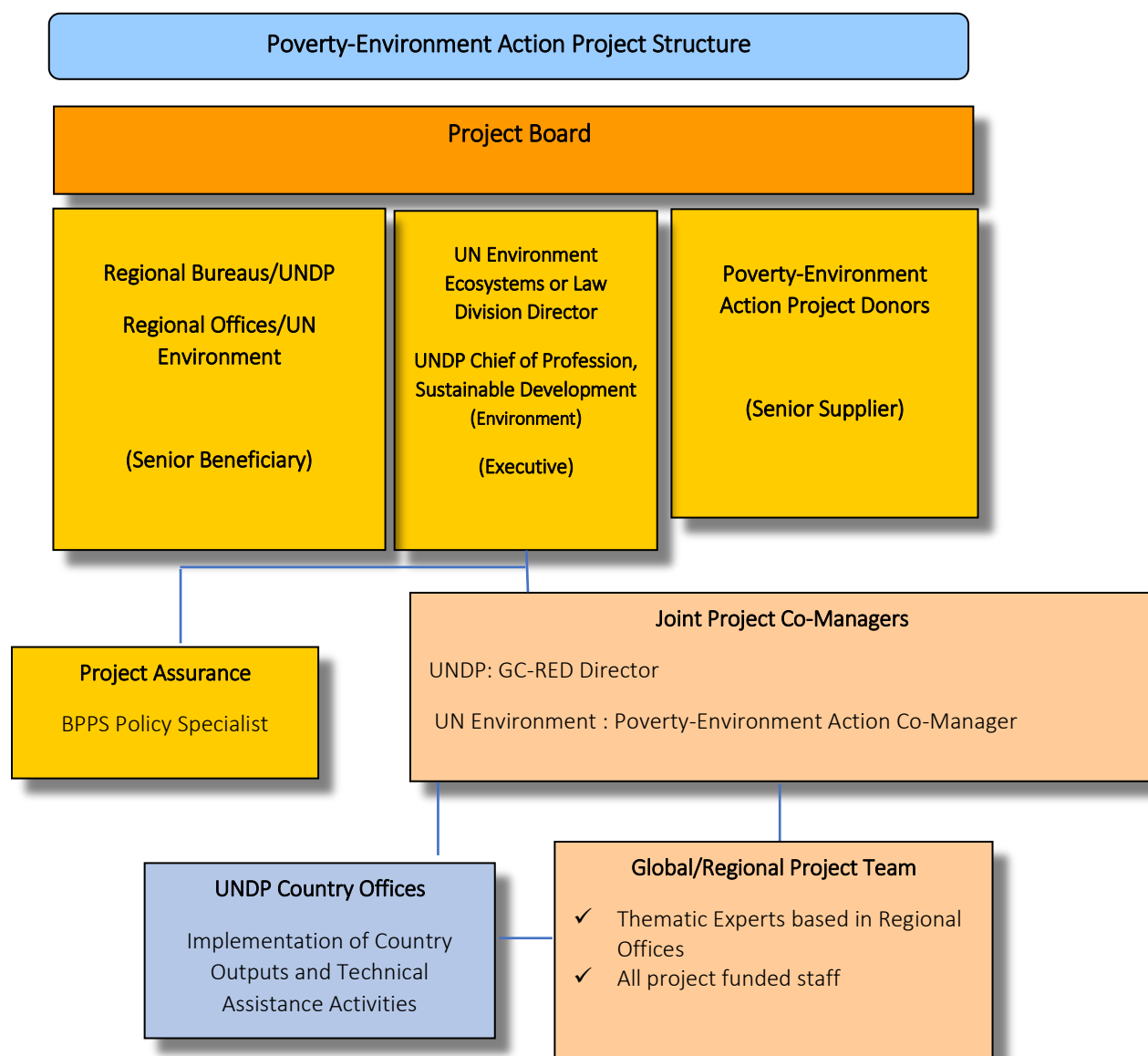
2.3 Project Governance and Management Arrangements

2.3.1 Project Governance

The Poverty-Environment Action governance comprises of a joint UNDP–UN Environment project team overseen by a Joint Project Board. (see Table 2). The project team comprises of posts funded from Poverty Environment Action and core-funded from UN Environment and UNDP. UNDP and UN Environment field the project Co-Managers as well as thematic experts based in the respective Regional Offices who are providing technical guidance to Poverty-Environment Action as needed. Dedicated knowledge management capacity will form part of the global project team and is funded by the project. Summarized job descriptions for the Poverty-Environment Action Global Team can be found in Annex 5.

At the country level, the project is fully embedded in the UN Country Teams and resources are managed by the relevant UNDP Country Offices in close partnership with local donor representations. A detailed organigram can be found on page 16.

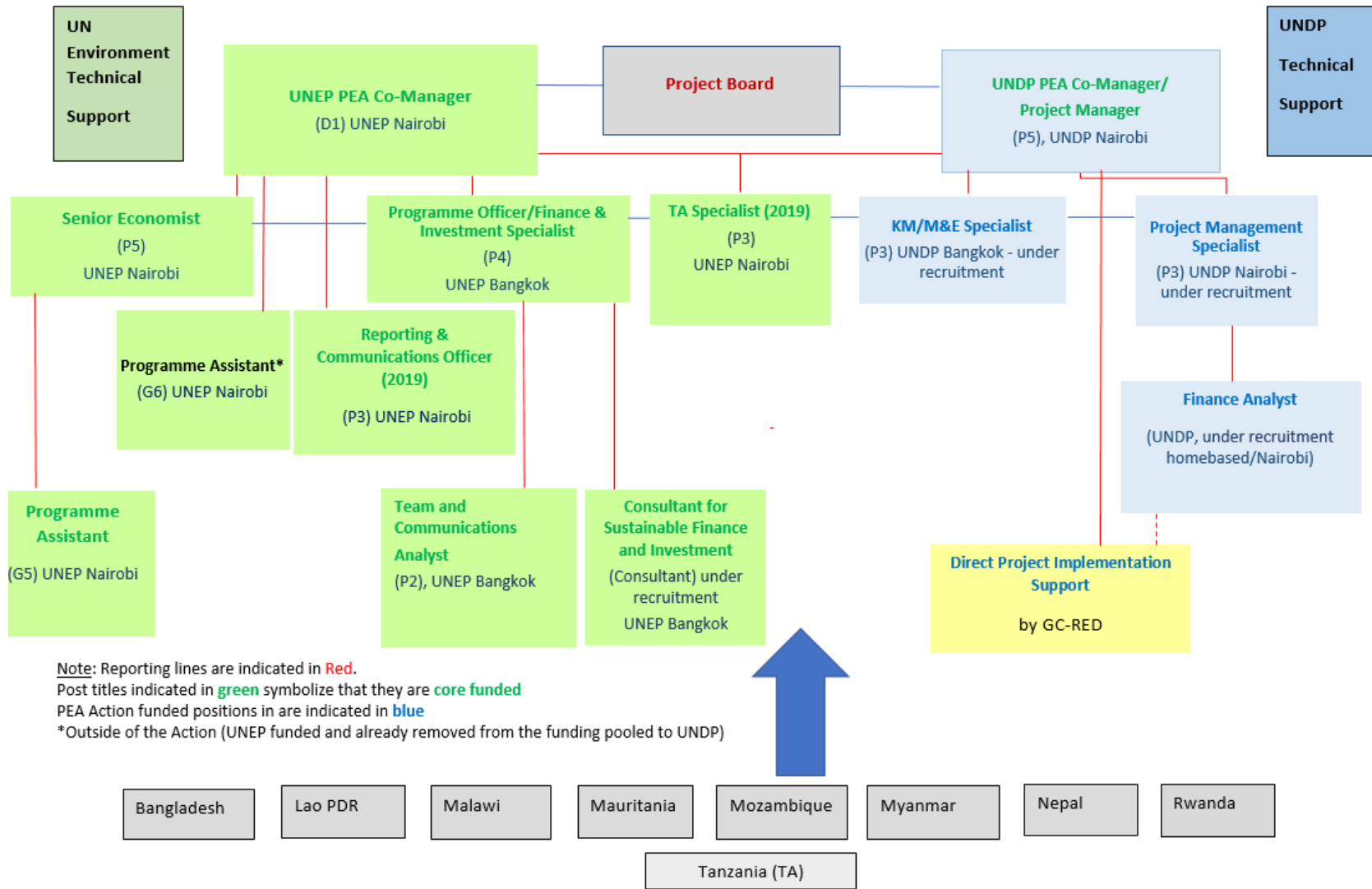
Table 2: Poverty Environment Action Project Structure



Since the start of the project, two **Project Board meetings** have taken place (July and December 2018) where the board has come together to discuss the progress of Poverty-Environment Action and take essential project management decisions to guide the project. (see Project Board minutes in Annex 6)

As part of these meetings, the role of the Project Board has further been defined and the Project Board Terms of Reference (TOR) has been finalized. (see Annex 7)

Table 3: Poverty-Environment Action Organigram



2.3.2 Management & Implementation Arrangement Update

UNDP was jointly selected to serve as Managing Agent (MA) for Poverty-Environment Action and is responsible for overall project financial management, performance monitoring and reporting, evaluation and ensuring achievement of project results with inputs from UN Environment technical staff.

Poverty-Environment Action will be implemented by operating at country, regional and global levels to deepen and broaden support to countries on poverty-environment and climate mainstreaming.

Poverty-Environment Action has eight full-fledged country projects (Bangladesh, Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Nepal and Rwanda) which are implemented through the UNDP Country Office through a **Delegation of Authority Framework agreement**. The Delegation of Authority Framework Agreement provides the context for and outlines mechanisms to ensure the accountability Poverty-Environment Action has to its donors, including through which Poverty-Environment Action sub-delegates funds, tasks and responsibilities for implementation of resources mobilized under the joint project to the UNDP Country Offices.

This set-up empowers countries to engage and maintain contacts with local government, partners and stakeholders on behalf of Poverty-Environment Action. The Framework agreement further delegates the work plan, budget management, procurement and reporting processes to the countries to maximize work processes within the country and country ownership.

Out of the eight full-fledged countries, six (Lao PDR, Malawi, Mauritania, Mozambique, Myanmar and Rwanda) have been approved to be part of Poverty-Environment Action to date. Project Proposals for Bangladesh and Nepal are expected to be submitted for approval by the end of June and May 2019 respectively. In addition to the eight full-fledged country projects, a minimum of ten Technical Assistance interventions will be carried out throughout the life of the project.

To date, the Delegation of Authority Framework has been signed by all participating Poverty-Environment Action countries which have been approved to be part of Poverty-Environment Action i.e. Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Rwanda and Tanzania.

2.4 Annual Work Plans

Annual Work Plans set out the activities which will be undertaken during the year to achieve the results specified in the project document. Annual Work Plans include a timeframe, budget and responsibilities for completing those activities.

In Quarter 4 of 2018, Poverty-Environment Action worked with all approved participating countries to develop and approve the annual work plans and provided guidance throughout this process. The Poverty-Environment Action Global Annual Work Plan 2019 was approved by the Project Board in December 2018. (See Annex 3)

2.4.1 2019 Global annual work plan and targets

In 2019, Poverty-Environment Action will participate in a number of high-level events to support South-South learning, increase the visibility of Poverty-Environment Action and also respond to requests for sharing of best practices. There is a lot of interest in the link between environmental and social policies and the use of an integrated approach.

2019 planned events

8 – 11 January: GEC and PAGE Ministerial Meeting where Poverty-Environment Action shared best practices on inclusion and discussed partnerships and the new investment focus. Main theme: **Advancing Inclusive and Sustainable Economies.**

19 February: EU Parliamentary meeting where Poverty-Environment Action was invited to deliver a keynote speech on the **Poverty-Environment nexus for SDGs in Europe, no social policy without environmental action.**

11 – 15 March: UN Environment Assembly 4 was held under the theme “**Innovative solutions for environmental challenges and sustainable consumption and production (SCP)**”, and Poverty-Environment Action held the following side events:

- 5 March: International resource panel: Poverty-Environment Action and distributional impact analysis
- 7 March: **Environmental challenges related to Poverty, and Natural Resources Management**, including sustainable food systems, food security, payment for environmental services, climate change and halting biodiversity loss upon invitation of the UN Environment Assembly stakeholder
- 12 March: **Human rights-based approaches to innovation for sustainable development, side event** with OHCHR, Sweden and partners, where PEA Rwanda shared its experience of the green villages
- 13 March: **Leave no one behind: Easier said than done? In the SDG innovation forum**
- 14 March: **Innovative approaches to implementing the human right to a healthy environment** with Swedbio and Natural Justice

18 – 19 March: Poverty-Environment staff global retreat to discuss strategic priorities for 2019, division of labour and team building

1 – 2 April: Inclusive Green economy institutional collaboration meeting hosted by GIZ in Germany where it was discussed how to work together with partner organisations at global and country level

9 – 18 July: High Level Political Forum 2019 on the theme “**Empowering people and ensuring inclusiveness and equality**” where Poverty-Environment Action countries will share their experiences

September: PEI final Donor Steering Group meeting and Poverty-Environment Action board meeting in Stockholm, hosted by SIDA, dates to be confirmed by members

24 September: Poverty Environment Partnership (PEP) Meeting (maybe hosted by SIDA back to back with the Poverty-Environment Action meeting, tbc)

October/November: **Global Poverty-Environment Action meeting** with all Poverty-Environment Action countries and main partners, including South-South exchange among full-fledged and technical assistance countries. including joint training with the EU on environment and climate change mainstreaming.

2.4.2 Country Annual Work Plans and targets (2019)

To date, Poverty-Environment Action approved the annual work plans for all participating countries where country project documents exist to date (Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Rwanda and Tanzania).

Detailed work plans with budget and activities to achieve the 2019 targets are available upon request. Table 4 outlines the main targets that are planned to be achieved in 2019 along with the corresponding budget.

Table 4: Poverty-Environment Action planned country 2019 targets:

Country	Brief project description	2019 planned targets to be achieved	Poverty-Environment Action Budget 2019	Local Co-Financing Budget 2019	TOTAL budget 2019
Lao PDR	<p>The objective of the Poverty-Environment Action in Lao PDR project is to strengthen coordination of government’s regulatory capacity to coordinate and promote higher quality investment, improvement the ease-of-doing business, transparency, accountability, and effectiveness of investment management for achieving the Sustainable Development Goals in Lao PDR.</p> <p>The project will address strengthening government’s regulatory capacity on the basis that lack of enforcement is the cancer of green</p>	<ul style="list-style-type: none"> • 1 communication material on the CSR concept produced and published; • 6 investment profiles that address green growth, and dimension of quality project identified; • 1 pre-screening for quality used by government agencies to assess and regulate concessions and PIP projects; • 1 knowledge exchange event/product developed through study visits or South-South cooperation to share Lao PDR’s experience on the development and application of PEI or Poverty-Environment Action tools for quality investment promotion and management. 	\$314,000	\$145,530 ²	\$459,530

² Includes USD 45,530 in-kind contributions

	economies. The project will help the government to address and remove investment regulatory and business barriers that currently hinder the development of a healthy vibrant competitive business environment, while regulating compliance and obligation of the investment projects to create more jobs for local people and build the skills of national staff.				
Malawi	The Poverty-Environment Action project in Malawi is jointly implemented with FAO and UN Women and focuses on poverty-environment mainstreaming in broader national and sector policy and budget processes. It has an emphasis on promoting climate resilient and gender responsive agriculture by influencing agricultural investments.	<ul style="list-style-type: none"> ▪ 2 new District Development Plans incorporate and implement national environment and natural resource management targets ▪ 2 new sectors apply existing poverty-environment mainstreaming tools (GEDM, PSIP and SEP) in their budgeting and planning ▪ 2 government coordination mechanisms (one at national and one at district level) apply an integrated approach to gender, natural resource sustainability and agricultural productivity ▪ 2 systems developed to monitor multi-dimensional poverty-environment sustainability indicators 	\$300,000	\$300,000	\$600,000
Mauritania	The Poverty-Environment Action Mauritania project focuses on influencing public financial management and monitoring systems to include aspects of poverty reducing environmental	<ul style="list-style-type: none"> ▪ 1 regional action plan incorporates poverty-environment (including gender and climate) dimensions ▪ 1 sector policy includes poverty-environment, gender and climate dimensions 	\$314,000	\$100,000	\$414,000

	sustainability. It also includes a focus on incentivizing private actors to invest in environmental sustainability for poverty reduction through new legislative approaches and taxation measures.	<ul style="list-style-type: none"> At least 1 poverty-environment indicator is included in the M&E system of the national development plan and is effectively reported against 			
Mozambique	The Poverty-Environment Action project in Mozambique has a focus on influencing climate and environmental budgeting and expenditures across sectors from a poverty-environment perspective. It also includes a focus on strengthening the management of natural resource revenues to optimize revenue collection and benefit sharing mechanisms with vulnerable groups to promote environmental sustainability.	<ul style="list-style-type: none"> 1 poverty-environment mainstreaming tool is used in the new planning and budget system (SPO) 2 new budget management units (sectors or provinces) use environment and climate budget codes The 2019 budget for citizens includes an analysis of environmental and climate budget allocations 0.63% of the annual budget is allocated for climate resilience and environmental sustainability (as compared to 0.45% baseline) An increase in the % of revenues from forestry and the extractive industries are canalized to communities 	\$314,000	\$210,000	\$524,000
Myanmar	The Poverty-Environment Action project is embedded in UNDP Myanmar Country Office's <i>Governance for Resilience and Sustainability Project</i> (2018-2022) and aims to promote i) mainstreaming of environment and poverty considerations into investment and management systems; ii) mobilization of green investments in environmental goods and services; and iii) improved organisational performance by lead agencies responsible for environmental	<ul style="list-style-type: none"> 50 Government staff (including parliamentarians) at Union and Subnational level trained on sustainability and resilience concepts (including on differential gender impacts), disaggregated by sex. High level seminar on developing a national integrated environmental financing framework and roadmap produced. 1 knowledge product demonstrating potential for investment in environmental goods and services that can promote resilience and sustainability 	\$314,000	\$381,668	\$695,668

	management and climate change.	<ul style="list-style-type: none"> ▪ 1 sector-based government plan developed incorporating resilience and sustainability criteria 			
Rwanda	The Poverty-Environment Action project in Rwanda focuses on directing private and public investments towards poverty-environment action by influencing investment incentive structures and guidelines. PEA will also build capacity for the use of mainstreaming tools including multi-dimensional poverty assessments (that include an environmental sustainability perspective) in planning and budget processes.	<ul style="list-style-type: none"> ▪ 4 sectors (agriculture, urbanization, energy and industries) have mainstreamed poverty-environment objectives and included these in yearly plans and imihigo (imihigo is the Rwanda national report of natural resources) ▪ 2 districts (Bugesera & Musanze) have locally-relevant poverty-environment evidence (including gender disaggregated) available to be used in future planning and programming ▪ 2 districts (Bugesera & Musanze) have drafted cost effective P-E investment proposals ▪ Budget circulars and environment and climate checklist revised for all 14 sectors based on the new National Strategy for Transformation ▪ Baselines established for public expenditures on environment and climate change ▪ Review on the combined values of private sector projects investing in sustainability undertaken 	\$314,000	\$153,500	\$467,500
Tanzania	The Poverty-Environment Action Technical Assistance work in Tanzania aims to support Local Government Authorities and the central Government to apply poverty-environment analytical tools in the	<ul style="list-style-type: none"> ▪ 1 poverty analytical tool for poverty-environment mainstreaming applied ▪ 1 gender responsive and climate smart poverty eradicating investments (public or private) 	\$164,000	\$63,000	\$227,000

	development of programmes and concrete interventions being designed to implement district development plans, sector strategies and regional investment guidelines.	implemented at the sub-national level.				
			TOTAL	\$2,034,000	\$1,353,698	\$3,387,698

2.5 Results and resource framework and Theory of Change

As part of the inception phase, the project further refined baselines, indicators, milestones and targets at country level as part of the results resource framework for those countries who have been already approved to be part of Poverty-Environment Action (see datasheet in Annex 4). The global project's indicators, baseline and targets are expected to be refined by the new KM/M&E specialist once all country proposals and the 2019 TA proposals have been approved.

In line with previous PEI evaluation recommendations, detailed Theory of Change (TOC) have been developed at both global and country levels for project management purposes, while the high-level TOC can be used for communication purposes.

The TOCs include information on the drivers and assumptions associated with each output and outcome and any intermediate states envisaged linking outcomes and the project's desired Impact. The TOCs provide a clear picture of the obstacles that need to be overcome to progress. Country TOCs also provide information on the specific country processes the project is trying to influence and be accompanied by explanatory narrative. The TOCs at country level can be found in the project board approved Poverty-Environment Action country proposals.

2.5 Recruitment Update

During the inception phase, the following competitive recruitments at global level have been initiated and are expected to be completed within Quarter 2 of 2019 in line with the Poverty-Environment Action organigram as mentioned above (Table 3).

- Project Management Specialist (Nairobi)
- Knowledge Management/M&E Specialist (Bangkok)
- Finance Analyst (homebased/Nairobi)
- Consultant for Sustainable Finance & Investment (Bangkok)

2.7 Partnerships and Resource Mobilization

▪ Partnerships

Partnerships which engage governments, civil society, the private sector, the UN system and other actors are key to enhancing the reach and effectiveness of Poverty-Environment Action programming and, more broadly, to delivering on the 2030 Agenda and the SDGs. Priority areas for strengthening Poverty-Environment Action partnerships and improving coordination in 2019 are outlined below.

In 2019, Poverty-Environment Action is going to partner with PAGE on social inclusion, the Green Economy Coalition on country and global work and a joint event during the HLPF, with UN Women on a regional TA, with African Diplomatic Corps in Nairobi (ADC), FAO, OHCHR, Swedbio and Natural Justice during and after UN Environment Assembly, with the Club of Rome to sensitise EU Parliamentarians, with the UCL Global Governance Center on governance for a just transition to green economy, with EU DEVCO on joint training on environment and climate mainstreaming as well on a TA linking Poverty-Environment Action work to the EU external investment plan, with PEP on the next PEP meeting.

Furthermore, in 2018 Poverty-Environment Action started drafting a resource mobilization and partnership strategy. The resource mobilization and partnership strategy will be shared at the project board meeting to be held in September 2019.

▪ In-country coordination with Poverty-Environment Action partners

Under Poverty-Environment Action, key donors including EU, ADA, Sweden, Norway will be routinely briefed and consulted on project implementation and their support will be visibly acknowledged in any products and events supported through this project. During the inception phase, Poverty-Environment Action has received country level contacts from Sweden, ADA as well as the EU and has been in communication with Poverty-Environment Action partners to date as described below:

In **Nepal** and **Myanmar**, the Poverty-Environment Finance and Investment Specialist met with the EU delegations to discuss the project in person. The EU delegation in **Lao PDR** has been consulted by the UNDP Country Office during the preparation of the Laos Poverty-Environment Action document and in Bangladesh during preparation of the UNDP SDG overarching project document.

In Asia Pacific, the EU Ambassador in Singapore attended the UN Environment's Third Forum of Ministers and Environment Authorities of Asia Pacific held in January 2019 in Singapore and received information on Poverty-Environment Action. Poverty-Environment Action booths were in place in the Forum Exhibition Hall in Singapore and at the Asia Pacific Forum of Sustainable Development (APFSD) held in March 2019 in Bangkok. The PEA team supported a roundtable table discussion on Climate Change (SDG 13) at the APFSD and highlighted the issue of sustainable finance (the outcome of this roundtable will be submitted to the High-Level Political Forum in New York as part of the APFSD outcome document).

A joint Poverty-Environment Action- Asian Development Bank publication on tools to mainstream environmental dimension of SDGs in national planning and budgeting was launched in January 2019 (<https://www.adb.org/publications/environmental-dimensions-sdgs-tool-compendium>) with donors acknowledged on the back cover (not front due to ADB publication rules).

The PEI **Malawi** team consulted with the EU delegation on the new programme before the July 2018 project board meeting while still drafting the project document. The final draft spell out was shared with the EU before the Poverty-Environment Action steering committee meeting and the EU was invited to the Local Project Appraisal Committee. (LPAC). In February 2019, Poverty-Environment Action Malawi held a meeting with the European Union Delegation to discuss an overview of the just concluded Poverty-Environment Initiative project in Malawi as well as the transition to the new Poverty-Environment Action project. The EU also provided an overview of its focus areas in Malawi including agriculture. Synergies in the area of climate change and agriculture were identified and the EU appreciated Poverty -Environment Action's partnership with FAO, as the EU is a key donor to FAO as well. The team also consulted with FAO and UN Women which are also key implementing partners of the country project and who were also involved in the development of the annual work plan as well as the Malawi UNDAF work plan. This partnership in Malawi is key in leveraging resources and expertise from the four agencies to deliver as one UN as well as in ensuring achievement of maximum benefit to the targeted government institutions and the communities.

In **Mauritania**, a meeting request was sent to the EU to discuss the new project, but eventually did not take place. At the launching workshop, the EU delegation expressed concerns about the lack of notice and inadequate communication and consultation generally. The EU attended the launching workshop and the ad-hoc steering committee meeting.

In **Mozambique**, the Poverty-Environment Action Senior Economist met with the EU Delegation to discuss the new project and it was discussed that the Country Office would share the project document draft once ready.

In **Rwanda**, the EU delegation was consulted in the preparation of the local project document. The EU delegation was an active participant in the donor-government working group and workshops which discussed drafts of the project document. Poverty-Environment Action has identified a concrete co-operation activity with the EU delegation.

In **Tanzania** the Poverty-Environment Action team met with the EU Delegation in December 2018 to brief on progress of the project in Tanzania and discuss potential collaboration and relevant PEI and Poverty-Environment Action documents were shared. A follow-up meeting took place during the first week of March 2019 where it was agreed that the priority was to identify potential synergies between Poverty-Environment Action and EU environment/climate change activities. The team shared relevant documents with the EU and it was agreed that the EU would share further information on relevant EU projects, including at the district level to take the discussions further.

- **Resource Mobilization**

Out of the total USD 20 million project budget, to date approximate USD 14.1 million are funded, leaving USD 5.9 million to be mobilized. USD 12 million of in-kind contributions are provided by UN Environment and UNDP throughout the life of the project (USD 6 million UNDP and USD 6 million UN Environment).

Signed Agreements

During the inception phase, UNDP as the Managing Agent on behalf of Poverty-Environment Action negotiated, and signed donor agreements in support of the Poverty-Environment Action project as follows:

- **Austria Development Agency:** Euro 600,000 (=USD 690,000) signed on 3 October 2018.
- **European Commission:** Euro 8.98 million (= USD 9.4 million) signed on 29 November 2018.

The following funds will be received through **UN Environment** being pooled to the Poverty-Environment Action project account held by UNDP

- **UN Environment Pooled Funds Total: USD 4 million**
- Norway: USD 1.25 million
- Sweden: USD 2.75 million

Pooled funds are dependent on the continued support from Norway and Sweden to UN Environment at current or higher level and inclusive of direct project costs for UN Environment.

2.8 Visibility and Communication

As part of the agreement with the European Commission, a visibility and communication plan was developed tailored to the objectives and activities of the Poverty-Environment Action (See Annex 8). The communications and visibility objectives of this plan showcases the UNDP–UN Environment Poverty-Environment Action, European Commission and other donors' cooperation as one that strategically enables sustainable development and poverty alleviation; and promote and inform on successful results achieved and tools developed in the frame of the UNDP–UN Environment Poverty-Environment Action/European Commission and other contributors' cooperation.

Within countries, Poverty-Environment Action will ensure that the beneficiaries are aware of the respective roles and results of Poverty-Environment Action, the EU and other contributors to the country and global projects), among Key Ministries in the beneficiary countries (Finance, Planning, Environment/Natural Resources, other development-related ministries); and Specialized Parliamentary committees. Further dissemination of key study findings and results will be promoted among Sectoral agencies and related stakeholders (agriculture, climate change, energy, mining, waste management etc.), including private sector and business-friendly non-governmental organizations, and media and civil society networks. Within the EU, Poverty-Environment Action will promote and inform on successful results achieved and tools developed in the frame of the UNDP–UN Environment Poverty-Environment Action/European Commission/Other donors' cooperation; and contribute to enhance/ensure long-term sustainability of poverty-environment mainstreaming among partner institutions, including the European Commission, UN Environment and UNDP and other donors, in particular among EU Parliament Development Cooperation, European Economic and Social, and Environment Committees, with the support of the Commission and UNDP/UN Environment Brussels.

3. Financial Update

To date, the project has received about USD 3.8 million of donor funds.

Funds received:

- Austrian Development Agency: USD 233,918. (1st installment, received on 10 Oct 2018 equivalent to EUR 200,000)
- UN Environment Pooled Funds/Norway: USD 196,000 (received on 31 Oct 2018)
- EU: USD 3,404,019 (1st installment, received on 20 Dec 2018 as EUR 2,993,334)

TOTAL income received: USD 3,833,937

2018 Provisional expenditure

To enable a smooth transition from PEI to Poverty-Environment Action, the majority of Poverty-Environment Action funds utilized during the inception phase were UNDP core resources (TRAC) as well as other parallel funding and in-kind staffing contributions. To date, all full-fledged countries with approved annual work plans have already received annual fund allocations from donor funds received as per the signed annual work plans and are in the process of fully implementing agreed activities. A summary of the provisional 2018 expenditure report can be found below in in Table 5:

Table 5: Poverty-Environment Action provisional expenditure 2018³:

2018 delivery in USD		
PEA Outputs	PEA donor funds	UNDP core funds (TRAC)&other co-financing (incl. parallel funds)
Global output	2,240	0
Lao PDR	0	107,040
Malawi	13,784	25,688
Mauritania	0	19,155
Rwanda	0	14,586
Tanzania	0	475,063
TOTAL	16,024	641,532

Table 6: UNDP and UN Environment in-kind contributions 2018 (USD)

Source of Funds	2018
UNDP Resources	43,026
UN Environment Resources	142,422
TOTAL	185,428

³ The financial expenditure information is provisional. Certified financial donor reports are issued by the UNDP Office of Financial Resources and Management on an annual basis. The 2018 certified financial donor reports are expected to be issued in June 2019.

4. The Way Forward

Poverty-Environment Action will be implemented according to the signed project document and as per the approved 2019 annual work plans. While the inception phase during 2018 was used to properly set-up and prepare the project for implementation, 2019 marks the full start of the actual implementation of Poverty-Environment Action at country and global levels. The next report in the form of the first annual progress report for the period of January to December 2019 will be provided to the project board for review by May 2020.

5. Annexes

- Annex 1: Poverty-Environment Action for Sustainable Development project document
- Annex 2: Poverty-Environment Action Technical Assistance Selection Criteria
- Annex 3: Poverty-Environment Action 2019 Global Annual Work Plan
- Annex 4: Poverty-Environment Action Results-Resource Framework (countries)
- Annex 5: Poverty-Environment Action Global Team Job Descriptions
- Annex 6: Poverty-Environment Action Project Board Minutes
- Annex 7: Poverty-Environment Action Project Board Terms of Reference
- Annex 8: Poverty-Environment Action Visibility and Communications Plan