**Final PEI Donor Steering Group Meeting report**

**18 September 2019, SIDA HQ, Stockholm, Sweden**

**Co-chairs:**

Monika MacDevette, Deputy Director, Ecosystem Division, UN Environment

Tim Scott, Team Leader of Environment and Natural Capital,

UNDP BPPS (joined via skype)

**Participants:**

Bernard Crabbe, Head of Environment and Mainstreaming, (EC-DEVCO),

Sandra Wibmer, Advisor Environment and Natural Resources (ADA),

Maria Van Berlekom, Head of Unit, Annsofie Aronsson, Senior Advisor, Environment and Climate change

Karin Isaksson, Senior Policy Specialist, Elisabeth Folkunger, Senior Programme Specialist, Eva Stephansson, Environment and Climate Change Helpdesk, (SIDA)

Lauren Naville Gisnås (NORAD)

Julian Wright (DFID)

Dechen Tsering, Regional Director Bangkok (UN Environment),

Isabell Kempf and Anne Juepner (PEA Co-Managers),

Alexandra Regner-Burke (PEA Project Management Specialist a.i)

**SUMMARY OF THE DISCUSSION, MAIN DECISIONS AND ACTION POINTS:**

1. **Welcome Remarks and introduction**

Maria Van Berlekom (SIDA) opened the meeting and welcomed all participants to the final PEI Donor Steering Group meeting. Monika MacDevette (UN Environment) thanked SIDA for hosting the meeting and welcomed all participants to the meeting. The Agenda items were agreed to be as follows:

1. PEI Final Report
2. PEI Lessons Learned
3. Catalysing/Expanding PE mainstreaming successes – Internal exchange and learning in support of the 2030 Agenda
4. **PEI Final Report**

In the first session of the meeting, Isabell Kempf (UN Environment) presented the PEI Final report. The final report, *Reward and Renewal*, reviews the five-year Phase 2 (2014–2018) of PEI, covering operations in Africa, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean, as well as the global programme operated by the joint Poverty-Environment Facility.

UN Environment and UNDP have been working jointly over the last 10 years in 29 countries to pioneer an integrated approach to poverty reduction and environmental and natural resource sustainability in national, sectoral and subnational development policy, planning, monitoring and implementation. From 2014 to 2018, PEI delivered full poverty-environment mainstreaming programmes in a total of 20 countries and provided technical advisory services in an additional 9 countries. Sound progress continued to be made through 2018 against most outcome and output indicators, and PEI has broadly met its targets. Results have been achieved through the provision of an integrated approach to mainstreaming the poverty-environment nexus in 24 national and 4,214 local development plans for 17 countries, 93 sector strategies in 13 countries, 84 budget processes in 10 countries and 56 monitoring and evaluation systems in 12 countries. The full presentation, as well as the PEI final report, is attached to these minutes.

***Main discussions***

* Elisabeth Folkunger (SIDA) highlighted that while SIDA recognizes that there had been a lot of good achievements, the question of impact remains in terms of what has been the actual change in the life of people at country level.
* Bernard Crabbé (EU) asked how this phase relates to the previous PEI phases and what has been achieved before?
* Isabell Kempf (UN Environment) said that the sector polices are different from country to country. PEI has been flexible enough to respond to this reality. Isabell noted that PEI had been successful in the UNDAF and mainstreaming but the question remained, how we can really change the way countries are thinking about development – and this is something PEI has been very successful in. While we cannot directly lift people out of poverty, we make sure that poverty reduction, that is done in a sustainable way, becomes a priority of government. One concrete example however is the Green Villages in Rwanda.
* Anne Juepner (PEA Co-Manager) further elaborated on the green villages in Rwanda, which is a hands-on illustration of how sustainable development can change the livelihoods of people in the long run. The example in Rwanda was so successful, that the Government used their own funding and replicated it in another village. The first such village was designed and implemented with PEI support to demonstrate an integrated approach to tackling Rwanda’s environment and poverty challenges. Today, around 44 green villages have been established benefiting some 2,020 households. Sustainable solutions include rainwater harvesting and water reservoirs; new agricultural practices such as agroforestry, terraces and soil erosion control; and biogas installation. The interventions have enabled community members to earn more money, improve nutrition and food security, protect natural resources and send children to school. In Lao PDR, PEI helped government entities at the provincial level to set up mechanisms to guide private sector investment, as this had never been done before. It was one of the clear examples on how PEI is helping the social and environmental safeguards for private sector investments. Also, in this case, the government, after successful completion of the pilot, provided their own funding and replicated the model also in other provinces.
* Dechen Tsering (UN Environment) noted that in the first phase of PEI, the project had been trying to look at national process, bringing PE into national development plans. PEI also looked at poverty reduction strategy papers and a lot of the work on the climate public expenditure institutional reviews, where there was a focus on climate finance. Many developing countries ended up using this as a basis for tracking climate related expenditures. In the second phase of PEI, the project went further into the sub-national level.
* Lauren Gisnås (NORAD) asked why the actual environment related expenditures of governments are not as high as they were expected and what could be done differently to be able to increase environment related expenditures?
* Isabell Kempf (UN Environment) said in the countries where the budget tagging was done, like Indonesia, there has been quite a big increase. (4% over the past 3 years). Isabell also noted that if we only measure what environmental ministry puts in, we will not see a big change. But from PEI, we measure sustainable development in other departments as well, so we have a much better idea what is really spent on sustainable development. But to measure this, is of course very complex and needs more time and resources but is something we are trying to do under PEA.
* Anne Juepner (UNDP) said that the project depends on the government budgeting timelines which are not the timelines of the programme. Anne emphasized that in order to be able to properly look at the impact level it needs a long-term perspective.
* Julian Wright (DFID) asked how the PEI experience is getting broader uptake, particularly within the institutions of UNDP and UN Environment?
* Isabell Kempf (UN Environment) said, that one example would be the cooperation with the Asian Development Bank.
* Anne Juepner (UNDP) added that work in Africa on the gender gap was jointly done with the World Bank, FAO and UN Women.
* Tim Scott (UNDP) noted that in both Mongolia and Kyrgyzstan, after the completion of PEI work, the broader UN country team took on the PEI findings on PE mainstreaming and made it the central piece of the new work around landing the SDG agenda
* Bernard Crabbé (EU) asked how to multiply the effect that PEI has had and how to further disseminate lessons learned through south-south cooperation?
* Dechen Tsering (UN Environment) cautioned to be mindful that PEI had a lot of more resources and staff than the new PEA project does, and to be realistic in how far we can reach within the scope of PEA
1. **PEI final financial report**

Anne Juepner (UNDP) presented the PEI final financial report. The presentation and the final financial report are enclosed.

***Main discussions:***

* Isabell Kempf (UN Environment) asked SIDA and NORAD whether UNEP could use the remaining balance of PEI for PEA. Elisabeth Folkunger (SIDA) said that in general it should be ok but asked for this to be communicated in writing.
* Julian Wright (DFID) congratulated PEI on its achievements and noted that a lot of the learning of PEI can be used moving forward. From DFID’s side, there is a big interest in the use of nature-based solutions and while DFID will not be part of PEA at this time, DFID is looking forward to staying in touch.
* Elisabeth Folkunger (SIDA) asked whether the project did an analysis on the countries where more in-country financing was available and what impact that had on sustainability and ownership.
* Isabell Kempf (UN Environment) said that co-financing was very important for ownership but also for partnership. In PEA, 40% of co-financing was made a requirement for the full-fledged countries to participate in the implementation of PEA.
* Anne Juepner (UNDP) mentioned that a separate financial report was submitted to the EU at the end of June 2019, as the implementation period was different. PEI is looking forward to receiving feedback from the EU before the end of September 2019.

***Decisions taken/Action Points:***

* The PEI final report (including the financial report) was endorsed by the PEI Donor Steering Group.
* Isabell Kempf (UN Environment) will send request in writing to SIDA and NORAD to be able to use the PEI balance for the PEA project.
1. **PEI Lessons Learned**

Isabell Kempf (UN Environment) held a presentation on the PEI Lessons Learned. The full presentation is enclosed.

***Main discussions:***

* Elisabeth Folkunger (SIDA) wanted to know how the PEI studies and tools are disseminated and used at the country level. In the era of UN reform and the common country analysis, how will some of your work influence these processes and how are you planning to engage more in countries where you are active in these UN processes?
* Karen Isaksson (SIDA) mentioned that SIDA uses the multi-dimensional poverty analysis when doing strategic planning at country level.
* Bernard Crabbé (EU) noted that the Lessons Learned examples are very useful. He further wanted to know whether the project had also worked on natural capital accounting, as there is renewed interest in it. Bernard also mentioned environmental fiscal reforms and wanted to know whether the project had further looked at that as well. On the multi-dimensional poverty index Bernard also asked whether PEI’s successful examples could further be mainstreamed?
* Sandra Wibmer (ADA) wanted to know whether PEI had also engaged with the NDCs? Do you see scope for mainstreaming environment poverty linkages into tools like gender analyses?
* Dechen Tsering (UN Environment) said that in the common country assessment we use a lot of learning from the first phases of PEI. The more that we have in terms of studies is very useful as it frames the discussion at country level. The new UN Sustainable Development Cooperation Framework also allows us to address transboundary issues and captures much better what is happening.
* Monika MacDevette (UN Environment) mentioned that natural capital accounts have been a powerful tool to raising awareness on the environment with countries. There are a lot of pieces of work that have informed this work on natural capital accounts. We are extending that reach under Poverty-environment action.
* Tim Scott (UNDP) said that the Lessons Learned from PEI they have been picked up
1. **Catalyzing/Expanding PE mainstreaming successes – Internal exchange and learning in support of the 2030 Agenda**

During this session, several presentations were held on poverty-environment mainstreaming and good discussions followed on PE mainstreaming successes, lessons learned and how to further advance poverty-environment mainstreaming in support of the 2030 agenda. Anne Juepner (UNDP) presented the PEI support to UN Reform / Mainstreaming for SDG Implementation (see full presentation attached). Annsofie Andersson (SIDA) presented SIDA’s environmental mainstreaming work and conclusions from OECD DAC Peer Learning Review on environmental mainstreaming (see presentation attached). Sandra Wibmer (ADA) updated the board on ADA’s work on PE mainstreaming and the recent developments in becoming GCF accredited. Sandra also shared that the peer learning exercise was discussed in the DAC meeting where 5 building blocks were identified, and 6 recommendation were issued. Sandra noted that during the next DAC meeting there will be a longer session how DAC members will proceed in following up on these recommendations. There will also be a dedicated session on reviewing the environment marker. Bernard Crabbé (EU) presented on the peer learning exercise which offered a lot of experience and lessons learned that will be useful to share with the project. Bernard also updated the board that the European Commission is currently going through a number of things. The EC is transitioning to the new commission with the new president elect, who already presented her political priorities for the new commission. One of them is the Green deal for Europe (achieving climate neutrality by 2050), the circular economy (building on the existing EU plan) trying to bring it to the next level and attention to pollution amongst others. The green new deal focuses a lot on Europe and to demonstrate that growing a competitive economy can be done while addressing issues of environment at the same time. The proposal for a new commission still must be ratified by parliament, with 2021-2027 being the next cycle. Bernard also noted that at the EC, thematic funds will decrease by around 2/3 and more than before the EC would focus on regional programmes and national programmes. This means that mainstreaming is more important than ever.

***Decisions taken/Action Points:***

* It was agreed that the team would reflect on some of the opportunities discussed and where possible reflect them in the PEA 2020 work plan
* It was agreed that this form of experience sharing will continue under PEA and the project will take this stream of conversation forward and follow up with EU, SIDA, ADA to continue the discussion