



United Nations Development Programme

SIGNATURE PAGE

Expected Outcome(s)/Indicator (s) ¹ :	Poverty-environment mainstreaming support is delivered to countries effectively.
Expected Output(s)/Annual Targets ² :	A Joint UNDP-UNEP Poverty-Environment Facility established to provide advice and support to UN country teams and programme countries to mainstream environment into national policies, strategies and programmes.

Implementing Agency:	Bureau for Development Policy (BDP), UNDP
Responsible Party:	Environment and Energy Group, Bureau for Development Policy (BDP), UNDP
Project Manager:	Philip Dobie
Location:	Nairobi, Kenya

<u>Project Details:</u>	
Project title:	Operationalizing the Joint UNDP-UNEP Poverty-Environment Facility
Project ID:	Atlas Management Project Award Number: 00047826 Project Number: 00057700
Duration:	
Start:	May 2007
End:	May 2008
Management arrangements:	UNDP Direct Execution (DEX)

<u>Project Budget</u>	
Budget:	1,145,000
General Management Fee:	7%
Total Budget	1,200,549
Allocated resources:	
Core:	937,108
Non-core (UNEP):	263,441
Unfunded budget:	0

On behalf of:	<u>Signed:</u>	<u>Name & title:</u>	<u>Date:</u>
Environment and Energy Group, BDP		Veerle Vandeweerd Director, Environment and Energy Group, BDP	24 Nov 2007
BDP, UNDP		Olav Kjørven Assistant Administrator & Director, BDP	15 Nov 07

¹ For global/regional projects, these are outcomes identified in GP/RP
² For global/regional projects, these are outputs identified in GP/RP

Philip Dobie
Project Manager





UNITED NATIONS DEVELOPMENT PROGRAMME
BUREAU FOR DEVELOPMENT POLICY

Operationalizing the Joint UNDP-UNEP Poverty-Environment Facility
(Internal UNDP Document for the Facility)

Project Manager: Philip Dobie

Project Summary: UNDP and UNEP have made good progress in recent years towards the establishment of effective cooperative working arrangements. Both organizations have an interest in ensuring that environmental management is mainstreamed into the development policies of developing countries, that developing countries maximize the benefits they derive from their environmental assets and minimize the impacts of environmental degradation. The recently published report of the Secretary General's High-level Panel on System-wide Coherence calls for greater partnership and collaboration among UN agencies at the country level. The basis for UNDP and UNEP to work together is contained in the Memorandum of Understanding between the agencies. This establishes how each institution will contribute to joint activities. The MoU has been put into practice and proven in action in several ways, principally through the joint UNDP-UNEP Poverty-Environment Initiative. It is now desirable to put in place a firm base for effective collaboration between UNDP and UNEP through the establishment of a Joint UNDP-UNEP Poverty-Environment Facility in Nairobi.

This project addresses the steps needed to set-up the Facility from an operational perspective. The global, regional, and country-level activities which are to be carried out by UNDP and UNEP jointly through the Facility – to ensure poverty-environment mainstreaming support is delivered to countries effectively – are described in the UNDP-UNEP Joint Programme Document *Scaling-up the UNDP-UNEP Poverty-Environment Initiative*.



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SECTION I. NARRATIVE

PART I. THE CHALLENGE

The Environmental Mainstreaming Challenge

Environmental conditions and access to environmental assets are closely linked to the livelihoods, health and security of people living in poverty – particularly women and children. Greatly expanded public and private investment in the productivity of these environmental assets can generate strong returns for poverty reduction, contribute to pro-poor growth and accelerate progress towards attaining all of the Millennium Development Goals. Yet, despite their critical importance, environmental assets continue to be degraded at an alarming rate. The Millennium Ecosystem Assessment found that 60% of ecosystem services are used unsustainably and concluded that “any progress achieved in addressing the goals of poverty and hunger eradication, improved health, and environmental protection is unlikely to be sustained if most of the ecosystem services on which humanity relies continue to be degraded.” Integrating poverty-environment concerns into the mainstream of development policy, planning and investment is an urgent priority.

In order to safeguard the integrity of ecosystems required for human well-being and to ensure that environmental management contributes fully to poverty reduction and the MDGs, environmental considerations must be embedded in a wide array of human activities. This includes, notably, national development planning frameworks, as well as the operations of key sectors of the economy, market-based mechanisms, and institutions and governance. This “mainstreaming” of environment is crucial for effective action to address the underlying forces that drive environmental degradation and to ensure that institutional arrangements and policies are conducive to sustainable ecosystem management.

National development strategies (including poverty reduction strategies) have emerged as primary instruments in many developing countries for development planning, resource allocation and aid coordination. They provide a critical entry point for mainstreaming MDG targets and environment issues in country priorities. These strategies are intended to address the larger factors that cause poverty and to lay out a coherent set of poverty reduction policies and measures to generate ‘pro-poor growth’. However, poverty-environment links have often been overlooked or received inadequate attention in poverty reduction assessment, planning and policy processes. Further, considerable work is needed to ensure that national budgets (including medium-term expenditure frameworks) and sectoral plans and budgets respond adequately to the poverty-environment concerns of poor and vulnerable groups. In all these areas, countries are faced with significant capacity and resource constraints and there is strong demand for policy advice and capacity development support.

PART II. UNDP AND UNEP'S RESPONSE

Addressing the coherence challenge

UNDP and UNEP have been systematically improving their working partnership over the last few years. This partnership encompasses chemicals, climate change, environmental security and other issues. The means by which UNDP and UNEP work together has been agreed through a Memorandum of Understanding.

The most systematic example of UNDP and UNEP working together is the UNDP/UNEP Poverty - Environment Initiative (PEI). This was established by combining UNEP and UNDP poverty/environment activities into a single, jointly-managed programme. When representatives of the Secretary-General's High-level Panel visited Nairobi to

discuss environmental issues, they were given a presentation on the joint PEI which was described to them as a solid example of two UN bodies combining their capacities to deliver a unified set of services for the benefit of developing countries. UNDP and UNEP informed the High-level Panel that they planned to further "concretize" the working relationship between UNEP and UNDP by strengthening the way in which the two organizations work together. The publication of the High-level Panel's report that calls upon the UN to "deliver as one" has provided the policy under which further "concretization" should occur, and it is now proposed that a Joint UNDP/UNEP Poverty and Environment Facility should be established. In February 2007 the Administrator of UNDP and the Executive Director of UNEP announced the launch of the Facility.

The Facility, therefore, will be the core means by which UNDP and UNEP combine their strengths to provide services to UN Teams. It will be established by both UNDP and UNEP assigning a small number of staff to it. Partners will be encouraged to provide experts for varying lengths of time to work with the Facility and complement its capacities. The Facility will adopt responsibility for managing the joint Poverty and Environment Initiative which will provide the programme that will ensure finance and support to countries. This document describes only the Facility and is designed to illustrate within UNDP the benefits that will be achieved and the costs involved. There is a separate programme document for the scale-up of the PEI.

Addressing the mainstreaming challenge

The Facility will provide technical products and services to UNDP Regional Centres and UNEP Regional Offices to support programmes designed to mainstream environment into development. The aim will be to strengthen support delivered through UN Country Teams for environment mainstreaming activities.

The Facility will initially be responsible for the upscaling of the joint UNDP/UNEP Poverty and Environment Initiative. A separate comprehensive proposal for upscaling the PEI has been prepared.

- The Facility will be a hub for knowledge management and support of environmental mainstreaming. Its knowledge management system will complement UNDP's existing networks and will help to make available UNEP's technical capacities for the benefit of developing countries.
- The Facility will support UNDP Regional Centres and UNEP Regional Offices with advice, information methodology and technical support. The Facility will work at the country level where appropriate in close collaboration with UNDP's MDG-support services and in close collaboration with UNDP and UNEP regional entities.
- The Facility will develop partnerships with other institutions - North and South - that play a role in the mainstreaming of environment into development. The Facility will provide support to the Poverty and Environment Partnership, especially in providing the means of putting its research and advice into operation. The Facility will invite external partners to participate in its strategic planning and operations.
- The Facility will provide technical support and backstopping.
- The Facility will manage the central process of raising funds from donors to serve as seed-funding for national mainstreaming operations. The Facility will be responsible for managing a global programme of mainstreaming support and for financial and operational reporting to donors. It is expected that most of the funds for PEI activities will be raised at regional and (especially) country level. Programme implementation will be through UNDP Country Offices and UN Country Teams with appropriate support from regional centres and offices.



PART III. IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

Governance

There will be a Board made up of the Director of UNDP's Environment and Energy Group, the Director of UNEP's Division of Regional Cooperation and other co-opted members as necessary.

The Board will be assisted by a Technical Advisory Group which will include key donor partners and international NGOs.

The Facility will be managed by a Director and Deputy Director, appointed jointly by UNDP and UNEP, who will report to the Board.

UNDP and UNEP will provide staff and secondments from partners will be encouraged. The initial task of the Facility will be environmental mainstreaming through the upscaled Poverty and Environment Initiative. It is expected that very soon UNDP and UNEP will develop further collaborative work that will add to the responsibilities of the Facility. For example, a recently agreed joint programme on climate change may benefit from support of the facility in mainstreaming adaptation efforts.

The Facility will draw expertise from within UNDP and UNEP. In the case of UNDP this will include staff of the Environment and Energy Practice, but also other Practices, principally Poverty.

Staffing and management arrangements

It is planned that the initial core professional mainstreaming staff will be six in number – three from each agency. This will expand if required by demand.

Core competencies relevant to the Facility include teamwork, technical co-operation, planning and organisation, operational project and programme design and implementation. A results-base management approach will be employed by the Facility.

It is expected that the staff assigned will reflect the particular expertise of each agency, plus experience of national environmental mainstreaming. For example, in the case of UNDP, staff will reflect UNDP's comparative advantage in country level operations, national level mainstreaming, knowledge management, monitoring and reporting, operational and financial management (see Annex 3). UNEP staff will reflect UNEP's growing experience with national mainstreaming in part through joint projects with UNDP, as well as drawing on UNEP's experience in environment assessment, environment economics and environment policy and law.

UNEP will assign staff to the Facility and continue to provide their salaries and support. UNEP's funding contribution for operations will be transferred to UNDP for management under this project. All Facility staff (including UNEP) will be given access to Atlas to fulfill their functions in line with existing UNDP procedures. Local administration support will be provided by the UNDP Drylands Development Centre and UNDP Kenya.

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The Joint UNDP/UNEP Facility and UNDP Regional Centres

The principal clients for the services of the Facility will be the Regional entities of UNDP and UNEP and countries. The Facility, the UNDP Regional Centres and UNEP Regional Offices will cooperate to support countries within the respective regions. If asked, Facility staff could be made available for country-level work.

Nairobi is the logical base for the Facility given the presence of UNEP Headquarter, the global nature of the responsibilities of the Facility, and existing UNDP capacity.

Timing of roll-out

It is envisioned the setting-up of the Facility will be carried out over a course of a year (May 2007 to May 2008).

Monitoring

The monitoring and evaluation of this project will be performed based on UNDP rules and regulations. Progress review and reports on an ad-hoc basis will be provided. An evaluation of the project will be made against the outputs as per the Results and Resources Framework.

Performance indicators

- UNDP Senior managers in place by 31 May 2007.
- Fifty percent (50%) of the Facility's staff in place and operating by 1 November 2007.
- Knowledge Management system (platform) established and fully functional by 31 December 2007.
- Full staffing in place by 31 May 2008.

Risks

The setting-up of this joint Facility builds on a long and comprehensive series of discussions and agreements between UNEP and UNDP as well as their existing partnership the Poverty - Environment Initiative, an initiative that is anchored in an ever increasing country-demand. UNDP and UNEP's partnership is backed by a Memorandum of Understanding (Annex 2), and an Aide Memoire (Annex 1) that further elaborates the specific ways in which the two organizations plan to translate the MOU into action. A key feature of this Aide Memoire is the establishment of this joint Facility in Nairobi. This proposal has been tabled and received approval from the highest management levels in both organizations. Given this history, this is a relatively low risk project. However the following risks are anticipated and appropriate action will be planned in advance and implemented to avert them.

1. Challenges in setting-up a coherent staff management and financial system may result due to existing incompatibilities between UNDP and UNEP's human resources management and financial systems. To address this risk, an agreement has been reached for UNDP and UNEP to adopt a common financial system, Atlas, for operationalizing the Facility. To this end, UNDP and UNEP staffs with expertise in Atlas are working on setting-up a joint financial management system.
2. The process of getting UNDP's Regional Service Centres established and functional has been very slow, particularly in the Africa and Arab States regions. Given the key role accorded to the Regional Service Centres in the design of the service delivery modality envisioned by the Facility, this will be a key challenge that needs to be overcome. The Facilities management team will actively work with the Regional Bureaux of Africa and the Arab States to address this issue.



PART IV. LEGAL CONTEXT

The administration of this project shall be governed by UNDP rules and procedures as defined in the Results Management Guide. Notwithstanding the completion of the projects financed from this contribution to the fund, any unutilized balances shall continue to be held in the fund account until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion.



Intended Outcome: Poverty-environment mainstreaming support is delivered to countries effectively.
Applicable MYFF Service Line: Multiple service lines in all practices.
Partnership Strategy: A joint venture between UNDP and UNEP.

Atlas Management Project Project Title: Operationalizing the UNDP-UNEP Poverty-Environment Facility Award Number: 00047826 Project Number: 00057700				
Intended Outputs	Output Targets/ Indicators for (years)	Indicative Activities	Responsible parties	Inputs (2007/2008) (US \$)
Have a physical office space set-up for the UNDP/UNEP Poverty and Environment Facility	-An office facility that is large enough to accommodate all staff and is fully equipped	-Identify space, secure via rent arrangement, purchase and install all the necessary office equipment as well as communication and information technologies, security arrangements etc.	Director	518,000
To deliver effective poverty-environment mainstreaming support to countries as global, regional, and country levels	-UNDP Senior managers in place by 31 May 2007. -Fifty percent (50%) of the Facility's staff in place and operating by 1 November 2007. -Full staffing in place by 31 May 2008.	- Define TORs for the relevant staffing position -Recruit staff as per UNDP's regular recruitment procedure	Director	478,000
Knowledge Management system (platform) in place and operational.	-Knowledge Management staff recruited and KM system (platform) established and fully functional by 31 December 2007.	-Recruit KM staff as per UNDP's regular recruitment procedure -Set-up a KM system appropriately link to other existing relevant Knowledge Networks and KM systems in EEG including GEF and other parts of UNDP	Director	260,000



SECTION III. BUDGET

Budget year: 2011

Item	Cost UNDP	Cost UNEP
PERSONNEL		
1. Personnel Costs (international)		
Director (D2)	*	
Facility Manager (D1)		**
Senior Advisor (L5)	175,000	
Knowledge Manager (L4)	140,000	
Mainstreaming advisor (L4)		**
Assistant Manager (P3)		**
2 x assignment grant	32,000	
2 x security allowances	24,000	
2 x home leave	16,000	
2. Personnel Costs (Local)		
Partnerships and operations manager (G7)	47,000	
G6		**
G5 (50%)		**
P3 FMO (20%)		**
P2 AO (20%)		**
Learning (5%)	20,000	
PERSONNEL COSTS SUB-TOTAL (1+2)	407,000	
DIRECT COSTS		
3. Accommodation		
Rent/maintenance		45,000
Moving costs	3,000	
Refurbishing new premises	25,000	
Upgrade/purchase of furniture, computers, IT equipment	75,000	



4. Operations		
Travel and operations	350,000	50,000
Consultants		125,000
Communications, printing		25,000
Maintenance, supplies	40,000	
DIRECT COSTS SUB-TOTAL (3+4)	493,000	245,000
5. GMS (7% for 3+4)	37,108	18,441
TOTAL	937,108	263,441
GRAND TOTAL		1,200,549

* Already costed – current Director of UNDP Drylands Development Programme.

** UNEP direct support – not included in this budget.



ANNEX 1 - UNDP/UNEP AIDE MEMOIRE

Joint Aide Memoire on UNDP-UNEP Strategic Partnership Summary of Meetings held at UNEP, Nairobi, 18-19 July 2006

The overall goal of the strengthened UNDP-UNEP partnership is:

- To mainstream environment into development planning and implementation processes at the local, national and regional level.

Specific objectives that UNEP and UNDP will pursue over next 6 months:

- Show UN-reform is happening in practice and take a pro-active approach towards the Coherence Panel on UN-Reform;
- Agree on the range of comparative advantages of both organisations and the products and services they can provide within the cooperative framework;
Build a strategic partnership and common agenda in mainstreaming environment into national development policy frameworks, using each other's comparative advantages to scale up support at the country level;
- Develop an agenda for expanded collaboration at global, regional and national levels;
- Remove obvious procedural and administrative obstacles (e.g. incompatibilities in financial management systems) for expanded collaboration.

In order to achieve this, UNDP and UNEP, amongst others, agree to:

- Operationalize immediately their joint MOU;
- Make optimal use of the individual institutional comparative advantages to provide joint advisory and technical services to respond to capacity building needs of countries upon demand;
- Work towards a common approach and agenda on environment and development, particularly at the national level;
- Building on the experiences with PEI in Africa, expand joint support to mainstreaming environment into development planning and poverty reduction in a large number of countries in Africa as well as in at least 2 countries in each of the other regions, including the identification of capacity building and technology support needs. In some countries, the PEI programmatic approach will be broadly applied while for most countries, targeted mainstreaming services will be provided.
- Put in place a cooperative framework between UNDP regional centres and UNEP's regional offices to improve coherence and coordination.

Operational modalities include:

- Develop immediately a preliminary concept note of cooperation between UNEP and UNDP focusing on the agreed key areas of cooperation;
- Submit to the UN Reform Panel a credible paper demonstrating current co-operation between UNDP and UNEP and providing an ambitious action agenda for enhanced, results-oriented cooperation;
- Identify a set of indicators to monitor progress of the cooperation on a regular basis;
- Jointly develop a joint, Nairobi-based facility (Poverty and Environment) with the following key elements:
 - It should be an operational hub for demand-driven support to countries, drawing on the comparative strengths of both organisations;
 - It should be built on the on-going PEI;
 - It will be transformed into a Knowledge Centre in the area of Poverty and the Environment;
 - It will have an initial focus on Africa (but will provide backstopping support to other regions when requested);
 - It will be jointly managed with the existing Drylands Development Centre and will share staff and other resources;
 - It will link to the Bali Strategic Plan and UNDP's Integrated Package of Services;

The centre will have the following key functions:

- Providing technical and advisory support (including through tools, methodologies, expertise and knowledge) to countries for mainstreaming environment into development policies and planning processes, including for identifying the capacity building and technology support needs and who can respond to them;
- Providing support on demand to countries and sub-regional organisations;



- Providing support to UNDAF and CCA processes by providing relevant and up-to date environment information;

Develop operational modalities for joint programming and fundraising (biennial action plan as called for by UNDP-UNEP MOU and service delivery at the regional level, taking a regionally differentiated approach; In depth review of the governance and programmatic structures and processes within UNDP and UNEP and implement the necessary changes to effectuate the cooperation, including through changes in the Programme of work (and possibly PAS system).)

Thematic areas for immediate cooperation will include among others:

Scale-up the joint Poverty and Environment Initiative (PEI) as a global platform for supporting country-led environmental mainstreaming efforts, incorporating additional countries in other regions;
Cooperate in the area of capacity development and in particular, elaborate practical approaches for substantive collaboration in implementing the Bali Strategic Plan (BSP), including through joint fundraising and not least in the context of the joint centre, in time for presentation to the next session of the UNEP GC (February 2007) and relevant UNDP governing body;
Adaptation: develop a closely coordinated approach;
Biodiversity: Millennium Ecosystem Assessment follow-up;
Capacity building for environmental governance (in context of Bali);
Chemicals: expand and deepen existing collaboration.

Timetable:

Agree on aide memoire;
Develop aide memoire into a concept note for discussions between Kemal Dervis and Achim Steiner on 26 July 2006;
Provide strategic input to the UN Reform Coherence Panel meeting in Cairo, mid August 2006, illustrating concrete and effective cooperation and long term planning between the two organisations;
Mid-September: concept note on joint centre in Nairobi;
Mid-September: concept note on arrangements for UNDP UNEP co-operation in other regions (Asia and Latin-America), incl. potential pilot countries;
Have a joint paper presented at the 24th session of the UNEP Governing Council and relevant UNDP governing body.

24 July 2006



ANNEX 1: ONE-PAGE MEMORANDUM OF UNDERSTANDING

